



JOINT PROGRAMME PROPOSAL

PROGRAMME TITLE: JOINT UNDP-UNEP POVERTY-ENVIRONMENT INITIATIVE 2013-2017

IMPLEMENTING PARTNERS: UNDP and UNEP

PROGRAMME DURATION: JANUARY 2013 – DECEMBER 2017

FUND MANAGEMENT OPTION: POOLED FUND, THROUGH ATLAS AWARD

MANAGING AGENT: UNDP

ESTIMATED BUDGET NEED: USD 40 million over 5 years (av. USD 8 million/year)

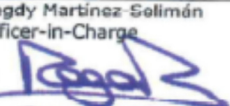
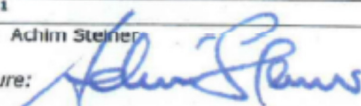
EXPECTED OUTCOME: Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals.

EXPECTED OUTPUTS:

- Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied
- Output 2: Cross-sectoral budget and expenditure processes, and environment-economic accounting systems institutionalised
- Output 3: P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and Member States

Programme Duration: <u>5 years</u> Anticipated start/end dates: <u>1/2013–12/2017</u> Fund Management Option(s): <u>Pooled</u> (Parallel, pooled, pass-through, combination) Managing or Administrative Agent: <u>UNDP</u> (if/as applicable)	Total estimated budget*: <u>40.0m</u> Out of which: 1. Funded Budget: <u>9.9m</u> 2. Unfunded budget: <u>30.1m</u> * Total estimated budget includes both programme costs and indirect support costs
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Sources of funded budget**: Donors <u>9.9m</u> ** Excludes country level and co-financing by bilateral donors and government resources.

UNDP Name: <u>Magdy Martínez-Sellmán</u> Officer-in-Charge Signature:  Date: <u>04 JUN 2013</u>	UNEP¹ Name: <u>Achim Steiner</u> Signature:  Date: <u>15/06/13</u>
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¹ See Annex 5 (page B1) for UNEP Divisional sign-off

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ACRONYMS

A-P	Asia-Pacific
CBA	Cost-Benefit Analysis
CC(A)	Climate Change (Adaptation)
CO	Country Office (UNDP)
CT	Country Team (PEI/UNDP)
DEPI	Division for Environmental Policy Implementation (UNEP)
DEWA	Division of Early Warning and Assessment (UNEP)
DRC	Division for Regional Cooperation (UNEP)
DSG	Donor Steering Group
DTIE	Division for Trade, Industry and Environment (UNEP)
EEG	Energy and Environment Group (UNDP)
ECIS	Europe and the Commonwealth of Independent States
E(S)IA	Environmental (and Social) Impact Assessment
GE	Green Economy
DGG	Democratic Governance Group (UNDP)
ILO	International Labour Organisation
IPBES	Inter-governmental Panel on Biodiversity and Ecosystem Services
JMB	Joint Management Board
KICG	Knowledge, Innovation and Capacity Group
LAC	Latin America and the Caribbean
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MTR	Mid-Term Review
P-E	Poverty-Environment
PEF	Poverty Environment Facility (joint UNDP & UNEP)
PEI	Poverty Environment Initiative (joint UNDP & UNEP)
PES	Payment for Ecosystem Services
PEN	Poverty-Environment Nexus
P/F	Ministries of Planning/Finance (can also be Economy/Development)
PG	Poverty Group (UNDP)
RB	Regional Bureau (UNDP)
RBA	Rights-based Approach
RBM	Results-based Management
RT	Regional Team (PEI formed by UNDP-UNEP staff)
SD	Sustainable Development
TAG	Technical Advisory Group (for PEI)
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNCSD	United Nations Commission on Sustainable Development
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDESA	United Nations Department of Economic and Social Affairs
UNDP (CO)	United Nations Development Programme (Country Office)
UNEP	United Nations Environment Programme
UNSTAT	United Nations Statistics Division
WAVES	Wealth Accounting and Valuation of Ecosystem Services
WB	World Bank

Executive Summary

The joint UNDP- UNEP Poverty-Environment Initiative (PEI) is a global programme that supports country-led efforts to mainstream P-E linkages into national development policy, planning and budgeting processes. P-E mainstreaming involves establishing the links between environment and poverty, and then identifying which policies, planning and budgeting processes can bring about better pro-poor environmental management in order to help achieve development goals such as MDGs and future SDGs. PEI provides an important example of UN reform that has demonstrated an integrated, programmatic approach to support countries. The focus of PEI work is on capacity development to 'operationalize' mainstreaming in development policy frameworks and their implementation. UNDP and UNEP believe there is now a unique opportunity to strengthen and consolidate the PEI partnership to effectively address increasing demand resulting from the important achievements made so far. This joint programme document (PRODOC) outlines the proposed PEI programme for the period 2013-2017 (5 years) and corresponds to the second phase referred to in the original PEI Scale-Up PRODOC.

The PEI scale-up phase 2008-2012 demonstrated economic, social and environmental results from integrating poverty and environmental linkages in development policy, planning and budget processes. The process however requires a sustained engagement over time in order to realise direct economic, social and environmental gains. The PEI lessons learned have contributed to a strengthened PEI strategy for the period 2013 - 2017 which is centred on an enhanced *theory of change*. The next phase of PEI will focus on 3 key areas, including:

Strengthen outcomes from current country portfolio

Effective P-E mainstreaming requires a concerted programme of support over a 10 to 20 year horizon. The current 18 PEI country programmes, and technical support in another 10 countries, are largely all nearing between 2-6 years of PEI support.

Deepening engagement on regional implementation strategies

The establishment of joint UNDP-UNEP PEI regional teams has supported effective PEI country implementation and the application of PEI lessons and approaches in the work of UNDP and UNEP. They have also played an important role to leverage funds to support country programmes through linkages with UNDP CO programmes.

Inform the global sustainable development debate

PEI continues to analyse achievements and lessons learned to build on PEN knowledge and prepare products to influence regional and global development agendas in support of sustainable development.

1. SITUATION ANALYSIS

1.1 Introduction

Environmental conditions and access to natural resources and other environmental goods and services are closely linked to the livelihoods, health and vulnerability of every inhabitant of the world and specifically for people living in poverty – particularly women and children. Expanded public and private investment to improve the poor's access to these environmental assets can generate strong returns for poverty reduction, contribute to pro-poor growth and accelerate progress towards attaining the Millennium Development Goals (MDGs).

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 the poverty-environment nexus (PEN) concerns into the mainstream of development policy, planning and investment is therefore an urgent priority¹.

Sectors of particular significance in this respect include finance and economic planning, natural resource management, agriculture and rural development, water resources management, biodiversity and nature conservation, local government, infrastructure and transport, tourism, and fisheries and waste management whilst key drivers such as climate change, investment (both domestic and foreign), and trade exert strong influences and are themselves strategic from a mainstreaming perspective.

This document outlines the joint UNDP-UNEP Poverty-Environment Initiative (PEI) programme for the period 2013-2017 (5 years) and defines a second phase that was anticipated in the original PEI Proposal (2007). It takes into account achievements and lessons learned to date (PEI Africa Pilot and Scale-up 2007-2012), the outcomes of external evaluations, requests for support by developing countries and guidance by the PEI Joint Management Board and other stakeholders such as bilateral donors. The proposed second phase incorporates the learning from the current PEI-supported countries but it is also cognizant of the increasing complexities of development challenges as defined in the UN Commission on Sustainable Development's Rio+20 Summit outcome document and the evolving Post2015 development agenda.

1.2 Renewed commitments for sustainable development

The international community increasingly seeks to work with national governments on the integration of the economic, social and environmental strands of sustainable development (SD) in response to a number of present day development challenges. While MDG 1 on poverty reduction may be achieved, absolute poverty currently stands at around 1.2 billion people, and 70% of these people depend on natural resources for all or part of their livelihoods (Green Economy Coalition, 2012). The number of chronically undernourished people has risen steadily, reaching an estimated 925 million in 2010 (FAO, 2011). Environmental sustainability goals are persistently challenged in many countries and the resilience of life supporting ecosystems is being increasingly tested.

Technical solutions to environmental problems are not sufficient. Well-functioning institutions and governance systems are prerequisites for managing environmental resources in better ways, for the effective application of technology and the proper functioning of infrastructure, and for providing the poor with environmental services. The lack of enabling environments and poor performance of governments are detrimental to the development of its people and result in wasted resources, undelivered services, and denial of social, legal, and economic rights of citizens – especially the poor.

The Rio+20 Summit (June 2012) outcome document, “The Future We Want”, reaffirmed commitments towards SD and highlighted once again the interconnection of the three aspects of SD. It also

¹ IIED/IUCN/UNDP/UNEP/WRI (2005), *Sustaining the Environment to Fight Poverty and Achieve the MDGs: The Economic Case and Priorities for Action – A Message to the 2005 World Summit*; WRI (2005), *World Resources 2005: The Wealth of the Poor – Managing Ecosystems to Fight Poverty*; DFID/EC/UNDP/World Bank (2002), *Linking Poverty Reduction and Environmental Management: Policy Challenges and Opportunities*.

provided consensus towards new development approaches that include among others: 1) balancing government-led national and sub-national development planning with rights-based and community-led development approaches; 2) national and sub-national institutional frameworks that enable effective integrated, cross-sectoral, development planning that address the connectedness between the three SD pillars; 3) going beyond GDP to include the environmental and social costs and benefits associated with growth and the full economic value of ecological services and biodiversity; 4) transitioning towards an inclusive, greener, economy that delivers triple wins in a socially just manner.

1.3 PEI approach and tools for Poverty-Environment Mainstreaming

Definitions of Poverty-Environment (P-E) and P-E Mainstreaming

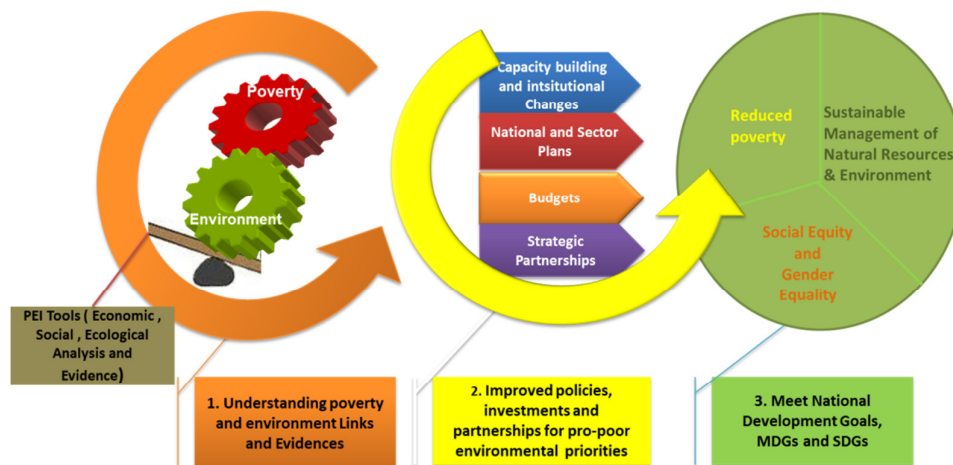
Poverty-Environment (P-E linkages) - sometimes termed the poverty-environment nexus (PEN) - integrate the concept of pro-poor environmental sustainability, including sustainable use of natural resources, adapting to climate change, a focus on poverty reduction and equity especially for marginalised groups (including women and indigenous peoples), and working towards inclusive green growth.

Poverty-Environment mainstreaming is thus the iterative process of integrating poverty-environment linkages into policymaking, budgeting and implementation processes at national, sector and subnational levels. It is a multi-year, multi-stakeholder effort that entails working with State actors (such as head of state's office, environment, finance and planning bodies, line Ministries, Parliaments and local authorities) and non-State actors (such as civil society, academia, the private sector, general public and communities, and the media).

The PEI programmatic approach for mainstreaming P-E linkages into national development policy and planning processes consists of three components²:

- Finding the entry points and making the case: which sets the stage for mainstreaming
- Mainstreaming P-E linkages in planning and policy processes: integrating P-E linkages into an on-going policy process (e.g. medium term national development plans, PRSP, or sector strategies based on country-specific evidence).
- Meeting the implementation challenge: aimed at ensuring integration of P-E linkages into budgeting, implementation and monitoring processes (behavioural and institutional changes).

Figure 1: PEI Programmatic Approach



² "Mainstreaming Poverty-Environment Linkages into Development Planning: A Handbook for Practitioners", UNDP-UNEP PEI, 2009

The programmatic approach is applied as a flexible model to guide the choice of methodologies and tools and associated activities in response to a particular country demand and situation. Methods and tools under each component listed below in table 1 need not be applied sequentially. Indeed, some tools - such as gender and equity analysis and data disaggregation – are required to cut across activities and planning at all levels and at all times.

Below we provide a list of the most useful tools according to the experience gained from the PEI Africa Pilot to the end of the PEI Scale up.

Table 1: THE PEI TOOLKIT

PEI APPLIED TOOLS	TOOL MAIN APPLICATION AREA
<ul style="list-style-type: none"> • Communication Strategies • Climate Public Expenditure and Institutional Reviews • Economic Analysis of sustainable and unsustainable use of natural resources • Environmental (and Social) Impact Assessment • Household Surveys (social protection and household assets) • Integrated Ecosystem Assessments • Institutional Capacity Assessments • Monitoring and evaluation of P-E linked indicators in national M&E systems • Public Environment Expenditure Reviews • Strategic Environmental and Social Assessments • Valuation of Ecosystem Services 	<ul style="list-style-type: none"> • Awareness raising • Advocate for fiscal reform • Inform context of PEN for country/region • Making the economic case • Inform policy making - environment • Inform policy making – poverty • Inform country programme development • Inform policy making and implementation • Making the case – wider audience • Advocate for fiscal reform • Inform integrated policy and planning processes

1.4 PEI overview: 2005 - 2012

PEI focuses on the poverty-environment nexus (PEN) at national level and bringing the evidence to the attention of decision-makers to justify improved development policy, planning, and budgetary allocations (Figure 1). PEI provides financial and technical assistance to government partners to set up institutional and capacity strengthening programmes at national level to better integrate PEN objectives into development planning and budgetary processes to help achieve development goals. The programme is implemented through a joint Poverty-Environment Facility, regional teams in four regional UNDP-UNEP offices (responsible for technical assistance), and 18 on-going country teams.

The joint UNDP-UNEP Poverty-Environment Initiative (PEI) is an innovative programme at the forefront of mainstreaming the PEN into national policy-making, planning, and budgetary processes. It has widespread support from partner governments and has experienced high demand with 36 additional requests during the scale-up phase. It is a flagship example of joint UNDP-UNEP programming and represents a working example of “One UN”.

Since 2007 the joint UNDP-UNEP PEI has supported 28³ countries, either through fully, funded country programmes with technical assistance (TA) or through periodic TA inputs only, to draw on P-E issues, and assist decision-makers to better integrate P-E into development policy and planning by supporting capacity development of institutions and individuals.

In financial terms PEI mobilized and committed US\$ 27.74 million for the PEI Scale-up Programme (2008 to 2012)⁴ which in turn catalysed an additional US\$ 20.07 million at country level in support of P-E mainstreaming (see table No 1 in Section 5). In country level support has comprised of: UNDP Country Office core funds (TRAC) = US\$ 7.61 million; country level co-funding from bilateral donors (US\$ 9.66 million); and Government cash/in-kind estimated at US\$ 2.8 million. The proportion of in-

³ 19 countries programmes in: Bangladesh, Bhutan, Botswana, Burkina Faso, Dominican Republic, Kenya, Kyrgyzstan, Lao PDR, Malawi, Mali, Mauritania, Mozambique, Nepal, Rwanda, Tanzania, Tajikistan, Thailand, Uganda and Uruguay. Technical assistance and scoping inputs in 9 countries: Armenia, Burundi, Guatemala, Liberia, Papua New Guinea, Philippines, Sri Lanka, Timor Leste and Viet Nam

⁴ Excludes UNDP country TRAC funds and UNDP and UNEP core funds

country funding has steadily increased over time since the beginning of the Scale-up, demonstrating growing ownership and recognition of the effectiveness of PEI's mainstreaming approach.

As of mid-2012, the current on-going country programmes are at advanced levels of progress and are on track to deliver intended mainstreaming outcomes. The evaluations and reviews of PEI have highlighted positive impacts in a number of PEI supported countries noting the likelihood of success. However these same reviews recognise that capacity development for effective mainstreaming (reflecting behavioural and institutional changes) is a long-term prospect (10-20 years). Therefore, continuation of the PEI programme for the period 2013 to 2017 is an important recommendation from the reviews undertaken to date. However, it is recognised that a number of programmatic and operational improvements to enhance efficiency and effectiveness in order to strengthen PEI outcomes are required. These are summarised below and have served to inform the strengthening of the PEI programmatic approach, the overall global, regional and country programmes, and the management of the programme>

An independent Mid-Term Review (MTR), (November 2011), found that PEI is:

1. Bringing together poverty alleviation and environmental management, making the case for sustainable development;
2. Providing practical approaches and tools for mainstreaming, otherwise an intangible concept;
3. Assisting governments in mainstreaming P-E into policies and plans (e.g. 5-year national development plans, sector plans and budget processes), and building of capacity to implement those policies/plans;
4. Strengthening coordination at national level, by working through Ministries of P/F and connecting those to the Environment sector;
5. Acting as a model of joint UNDP-UNEP co-operation for addressing the P-E agenda more broadly, in particular through sustained engagement at the country level; and,
6. Contributing to the "One UN" reform process in general, and the UNDP-UNEP Memorandum of Understanding specifically, through engagement in the elaboration, implementation and monitoring of UNDAFs, and by providing on-going support for P-E issues through UNDP Country Offices through multiple 2-3 year project implementation phases.

Key MTR recommendations for PEI 2013-2017 include:

7. Strengthen the conceptual and implementation aspects of the "poverty" dimension of P-E mainstreaming through strengthened application of poverty assessments at country level, gender issues and adherence to human rights principles.
8. Strengthen programmatic approach to strengthen: 1) institutional and political economy context analysis and 2) social assessments to improve country programme design that effectively match identified P-E mainstreaming entry points.
9. Strengthen focus on economic analysis, valuation and links to national economic systems in particular national and sub-national budget processes.
10. Strengthen focus on cross-sectoral orientations in policy, planning and budgeting processes.

1.5 PEI Summary of achievements

PEI's impact on institutions, policies and investments is the result of innovative and practical approaches which vary from capacity building for decision makers in sustainability and climate change adaptation; to producing socio economic research and analysis; tracking public spending or improving enforcement of environmental regulations (see Box 1). The PEI has support of bilateral donors (currently the Governments of Belgium, Denmark, Germany, Ireland, Norway, Spain, Sweden, the United Kingdom, the European Commission and the United States) and benefits from strategic partnerships with local and international think tanks to a wide range of interventions.

Catalysing value for money

Capacity development is at the heart of the PEI approach with a focus on sustainable development policies and improved coordination across government agencies and with development partners. Improving policy, planning and budgeting processes facilitates collaboration and helps redress

competition for resources and for governments to adopt linked environmental sustainability and pro-poor policies, laws and expenditures. Past PRSP and UNDAFs have been criticised for the lack of integration and adequate funding for P-E issues. PEI scale up work has improved coordination and capacity resulting in improved integration of PEN in development plans and programmes, therefore promoting increased allocation of resources to poverty reduction and environmental sustainability for country programmes.

The proportion of funding for PEI country projects has steadily increased over time since the beginning of the Scale-up which demonstrates the effectiveness of PEI's approach. This is supported by:

- UNDP Country Offices core funds represent 35% of PEI overall expenditures in 2011
- 4% of total PEI resources come from recipient government contributions
- PEI has catalysed over US\$ 10 million co-funding in PEI countries from bilateral donor programmes supporting P-E mainstreaming.

As a result of the co-contributions to PEI scale-up funds the return on investment for bilateral donors is 1:0.7 which highlight also increased ownership by the two programme partners.

Enabling conditions for sustainable development

PEI leadership and facilitation has increased in-country collaboration and awareness among key stakeholders on P-E issues and created enabling conditions at policy and institutional levels across sectors:

- Sustainable development principles and environmental management issues have been integrated or are on track to integrate into national development plans (i.e. PRSPs) in 20 countries⁵;
- Improved implementation of national development plan commitments as a result of improved monitoring of P-E indicators and the translation of national development priorities into sector plans, policies and budgets in 15⁶ countries; and
- Increased national budget allocations and increased levels of financial support by UNDP Country Offices, UNEP sub-programmes, in-kind Government support and in-country donors in 17⁷ countries.
- Through engagement with the United Nations Country Teams (UNCT) PEI has successfully integrated P-E objectives into 16 UN country programmes through the Country Assessments (CA) and the UN Development Assistance Frameworks (UNDAF) and the UN reform modalities (e.g. One UN) where it operates.

PEI as a collaborative knowledge platform

PEI acts as a knowledge platform (or hub) on PEN related issues and provides knowledge management support to regional and country teams. PEI targets development policy and planning for integrating pro-poor and environmental management issues, substantiated by economic, social and ecological evidence, to inform decision-making by national stakeholders. In turn, country and regional PEI teams draw on UNDP and UNEP thematic programmes related to depending on context and demand. Best practices have been collated and disseminated and numerous south-south professional and technical linkages have been facilitated.

The continuation of PEI is a high priority for both organizations, as reflected in past Decisions taken by the UNDP Executive Board and the UNEP Governing Council, which support the adoption of the PEI experiences and which increasingly bring P-E mainstreaming into the core mandate and operations of both organisations.

Overall, the cooperation between UNDP and UNEP on PEI continues to evolve and is needed to implement PEI's cross-cutting dimension effectively. Benefits have accrued from the collaboration between UNEP as a non-resident agency (NRA) working operationally through UNDP at the country level as PEI has developed its experience to improve the effectiveness of technical advisory services.

⁵ Bangladesh, Bhutan, Botswana, Burkina Faso, Burundi, Dominican Republic, Kenya, Kyrgyzstan, Lao PDR, Malawi, Mali, Mauritania, Mozambique, Nepal, Rwanda, Tajikistan, Tanzania, Thailand, Uganda and Uruguay

⁶ Bangladesh, Bhutan, Burkina Faso, Lao PDR, Malawi, Mali, Mauritania, Mozambique, Nepal, Rwanda, Tajikistan, Tanzania, Thailand, Uganda and Uruguay.

⁷ Bangladesh, Bhutan, Burkina Faso, Burundi, Dominican Republic, Lao PDR, Malawi, Mali, Mauritania, Mozambique, Nepal, Philippines, Rwanda, Tajikistan, Tanzania, Thailand and Uruguay.

Strengthened collaboration across UNDP Country and Regional Office Units is particularly strong. Further evidence of strengthened collaboration can be found in PEI Annual Reports.

“The Poverty-Environment Initiative represents good practice and should be scaled up to provide a model of how UNDP does business at the country level. It should also be used as a model for working together with UNEP and other agencies.”

(source: The UNDP Poverty-Environment Nexus Evaluation, September 2010)

At its 26th session in 2011 the UNEP Governing Council decided to ***“urge UNEP to consider using the Poverty-Environment Initiative as a model for future collaboration with the UNDP and other UN agencies, where relevant, building on the comparative advantages of each organisation”.***

“The joint UNDP-UNEP Poverty-Environment Initiative is one of the best used examples of how UN agencies can work positively in partnership.” (source: DFID’s Multilateral Aid Review 2011)

Box 1: WHAT HAS WORKED?

SUMMARY OF SELECTED HIGHLIGHTS FROM THE PEI SCALE-UP PHASE 2008-2012 ⁸						
Countries / areas	P-E Catalyzing More and Better Funds	P-E Common Understanding & Evidence	Better Plans and Policies for P-E	Budget Changes to Support P-E	Institution Changes and Capacity to Sustain P-E	Example/s
Bangladesh						*The CPEIR carried out together with ODA revealed that costs of climate change adaptation for poor and landless households often exceeds their incomes, sometimes by more than double, prompting the introduction of a climate budget code and application of P-E criteria for new investment approvals.
Bhutan						*Integrating P-E concerns into national, sectoral and local level plans is the backbone of the pursuit of Gross National Happiness (GNH), with a policy screening tool supported by PEI recognized by Time Magazine in 2012 and already applied to eight government policies.
Botswana						*Poverty and Social Impact Analysis informs agricultural development to ensure that farmers access the most appropriate seed types to contribute to rural poverty eradication and heightened food security. Partnership with WAVES leads to establishment of Natural Capital Accounting for Water.
Burkina Faso						*The Ministry of Finance introduced P-E budgetary guidelines, guaranteeing the participation and addressing the concerns of environmental actors in the budgetary planning process and developing an investment programme 2013-2017 that includes a chapter on inclusive green economy for the first time.
Dominican Rep.						*P-E linkages have been integrated into each of four pillars of the National Development Strategy 2012-2030 and in partnership with the Spain-supported Regional Gateway for Climate Technology and Policy Innovation (REGATTA) programme (UNEP). PEI approach has been applied to implement social safety nets to mitigate climate change impacts to poor households.
Guatemala						*Integrated assessment involving government and civil society – including indigenous people - maps out ecosystem threats, services and opportunities and environment, social development, food security and local government authorities jointly draft development plans.
Kenya						*P-E indicators used now in national and sub-national (district) planning processes and monitoring systems, leading to a review of national indicators and monitoring of

⁸ see Annex 1 for fuller details on these and other achievements per country

						the Kenya Vision 2030 process.
Kyrgyzstan						*Following on from the UNDAF (2012-2016) featuring P-E as a single thematic pillar for the first time, the government and PEI have now partnered with OECD to integrate inclusive green growth indicators into the next National Development Plan.
Lao PDR						*Baseline and P-E indicators for direct (private) investment led to a government tracking tool that improves the “quality” of private sector development, and government partners with Swiss Development Cooperation catalyze US\$ 4 million for P-E and climate change mainstreaming.
Malawi						*Building on successful integration of P-E and climate indicators into plans and agriculture policies and the strategic use of economic evidence highlighting the fuller costs of unsustainable resource use, Government announced its intention to allocate almost \$58 million on environment & CC.
Mali						*Following ‘green’ PRSP and despite serious political and security related challenges, Ministry of Economy and Finance undertakes 1st ever Public Environmental Expenditure Review in 2012, responding to an economic assessment showing 21% of GDP lost due to NR unsustainability.
Mauritania						*P-E linkages integrated into the economic and social pillar of the PRSP 3, UNDAF (2012-2016) and national environmental plan, and funds obtained from the Spain-supported MDG-F for joint programming on P-E and climate change. GIZ commits US\$1.9 million to develop M&E system for natural resources.
Mozambique						*Capacity building, integration of P-E into national development planning, and a Ministry of Planning and Development “Mainstreaming Matrix” tool contribute to Danida’s commitment of US\$2.75 million for P-E and climate and development of a Green Human Development Project (Ireland US\$ 3 million).
Nepal						*Using a new climate change budget code from 2012, government now screens large-scale public investments (such as rural road construction) using P-E and climate criteria, resulting in better quality – and larger - public sector projects addressing the concerns of the poor.
Philippines						*Government and private sector participation in an Extractive Industry Transparency Initiative (EITI) improves transparency and accountability in the mining sector and sets the baseline towards revenue-sharing and more equitable distribution of benefits.
Rwanda						*Following from successful integration of P-E across sectors and corresponding budgets, Parliament in 2012 approved the establishment of an innovative financing mechanism FONERWA (National Climate and Environment Fund) reflecting P-E priorities and which is part-funded by DFID.
Tajikistan						* Improved capacity and planning and budgeting processes benefitting from DFID funding of district trust funds, leading to the establishment of innovative

						mechanisms for inclusive green growth. Ministry of Economic Development and Trade independently replicated P-E mainstreaming in a further 10 local plans.
Tanzania						*P-E linkages integrated into national policies and plans including the UNDAP and the NDP as well as the Environmental Management Act. Budgetary allocation for environmental sustainability increased since 2005 following a Public Expenditure Review on P-E linkages.
Thailand						* Sub-Global Assessments defined ecosystem services, future scenarios and policy options, and three provinces are now using the results for planning and budgeting, including in Nan province for establishment of Nan Watershed Fund to define innovative payments for ecosystem service mechanisms.
Uganda						*Successful integration of P-E into the new National Development Plan, and for the first time inclusion of the environmental authority on the process at national, sectoral, and district levels. Budget call circular by Ministry of Finance doubled environmental sustainability budget in 2009.
Uruguay						*Six-fold budgetary increase from 2010-2014 (from US\$ 350,000 to US\$ 2.15 million) and additional human resources for P-E mainstreaming and for up-scaling a waste management initiative. Formalization of informal waste recyclers for greater social and financial security.

2. PAST COOPERATION AND LESSONS LEARNED

The progress and positive achievements at country, regional and global levels reveal a number of lessons learned and areas for strengthening in the future⁹.

2.1 Identifying and strengthening the drivers for P-E mainstreaming

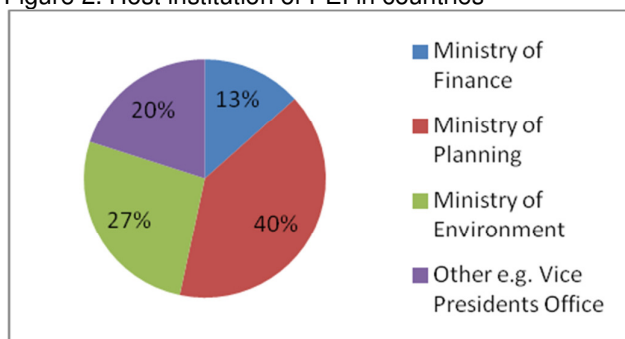
Drivers or underlying motivations for P-E mainstreaming can refer to commitments made in policy documents, (e.g. Vision 2020, national development plans). Drivers can also come from pressing problems in the policy sphere, e.g. low agricultural productivity, or pressures from important stakeholders, e.g. energy intensive industry, donors or civil society. Often the drivers are either environment- or poverty- focused.

PEI makes use of various approaches to identify the underlying drivers and motivations for government to undertake P-E mainstreaming. Key activities include institutional and political economy analysis, working together in policy or planning processes and preparation of the programme document. Key elements to identify the drivers for P-E mainstreaming include the preparation of national PEI programme documents, analysis of development planning and decision-making processes, institutional assessments, and relationships between political economy and P-E. Thereafter, broad consultations externally and within UN country teams focus the analysis and identify key drivers.

Framing the environment as an economic and social asset and linking poverty and environment is then useful to influence economic growth objectives and move towards the integration of multiple policy objectives. This is often best done at sector or issue level where P-E mainstreaming can be a vehicle to improve food security, enhance energy provision or minimize negative environmental and social risks associated with foreign direct investments in natural resource sectors. Improving government capacity for transparent monitoring and evaluation of progress on P-E objectives against national or sub-national plans puts in place building blocks that can create opportunities to hold government and other stakeholders to account and stimulate debate on priorities and actions.

At the country level it has been found that the Ministry of Planning is by far a more effective host institution to promote P-E mainstreaming activities (Figure 2), while ensuring close links with the Ministry of Environment.. The organization of ministries differs and some countries have a joint ministry for finance and planning. Countries where PEI is hosted at the Ministry of Environment have been in the programme since the start, as this was originally the preferred set up.

Figure 2. Host institution of PEI in countries¹⁰



There is scope to further improve the understanding of the political economy drivers for P-E mainstreaming as part of undertaking institutional and context analysis¹¹ during programme design and planning stages. Institutional analysis should include identification of key political economy issues

⁹ The application of the PEI programmatic approach has been positively assessed by the PEI Africa evaluation (IIED, 2009) and PEI Scale-up Programme Mid-Term Review (PEM CONSULT, 2011).

¹⁰The following countries were used as case studies for assessing lessons learnt: Bangladesh, Bhutan, Burkina Faso, Kenya, Kyrgyzstan, Lao PDR, Malawi, Mali, Mauritania, Mozambique, Rwanda, Tajikistan, Tanzania, Uganda, Uruguay

¹¹ This is referring to the term as applied by UNDP in the recently published Guidance on Institutional and Context Analysis.

and how these relate to the achievement of desired poverty reduction and environmental sustainability. Political economy issues can then be reflected in PEI country programme design. This will also serve to help strengthen the application of *theory of change* planning processes within PEI at country, regional and global levels.

PEI has useful experiences from working with coordinating ministries, likely to become even more important with attention increasingly given to sustainable development policy areas such as inclusive green growth and climate change.

2.2 Lessons from using different analytical tools for P-E mainstreaming

PEI tools are a means for strengthening the capacity of key ministries and their partners, and for stimulating debate with stakeholders such as parliamentarians and civil society for input into policy processes. The PEI toolbox helps capture, synthesise and operationalize P-E mainstreaming. The usefulness of tools and findings they generate is determined by the level of ownership and participation from key ministries. In addition, the probability of success is high if tools that resonate with current practice and language are used, where a credible team is leading the work, where methods are adapted to needs, and where real results are well communicated. To ensure that good outputs bring about change, advocacy of key results to decision-makers needs to be accompanied by more general communication via the media. These approaches and tools have been included in communication strategies that have proven to be a key tool for addressing the PEN.

Economic assessments in various forms (e.g. sector and cross-sectoral based, ecosystem valuations) and public sector climate and environment expenditure reviews have been heavily promoted as a tool to inform policy, planning and budgeting processes led by ministries of P/F. Economic development planning cycles usually cover 5 years and influencing budgets is a long process such that designing and implementing a strategy to increase budgets should be concurrent with working to get improved P-E objectives in national and sector plans. Economic assessments on the costs and benefits of unsustainable and sustainable natural resource management must necessarily include the impact on poor people, particularly marginalised groups (e.g. women, indigenous groups, and youth). For example, how soil erosion impacts on poverty through reducing agricultural productivity. The development of P-E objectives should include an explicit focus on their likely cross-sector and impact on the poor. They should also reflect an understanding of gender dynamics and include a focus on their impact on women and marginalised groups. Proposal for investments in implementation of P-E objectives should include a poverty impact assessment along these lines.

PEI Malawi commissioned a study on the costs and benefits of sustainable and unsustainable natural resource management in four sectors (forestry, fisheries, wildlife and agriculture). The study concluded that unsustainable natural resource use is costing the country the equivalent of 5.3% of GDP per year. Besides grabbing national press headlines, the economic analysis not only demonstrated the macro-economic contribution of natural resources to GDP but also showed the links between investing in ecosystems and poverty alleviation and has marked a shift in the way that all government institutions understand the issues. The new Malawi Growth and Development Strategy (2011-2016) identifies climate change and natural resource management as one of nine priority areas, and the government intended to allocate 12 million Kwacha over five years to implement priority programmes.

2.3 Lesson from institutionalizing P-E mainstreaming

Making P-E mainstreaming part of everyday practice is a long, and at times, incremental, process which requires support at different layers of institutional capacity and development planning

processes. At the individual level, identification of and investments in “champions” and on-the-job training tied to a specific process or analysis has been found to work well. It allows for both mentoring, cross ministerial collaboration and strengthened networks. At the organizational level, strengthening existing systems for planning, budgeting and policy analysis are key elements. Long term capacity development is often required when new or complementary procedures are introduced. PEI is designed to improve the enabling environment not least through the focus on planning and budgeting processes.

Moreover, improving access to information on P-E issues and monitoring progress towards national development plans can be vital. Achievements tend to be incremental. As shown in Tanzania and Rwanda, inclusion of P-E linked indicators in national development plans and monitoring systems is in itself a process of 4-5 years and yet to generate information on change against indicators and outputs requires an institutional demand and leadership by national statistics offices and sector institutions to gather data over time and use the data in reports. Indicators should be in line with data collection systems and capacity. PEI has recognized the need for greater attention to the political economy - Institutional analysis does not sufficiently encompass political economy issues including inter alia the identification of winners and losers in the current state or attitudes to reform.

2.4 Cooperation between UNDP and UNEP

The PEI stands out as a model for UN “Delivering as One” concept seen from a programmatic as well as an operational perspective. UNDP and UNEP are working jointly at the headquarters and the regional level. At the country level, PEI offers the opportunity for UNEP to participate in the UN Country Teams and thus contributing to the One UN process, including the elaboration, implementation and monitoring of UNDAFs and “One UN” plans. The poverty-environment mainstreaming is integrated into UN Country Team processes, building on the success of such mainstreaming into government development planning processes as spearheaded, for example, by PEI Africa and UNEP’s Regional Office for Africa. The pooling of PEI funding into the UNDP managed ATLAS system highlights that interagency collaboration in line with the One UN concept is practically doable also from an operational perspective.

The donors channel their contributions to either UNEP or UNDP. UNEP and UNDP then pool funds together to UNDP, as the Administrative Agent. Most donors channel their contributions through UNEP as earmarked contributions or as part of core contributions to UNEP’s Environment Fund. UNEP then channels funds to the PEI account in UNDP’s ATLAS system where it becomes *pooled funding*, resulting in one project at all levels and ensuring a One UN approach seen from a programmatic as well as an operational perspective. Dedicated efforts and trust-building have made this possible.

With UNDP being the “Administrative Agent” of the pooled fund (PEI ATLAS Award), the financial management of PEI follows UNDP’s rules and procedures at the global, regional, and country level. The PEI is responsible for reporting to the donors based on these rules and through its systems. The decision to use UNDP’s ATLAS system was made in 2007 following the lessons of the PEI Africa pilot phase, where using different UNEP and UNDP financial and programmatic management systems and having different reporting requirements created very high transactions costs.

In ATLAS the PEI Award is set up as one programme consisting of 18 country projects, four regional projects, and a project for the global component. Under the PEI award there are four options for setting-up country projects in UNDP’s country offices to allow for transfer of funds to the Government agency, depending on whether the country project is 100 per cent funded by PEI, being co-financed by the UNDP Country Office, whether the Country Office prefers to implement through another existing project, through a new country account or through an account in PEI.

3. PEI STRATEGY: 2013-2017

3.1 Future directions and vision

"We all aspire to reach better living conditions. Yet, this will not be possible by following the current growth model... We need a practical twenty-first century development model that connects the dots between the key issues of our time: poverty reduction; job generation; inequality; climate change; environmental stress; water, energy and food security." Ban Ki-moon, UN Secretary General

The PEI scale-up phase 2008-2012 demonstrated economic, social and environmental results from integrating poverty and environmental linkages in development policy, planning and budget processes. The process however requires a sustained engagement over time in order to realise direct economic, social and environmental gains. The PEI lessons learned have contributed to a strengthened PEI strategy for the period 2013 - 2017 which is centred on an enhanced *theory of change* comprising of:

- **An improved understanding of the underlying challenges:** 1) capacity gaps remain within institutions and individuals to articulate the benefits from embarking on alternative development models, and to effectively demonstrate these benefits from implementation of improved development policies and planning processes; 2) inherent institutional bottle necks and disjointed planning and policy processes that effectively address underlying inter-linkages between poverty, environment and development; 3) non-systematic application of economic, social and ecological assessment and analytical tools on P-E linkages to effectively inform development policy and planning processes; and, 4) weak stakeholder participation and presence of champions to sustain mainstreaming pro-poor environmental outcomes.
- **A more coherent set of ideas that describe what the change should be:** These are captured in a refined logical underpinning of the way in which the PEI seeks to support governments and their partners who are mainstreaming P-E issues into policies, plans and programmes. It also includes an improved articulation of practical poverty, gender and environmental linkages.
- **How a change process occurs and what makes it happen:** PEI's influence on policies, plans and budget processes has served to gather knowledge and skills within the PEI network for wider replication and improvements to country programmes. Particularly in the strengthening of preliminary assessments and design of country programmes.
- **What has to happen for the intended result/ outcome to be reached:** Experience gained in the sequencing and application of P-E mainstreaming tools with key Government institutions, and the capacity development requirements within these institutions to ensure sustained application of the reformed policies, plans and budget processes.
- **Who needs to be involved and whose interests are at stake:** Experience in institutional, social and political economy assessments at country level drawing on institutional capacity assessments and stakeholder analysis. Similarly strengthening linkages with national partners including key government institutions, civil society partners, multi/bilateral institutions and other UN institutions.

The Rio+20 outcomes and post-2015 development agenda constitutes an opportunity for PEI to support countries to deliver on internationally agreed development goals, including the Millennium Development Goals (MDGs) and forthcoming sustainable development goals (SDGs).

In light of P-E mainstreaming opportunities and challenges, PEI will support countries to achieve the following outputs by 2017:

- Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied.**
- Output 2: Cross-sectoral budget and expenditure processes, and environment-economic accounting systems institutionalised.**
- Output 3: P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and Member States.**

The table below highlights and illustrates the progression from PEI's Africa Pilot Phase (2005-2007) to the Scale-Up Phase (2008-2012) and on to the next phase (2013-2017), demonstrating a balance and blend of continuity and necessary changes.

Table 3: PEI 2013-2017 BEYOND BUSINESS AS USUAL

AFRICA PILOT (2005-2007)	SCALE UP (2008-2012)	PEI 2013-2017
<ul style="list-style-type: none"> • UNDP and UNEP pilot a joint approach • Ministries of Environment lead • Environmental assessments and first attempts to do the economics in policy briefs • Focus on national level planning and poverty reduction strategies 	<ul style="list-style-type: none"> • Application of lessons from Africa Pilot to a range of regional and country contexts • Focus on making the case • P-E mainstreaming at policy and planning level • Ministries of P/F lead • Focus on provision of tools to make the case through knowledge and collaboration • Increasing focus on subnational level • Stronger on environmental issues • Building blocks for GE, climate finance governance 	<ul style="list-style-type: none"> • Implementation: demonstration and communication of tangible outcomes and positive pro-poor impacts • Ministries of P/F and Local Gvt. lead • Dedicated capacity (sectors) development plans • Focus on governance and equity • Greater attention to political economy: inclusive green growth, job creation, social protection • Emphasis on cross-sector • Sustainability: regionalization and partnerships • Institutionalisation of PEI approach and integration into global institutions, debates and policies

Strengthen outcomes from current country portfolio

Effective P-E mainstreaming requires a concerted programme of support over a 10 to 20 year horizon. The current 18 PEI country programmes, and technical support in another 10 countries, are largely all nearing between 2-6 years of PEI support. Whilst achievements and outcomes have emerged in a number of countries, the MTR recommended continued support to on-going PEI country programmes. From experience it is known that achieving the integration of P-E objectives in a five year economic plan, whilst in itself is a positive output from a set of time and resource consuming activities, does not necessarily guarantee that the P-E mainstreamed aspects of the development plan will be implemented and/or lead to poverty reduction and environmentally sustainable outcomes. It requires a continued engagement in capacity development, annual planning, monitoring and reporting, and effective sector coordination involving Government, vulnerable groups and civil society partners at national level. Looking forwards, emphasis will therefore be placed on meeting the implementation challenge of P-E mainstreaming and achieving positive pro-poor and environmental outcomes in the current country portfolio by for example, increasing our work with local governments and influencing public and private investment programmes, among others, to support implementation and monitoring of integrated policies, plans and budgets.

Deepening engagement on regional implementation strategies

The establishment of joint UNDP-UNEP PEI regional teams has supported effective PEI country implementation and the application of PEI lessons and approaches in the work of UNDP and UNEP. They have also played an important role to leverage funds to support country programmes through linkages with UNDP CO programmes (e.g. formulation and monitoring of UNDAFs, CPDs and CPAP), regional UNDP practice groups and UNEP Programme of Work common areas (e.g. Green Economy, Ecosystem Services or Climate Change Adaptation).

Each of the four regions has generated a region-based programmatic orientation to PEI reflecting regional commonalities in terms of governance systems, socio-economic characteristics, and economic and social development models.

- The focus of the **Africa Region** will be put on generating increased public and private sector investment in pro-poor sustainable growth integrating environmental sustainability and with more focus on budget processes with the use of cost-benefit analysis at the country level. Countries

will receive technical assistance for improving cross-sectoral policy development and implementation, and the use/institutionalization of economic instruments for environmental sustainability and poverty reduction. Key sectors to be involved will be agriculture, water, mining, energy and forestry.

- In the **Asia-Pacific region** while the programme will respond to country specific needs, the focus will be on climate adaptation finance and P-E mainstreaming for development; foreign direct investment in natural resources for poverty reduction.
- The **ECIS Region** focus will be on supporting integrated cross-sectoral development planning and implementation at sub-national levels, in particular in the agriculture and mining sectors; strengthen institutional capacities for integrated cross-sectoral planning, monitoring and reporting; and increased public and private sector investment in natural resources for poverty reduction and equity.
- The **LAC Region** focus is on reinforcing P-E linkages in national development planning with different entry points (e.g. waste collection, green economic, equity, natural resource management and food security).

PEI Regional Teams (RTs) have elaborated Regional PEI Strategies (see summaries in Annex 3) that guide PEI programmes and operations in line with the global PEI programme. The Regional Strategies also emphasise the engagement of PEI, through joint UNDP and UNEP teams, in supporting UNCT in integrating P-E mainstreaming in the design, implementation and monitoring of UNDAFs.

Building on from past country exchanges within, and between, regions, PEI regional strategies include strengthened capacity building components for key national and regional partners. This example of south-south cooperation will be informed by, and contribute towards, the implementation of the UNEP's guidelines for South-South Cooperation to which UNDP is also a partner.

Inform the global sustainable development debate

PEI continues to analyse achievements and lessons learned to build on PEN knowledge and prepare products to influence regional and global development agendas in support of sustainable development. Drawing from the experience during the last six years and emerging achievements towards P-E mainstreaming, PEI will place greater emphasis on producing policy and briefing notes aimed at informing and influencing key stakeholder groups and international fora. Besides UNDP-UNEP PEI branded documents, increased efforts will be placed on integrating PEI outcomes in UNDP and UNEP knowledge management products and programmes. The PEF will coordinate the preparation and dissemination of knowledge products, and continue support to PEI countries to share their respective achievements in regional and global fora. PEI will also co-organise and participate in the yearly Poverty Environment Partnership and other relevant fora to exchange mainstreaming experiences and best practices.

3.2 Strengthening the PEI Approach

The PEI programmatic approach (Figure 1) will continue to guide P-E mainstreaming at country level while taking into account experience of applying specific approaches and tools, the lessons learned to date, and findings of past reviews and evaluations. There are some areas of P-E mainstreaming approaches which can be strengthened as the following highlights:

Support poverty alleviation and integrated solutions to development

In response to country demand, PEI will continue to engage with the ministries of P/F to put in place development building blocks for inclusive green economy policy approaches¹². There will be increased emphasis on more in-depth and targeted political economy and governance, and economic analysis and ecosystem valuations to generate, for example, detailed sector and cross-sectoral-evidence for programmes and budget increases with an emphasis on the most marginalised groups, including women. As an integral component of this approach PEI also supports increased collaboration between ministries of P/F and/or local government and the ministries responsible for environment and other key sectors (e.g. agriculture, water, forests and mines) in order to strengthen a two-way exchange of knowledge, practices, etc.

¹² This is in direct reference to the Rio+20 outcome document which referenced inclusive green economy policy approaches as a pathway for sustainable development outcomes.

To address a key concern of the MTR, PEI in association with the UNDP Poverty Group will continue to find ways to make the poverty reduction efforts more explicit. This will be done, for example, through further developing and refining tools and methodologies that can help Ministries of Planning, Finance, and other sectoral ministries in partner countries to effectively understand, assess and act on the synergies and trade-offs between environmental sustainability and poverty reduction. These assessments have already guided PEI country programmes and will then continue to guide the identification and design of policy options that protect the poor and/or promote the joint pursuit of poverty reduction and sustainability. Thus, new areas of policy work will be sought to be integrated into country level work. For example, social protection for the poor in the context of environmental perturbations due to climate change. A third area of work will be to support the establishment of economic-environment accounting methods to support policy development and monitoring/measuring progress on the joint pursuits of growth, poverty reduction and environmental sustainability.

Stakeholder involvement will be strengthened through active reaching out to appropriate interested groups at the regional level (including through the UNEP Major Groups approach) and national level (through the UNCTs Civil Society Advisory Committees). Together with practice and major groups colleagues from UNDP and UNEP, PEI Guidance Notes are currently under development concerning stakeholder engagement (including gender aspects, marginalised groups, private sector and a rights-based approach) and these will be tested and refined starting in 2013.

Inclusive green economy policy approaches

PEI has demonstrated its value added by supporting ministries of P/F, and ministries of environment, to put in place building blocks in support of greener economic development. PEI will continue conducting economic analysis of sustainable and unsustainable use of natural resources and ecosystem services (e.g. economic analysis, valuation of ecosystem services, payment for ecosystem services) to make the case for better decision-making and marginalised groups' participation in public sector led planning and budget allocations. Also, there will be more emphasis on using economic and social assessment tools to put in place, for example, climate and environmental fiscal reforms, and increased public and private investments for pro-poor environmental priorities. This will be informed by the PEI "Primer on the Economic Arguments for Mainstreaming P-E Linkages into Development Planning (2009)" but also increasingly grounded in social assessments examining the access and user rights of marginalised groups, and the rationale for increasing equity in benefit sharing. Public climate and environment public expenditure reviews will continue to serve as an important P-E mainstreaming tool in PEI countries, and will be undertaken in close collaboration with key partners including ODI (UK) and the World Bank among others.

Closer links will be established with UNDP-UNEP-UNDESA Green Economy Joint Programme, with particular emphasis on informing and elaborating macro-economic policies and strengthening capacity of senior staff of the ministries of finance and planning to identify and promote inclusive green economy initiatives in key sectors (e.g. agriculture, waste management, environment among others). Regional and Country Teams will draw on the PEI Primer "Managing Private Investment in Natural Resources: A Primer for Pro-poor Growth and Environmental Sustainability (2011)".

Similarly, PEI will collaborate with relevant partners (e.g. World Bank, UNDESA and UNSTATS) and other UNDP and UNEP services units to strengthen the integration of natural wealth accounting into national economy systems, with emphasis on drawing on links between ecosystem services, human well-being and pro-poor growth initiatives. This work will draw on a range of past and on-going initiatives including integrated ecosystem assessments and valuations, and natural wealth valuations.

Climate Change – integration into development planning and financing

While PEI is not directly implementing climate change adaptation (CCA) activities on the ground, PEI has successfully responded to country requests to help design institutional mechanisms to mainstream CCA. The emerging PEI focus is to support ministries of P/F and local government's capacity, and those of key sectors (energy, agriculture, etc.) to put in place policy planning, coordination mechanisms and fiscal processes that enable effective implementation of CCA and mitigation initiatives, and increase the resilience of poor populations to climate variability and change.. This work will build on the best practices documented in the PEI "Guide on Mainstreaming Climate Change Adaptation into Development Planning" (2011) and collaborate with UNDP's Climate Finance and UNEP's CCA initiatives. Successful work has been undertaken in Lao PDR and the Philippines on helping governments set guidelines and appropriate governance processes for managing private

sector investment in natural resource management (including the extractive industries) and similar assistance will be offered to other countries on demand.

Drawing from PEI Asia-Pacific achievements, PEI will focus on demonstrating the need to link external finance with the domestic budget and to mainstream climate into the medium term budgetary framework. Climate Public Expenditure and Institutional Reviews (CPEIRs) have proven successful in helping mainstreaming efforts in Bangladesh, Bhutan and Nepal. Similar PEI services will be offered to other countries who express a need for similar work. PEI will also start working on ecosystem-based adaptation to climate in urban areas in Asia with the aim to increase local and national capacities together with UN-Habitat and UNEP's climate change adaptation branch.

PEI focus will also include support to the integration of climate change resilient land management in national development planning processes. Drawing on national initiatives, UNDP and UNEP programmes and other UN institutions (e.g. FAO), PEI will support ministries of P/F to incorporate climate adaptation strategies into development plans and budgeting processes. This will build on from the experience gained to date Africa (e.g. previous links with UNDP's Africa Adaption Programme (AAP) in Malawi and Mozambique).

Local Government – integrated cross-sectoral development planning

PEI has demonstrated positive outcomes from supporting sub-national developing processes led by local government authorities in all the PEI regions. These have taken the form of technical support to planning units to incorporate P-E linked objectives (including CCA strategies) into (participatory) planning procedures and manuals. This work has been complemented by supporting their application in pilot districts, and has been scaled up to further districts thanks to improved capacity of government agencies (Tajikistan) and/or by other donors (Lao PDR or Mozambique). In other instances, PEI has supported planning units to draw on the findings of participatory ecosystem and human well-being assessments to inform local level cross-sector development planning, e.g. in Guatemala, Rwanda or Thailand. It is proposed that in response to country demand, PEI will increase its current support to cross-sectoral and participatory development planning processes led by local government institutions that are based on integrated economic, social and ecological assessments. This work will also include the piloting of innovative financing mechanisms to support implementation of the development plans which can include payment for ecosystem services (PES) associated with resource use (e.g. water in Rwanda or Thailand) and protection of ecosystem services (e.g. forests and watersheds), and strengthening of institutional capacities to engage in climate financing opportunities. It is intended that PEI collaboration with UNCDF's local government climate change adaptation financing initiative (LOCAL) will be strengthened in Africa and A-P.

Gender and equity approach to P-E mainstreaming

The PEI will strengthen the effective participation of target groups to address equity and gender gaps through programming that recognizes the role that women and men have as agents of change for SD. This will include: conducting gender analysis as part of a broader social, economic and political economy assessments; engaging women and marginalised groups as key stakeholders in decision-making processes at all levels; ensuring M&E processes are gender-sensitive; and providing incentives and training project staff to mainstream gender and human rights principles such as participation, empowerment, accountability, non-discrimination and equality into PEI's work. In order to mainstream gender, equity and other cross-cutting issues effectively, we will include a gender and equity perspective in the PEI programmatic approach, and by extension, into our future country assessments (including dis-aggregated data for gender and inequality from national statistical offices and UNSTAT) and ensure participation of women and marginalised groups (such as indigenous peoples and minorities) into the planning, implementation and evaluation of P-E policies. The meaningful participation of target groups throughout the programme will increase outcome level evidence of socio-economic benefits from P-E mainstreaming and provide important advocacy support. A gender analysis and the use of human rights principles will be important tools to identify who the poor and marginalised groups are as well as the foreseen impacts of the programme on their livelihoods. Targets groups and their benefits from P-E mainstreaming will be clearly outlined in each of the new PRODOCs at the country level.

The PEI Guidance Notes on gender and equality will be piloted in two countries per region starting in 2013 accompanied by the necessary training of staff and in close cooperation with UN-Women, UN-OHCHR and the UNDP Governance Practice.

3.3 Towards a Sustainability Strategy

Addressing known demand

The demand for PEI support received from a total of 54 countries (of which 36 unattended) via UN Resident Representatives and/or Government institutions reflects an opportunity for UNDP and UNEP to further strengthen combined poverty reduction and environmental sustainability outcomes in development processes. How to deliver on these requests is beyond the scope of resources within PEI but it provides an opportunity for UNDP to strengthen P-E mainstreaming into regional and country level programming and coordination and UNEP to strengthen the integration of P-E into its thematic programmes.

For the PEI, emphasis must be on obtaining outcomes from the on-going supported countries. PEI will consider supporting some of those additional countries, particularly the ones where some work has already been undertaken in collaboration with other actors, if there is evidence that minimum criteria are met (See Annex 2) and that RTs and PEF can mobilize technical support and funds to meet the country needs. During 2013-2017, PEI will support a maximum of 28 country programmes, either through fully, funded country programmes with technical assistance (TA) or through periodic TA inputs only. However it is likely that much of this demand will go unmet as the priority for this phase is to focus on deepening engagement in existing countries.

Consolidating P-E mainstreaming in UNDP and UNEP

In this context, the main recommendation of a Business Review undertaken in October 2012 is the need to develop and achieve consensus by 2015 on a detailed sustainability strategy to ensure that the work initiated by PEI to mainstream P-E in national sustainable development is continued by both organizations with or without the continuation of the PEI. The Business Review report makes specific recommendations to be incorporated when developing the sustainability strategy, of which some of the most important are:

- ✓ Change the perception of PEI being a stand-alone initiative and advocate P-E mainstreaming beyond the UNDP Bureau for Development Policy (BDP) and the UNEP Divisions of Regional Cooperation (DRC) and Environmental Policy Implementation (DEPI), i.e. by developing specific activities in PEI annual work plan around creating more awareness on the P-E mainstreaming approaches in, among others, the UNDP Regional Service Centres and UNEP Regional Offices;
- ✓ Ensure continuity of PEI governing bodies even in the event of a termination of PEI as a programme (i.e., the Joint Management Board (JMB), the Donor Steering Group (DSG), the Technical Advisory Group (TAG), and the Regional and National Steering Committees) to ensure, among others, that joint programming and action for PEN continues and is monitored, and that P-E mainstreaming receives support from key donors;
- ✓ Involve other experts within UNDP and UNEP for provision of PEI advisory services. Incentives and a mechanism for cost recovery may be necessary, as well as integrating P-E mainstreaming in their job description; and
- ✓ Continue monitoring the participant countries after completion of their respective projects to ascertain the sustainability of PEN mainstreaming at the national level.

To respond to these recommendations the following efforts are proposed:

- 1) **UNDP's practice groups:** Building from on-going collaboration between the BDP's Poverty Group (PG) and EEG on PEI at country, regional and global levels, the EEG and PG will complete a stream of work to advance a strengthened and more nuanced understanding of poverty-environment nexus in the context of the work of the joint PEI programme. This will also influence programmes on mainstreaming, operationalizing and scaling up the poverty-environment nexus (PEN) at the country level, strengthening its focus on benefiting the most marginalised groups in response to specific recommendations from evaluations of the PEI. It will also include technical assistance in refining the poverty dimensions in P-E mainstreaming approaches and tools, and examining trade-offs and synergies between poverty reduction and environmental sustainability in order to promote "triple wins" options.

Within BDP's Energy and Environment Group (EEG), PEI will strengthen synergies and collaboration with the UNDP-UNEP-UNDESA Green Economy Joint Programme at country level which includes some common countries to both programmes and regional and global level. This will include south-south exchanges, collaboration on strengthening advisory services related to greening economies, linking to national development planning processes and support of design of economic measurement systems that incorporate social and ecological variables.

Similarly, BDP's Democratic Governance Group (DGG) will support the application of Institutional Capacity Assessment (ICA) tools in PEI countries. This will be closely linked to political economy analysis and *theory of change* planning, monitoring and evaluation activities, and cross-sectoral coordination and integrated decision-making at national level. Similarly, recognising that capacity development is a central tenant underpinning successful P-E mainstreaming, PEI's experience to strengthen enabling institutional environments for policy reform; strengthen institutional effectiveness and efficiency; and strengthen leadership. We will work towards better exchanges between PEI and UNDP's Knowledge, Innovation and Capacity Group (KICG) with regard to "vertical" collaboration between state and non-state actors in policy, planning and budgeting processes and their implementation and monitoring.

- 2) **UNEP's Priority Thematic Areas:** PEI's P-E mainstreaming results have contributed substantially to the delivery of UNEP's Environmental Governance and Ecosystem Management sub-programmes, and to a lesser extent the Climate Change, Resource Efficiency and Sustainable Consumption sub-programmes. In the next phase, PEI will establish closer programmatic links with UNEP's thematic areas through collaborative efforts that respond to country P-E mainstreaming demand channelled through the RT in respective UNEP Regional Offices. Building on collaboration with **DEPI's Ecosystem Management sub-programme** in applying ecosystem and human well-being assessments, including ecosystem valuations, to inform sub-national development planning, it is proposed that further inputs from DEPI's **Ecosystem Economics and Services** Unit will serve to strengthen assessment methods and results to inform pro-poor, equitable and environmentally sound economic development scenarios. PEI will continue to work in collaboration with DEWA on the use of environmental assessments for policy making (e.g. GEO series). Our teams will also contribute to the gender and environment outlook that will use social science information and gender-sensitive indicators to review gender environment links and guide policy actions towards gender equality. It is also proposed that PEI's national experiences of linking ecosystem services and development planning will be channelled to IPBES via UNEP and UNDP. Similarly, PEI will collaborate with UNEP's **Climate Change Adaptation Branch** on the development of, and funding for, a new PEI strand of work on ecosystem-based climate change adaptation for the urban poor, in cooperation with UN-Habitat, and the UNDP Regional Centre and UNEP Regional Office for Asia/Pacific, and UNDP Country Offices in . Bangladesh, Cambodia, Indonesia, Laos, Philippines, Sri Lanka and Vietnam. PEI will continue to collaborate on respective comparative advantages and complementary approaches with DTIE's **Green Economy team** towards elaborating inclusive greener economy policies in national development planning, budgeting and fiscal systems, and promote the development and application of national measurement methodologies which include pro-poor growth and environmental variables and outcomes. Joint work on **mainstreaming sound chemicals management** is undertaken together with DTIE, based on a successful partnership in Burkina Faso and a memorandum of understanding between PEI and the joint UNEP-UNDP Chemicals Partnership Initiative. Assistance is available to other PEI countries upon demand.
- 3) **Decentralised operations:** PEI RTs comprise of joint UNDP and UNEP professional and administrative staff members assigned either on a full-time or part-time basis to the programme. The RTs provide important technical and managerial support to UNDP COs and PEI CTs in the design, implementation and monitoring of country programmes and strategic guidance for co-funding opportunities. They also increasingly engage with regional communities of practice for P-E mainstreaming and with respective UNDP and UNEP practice groups and thematic programmes. This will also be informed by, and contribute towards, UNEP's guidelines on South-South Cooperation to which UNDP is also a partner. Within the context of the PEI Sustainability Strategy (to be finalised by 2015) the roles and responsibilities of RTs will be revisited in light of UNDP and UNEP institutional commitments

to RTs in the context of their respective decentralisation policies and resources. It will also be informed by the experiences from PEI Tanzania as it has since 2012 been integrated in the UNDP CO ATLAS award as opposed to being an award under the PEI Global award.

Partnerships for effective delivery and sustainability of PEI efforts and the importance of effective communications

While, as indicated, the recommendations from the PEI Business Review (2012) will serve as the basis of the sustainability strategy of P-E mainstreaming, they need to be complemented with a strong partnership and outreach strategy. The main partnership remains between the UN agencies and government partners. However, strengthening and expanding current partnerships with national, regional and global institutions, including research and policy advocacy focused civil society institutions, in particular representing marginalised groups, will also be a key factor to deliver and sustain P-E mainstreaming efforts. PEI will build on lessons and best practice from partnering with international and local think tanks, media and research institutions and increasingly with parliaments, and CSOs. Given the political nature of P-E mainstreaming, PEI has also promoted South-South exchanges as a meaningful way to build capacity and develop partnership opportunities to sustain our efforts.

Recognising that PEI outcomes cannot be achieved without strategic communications leading to political and institutional change, PEI is increasingly integrating the development and implementation of communications and outreach strategies into its core work. Besides generating increased and targeted knowledge management products by the PEF and RTs, additional support will be provided to PEI teams to support National institutions to document and communicate on their P-E mainstreaming achievements and lessons learned. The positive results from this work have provided lessons and best practice on the importance of engaging with parliaments, which will be an important element of this programme. During the next phase, several key PEI materials will inform its implementation, including among others:

- the popular and much down-loaded PEI Handbook (“Mainstreaming Poverty-Environment Linkages into Development Planning: A Handbook for Practitioners”) will be revised and updated;
- a series of PEI Guidance notes will be distributed on (i) Gender, (ii) Engaging with Civil Society, and (iii) Human Rights-Based Approach;
- an outreach and communication strategy,
- a series of narrative success stories will be launched, entitled “Stories of Change” and describing the P-E process in different countries.

It is proposed that PEI will continue existing partnerships and initiate new ones, particularly at the regional level. For example, PEI will continue to be an active member of the Poverty and Environment Partnership (PEP) as it provides a technical exchange of experiences and lessons learned between institutions engaged in P-E mainstreaming, and an avenue for knowledge exchange at the global level. Where possible and feasible, PEI will strengthen collaboration with PEP member institutions such as the Stockholm Environment Institute (SEI), the International Institute on Environment and Development (IIED), the World Resources Institute (WRI) and the Overseas Development Institute (ODI) among others. Additional partners are sought who can strengthen PEI’s poverty, major groups, and gender focus at the policy level. Building from recent collaboration in Botswana, PEI will strengthen its collaboration with the World Bank’s Wealth Assessment and Valuation of Ecosystem Services (WAVES) programme with a view of piloting macroeconomic measurements that encompass social and ecological variables.

At the regional level, PEI Regional teams will strengthen technical cooperation with regional centres of excellence including civil society institutions and regional development banks. The Regional implantation strategies highlight the regional partners PEI will strengthen collaboration with.

In order to effectively deliver on the increased focus on issues of inclusion, PEI will partner and share best practice and lessons with other highly relevant UN agencies, for example:

- **FAO:** the increased emphasis on more in-depth and targeted political economy and governance, and cross-sectoral-evidence will require building and expanding on the existing collaboration with FAO, currently more focused on the integration of P-E indicators in agriculture sector plans and programmes in Bhutan or Malawi. PEI will draw on national

initiatives such as FAO's support to the integration of climate change resilient land management in national development planning processes, to support ministries of P/F to incorporate climate adaptation strategies into development plans and budgeting processes. As mentioned earlier, this will build on from the experience gained to date Africa (e.g. previous links with UNDP's Africa Adaption Programme (AAP) in Malawi and Mozambique).

- **UNCDF:** After collaboration in several countries in the region, the regional programme in Asia-Pacific has established a formal partnership with the UN Capital Development Fund (UNCDF) for the delivery of a joint UNDP-UNEP-UNCDF programme 2013-2017. The involvement of UNCDF is expected to mobilise an additional \$1 million per country on performance based climate resilience grants to the local level. This will be done by building on from collaboration in Bhutan with the integration of poverty-environment-climate objectives in local development planning and a joint publication on "Local Governance and Climate Change" and by UNCDF partnering with UNDP and UNEP in Asia-Pacific for the delivery of the regional programme, for which UNCDF will also contribute capacity and funds.
- **UNEP-WCMC:** PEI will continue to be an active member of the Sub-Global Ecosystem and Human Well-being (SGA) Network hosted by UNEP-WCMC with a focus on linking assessment results with development planning, and the links of science with policy under the umbrella of IPBES, and strengthen capacity development for effective interface between science and policy.
- **UN WOMEN:** given their mandate on gender mainstreaming and to build on relevant work done in gender analysis and gender responsive budgeting, an essential component of all UN WOMEN programmes on national planning, employment, social security, labour migration or water supply, (e.g. Mozambique, Rwanda or Tajikistan), joint training activities for PEI countries on gender and P-E mainstreaming
- **UN-OHCHR:** the PEF may collaborate with and use the recommendations from the Independent expert on human rights and the environment to determine their usefulness in regard to environmental sustainability and especially the programmatic approach of PEI.

4. OUTCOMES AND OUTPUTS

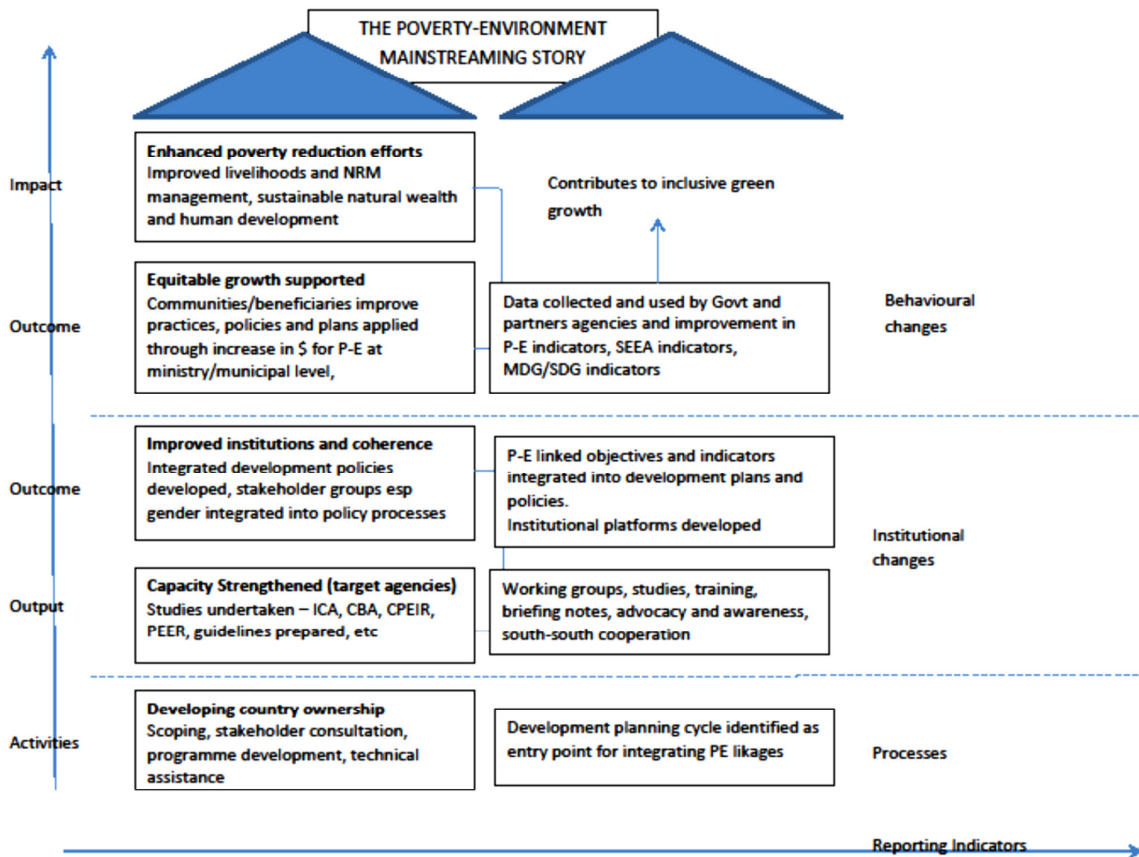
The proposed PEI results and resources framework (RRF) for the period 2013-2017 outlines a programme, which at one level carries forward PEI best practice and at another level puts in place a range of new approaches and modalities as outlined in the preceding sections. The RRF is presented in section 4.3.

4.1 Intended Outcome

The PEI 2013-2017 intended outcome is **“Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals”**

PEI will contribute towards achieving this intended outcome during the course of the 2013-2017 and beyond, in recognition that its successful realisation will be dependent on national governments and partners to undertake the implementation of the improved and reformed development policies, planning and budget processes that PEI has delivered through the programme outputs (see Section 4.2). The impacts from the increased implementation of reformed development policies, plans and budgets for poverty reduction, inclusive green growth and environmental sustainability will be captured by national monitoring and reporting systems.

Figure 3: Result hierarchy of P-E mainstreaming



Progress towards achieving the intended outcome will reflect changes measured against its corresponding indicators of change (i.e. outcome indicators representing levels of change):

- 1) Rate of application of ENR sector and linked socio-economic indices (e.g. World Bank Adjusted Net Savings (ANS))
- 2) Amount of public sector financial expenditure for P-E results in PEI countries (environment and NRM).

- 3) Level of integration of P-E mainstreaming approach and tools in UN (UNDP, UNEP) and partner strategies and programmes at country, regional and global levels.

4.2 Expected Outputs

The global PEI programme will contribute to the intended outcome by achieving the following three outputs at country (output 1 and 2), regional and global levels (output 3).

Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied.

Output 2: Cross-sectoral budget and expenditure processes, and environment-economic accounting systems institutionalised.

Output 3: P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and Member States.

The progress and achievements against each output will be measured against respective indicators of change. PEI country, regional and global teams will collect information to monitor progress in accordance with the PEI monitoring and evaluation system (see section 8).

4.3 Results and Resources Framework (RRF) for PEI 2013-2017

<p>PEI Intended Outcome¹³: Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals</p>
<p>PEI Outcome indicators:</p> <ol style="list-style-type: none"> 1) Rate of application of ENR sector and linked socio-economic indices (e.g. World Bank Adjusted Net Savings (ANS)) 2) Amount of public sector financial expenditure for P-E results in PEI countries (environment and NRM). 3) Level of integration of P-E mainstreaming approach and tools in UN (UNDP, UNEP) and partner strategies and programmes at country, regional and global levels.
<p>Applicable Key Result (UNDP Strategic Plan 2008-2013): Goal 4: Managing energy and environment for sustainable development <i>Strengthened national capacities to mainstream environment and energy concerns into national development plans and implementation systems</i> Note: To be replaced by corresponding references and indicators in UNDP Strategic Plan 2014 – 2018</p>
<p>Contributing to UNEP Medium Term Strategies (2010-2013, 2014-2017): <u>Main contribution:</u> Sub Programme 4: Environmental governance at country, regional and global levels is strengthened to address agreed environmental priorities. Expected accomplishments 3: Countries increasingly mainstream environmental sustainability in national and regional development policies and plans. Also contributing to Sub Programme 3: Ecosystem management for development for 2014-2017. Expected accomplishments 3: Services and benefits derived from ecosystems are integrated with development planning and accounting. UNEP MTS Indicators: <i>2010- 2013: Number of national and sectoral development policies and other national and sector policy instruments containing objectives, targets and actions to integrate pro-poor environmental sustainability. Dec. 2009: 18, Dec. 2011: 22, Dec. 2013: 25.</i> <i>2014-2017: [to be inserted once finalised]</i></p>
<p>Partnership Strategy: Continuation of joint UNDP-UNEP Poverty-Environment Initiative (PEI) operated under a pooled fund modality (UNDP as Administrative Agent)</p>
<p>Project title and ID (ATLAS Award ID): Continuation of existing ATLAS Award ID:</p>

¹³ UNEP Outcome indicators and corresponding baselines and targets are found in Annex 5, page 84

INTENDED OUTPUTS & INDICATORS OF CHANGE	OUTPUT BASELINES & TARGETS FOR (YEARS)	INDICATIVE ACTIVITIES	RESPONSIBLE PARTNERS	INPUTS
2013-2017				
<p>Output 1: P-E approaches¹⁴ and tools for integrated development policies, plans and coordination mechanisms applied.</p> <p>Output Indicators:</p> <p>1.1 Number of national policies & sub-national/area development plans that integrate P-E objectives and indicators in target countries.</p> <p>1.2 Number of key sectoral policies and plans that integrate P-E objectives and indicators in target countries.</p> <p>1.3 Number of countries that integrate P-E indicators in national and sub-national M&E systems.</p> <p>1.4 Number of countries that report functional cross-sector coordination mechanisms.</p>	<p>Baseline 2012: 21 PEI countries have included P-E objectives and indicators in current 5 year economic development plans. 15 PEI countries include P-E objectives and indicators in at least one sector policy/ plan. 13 PEI countries include P-E indicators in national M&E system. 15 countries report functional cross-sectoral coordination mechanisms.</p> <p>Target (yr 2) 23 PEI countries include P-E objectives and indicators in current plans. At least 18 PEI countries integrate P-E objectives & indicators in at least one sector policy/plan. At least 25 PEI countries integrate indicators in national M&E systems. 18 countries report on</p>	<p>Activity 1.1: Support Ministries of P/F, and local government to lead on integration of P-E linkages in national medium and long term development policy and planning objectives.</p> <p>Activity 1.2 Support to local and national government and other public institutions to apply environmental and social safeguards and a gender and rights based approach for effective governance in investment decision making related to natural resources.</p> <p>Activity 1.3: Strengthen intra and cross sector government-led coordination mechanisms at national levels for sustainable natural resources management.</p> <p>Activity 1.4: Coordinate with UNCTs and UNDP COs to effectively support efforts for P-E mainstreaming in national development policy and plans including through training on PE and gender</p>	<p>Ministries of Planning & Finance, Ministries / Agencies responsible for Environment, Ministries/Sectors engaged in NRM (Agriculture, water, lands, etc), Ministries responsible for local government, sub-national governments, National Statistics Offices.</p> <p>UNDP CO and UNCT, UN agencies (UNCDF, HABITAT, ILO, FAO, UNWOMEN etc.)</p> <p>PEI Country Teams, Regional Teams</p> <p>UNDP RBs, BDP – CD, PG, EEG, UNEP DRC & DEPI</p>	<p>Africa = USD 6,011,902</p> <p>Asia = USD 2,832,141</p> <p>ECIS = USD 2,158,690</p> <p>LAC = USD 1,961,796</p> <p>TOTAL OUTPUT 1: USD 12,964,529</p>

¹⁴ The PEI approach is described on p.6 and includes gender and equity analysis and data disaggregation.

	<p>functional cross-sectoral coordination mechanism.</p> <p>Target (yr 4) 26 PEI countries include P-E objectives and indicators in current plans. At least 24 PEI countries integrate P-E objectives & indicators in at least one sector policy/plan. At least 25 PEI countries integrate indicators in national M&E systems. 28 countries report functional cross-sectoral coordination mechanisms.</p> <p>Target (yr 5) 28 PEI countries include P-E objectives and indicators in current economic development plans. At least 28 PEI countries integrate P-E objectives & indicators in at least one sector policy/plan. At least 25 PEI countries integrate indicators in national M&E systems. 28 countries report functional cross-sectoral coordination mechanisms.</p>	<p>approaches and analyses.</p> <p>Activity 1.5: Develop relevant indicator frameworks and their inclusion in national M&E and reporting systems (e.g. P-E and gender/equity indicators)</p>		
<p>Output 2: Cross-sectoral budget and expenditure processes, and environment-economic accounting systems institutionalised.</p>	<p>Baseline 2012: 14 PEI countries incorporate P-E objectives in budgeting</p>	<p>Activity 2.1: Enhance public sector finance analysis and systems to support climate financing and public investments in support of poverty reduction and sustainable</p>	<p>Ministries of Planning & Finance, Ministries / Agencies responsible</p>	<p>Africa = USD 8,382,272</p>

<p>Output Indicators: 2.1 Number of national budgeting and expenditure processes that integrate P-E objectives in target countries. 2.2 Number of countries that use natural wealth values and other 'beyond GDP' measurements. 2.3. Rate of application of distributional impact analysis (e.g. Multidimensional Poverty Index) from P-E mainstreaming.</p>	<p>and expenditure frameworks. 0 PEI countries integrate wealth values in national accounting. Distributional information not collected and available.</p> <p>Target (year 2) 20 PEI countries incorporate P-E objectives in budgeting and expenditure frameworks. At least 2 PEI countries report national economic measures that include natural wealth values. At least 2 PEI countries pilot distributional impacts analysis.</p> <p>Target (year 4) At least 4 PEI countries report national economic measures that include natural wealth values. At least 4 PEI countries report national economic measures that include natural wealth values. At least 4 PEI countries pilot and 2 fully apply distributional impact analysis.</p> <p>Target (year 5) 28 PEI countries incorporate P-E</p>	<p>natural resources management. (e.g. budget guidelines, fiscal instruments – PES, multi-dimensional poverty index and natural wealth accounting)</p> <p>Activity 2.2: Support the capacity development of national institutions to collect and utilise gender and equity disaggregated economic, social and environmental data that supports policy formulation for environmental sustainability and poverty reduction (e.g. cross-sectoral economic-environmental valuation and coordination in close cooperation with other initiatives such as TEEB and WAVES)</p> <p>Activity 2.3: Prepare guidelines and budget control and reporting mechanisms to establish investment/expenditure frameworks for effective climate adaptation and mitigation, environmental sustainability and poverty reduction (e.g. CPEIRs, CBA, investment guidelines)</p> <p>Activity 2.4: Support the application of relevant tools including gender and rights based analysis to assess the results of public investments on environmental sustainability and linked poverty reduction outcomes (e.g. CPEIR, PER)</p>	<p>for Environment, Ministries/Sectors engaged in NRM (Agriculture, water, lands, etc), Ministries responsible for local government, sub-national governments, National Statistics Offices.</p> <p>UNDP CO and UNCT, UN agencies (UNCDF, HABITAT, WB, FAO, UNWOMEN, TEEB, etc.)</p> <p>PEI Country Teams, Regional Teams</p> <p>UNDP RBs, BDP – CD, PG, EEG</p> <p>UNEP DRC & DEPI</p>	<p>Asia = USD 3,093,016</p> <p>ECIS = USD 2,925,724</p> <p>LAC = USD 2,156,285</p> <p>TOTAL OUTPUT 2: USD 16,557,297</p>
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	objectives in budgeting and expenditure frameworks. At least 6 PEI countries report national economic measures that include natural wealth values.			
<p>Output 3 P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and Member States.</p> <p>Output Indicators: 3.1 Number of UNDAFs and CPDs that are P-E mainstreamed. 3.2 Number of UN strategic documents such as UNDG guidelines and Post-2015 debate that reflect PEI inputs. 3.3 Number of PEI knowledge products shared with regional and global networks. 3.4 Number of references to P-E approaches and tools in UN and other development agencies/strategies/plans.</p>	<p>Baseline 2012: PEI contributed to the formulation of 16 UNDAFs and 14 CPDs. UNDG guideline for environmental sustainability. 14 products shared.</p> <p>Target (year 2) PEI contributes to the formulation of 19 UNDAFs and 17 CPDs. PEI's inputs reflected in UN submissions to Post-2015 development discussions. 20 products are shared. At least a 20% increase against baseline.</p> <p>Target (year 4) PEI contributes to the formulation of 24 UNDAFs and 22 CPDs. PEI's inputs reflected in UN submissions on implementation of Post-2015 development decisions 30 products are shared. At least a 30% increase against baseline.</p> <p>Target (year 5) PEI contributes to the</p>	<p>Activity 3.1: Develop awareness and advocacy tools and products, and south south exchanges on experiences and lessons learned to influence regional networks and international and national development models. (briefing notes, annual reports, guidelines, regional workshops)</p> <p>Activity 3.2: Produce knowledge management products to document P-E mainstreaming achievements, impact and lessons learned and influence global best practice towards achieving sustainable development (e.g. Post 2015 & SDGs. (briefing notes, annual reports, workshops, publications, communication and outreach tools)</p> <p>Activity 3.3: Mobilize resources at country, regional and global levels to support P-E mainstreaming activities. (briefing notes, meetings)</p> <p>Activity 3.4: Engage with the UNDG on the application of its guidelines for environmental sustainability in country assessments and UNDAFs.</p>	<p>UNDP-UNEP regional teams and poverty environment facility as required</p> <p>UNDP RBs, BDP – CD, PG, EEG</p> <p>UNEP DRC & DEPI</p> <p>Stockholm Environment Institute (SEI), the International Institute on Environment and Development (IIED), the World Resources Institute (WRI) and the Overseas Development Institute (ODI), NORAD, SIDA, etc. UN-Habitat, UN-OHCHR, UNCDF, FAO, other stakeholders and major groups and the regional multi-lateral banks.</p>	<p>Africa = USD 1,309,680</p> <p>Asia = USD 1,071,920</p> <p>ECIS = USD 643,552</p> <p>LAC = USD 384,115</p> <p>PEF = USD 4,106,020</p> <p>TOTAL OUTPUT 3: USD 7,515,287</p>

	<p>formulation of 28 UNDAFs and 26 CPDs. P-E mainstreaming embedded in UN strategy for supporting implementation of Post-2015 goals and SDGs. 40 products are shared. at least a 50% increase against baseline</p>	<p>Activity 3.5: Develop partnerships with other development agencies/institutions to strengthen policy approaches and implementation of integrated development approaches including the organisation of and participation in the yearly Poverty and Environment Partnership meeting and other global fora.</p>		
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4.4 Annual Workplan (January to December 2013)

EXPECTED OUTPUTS	KEY ACTIVITIES /ANNUAL OUTPUT TARGETS	TIMEFRAME				RESPONSIBLE PARTY	PLANNED BUDGET		
		Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount (USD)
Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied. Africa = 9 countries Asia-Pacific = 9 countries ECIS = 5 countries LAC = 5 countries	<p>Activity 1.1: Support Government and their partners to lead on integration of P-E linkages in national medium and long term development policy and planning objectives.</p> <p>Activity 1.2: Support the use of specific mainstreaming tools/methods – e.g. environment & social safeguards, P-E linked indicators and gender and equity disaggregated data and analysis in national M&E systems, economic and social assessments.</p> <p>Activity 1.3: Strengthen intra and cross sector government-led coordination mechanisms at national levels.</p> <p>Activity 1.4: Coordinate with UNCTs and UNDP COs to effectively support efforts for lead on provision of P-E mainstreaming in national development policy and plans including through training on PE and gender approaches and analyses.</p> <p>Activity 1.5: Develop relevant indicator frameworks and their inclusion in national M&E and reporting systems (e.g. P-E and gender/equity indicators)</p>	X	X	X	X	Govt/UNDP CO/PEI country and regional teams	PEI	Travel/DSA Consultants Workshops Production Materials	<p>Africa: USD 1,018,302</p> <p>Asia-Pacific: USD 591,493</p> <p>ECIS: USD 487,690</p> <p>LAC : USD 462,816</p>
Output 2: Cross-sectoral budget and expenditure processes, and environment-economic accounting systems institutionalised.	<p>Activity 2.1: Undertake public sector finance analysis and elaborate systems to support climate financing and public investments.</p> <p>Activity 2.2: Support the capacity development of national institutions to collect and utilise gender and equity dis-aggregated economic, social and environmental data and use natural wealth and multidimensional poverty indices</p> <p>Activity 2.3: Prepare guidelines and budget control and reporting mechanisms for investment/expenditure frameworks.</p>	X	X	X	X	Govt/UNDP CO/PEI country and regional teams	PEI	Travel/DSA Consultants Workshops Production Materials	<p>Africa: USD 1,386,872</p> <p>Asia-Pacific: USD 752,367</p> <p>ECIS: USD 666,724</p> <p>LAC : USD 657,305</p>

	Activity 2.4: Support the application of relevant tools including a gender and rights based analysis to assess the results of public investments on environmental sustainability and linked poverty reduction outcomes								
Output 3: P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and Member States.	<p>Activity 3.1: Develop awareness and advocacy tools and products, and south-south exchanges on experiences and lessons learned to influence regional networks and development models.</p> <p>Activity 3.2: Document P-E mainstreaming achievements, impact and lessons learned and influence global best practice (Post 2015 & SDGs.)</p> <p>Activity 3.3: Mobilize resources at country, regional and global level for PE mainstreaming.</p> <p>Activity 3.4: Engage with the UNDG on implementing UNDAF programming guidelines for environmental sustainability.</p> <p>Activity 3.5: Develop partnerships with other development agencies/institutions to strengthen policy approaches and implementation of integrated development approaches, including organisation of and participation in the poverty and environment partnership (PEP) and other relevant fora.</p> <p>3.6.: Develop and implement a communication and outreach strategy for PEI 2013-17.</p>	X	X	X	X	Regional teams, PEF, UNDP BDP/EEG, PG, CDG and UNEP DEPI & DRC	PEI	Travel/DSA Consultants Workshops Production Materials	<p>Africa: USD 289,680</p> <p>Asia-Pacific: USD 226,403</p> <p>ECIS: USD 133,552</p> <p>LAC : USD 76,075</p> <p>PEF: USD 956,020</p>
								TOTAL	USD 7,705,298

5. CONSOLIDATED FINANCIAL OVERVIEW

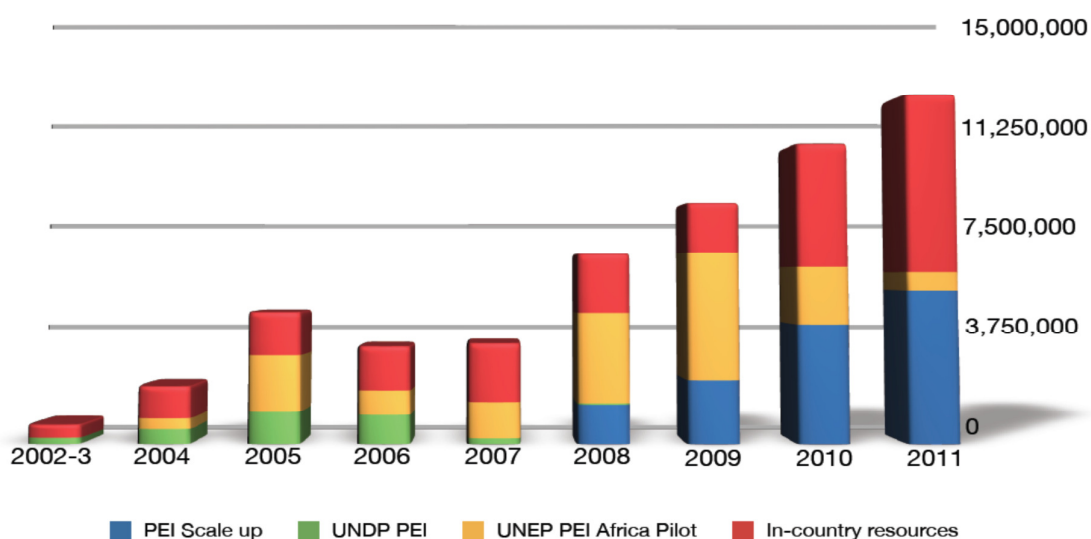
5.1 Expenditure 2008-2012

PEI Scale-up expenditure has steadily increased during the last five years in reflection of the number of country programmes coming online and the progress made the countries. In addition, the PEI Regional Teams in Africa, Asia-Pacific and Europe & CIS have been established and providing technical support in P-E mainstreaming to 28 countries to date – including coordinating financial support to 18 fully-fledged country programmes.

Figure 1 shows the cumulative PEI expenditure by UNDP and UNEP since 2003 to date from the different funding sources. The PEI Scale-up funds have been spent since beginning of 2008 and increasingly as PEI Africa (UNEP) funds are spent. There has been a corresponding increase in expenditure of PEI Scale-up funds and “counterpart” funds sourced from UNDP Country Office TRAC, bilaterals (e.g. SDC in Lao PDR) and/or Government funds (cash).

As at 31 December 2011, PEI has sourced a total of USD 65.1 million in support of P-E mainstreaming; comprising of USD 27.1 million generate at country level to augment bilateral funds awarded to UNEP (PEI Africa) and UNDP-UNEP Scale-Up totalling USD 38 million (See Table 1)

PEI Scale up (2008 - 2013)	27,744,010
Table : Summary of PEI resources over the Scale-up programme duration (2008-2012)	3,927
UNDP/UNEP core resources staffing & operations (2008 - 2011)	7,037,409
UNDP in country Core Resources (TRAC) (2008 - 2012)	7,609,420
UNDP in-country co-funding other projects & partnerships (2008 - 2012)	9,658,532
Government counterparts (cash & in kind) (2008 - 2012)	2,800,000
PEI RESOURCES GRAND TOTAL	65,103,298



5.2 Projected Income and Expenditure 2013-2017

The PEI global budget projection requested in this proposal is an average of **US\$ 6 million per year over five years** (See Table 3). This is an estimated annual resource mobilisation target for the PEI pooled fund and to be sought from existing donors and some additional donors which have expressed interest in supporting PEI.

The figure is based on a number of factors:

- Known demand from existing PEI countries, new demand, remaining gaps of PEI countries and
- Experience of implementing country programmes during the past five years;
- Delivery capacity of the PEI global programme for the last two years; and
- PEI country funds are increasingly catalysing country based funding through UNDP CO TRAC funds, bi-lateral funds and Government contributions.
- Excludes financial commitments by UNDP and UNEP towards core programme staffing, administrative support and country level programming estimated at USD 2 million /year per organisation.

The budget projection puts emphasis on supporting country P-E mainstreaming and RTs capacity to support CTs and integration of P-E mainstreaming within UNDP and UNEP programmes and operations at country and regional levels. Annual averages for country and regional operations will reflect country and regional workplans, discussed and agreed on by the JMB.

It is anticipated that a PEI global budget project of US\$ 8.3 million/year in 2013 and decreases from 2015 onwards while catalysing additional country level funding.

The JMB has approved that the PEI global balance as of 31 December 2012 is carried forward to finance the budget projection for 2013 under the 2013-2017 programme. It is estimated total expenditure for 2013 will be in the order of USD 8.3 million. The carried forward balance and estimated available income and commitments for 2013 will cover the 2013 budget. New pledges and contributions will be required for 2014-2017 to continue to deliver on PEI country projects. A fund raising strategy will need to be implemented in 2013 to realize the ambitions of this project proposal.

The total envelope sought to achieve the proposed outcomes of this project document between 2013 and 2017 is approximately US\$40 million from partners. In addition UNDP and UNEP propose to contribute 2 million US \$ per year per agency for a total of at least US\$20 million to facilitate the implementation of PEI at the global, regional and country level.

Table 3: PEI Budget Projection for 2013-2017 – excluding country co-funding (UNDP TRAC, UNEP POW, Bilateral, Government)

DESCRIPTIONS	2013	2014	2015	2016	2017	TOTAL (USD)
<p>Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied. (Maximum of 29 countries with financial and/or TA support).</p> <ul style="list-style-type: none"> Proportion of PEI country programme implementation: staffing, studies, briefing notes and knowledge management products, and workshops, meetings and in-country travel. Proportion of technical assistance support provided by four Regional teams to PEI country teams, UNDP CO and UNCT. 	2,560,300	2,762,244	2,606,095	2,570,295	2,465,595	12,964,529
<p>Output 2: Cross-sectoral budget and expenditure processes, and environment-economic accounting systems institutionalised. (Maximum of 29 countries with financial and/or TA support).</p> <ul style="list-style-type: none"> Proportion of PEI country programme implementation: staffing, studies, briefing notes and knowledge management products, and workshops, meetings and in-country travel. Proportion of technical assistance support provided by four Regional teams to PEI country teams, UNDP CO and UNCT. 	3,463,268	3,498,244	3,270,095	3,224,295	3,101,395	16,557,297
<p>Output 3: P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and Member States</p> <ul style="list-style-type: none"> Proportion of Regional teams cost to support regional communities of practice and networks, and contributions to regional and global development programming. Poverty Environment Facility* inclusive of: briefing notes and knowledge management products, studies and guidance notes, programme coordination between regions and UN institutions, financial and operational management, workshops, meetings and travel, and 	1,681,730	1,432,827	1,470,310	1,466,910	1,463,510	7,515,287

programme and administrative staff (co-financing), monitoring and evaluation ¹⁵ .						
Sub-Total (Excluding GMS)	7,705,298	7,693,315	7,346,500	7,261,500	7,030,500	37,037,113
UNDP-UNEP General Management Services (GMS) 8%	616,424	615,465	587,720	580,9201	562,440	2,962,969
Sub- TOTAL (USD)	8,321,722	8,308,780	7,934,220	7,842,420	7,592,940	40,000,082
Contributions by UNDP for core staff, premises and programme implementation.	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Contributions by UNEP¹⁶ for core staff and premises	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
TOTAL (USD)	12,321,722	12,308,780	11,934,220	11,842,420	11,592,940	60,000,082

* These figures reflect average estimates and will be adjusted according to Annual Workplans.

15 The budget for 2015 includes 100,000 USD for the mid-term evaluation and the budget for 2017 includes 100,000 USD for the final evaluation.

16 Core contributions from the Environment Fund.

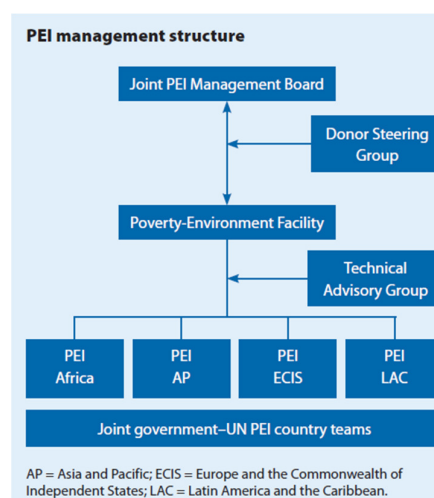
6. MANAGEMENT AND COORDINATION ARRANGEMENTS

The PEI is a joint UNDP and UNEP programme operating through: 1) joint teams at regional and global levels; 2) a single management agent (UNDP); and 3) a pooled fund (i.e. a single account). In operation since 2007, this structure was positively assessed by the MTR (2011) and the recently concluded Business Review (2012). The same management structure will apply for the period 2013-2017. However, a number of changes will be applied to improve PEI efficiency and effectiveness, and to facilitate increased and sustained integration of P-E mainstreaming approaches within national Government, UNDP and UNEP country and regional operations. At the time of writing this proposal the PEI Business Review was not complete and further review of this section will be undertaken in due course based on the recommendations of the review and JMB decisions.

6.1 Management Structure

The PEI organisation structure consists of country programmes, 4 regional programmes, a global programme facility, a joint institutional board, and two advisory bodies.

The country programmes are implemented by joint government-UN PEI country teams (CT), with support from and in coordination with joint UNDP/UNEP regional teams (RTs). The Poverty-Environment Facility (PEF), based in Nairobi, provides the overall programme, operations and financial management coordination. The PEF is answerable to and under instructions of the strategic management of the Joint PEI Management Board (JMB), which is composed of UNDP and UNEP staff members. The PEF and the JMB are supported by the technical inputs of the Technical Advisory Group (TAG). Similarly the PEF and the JMB are accountable and receive important strategic feedback from the Donor Steering Group (DSG), which is composed of all contributing partners to the PEI.



Country Teams (CTs)

At country level P-E mainstreaming is defined by a Project Document (ProDoc) and annual workplans – which are either separate PEI projects or integrated into larger existing cross-practice (environment or poverty) and/or sector projects. In all cases, internal coordination and participation of both poverty and environment officials at CO level will be assured. Implementation is led by the relevant government Ministry (with a Project Director designated from the government) supported by the PEI Programme Manager or Advisor (usually based in the relevant Ministry). UNDP Country Offices will be responsible for monitoring and reporting on country level activities, outputs and outcomes in line with a signed project instrument between UNDP and the Government. Day-to-day oversight of the PEI project will be provided by the UNDP Country Office with project design, technical backstopping and monitoring support provided by the PEI Regional Team.

In countries where PEI RTs provide technical support for P-E mainstreaming in the absence of a PEI country project, PEI inputs will be channelled through existing or planned projects of the UNCTs, in particular the UNDP Poverty, Governance and/or Energy and Environment practices.

Regional Teams (RTs) and steering committees

The PEI regional teams in Africa (AF), Asia-Pacific (A-P), Europe and the Commonwealth of Independent States (ECIS) and Latin America and Caribbean (LAC) are responsible for the implementation of PEI regional implementation strategies, including the provision of technical assistance to countries, project cycle management support to PEI CTs, and guiding P-E mainstreaming approaches and tools within respective UNDP and UNEP programmes in the region. RTs are responsible for ensuring that country projects are designed, implemented and monitored in line with the PEI programmatic approach and global programme document.

In addition, RTs are responsible for collaborating with regional institutions and individuals to strengthen regional communities of practice for P-E mainstreaming. The RTs are also responsible for leading on knowledge management products and contributing to similar products lead by the PEF. Lastly, the RTs have successfully supported CTs to fundraise to support the implementation of country programmes; from a range of sources including UNDP CO TRAC funds, bilateral country level funds and Government funds.

For the period 2013-2017, emphasis shall be placed on RTs delivering on the above-mentioned roles and responsibilities in particular within the context of leading on the application and replication of P-E methodologies in PEI countries, UNDP and UNEP programmes and operations (e.g. UNDP Regional Bureaus and UNEP Regional Offices), and within regional communities of practice. This approach is in line with institutional reform processes of UNDP and UNEP, and the working group on UNDP and UNEP collaboration. The PEI Sustainability Strategy (to be finalised by 2015) will aim to reinforce the role and mandate of PEI Regional Teams whilst taking into account the resourcing available to the two institutions and the PEI Business Review. The PEF will orient its own functions to increase support to RTs to strengthen their capacities (e.g. staffing, procedures, resources) to deliver on their regional implementation strategies.

Regional implementation strategies comprise of a narrative section and results and resources framework which include:

- A common P-E mainstreaming approach to support PEI country programmes.
- A clear programmatic link between the PEI global programme and its implementation at country and regional levels.
- An estimated budget for the regional programme (2013-2017), updated annually.
- A 1st year annual work plan and budget, renewed annually.

The PEI regional implementation strategies are jointly developed and implemented by UNDP Regional Centres, UNEP Regional Offices, Government institutions and their partners.

Regional Steering Committees, co-chaired by UNDP and UNEP Regional Directors and with membership from UNDP and UNEP regional office technical programmes (e.g. UNDP's Poverty Group) and PEF Co-Directors, are responsible for endorsing the PEI Regional Strategy and budget for submission to the PEF and the Joint Management Board. Regional Steering Committees are also responsible for ensuring the effective coordination of PEI with other UN and non-UN programmes engaged in P-E mainstreaming or similar themes within their respective regions. The Joint Management Board approves the regional implementation strategies. The Terms of Reference for the Regional Steering Committees is attached as Annex 4.

Poverty-Environment Facility (PEF)

The PEF, established in 2008, is responsible for the overall management and coordination of the PEI programme. The PEF supports the programme through: facilitation of strategic planning, reporting and monitoring systems; overall programme and financial management (UNDP's ATLAS); technical assistance to RTs; preparation of knowledge and lesson learning products and dissemination; coordination within UNDP and UNEP and adherence to their planning, reporting and information management systems (UNDP's ATLAS and UNEP's PIMS); and external liaison with partners and donors; and, coordinating global fundraising and reporting processes.

The PEF administers the PEI operational modalities (work planning, budgeting, reporting, financial and administrative management, etc.) along the guidance and formats given by the UN Development Group (UNDG) for joint inter-agency collaboration and as described in the "Internal Guidance note on Joint Programme Management Under the UNDP-UNEP Poverty-Environment Initiative" (6 August 2009).

The PEF is responsible for managing the overall PEI ATLAS Award and to maintain coordination with the Regional Teams on reporting and strategic management issues. The PEF compiles global PEI annual workplan and budget, drawn from annual regional team planning meetings. The PEF processes revisions to the annual workplans and budgets periodically and/or when required. The PEF is responsible for proposing to the JMB for approval the allocation of available funding to enable the delivery of the PEI Global programme by the regional teams and the PEF. Country allocations are made based on pre-determined allocation criteria, based on the regional implementation strategies,

and on the basis of the relevant annual workplans as approved by the JMB. The Co-Directors are responsible for the implementation of the programme, the supervision of the PEF staff and provide substantive and managerial guidance to the Regional Teams.

Joint Management Board (JMB)

PEI programme and fund management arrangements follow the UN Development Group guidance on joint UN programming.

The PEI is governed by, and under, the strategic direction of a Joint Management Board (JMB). The PEI JMB has the following key responsibilities:

- Approve the joint PEI strategy, which includes the consolidated strategic documents for the PEF, and the regional teams.
- Approve consolidated Annual Workplans (inclusive of activities, staffing and other operational costs of the PEF and Regional Teams) and budgets, including revisions of these.
- Approve and implementation of PEI resource mobilization strategies and activities, and maintaining donor relations through providing regular briefings to the Donor Steering Group,
- Approve internal resource mobilization for staffing and operational costs related to the PEF and Regional Teams.
- Monitor PEI progress, achievements, challenges and implementation arrangements.
- Review of Joint Programme Management arrangements annually.
- Review of ad hoc issues raised by the Co-Directors.

Technical Advisory Group (TAG)

The JMB and PEF will continue to be assisted by a Technical Advisory Group whose role is to provide technical guidance on P-E mainstreaming and to ensure adequate co-ordination between key development and implementation partners (e.g. donors, think tanks, NGOs). The focus of the technical guidance is on P-E national level mainstreaming activities and P-E linked thematic areas such as climate change financing and inclusive green growth.

The TAG is composed of members from key donor partners as well as leading international technical institutes such as IIED and WRI. The PEF acts as Secretariat to the TAG. The TAG meets annually, back to back to the PEP annual meeting and virtual meetings will be a preferred arrangement.

The TAG responsibilities are centred on providing strategic advice on:

- strategic thematic focus areas;
- knowledge management and technical support;
- technical coordination; and
- monitoring and evaluation.

Donor Steering Group (DSG)

The Donor Steering Group, meets at least annually, and provides guidance on programme accountability and governance, and advice on strengthening linkages with respective donor programmes globally, regionally and at country level. All contributing donor/partner agencies to the PEI global programme are considered a member of the Donor Steering Group and invited to participate in an annual meeting. PEI current donors are the Governments of Belgium, Denmark, Germany, Ireland, Norway, Spain, Sweden, the United Kingdom, the European Commission and the United States.

Graphic illustration of fund management for a Joint Programme with Pooled Funding



6.2 Financial Management Structure

UNDP is the Managing Agent for PEI and financial management arrangement are in accordance with UNDP systems (e.g. ATLAS) and the UNGD guidance on joint programming. The operational modalities of the PEI are guided by the “Internal Guidance note on Joint Programme Management Under the UNDP-UNEP Poverty-Environment Initiative” (6 August 2009). The IG note details the PEI

management arrangements at global, regional and country levels. The IG note will be revised in 2013 to reflect improvements based on its applications and JMB endorsed recommendations by the MTR (2011) and the Business Review (2012).

Joint award budget structure

The UNDP is the Managing Agent (MA) for PEI. The joint PEI programme is a single award in the UNDP ATLAS system. Under this modality, UNDP accepts funds from the participating UN organizations using the standard Memorandum of Understanding (MOU) set out in the Joint Programming Guidance Note. Contributions are received at either UNDP HQ or UNDP Country Office level. UNDP as MA can also receive funding from donors. These funds are recorded as project level co-financing (preferably cost-sharing or, where required by the donor, closed trust fund) with the donor reflected as the donor code in Atlas. Standard Implementing Partner arrangements are in effect (i.e. NEX, DEX, NGO, and Agency). All UNDP programme or development funds (i.e. regular resources such as TRAC or other resources such as cost sharing or trust funds) can be directed to a Pooled Funding arrangement.

The Pooled Funding arrangement has largely worked well to date and enabled the PEI to deliver smoothly at all levels. This arrangement will remain the basis for operations during the period 2013 – 2017. However, on the requests of a number of country offices, and in order to promote national level ownership and facilitate stronger integration of programming at country level by the UNDP Country Offices, as well as facilitate a more decentralized approach in the management of PEI funds, PEI will continue to receive funding in the core ATLAS award, but transfer funds on request to PEI Country Office projects under the UNDP Country Office awards. In this case, the PEI and the respective country offices will enter into separate and mutually agreed financial and narrative reporting arrangements.

Cost Recovery

The PEI is a joint global programme with a General Management Services (GMS) rate applied to funds pooled to the ATLAS award, which ensures cost recovery to UNDP and UNEP to support the project administration. The rate for programme support cost recovery is 8% for all donor contributions whether received through UNDP or through UNEP. The received donor funds will be pooled into the ATLAS award after which UNDP proceeds with the following distribution:

- 2% for UNDP Central Services
- 3% for UNDP BDP, with 66% to be allocated to the operating budget of the Poverty Environment Facility (PEF)
- 3% for UNEP

6.3 Strengthening the PEI Business Model

As a follow up to the 2011 Mid-term Review (MTR), the Poverty and Environment Initiative (PEI) conducted an internal business review of its operational set-up during 2012. The purpose of the business review was to contribute to a more effective and efficient management of the programme, while preserving the joint management principles and arrangements on which it was built. This review produced an assessment of the current operations and operational modalities, and provided recommendations for the next phase of the programme (2013-2017). The review was conducted by the UNDP Management Consulting Team (MCT) with support from PEI staff (see Annex 4).

To ensure the largest possible participation, the business review team structured interviews individually and in small groups. Face to face interviews were conducted in Nairobi with senior management of the United Nations Environment Programme (UNEP) and PEI staff based there, while interviews with United Nations Development Programme (UNDP) staff based at Head Quarters in New York and with UNDP and UNEP staff members in other locations were organized using teleconference facilities.

The review team assessed the governance of the programme, the roles and responsibilities of the various stakeholders, the current staffing and the sources of funding covering staff costs, the planning and budgeting process, the Internal Control Framework, and the reporting. The business review's

recommendations are essentially driven by a Vision of the end state that would result from PEI's intervention¹⁷:

- ✓ Poverty-Environment Nexus (PEN) mainstreamed sustainably in participant countries;
- ✓ An enabling environment at global level for scaling-up national PEN mainstreaming;
- ✓ PEN mainstreamed in the two agencies;
- ✓ An effective UNDP-UNEP collaboration for PEN mainstreaming; and
- ✓ Adequate and predictable funding for PEN activities.

The recommendations are also based on the following principles:

- ✓ Consideration of the added value at all levels (global, regional and national) of the PEI vis-à-vis other related work of the two agencies, and the comparative advantages of UNDP and UNEP;
- ✓ Rationalizing the PEI staffing structure, its costs, and funding; and
- ✓ Implementation of the proposed changes in a phased manner to avoid disruption of work.

The most important recommendations emerging from the business review are presented below.

Governance

Regarding the governance of the programme, PEI is working towards implementing the following two key recommendations :

- ✓ Expand the membership of the JMB to include a representative from UNDP's Regional Bureau for Africa (RBA) on a pilot basis, and a representative from UNEP's Lead Division for the Environmental Governance Sub-programme, the Division of Environmental Law and Conventions (DELCO),
- ✓ Form the PEI Regional Steering Committees and its TORs

Work planning

Regarding work planning, PEI is working towards implementing the following recommendations::

- ✓ Better integration of PEI work-planning into UNDP & UNEP programming cycles, and ensure the P-E nexus and PEI outcome, outputs and activities are properly and coherently integrated in UNDP and UNEP strategies, programme of work and budget;
- ✓ Develop a stronger PEI programme logframe with specific targets, improved (measurable) indicators, and specific baselines to measure progress;
- ✓ Consider the UNDP and UNEP portfolios of existing or planned activities in the countries.

Financial management

Regarding financial management, PEI is applying the following recommendations relate to the actual management of the UNDP's ATLAS Award:

- ✓ Reorganize the structure of the ATLAS regional project to take into consideration requests for Technical Assistance formulated by any country and enable reporting on a country by country basis;
- ✓ Monitor closely the Tanzania pilot experience on decentralizing the ATLAS award to the Country Office before decentralizing the award to other countries. This decentralization will allow an integration of PEI activities into existing instruments and legal frameworks and will reduce the transaction costs and the reporting burden of national partners. This may signify the review of the actual set up in terms of distribution and use of the General Management Support (GMS) fees within UNDP.

¹⁷ The Vision is the understanding of the MCT Team resulting from the various interviews.

Management Structure

Regarding the management structure, the business review clarifies the functions needed to deliver PEI outcomes and outputs, and proposes the minimum number of staff required in each location and the ideal source of funding (see Annex 4). An important recommendation is to ensure that all UNDP Regional Service Centres and UNEP Regional Offices are adequately staffed to perform their PEI duties. Job descriptions and staff annual work plans will be revised to reflect these functions.

In terms of functions, the recommendations being applied and reflected in this proposal are:

- ✓ For the PEF: a) Overall PEI coordination; b) Programme support; c) Learning and knowledge management; and d) resources mobilization.
- ✓ For the Regional Teams: a) Regional coordination and guidance; b) Capacity development and technical assistance; c) support to resource mobilisation at country and regional levels; and d) Administrative and financial support.
- ✓ For Country Offices: Day-to-day oversight and support to country programme implementation.

7. FEASIBILITY, RISK MANAGEMENT AND SUSTAINABILITY

Owing to PEI experience to date and in light of the current global and regional socio-economic realities (e.g. prolonged economic crisis), there are a number of risks that could limit achievements of results and the long-term sustainability of the programme. The risks and corresponding management responses are detailed in the Risk Log (Table 4).

By the end of the period 2013-2017, the intention is that PEI, as a programme, will be integrated within respective UNDP and UNEP programmes and operations. P-E mainstreaming will be sustained through its integration within national development policy and planning processes and the ways of doing business (i.e. programmes of work and strategies) of UNDP and UNEP at global, regional and country levels. The results framework 2013-2017 and mode of operation of PEI is structured with the sustainability objective in the forefront. Critical to achieving sustainability of P-E mainstreaming is demonstrating positive economic, social and environmental results at country level from programmatic and institutional reforms resulting from application of P-E mainstreaming tools, and integration in thematic programmes of UNDP and UNEP at country, regional and global levels. This also requires longer term country funded capacity development programmes and sustained increased funding for investments at country level. Similarly, the sharing of PEI experiences and achievements within global debate on best practices for P-E mainstreaming will also contribute towards its integration in sustainable development pathways.

Table 4: Risk Log

	Description	Category	Impact & Probability	Countermeasures / Mngt response	Owner	Author	Date Identified	Status
1	Financial constraints on PEI, UNDP and UNEP	Financial	Continued global recession leads to significantly lower donor contributions to PEI. Impact: 1) reduction in funds to support country programmes; 2) reduction in PEI staff. P = 2	Prioritise Country level interventions to scale down to essential activity components. Suspend / close country programmes and/or scale down RTs and/or PEF.	PEF, RT and CT	PEF & RT	8/12	Increasing
2	Elections & Political Change	Political	National elections lead to changes in political leadership and priorities, and/or instability/civil war. P = 3	CT, RT and UNDP/UNEP regional offices assess and implement changes needed to PEI programmes	CT and RT	RT	8/12	No change
3	Weak Government capacity to lead and implement PEI programme.	Environmental Financial Operational Organizational Political Regulatory Security Strategic Other	Serious delays, inadequate inclusion of P-E objectives, inadequate implementation. P = 3/4	Strengthen and repeat diagnostic assessments (e.g. ICA) to reassess theory of change and project design/ work plans. Put in place initiatives and adapt work plans.	PEI CT, RT and UNDP Cos	RT	8/12	No change
4	Inadequate commitment from	Environmental Financial Operational	Inertia in PEI Country and Regional programmes. Lack	Strengthen and repeat diagnostic assessments (e.g. ICA) to reassess	CT and RT	RT	08/12	No change

	Government partners	Organizational Political Regulatory Security Strategic Other	of progress, achievements and outcome. P = 4	theory of change, validate national government commitment and project design/workplans. UNDP CO to engage at high echelons in Government to seek assurances of remedial action. If no change, then suspend or close country programme.				
5	Inadequate result and impact monitoring and reporting	Operational	Difficulty to quantify and report on PEI achievements and impacts. Undermines ability to influence UNDP, UNEP and global actors. P = 3	PEI CT, RT and PEF to apply and refine M&E framework, and strengthen design, monitoring and reporting of country programmes.	PEI CT, RT and PEF	RT	8/12	Decreasing
6	Disasters (Flooding, Tsunamis, Typhoons, etc)	Environmental	Changes in country priorities P = 5	PEI programmes adjust priorities accordingly	PEI CT an RT	PEI	8/12	No Change

8. MONITORING AND EVALUATION

The PEI will continue to be monitored in accordance with the programming policies and procedures outlined in both the UNDP Handbook on Planning, Monitoring and Evaluation for Development Results (2009) and the UNDP Manual on Project Design, Monitoring and Evaluation (draft -2012). In addition, the PEI M&E Framework will be applied to enhance results-based monitoring at output and outcome levels.

The PEI MTR 2011 concluded that PEI at country and global level are reporting on progress has been in accordance with UNDP monitoring requirements but with insufficient emphasis on results-based monitoring, namely reporting against expected outputs and outcome. However the MTR acknowledged efforts to improve the PEI M&E system by focusing on results and using the monitoring information to strengthen PEI planning and reporting. In late 2011, the PEI piloted an M&E Framework in the context of PEI country and regional teams. The M&E Framework aims to support the collection of information on progress and achievements against country and regional **outputs** and **outcome indicators** contained in respective Results and Resources Frameworks (RRF) and annual workplans. The PEF will continue to provide guidance and tools to help ensure a consistent and rigorous approach to monitoring and assessing country P-E mainstreaming efforts based on a set of mainstreaming and related capacity development indicators.

In monitoring and evaluating PEI, it will be important to distinguish between PEI outcomes of PEI outputs and activities, and their impact on poverty-environment conditions and the poor. In general, it will not be possible to trace a direct attribution of impact of PEI outputs upon poverty-environmental variables. However, the 2013-2017 RRF does establish a clear link of PEI outputs contributing to increased implementation of P-E linked development policies, plans and budgets. An assessment of PEI, therefore must balance on the processes generated or facilitated by the programme, the soundness and relevance of the policy advice and support it has provided and results in terms of increased financial allocations for P-E linked initiatives, improved Government implementation and reporting on P-E linked programmes.,

Based on the monitoring information collected, the aim is to enable CTs and RTs to support Governments, UNDP CO and their partners to capture their progress and achievements towards P-E mainstreaming and impacts from P-E mainstreaming. For instance, the P-E mainstreaming approach of working with ministries of planning, national statistics offices and key sector institutions to formulate national P-E linked indicators for inclusion in national economic development plans involves a series of PEI activities and outputs. The latter will reflect adoption of P-E linked indicators in national planning and monitoring systems. However, the continued collection of data by national institutions and use in national reporting will reflect a P-E mainstreaming outcome.

In accordance with UNDP and UNEP programming policies and procedures and the PEI M&E Framework, the programme will be monitored through the process outlined below. It will be applied at country, regional and global PEI levels. UNDP Country Offices will be responsible for monitoring and reporting on country level activities, outputs and outcomes in line with a signed project instrument between UNDP and the Government. UNDP-UNEP Regional Teams will monitor and report on regional level activities, outputs and outcomes reflecting key results from their regional portfolio of country programmes and PEI regional implementation strategies. At the global level, UNDP and UNEP will joint monitor and report on global progress and achievements against the global PEI RRF through the PEF and in coordination with headquarter units. The PEF will combine country, regional and global level reporting on progress and results into a consolidated annual report and other information materials.

For each PEI award on UNDP's ATLAS, the monitoring process will be applied. Similarly, the PEI programme will be monitored and reported on using UNEP's systems and information management systems (PIMS).

Within the annual cycle

- On a quarterly basis, each PEI country, region and global programme will submit a quarterly progress report according to the PEI reporting template (adapted from UNDP Project Progress Report)

- On a quarterly basis, the progress report shall record progress towards the completion of key results, based on stated indicators, methods data captured in respective Results and Resource Frameworks (RRF).
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 5), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Results Oriented Annual Report (ROAR) shall be submitted by the Project Manager to the Project Board through Project Assurance, using the standard report format available in the Executive Snapshot.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- **Annual Progress Reports.** Annual Progress Reports (Word version) shall be prepared at country, regional and global levels and shared with respective oversight bodies (e.g. Steering committees, Joint Management Board and institutions). At minimum requirement, the Annual Progress Report shall consist of a cumulative annual results-based report on progress against the RRF's outputs and outcome, and in particular towards achieving annual targets and explanation for any variations. Qualitative and quantitative information shall be presented to substantiate evidence of results against outputs and outcome indicators.
- **Results Oriented Annual Report.** Drawing from the Annual Progress Report (above), UNDP Atlas project management information will be updated and a Results Oriented Annual Report (ROAR) will be produced by the COs at national level, and by the ROs at regional level.. The ROAR shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output and outcome level.
- **Annual Project Reviews and Work Plans.** Based on the above annual reports, annual project reviews shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise Annual Work Plans (AWP) for the following year. Central to the annual assessment of performance and annual work plan will be a review of the country, regional and global programme's risks and assumptions combined with a review of the political economy and drivers of change for P-E mainstreaming. Using the *theory of change* planning approach, the outcomes of this review could be used to re-prioritise outputs and corresponding activities in Annual Work Plans in order to ensure project effectiveness towards achieving P-E mainstreaming results. Should the changes in output orientation be substantial, then an amendment to the RRF and Project Document would need to be endorsed by the relevant oversight committee.

In the last year, these internal reviews will constitute a final assessment. These reviews are driven by the relevant oversight committees and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

A Mid-Term Evaluation of PEI 2013-2017 will be undertaken during the second half of the third year. The MTR will assess relevance, efficiency and effectiveness of PEI implementation, its connectedness with UNDP and UNEP programmes, and its progress towards achieving outputs and impact. Based on its findings it will make recommendations for improvements for consideration by the PEI JMB.

No.	Monitoring Action	Due Date	Milestone Description	Comments	Date Completed	Responsibility
1	Quarterly Progress Reports at country, regional and global levels	Quarterly	ATLAS updates,		Quarterly	CT, RT and PEF respectively
2	Field monitoring visits (combined with TA inputs)	Quarterly	Field mission conducted and mission reports circulated	RT conduct monitoring and TA visits of PEI country projects	Quarterly	RT
3	Monitoring of Regional Programmes	Six monthly	Either field visit or global conference call	PEF conducts review of progress and delivery discussions	Six monthly	PEF
4	Six month progress reports	End Q2	Narrative and quantitative reports for UNDP and UNEP		End Q2	PEF
5	Annual Progress Reports at national, regional and global levels	End Q4	ATLAS updated, quality assessed.	Results-based reporting against outputs and outcome	Beginning Q1, Annually	CT, RT and PEF respectively
6	Review of Annual Progress Reports & Annual Workplans at national, regional and global levels	End Q4, Annually	ATLAS ROARs produced and workplans endorsed	Monitoring findings feed into annual planning. Data available for reporting on achievements, best practice and lessons learned	Beginning Q1, Annually	CT, RT and PEF respectively
7	Mid-Term Review	Q1, Year 3	MTR conducted on PEI relevance, efficiency, effectiveness, connectedness and progress towards outputs and outcomes.		Q2, Year 3	PEF
8	Final Evaluation	End Y5	Final Evaluation conducted to identify results and impact of PEI.	Conducted post Year 5.	Q2, Year 6	UNDP & UNEP

9. LEGAL CONTEXT

The administration of this programme shall be governed by UNDP rules and procedures, and the UNDG guidance on joint programme.

The Joint Programme Document shall be the instrument referred to as the Project Document.

The UNDP and UNEP agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to this Joint Programme are used to provide support to individuals or entities associated with terrorism and that the recipients of any accounts provided by Participating UN organisation do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.

ANNEX 1: PEI COUNTRY FACT SHEETS

BANGLADESH

BASIC FACTS ABOUT PEI BANGLADESH

Timescale: Phase 2 (2013-17); Phase I (July 2010–September 2013); Preparatory Phase (2008–2009).

Focus: Improving natural resources management and environment outcomes for poor people through mainstreaming pro-poor, gender-sensitive environment and climate change issues into the design and implementation of national development processes, budgets and economic decision-making.

Budget: \$1 million (\$500,000 from UNDP; \$500,000 from PEI).

ACHIEVEMENTS

The results of the Climate Public Expenditure and Institutional Review (CPEIR) in Bangladesh¹⁸ have resulted in a significant shift in government thinking:

The vast majority of climate funding is embedded within multi-dimensional programmes across numerous government departments.

Taken together, Bangladesh currently spends US\$1 billion a year, 6 – 7 percent of its annual budget, on climate change adaptation.

This represents nearly a fifth of World Bank's recent estimation for expenditure needs by 2050 a year already, three-quarters of which comes directly from the government.

Household spending on climate change adaptation for the extreme poor and landless households, often exceeds their income, some by more than double the amount.

Bangladesh's Minister for the Environment has used the findings in statements in parliament and at international climate change negotiations to support a stronger negotiating position at the global level to leverage the kinds of funds required to fill the development gap as a result of climate change.

Bangladesh –spearheaded by the Ministry of Finance- is developing a sophisticated climate change accounting system ('Climate Change Fiscal Framework') that goes beyond physical capital investment to cover social protection as a result of climate change, also at local level. (Climate change expenditure was associated with the Ministry of Environment rather than as a cross-ministerial issue in the past).

On the back of the CPEIR process, the government has introduced a climate budget code with indicators, in the 2013 budget so that it can track spending on a more continuous basis across all government departments and draw a much clearer picture of how local authorities are grappling with the practical dimensions of protecting communities and livelihoods.

Bangladesh has started screening large scale public investments using P-E and climate criteria, resulting in large government-funded investment projects better addressing the concerns of the poor and increased budget allocations. All ministries that submit projects for funding must demonstrate the percentage of poor people who will benefit, what the impact on natural resources will be, and the extent of resilience of new infrastructure to climate change.

Through technical support to 28 ongoing government projects in Bangladesh PEI is helping to reverse environmental degradation while also benefiting the poor by creating income possibilities and improving resilience to the effects of climate change.

¹⁸ Undertaken with support from the Overseas Development Institute (ODI), who have pioneered similar studies in a number of countries including Nepal, Thailand, Samoa and Cambodia.

“More projects are coming up that reflect an awareness of climate change impacts on development, as well as environmental sustainability and poverty alleviation,” said Mr. Nurun Nahar, a planning expert in Bangladesh. In Sunamgonj, the project has helped local communities increase their fish stock and improve agricultural production through better natural resource management, which resulted in better means of livelihood for 100,000 households.

WAY FORWARD

Working with the Ministry of Finance to implement the climate budgeting system and integration of climate issues into the Medium Term Expenditure Framework.

BHUTAN

BASIC FACTS ABOUT PEI BHUTAN

Timescale: Phase II (January 2010–July 2013); Phase I (July 2008–December 2009); Preparatory Phase (October 2007–April 2008).

Focus: Sustainable development planning and implementation undertaken at national and local levels contributing to: addressing climate change impacts, conservation, protection and sustainable use of natural resources; and poverty reduction.

Budget: \$4.76 million, made up of contributions from the Government of Denmark (ca. \$3.27 million), PEI (\$0.75 million), UNCDF (\$0.559) and UNDP Bhutan (\$0.11 million, TRAC funds).

ACHIEVEMENTS

A Green 5 year development plan lays the basis for Bhutan to become the first carbon neutral, organic country.

Better quality of sustainable development in Bhutan through the integration of poverty-environment-climate concerns into national, sectoral and local level policies and plans: "Bhutan's solution is to turn Gross National Happiness principles into a policy-screening tool to achieve that elusive ideal of sustainable development."¹⁹ All draft government policies are now screened to help improve their sustainability elements and respond to calls to make policies provide more benefits for poorer people. It has already been applied to eight draft government policies.

The Public Environmental Expenditure Review pioneered by PEI has been institutionalized and influenced the government's interest in initiating an inclusive green economy process.

Local governments in Bhutan recorded increased expenditure for sustainable development during the first two years of the NDP (the 11th Plan).

Bhutan pioneered an Environment-Climate-Poverty Mainstreaming Reference Group institutionalized in 2011, that is greening Government's work. This interagency helpdesk that has improved the capacity of sector and local officials to address ECP gaps in the analysis and design of new programmes, and the Public Environment Expenditure Review to increase state revenues from natural resources.

¹⁹ Extracted from Time Magazine's article "The Pursuit of Happiness", published on 22 October 2012. <http://www.unpei.org/news-a-meetings/latest-news/268-better-quality-of-sustainable-development-in-bhutan>

WAY FORWARD

Ensuring sustainability and maintaining the mainstreaming momentum within government will be a focus of the remainder of the programme through for example, the implementation of the 11th 5 year plan.

BOTSWANA

BASIC FACTS ABOUT PEI BOTSWANA

Timescale: Phase I (2010-2012).

Focus: Enhance capacity for the integration of inclusive and sustainable development in national, sector and district level policies, plans, budgets and monitoring systems for sustainable utilization of natural resources and ecosystems for the purpose of economic diversification and poverty eradication as reflected in the National Development Plan 2010-2016 (NDP 10) and the country's UNDAF.

Budget: \$2,250,000 (\$1,000,000 (PEI), \$1,000,000 (UNDP Botswana), \$250,000 (Government of Botswana)

ACHIEVEMENTS

PEI's Poverty and Social Impact Analysis informs Agricultural Development in Botswana to ensure that farmers access the right type of seeds as per the agro-ecological zones. This is likely to enhance overall arable productivity and effectiveness of the main agriculture programme and further contribute to rural poverty alleviation and the government of Botswana's pursuance of food security.

Legislators in Botswana advocate for the Integration of P-E linkages into Water Sector Policies during the presentation of the draft water sector policy to the parliament. Engaging with legislators at the sector and local level has shown to be an effective way of mainstreaming P-E linkages into national planning.

The Government of Botswana established a partnership with PEI and the World Bank's 'Wealth Accounting and Valuation of Ecosystem Services (WAVES) programme that resulted in the prioritization and allocation of national resources for P-E issues and natural capital accounting in Botswana's current National Development Plan. This will be supported by the establishment of a Natural Capital Accounting system for Water in the country.

Active involvement of the government in the preparations for the Rio+20 Conference including the development of an issues paper highlighting the opportunities and possibilities for an inclusive green economy in Botswana as the basis for Botswana's position paper to the Rio+ 20 preparatory process and the production of a sustainable development strategy. The government also hosted a Summit for Sustainability in Africa in preparation of the Rio+20 Conference which adopted the Gaborone Declaration, the latter has a strong focus on sustainable natural resource management and natural capital accounting.

THE WAY FORWARD

Prepare a public expenditure review of environment and natural resources, promote integration of P-E linkages into national system of accounts and design a set of national poverty environment and sustainable development indicators

Continued involvement in the post-Rio+20 activities and transitioning to an inclusive Green Economy including on-going support to climate change discussions, studies and policy development.

BURKINA FASO

BASIC FACTS ABOUT PEI BURKINA FASO

Timescale: Phase I (2010-2012); Phase II (2013-2015).

Focus: Support the acceleration of productivity and growth, through the mainstreaming of P-E links into strategic planning processes and budgets.

Budget: \$1,950,000 (\$1,200,000 (PEI), \$400,000 (UNDP Country Office) and \$350,000 (cash: \$ 87,500

and kind: \$262,500 from the government). Parallel co-funding managed by PEI \$171,350 (Montreal protocol: \$120,000 and Green Economy: \$51,350). Parallel co-funding not managed by PEI \$431,000 (AAP Japan: \$300,000, EU: \$100,000 and UN Habitat: \$31,000)

ACHIEVEMENTS

The Government of Burkina has developed an investment programme 2013-2017 that includes a chapter on inclusive green economy to support the implementation of sustainable development objectives integrated in the PRSP.

Burkina Faso's Ministry of Finance has introduced an environmental sustainability guideline and a budget guideline for environmental protection addressing demands from the improved representation of environmental actors in planning processes.

P-E issues are fully included in the PRSP-SCADD 2011-2015 and economic, budgeting and planning tools such as the first National Investment Plan on Environment developed to assist in its operationalization.

WAY FORWARD

Support MEF to develop a P-E database and indicators for monitoring and evaluation for all sector policies and review of selected sectors ministries.

DOMINICAN REPUBLIC

BASIC FACTS ABOUT PEI DOMINICAN REPUBLIC

Timescale: Preparatory Phase (2010). Phase 1 (2012-2013).

Focus: Reduce vulnerability of poor households to climate shocks through integration of P-E linkages in national and subnational developing planning processes in synergy with REGATTA (UNEP's Regional Gateway for Technology Transfer and Climate Change Action in Latin America and the Caribbean).

Budget: 607,200 USD (PEI \$240,000, REGATTA \$ 367,200).

ACHIEVEMENTS

Integration of P-E and climate linkages in the National Development Strategy (2010–2030) across its four thematic pillars.

Integration of P-E and climate variables in the socioeconomic household surveys applied by Social Cabinet's System of Beneficiaries (SIUBEN) for government social programmes and adoption of a concept and methodology for a country-specific Multidimensional Vulnerability Index.

A proposal for the adaptation of the Assets-Based Approach to Poverty to incorporate the effect of climate shocks in the income-generating capacity of poor households.

WAY FORWARD

Implementation of Phase I in synergy with REGATTA and the use of findings from REGATTA's pilot project around Enriquillo Lake to identify best practice in local policies aimed at reducing poverty and climate vulnerability of households and feed it into PEI's ongoing support to the Dominican Republic.

GUATEMALA

BASIC FACTS

Timescale: Scoping and preliminary assessment (2010-2011); ecosystem system and human well-being assessment (2012) to be followed by a PEI Phase I 2013-2017 under preparation.

Focus: Strengthen national development planning capacity for wider application of cross-sectoral development planning based on experience of the ecosystem services and human well-being assessment.

Budget: 2010-2012: \$115,000 (UNEP SGA SIDA), \$93,000 (PEI Global award).

ACHIEVEMENTS

The National Development Planning Agency (SEGEPLAN), the Ministry of Environment and Natural Resources (MARN), Secretariat for Food Security, the Ministry of Social Development and Municipal Authorities in the pilot area have effectively engaged with the assessment and made commitments to apply assessment findings and recommendations to cross-sectoral development planning at sub-national levels in the pilot area.

The Guatemala assessment features in the Sub-Global Assessment (SGA) Network, hosted by UNEP-WCMC.

WAY FORWARD

In addition to preparation of PEI Phase I, communicate and disseminate the SGA findings and monitor the application of the findings and recommendations by SEGEPLAN and MARN as part of cross-sector development planning processes.

KENYA

BASIC FACTS ABOUT PEI KENYA

Timescale: Phase I (2005–2010) Phase II (2011–2013).

Focus: Enhance sound environmental management for sustainable economic growth and poverty reduction to contribute to the realization of Kenya's Vision 2030, the achievement of the MDGs and to the aspects of Kenya's UNDAF (2009-2013) that relates to enhancing environmental management for economic growth and equitable access to energy services.

Budget: \$3,650,000. Phase I: \$2,200,000, Phase II: \$1,450,000 with contributions from UNDP Kenya (\$600,000), PEI (\$200,000) and the Government (\$75,000). Funding gap: \$575,000.

ACHIEVEMENTS

Strengthened understanding of P-E linkages among the ministries, institutions and other stakeholders reflected in request for PEI's support in the formulation of Vision 2030. P-E indicators integrated into national and district planning and monitoring systems, leading to a review of national indicators for monitoring the implementation of Kenya's Vision 2030.

Improved capacity for mainstreaming: Ministry of Environment and Natural Resources' environment policy reflects cross-sector P-E linkages and implementation strategies and improved District Environment Action Plans and District Development Plans.

WAY FORWARD

Strengthen national ownership by including a broader range of stakeholders and integrate PEI Kenya's interventions better with the activities of the Ministry of Planning, National Development and Vision 2030 including the MDG Support Program.

Continued capacity development at sector level and support to the planning and budgeting processes.

KYRGYZSTAN

BASIC FACTS ABOUT PEI KYRGYZSTAN

Timescale: Phase I, March 2011–2013.

Focus: Integration of P-E linkages into the Mid-term Development Programme (2012-2014) of the Kyrgyz Republic, as well as Naryn Regional Strategy and Suusamyrlu local area planning processes and budgets.

Budget: \$970,000.

ACHIEVEMENTS

UNDAF 2012–2016 features for the first time poverty reduction and environment as one joint thematic pillar. Improved cross-thematic coordination at UNDP Country Office including a P-E working group.

Partnering with the OECD to pilot the integration of inclusive green growth indicators in the upcoming National Development Plan (NDP) of Kyrgyzstan.

This has also contributed to establish a first multi-stakeholder coordination mechanism under championship of Deputy Minister of Economy and the Head of the Parliamentary Committee on Finance and Budgeting.

WAY FORWARD

Conduct an economic review of agriculture, energy and water resources to generate findings for policy analysis to improve decision-making for P-E integration in key national and sector strategies and plans.

Build on results of Phase 1 in the design of the next phase to support Kyrgyzstan's transition to an inclusive green economy.

LAO PDR

BASIC FACTS ABOUT PEI LAO PDR

Timescale: Phase I, May 2009–June 2012; Phase II August 2012– December 2015.

Focus: Ensure that the country's rapid economic growth and flow of foreign direct investments into the natural resource sectors generates sustainable and inclusive development.

Budget: \$4.81 million, combining funds from Swiss Development Cooperation (\$3m); PEF (USD 690,000), UNDP country office (TRAC) (USD 900,000) and UNEP-DEPI (USD 223,000).

ACHIEVEMENTS

Lao PDR developed legal tools that help marginalised groups address their needs. For example, a new model contract to ensure that foreign investments promote job creation, environmental standards and poverty alleviation that will also help Government to measure the contribution of agricultural concession contracts to the delivery of the national strategy.

Provincial governments have the means of tracking investments into their districts for the first time thanks to a database and Investment Monitoring Framework.

Private investments influenced by improved capacity to undertake and monitor Environmental and Social Impact Assessment recommendations in Lao PDR. Monitoring of recommendations for two case study investments have already led to tangible improvements in environmental and social practices.

The Lao PDR National Assembly's hotline is now inundated with calls regarding land rights and compensation. For the first time, mid-level planning officers are equipped with legal tools for responding to those appeals.

In October 2012, the Laos government set up a task force to investigate the dispute in Sekong's Thateng district. According to a government official [the taskforce] 'will travel south to address the grievances of the people'²⁰. Historically, the village residents have had little more than petitions and protests by which to make their case. If the work of the government continues in the same trajectory, in the future they will be protected by more powerful legal tools. The country is moving one step closer to a very different mode of development, one founded on human rights and environmental needs.

Lao's Ministry of Planning and Investment announced a four-year suspension on new land concessions for rubber plantations and new mining licenses. In the words of the Minister Somdy Duangdy "before approving any more projects, we will ensure that a thorough survey and allocation of land is undertaken".

Lao PDR catalyzes \$4 million from the Swiss Development Cooperation and establishes partnerships with GIZ, ADB, WB and the Finnish Development Cooperation to implement a coordinated mainstreaming programme to mitigate potential negative impacts of climate change and private investment on the country's natural resources and ecosystems.

GIZ scales up PEI approaches and tools in another three provinces in Lao PDR through its GIZ Land Management and Rural Economic Development Programme.

WAY FORWARD

The second phase of PEI builds on the foundations laid in Phase I with a focus on the implementation of the tools, mechanisms and strategies which have been developed. Phase II will work towards the promotion of quality investments, screening and approvals, investment monitoring and compliance,

²⁰ Land Issues Working Group website: <http://www.laolandissues.org/2012/10/02/land-dispute-task-force-formed/>

with environmental and social safeguards put into place to minimise negative social and environmental impacts. Phase II will also be scaling up PEI to three more Provinces in the country, bringing the total number of Provinces PEI works in to seven.

MALAWI

BASIC FACTS ABOUT PEI MALAWI

Timescale: Phase I (2009–2012).

Focus: Sustainable natural resources management integrated into national and sector policy, planning and budget processes.

Budget: \$2,700,000 with contributions from UNDP, the One UN Fund and the Government of Malawi.

ACHIEVEMENTS

Malawi changes course after analysing for the first time the real costs and benefits of policy choices in four areas: forestry, fisheries, wildlife and soils. According to civil servants “it proved that environmental sustainability has a development meaning, that it makes economic sense”:

Unsustainable natural resource use is costing the country the equivalent of 5.3percent of GDP each year, more than the total funding allocated to education and health in the 2009 national budget.

It also revealed the untapped potential of the country’s wealth of natural resources for tackling extreme poverty.

Soil erosion alone reduces agricultural productivity by 6percent, and if this yield was recovered, an additional 1.88 million people would be lifted out of poverty by 201521.

Daisy Kambalame-Kalima, a representative of a local NGO working with the private sector and civil society, indicated that “collectively these publications are providing local advocacy groups with the tools and the confidence to lobby the authorities”.

In the next five years the Government of Malawi would like to allocate US\$ 59,655 million to environmental programs and ensuring that all sectors prepare themselves and ward against a changing climate. While this figure is still dwarfed by spending on other sectors, it marks a significant turning point for a government who had previously not invested significant funds in the environment as a means of tackling poverty.

Integrated PEI-Climate Change Disaster Risk Reduction work programme developed for UNDP Malawi and inclusion of sustainability indicators in the monitoring and evaluation framework for the ‘Agricultural Sector Wide Approach’ coordinated jointly with the World Bank Malawi. This resulted in the updating of baseline information for soil loss indicators and nutrient use efficiency for the MGDS II and the Agriculture Sector Wide Approach Plan (ASWAP).

WAY FORWARD

Formulate PEI Project Phase II with an increased focus on influencing budget process and continued emphasis on advocacy, communication and dissemination of study findings to ensure their use and to achieve additional impact and expand the technical advisory service.

Move towards joint programming between Malawi Climate Change programme and PEI by operationalizing the joint Steering Committee for Climate Change, Environment and NRM.

²¹ Economic Study – Economic Analysis of Sustainable Natural Resource Use in Malawi, January 2011, PEI and Government of Malawi available at <http://www.unpei.org/what-we-do/pei-countries/malawi>

MALI

BASIC FACTS ABOUT PEI MALI

Timescale: Phase I (2005–2008), Phase II (2010–2012).

Focus: Build government capacity to better include poverty-environment linkages in national development planning processes.

Budget: Phase II \$1.14 million. \$640,000 (PEI Africa), \$300,000 (UNDP Mali) \$200,000 cash, \$200,000 in

Kind (Government of Mali).

ACHIEVEMENTS

Despite serious political challenges, strong ownership, increased awareness and improved capacity in Mali: Mali's Ministry of Economy and Finance initiated in 2012 its first Public Environmental Expenditure Review in response to findings from an economic assessment supported by PEI that highlighted that it losses 21% of GDP due to unsustainable use of environment and natural resources.

Over the reported period, over 1,200 development actors have improved their knowledge and capacity in P-E mainstreaming in Mali, effectively contributing to the institutionalization of the PRSP greening process and Strategic Environmental Assessment. Preliminary findings indicate strong government ownership and commitment reflected in over 95% "greened" sector policies despite the political crisis.

The greening process is being embedded in national coordination mechanisms through the formation of a pool of national experts along with a methodological guide for policy greening processes.

WAY FORWARD

Strengthen the poverty component of PEI with more focus on gender, land tenure issues, environmental accounting and other economic instruments such as PEER studies.

Involve the Parliament, the Ministry of Justice and Ministry of Foreign Affairs in PEI activities to improve environmental governance and environmental diplomacy.

Evaluate the PRSP III greening process as well as the monitoring and evaluation arrangements.

MAURITANIA

BASIC FACTS ABOUT PEI MAURITANIA

Timescale: Preparatory Phase (2005-2006); Phase I (2007-2008); Phase II (2009-2012).

Focus: Improve the national capacity to include poverty-environment linkages into national policies and development planning processes.

Budget: \$ 2,727,660. \$777,460 (UNEP-Norway) \$599,000 (UNEP MDGF) \$599,000 (UNDP MDGF) \$370,000 (UNDP Mauritania) \$350,000 (Government funds), \$256,200 (PEI Global Award).

ACHIEVEMENTS

P-E linkages integrated into the economic and social pillar of the PRSP 3, into the environment section of the UNDAF 2012-2016 and the national environmental action plan and budgeting tools and instruments for P-E mainstreaming developed such as indicators, tax systems, budget guidelines and

databases.

In line with this work and positive donor coordination GIZ commits \$1.9 million to develop an M&E system to contribute to sustainable management of natural resources in Mauritania.

Mauritania converts national policies into concrete action on natural resource management. In partnership with WFP and UNICEF the Joint Programme targeted three of the most vulnerable areas to demonstrate visible results related to P-E mainstreaming: 600 hectares of dunes were stabilized; 295 hectares of pastures were restored and now protected; 47,000 hectares of land restored in the delta region; 28,000 people have access to safe water. The positive collaboration has resulted in commitments for continuation beyond the project.

WAY FORWARD

Develop the third project phase and ensure that it is more focused on budgets and investment plans, on managing natural resources to reduce poverty and how productive sectors can use natural resources sustainably to support pro-poor economic growth.

Ensure that the Ministries of Planning/Economy and Finance along with key sector ministries are substantively involved in the design, management and implementation of the PEI programme.

Incorporate, in a more substantive way, climate change mainstreaming into planning processes with a special focus on urban areas that are severely affected by climate change.

Follow up on the recommendation of the rapid evaluation of the PEI Mauritania and the PEI Management's response to the findings.

MOZAMBIQUE

BASIC FACTS ABOUT PEI MOZAMBIQUE

Timescale: Phase I (2005-2008), Phase II (2008-2012).

Focus: Build capacity of government, national, provincial and district level to integrate environment into economic and social plans and support these aspects of the national development plans (PRSP).

Budget: \$ 2,994,145 (\$566,145 (Phase I) and \$2,428,000 (Phase II)).

ACHIEVEMENTS

Improved levels of coordination and dialogue between key institutions: Ministries of Planning and Environment provide uniform guidance to all sectors regarding the importance and processes for mainstreaming cross-cutting issues through the use of a 'Mainstreaming Matrix'. The application of the matrix has improved the quality of development plans and been used to mobilize resources to support P-E activities at the district level in key sectors.

Danida commits \$2.75 million for environmental and climate change activities at the national and subnational level. The Government of Mozambique allocates matching funds to the integration of P-E issues in provincial social and economic annual plans and the Japan-funded UNDP Africa Adaptation Programme joins forces with the Ministry of Environment to upscale the work to all 11 provinces.

WAY FORWARD

Continue support by using results from the Public Environmental Expenditure Review, a Study of Economic Instruments and an Environmental Economic Assessment, mainly through the UNDP Greening Human Development Project in coordination with other partners. UNDP Mozambique is well positioned to sustain PEI's support in the future.

NEPAL

BASIC FACTS ABOUT PEI NEPAL

Timescale: Phase I (2010–2012), Phase 2 (2013-2017).

Focus: Poverty reduction and inclusive development by integrating climate and environmental concerns and opportunities for the poor (PEC) into development planning and economic decision-making. Budget: Phase 1 \$300,000 (PEI: \$200,000; UNDP: \$100,000).

ACHIEVEMENTS

Largely influenced by the CPIER, the Parliament of Nepal has approved the creation of a climate change budget code in the 2012 national budget and the government has started screening large scale public investments using P-E and climate criteria, resulting in large government-funded investment projects better addressing the concerns of the poor and increased budget allocations.

Capacity building starts boosting local government decisions and investments in sustainable development in Nepal. For example, two districts where PEI helped make the case for social and environmental friendlier rural road construction have adopted this approach. Revenues from natural resource use such as sand gravel and stones have been reduced, but the local labour intensive technology has reduced maintenance costs, increased employment and decreased loss of lives due to landslides.

Improved capacity of local authorities in Nepal enables them to respond to poor and marginalized communities' requests by allocating public resources to PEC issues. Local planners integrated PEC concerns in local planning and budgeting processes as result of orientation trainings and resource materials on specific issues affecting the communities. For example, some 150 downstream households are benefitting from water source conservation activities in response to increasing droughts.

WAY FORWARD

Stronger focus on social inclusion and addressing the political economy issues which have undermined pro-poor climate and environment management particularly in terms of local level implementation. This will be achieved through joining the national level Inclusive Growth programme and the Phase 2 Local Government and Community Development Project.

PHILIPPINES

BASIC FACTS ABOUT PEI PHILIPPINES

Timescale: Phase I (2011–2012), Phase II (2013-2015).

Focus: Demonstrating that natural resources can be extracted with reduced social and environmental impacts to provide revenues for poverty reduction.

Budget: Phase I: \$170,000 from UNDP Country office plus in kind contributions from government (all staff inputs) and the Chamber of Mines. Funds for Phase II \$2,991,300 (UNDP Philippines \$300,000 - remainder currently being raised).

ACHIEVEMENTS

PEI provided inputs to the landmark 2012 Executive Order 79 on mining on the need to increase local

government shares of natural resource revenues, better regulate small scale mining as well as large mines and increase transparency in the collection of these revenues through membership of the Extractive Industry Transparency Initiative (EITI).

The capacity of national and local governments to use revenues from natural resources extraction to reduce poverty is increasing.

WAY FORWARD

The recent Executive Order on mining has raised the political profile of the PEI's focus and provided a clear framework of activities for the PEI Phase 2 to support the Department of Local Government and Department of Environment and Natural Resources with implementation.

RWANDA

BASIC FACTS ABOUT PEI RWANDA

Timescale: Phase I (2005–2007), Phase II (2007–2011), Phase III (2012-2013).

Focus: To enhance the contribution of sound environmental management to poverty reduction, sustainable economic growth and the achievement of the MDGs.

Budget: \$4,000,000 (\$610,000 (2005–2007); \$2,470,000 (2007–2009); and \$1,084,000 (2012-2013)) provided by the Government of Ireland, Government of Belgium, the Government of Norway (through UNEP), UNDP Rwanda and the One UN Fund.

ACHIEVEMENTS

Sectors in Rwanda have institutionalized environmental sustainability and climate change in budget processes and capacity has improved thanks to the practical application of planning and monitoring guidelines and a budget circular call. Environmental Impact Assessments have been institutionalized for all sectors in the wake of positive results from a pilot supported by PEI for three sectors in 2009. This has partly resulted in investments in environmentally sustainable agricultural practices and their implementation in all 30 districts.

Rwanda is now implementing integrated sectoral planning with the support of an innovative sustainable financing mechanism, the newly established National Climate and Environment Fund (FONERWA), recently endorsed by Rwanda's Parliament and operationalized in 2012 with funding from DFID.

In view of the inherent "value for money" and the effective and policy-relevant approach to poverty reduction by the work supported by PEI, SIDA commits to scale up a demonstration project in one of Rwanda's poorest districts in other areas of the country.

Economic Analysis of Natural Resources Management demonstrated that about 15 million t of soil is lost annually. This has been translated to represent a decline in the country's capacity to feed 40,000 people/yr, as well as an annual economic loss of 34,320,000USD, or almost 2% of GDP equivalent. This work was followed by a review of existing and potential environmental fiscal reforms and other economic instruments in Rwanda.

WAY FORWARD

Continue to engage with a wide range of stakeholders and deepen engagement with planning and finance institutions and provide support to priority sector institutions to strengthen the integration of P-E in sector policy development, budgeting and monitoring processes.

Focus on long-term sustainability of investments in promoting sustainable utilization of environment and natural resources for inclusive growth.

Engagement in the development of the EDPRS monitoring framework to integrate P-E indicators.

TAJIKISTAN

BASIC FACTS ABOUT PEI TAJIKISTAN

Timescale: Phase I (May 2010–2012).

Focus: Enhance capacity of government and other stakeholders to integrate P-E linkages into sustainable, pro-poor development planning and budgeting, at regional level (Sughd region/oblast) and national level: current Poverty Reduction Strategy (PRS) and the next national Mid-Term Development Strategy (MTDS) 2013-2015.

Budget: \$900,000, with parallel funding of \$900,000 from the Rural Growth Programme.

ACHIEVEMENTS

Tajikistan overhauls their whole planning process with the ‘triple bottom line: people, planet, profit’: Revised development plans, new indicators and practical guidelines are helping to drive investment towards new green enterprises in some of the poorest communities, proving that the approach of can jumpstart progress. In line with PEI’s strategy of working with existing institutional arrangements, the initiative partnered with the multi-donor Regional Development Programme supported by DFID to rework their development plans in the Sughd region.

Local communities in Tajikistan were supported to identify ‘green’ products and services, which were then evaluated by representatives from the environmental department. The process of working alongside communities proved an important means of engaging and building the capacity of local people to understand environmental considerations of different business ideas. Today over 65 enterprises are supported by the regional trust fund mechanism (funded by DFID) that answer both environmental and poverty reduction criteria. For example, through supporting microloan foundations that include P-E criteria for micro lending and the provision that at least 50% of the loans be targeted towards women-led initiatives. For the first time, women are taking an active role in local economic activity rather than relying exclusively on remittances from abroad.

Also for the first time, representatives from the country’s environmental department (Committee for Environmental Protection) were given a place at the table to inform the regional economic plans. As a result of the work, the Sughd regional development plan and all fourteen district plans address P-E issues.

Thanks to the inclusion of P-E tools in the national civil servant training curriculum government staff in other provinces planners around the country can now learn from the experiences in the Sughd region via a handbook that details in practical terms how to bring P-E into the planning process.

Demonstrating improved capacity, the Ministry of Economic Development and Trade (MEDT) independently replicated the P-E mainstreaming approach in a further six districts and four municipalities. The national statistics agency has also now incorporated the indicators developed at the regional level into its database in order to continually track and monitor the new objectives.

WAY FORWARD

PEI will continue to support the MEDT in the implementation of the MTDS 2013-2015 in close partnership with the UNDP office and key donors such as DFID and GIZ to ensure the sustainability of PEI efforts.

TANZANIA

BASIC FACTS ABOUT PEI TANZANIA

Timescale: Phase I (2003–2006); Phase II (2007–2011); Phase III (2012–2015).

Focus: To develop capabilities of key national institutions in designing and implementing pro-poor economic growth interventions and sustainable development and thereby contribute to the achievement of the UNDP, 2011-2015 and other national development plans.

Budget: \$9,680,000 (\$2,930,000 (Phase I), \$4,000,000 million (Phase II), \$2,745,000 (Phase III)).

ACHIEVEMENTS

The Prime Minister's Office has used the PEI launched studies on environmental budgeting in three districts as best practices and made this a requirement in other districts using public funds.

Integration of P-E linkages in key policies such as the Environmental Management Act (EMA), the FYDP, the UNDP and the MKUKUTA including the inclusion of ten P-E indicators into its monitoring system resulting in improved access to environmental statistics for monitoring through the development of an environment statistics module incorporated into Tanzania's web based social economic database.

Improved capacity of planning/finance agencies, sector ministries and private sector to make informed budget allocations and investment decisions to develop and manage natural resources sustainably for pro-poor development. As a result of this, the budgetary allocation for environment has increased since 2005 following a Public Expenditure Review on P-E linkages.

WAY FORWARD

Ensure that the third PEI phase is implemented in the context of the MDGs Acceleration Framework (MAF) at sub-national level with increased emphasis on poverty and budgeting aspects through deepened collaboration with the President's Office Planning Commission and UNDP Poverty Practice to ensure sustainability of PEI efforts.

THAILAND

BASIC FACTS ABOUT PEI THAILAND

Timescale: Phase I (March 2010–December 2012).

Focus: Inclusive planning and budgeting at national and provincial levels. Related objectives include benefit sharing arrangements from ecosystem services, awareness raising and the engagement of the private sector to support pro-poor sustainable development.

Budget: \$701,550 (PEI: \$400,000; UNEP DEPI: \$220,000; UNDP: \$83,000).

ACHIEVEMENTS

Scientific data on the linkage between human wellbeing and the environment lays the basis for Sustainable Development in three Thai provinces. Local authorities have institutionalized piloted planning tools such as Spatial Planning (Khon Kaen); Community Based Research (Samut Songkram), and Payments for Ecosystem Services (Nan) and increased allocations to address findings.

In Nan province (northern Thailand), the Provincial Administration has been supported to better manage corn-based livestock farming through investments in watershed management (a Nan Watershed Fund was established through the Nan Watershed Committee) and more secure land tenure. A Geographical Information System Centre, co-funded jointly by Nan province and PEI, was established to serve local communities with community land surveys and mapping to better advocate for community land entitlement issues.

In KhonKaen province in northeast Thailand, the Regional Environmental Office is better managing the expansion of ethanol production in the area of the Phong River Basin.

In SamutSongkram province in the Gulf of Thailand, the Regional Environment Office is working with local government officials and the private sector to better manage rapid industrialization and mass tourism.

WAY FORWARD

Continue to provide support through further integration of the P-E approach in the UNDP Country Programme for sustainability of PEI efforts.

Continue to support exchange of best practice of the PEI subglobal assessment processes with other ASEAN and A-P countries.

UGANDA

BASIC FACTS ABOUT PEI UGANDA

Timescale: Phase I (2005- 2007); Phase II (2007-2011).

Focus: Mainstreaming environment into the Poverty Eradication Action Plan (PEAP) revision process, with the aim of including poverty-environment linkages in the new National Development Plan (NDP), and support environmental mainstreaming in the budgeting process and in the PEAP implementation at sector and district levels.

Budget: \$589,487 (Phase I: \$220,401 and Phase II \$369,086).

ACHIEVEMENTS

Commitment by the Parliamentary Committee on Natural Resources to advocate for increased budget allocations for P-E linkages and thirteen districts have committed to address environmental sustainability issues by developing and implementing district environmental ordinances and by-laws.

National Development Plan formulation was influenced by evidence and tools for economic instruments for environmental management and promoting pro-poor growth, also helping engage stakeholders in the energy, transport, water and sanitation and finance sectors.

Environmental concerns have been integrated into the District Development Plans, Budget Framework Papers and Policy Statements and in the three focus districts implemented through micro land use plans.

WAY FORWARD

Several factors including financial and political commitment to the work of PEI resulted in phasing out of the PEI programme in 2010.

PEI to provide technical support to UNDP Uganda on specific aspects that help ensure continuation of PEI efforts.

URUGUAY

BASIC FACTS ABOUT PEI URUGUAY

Timescale: Preparatory Phase (2009). Phase I (2010–2012).

Focus: increased efficiency of public policies by mainstreaming environment into development planning and poverty reduction, institutional capacities strengthened to effectively mainstream the environment into development planning and poverty reduction activities.

Budget: \$876,136 (PEI). Parallel funding of \$945,050 provided by ongoing programmes of the government and the One UN Programme in Uruguay.

ACHIEVEMENTS

Uruguay uses the law to catalyse the transition to an inclusive green economy: The recent change to Uruguay's waste management systems, the so-called Packaging Law, has improved social inclusion. For the first time, waste recyclers in Uruguay are recognised by national law - giving them the right to decent working conditions, stable salaries and social protection.

Prompted by a new understanding of the linkages between P-E at the policy level, the government of Uruguay is committing more funds (six-fold budget increase 2010-2014) and resources (Office of Planning and Budget recruited an additional 10 staff positions and earmarked national funds to pursue work across different sectors) to apply the same lessons to other major issues confronting the country.

The OPP redesigned the mission and structure of its Development Strategies and Investment Policies Area to ensure the wider integration of environmental sustainability in poverty reduction programmes and institutional mandates.

Viviana Basanto, Ministry of Social Affairs of Uruguay, the work at the cooperative level was critical for understanding the human dimensions of the waste cycle for the first time 'PEI's analysis made this a social issue. It brought the vision of our ministries closer together'.

For Jorge Rucks, National Director of the Environment, 'PEI has been very important to achieve articulation within state agencies because we as a government have tried to find ways to break the partial vision that one department is responsible for the social aspects, another for health, another for the environment'. The experience of working collectively on waste management has shown the advantages of pooling budgets to generate benefits across different social, economic and environmental challenges.

South-South Cooperation: the National Secretariat of Planning and Development in Ecuador and the Office of Planning and Budget of Uruguay developed an implementation workplan under a bilateral framework agreement to promote the exchange of experiences and expertise to strengthen institutional capacity for poverty-environment mainstreaming.

WAY FORWARD

PEI is now working on a national assessment of five of the country's departamentos to assess the extent to which new management systems are being taken up and how they can be improved using the experience in Canelones as a practical example of how the law can be used to tackle poverty and social inclusion.

Other interventions addressing the informal waste sector, such as the Housing Reallocation Plan, will be articulated through job formalization and reconversion. PEI has been invited to support the integration of P-E linkages in this plan as the government has committed to scaling up initiatives of this type as well as extending the work of PEI to other areas of government.

ANNEX 2: PROPOSED COUNTRY SELECTION CRITERIA

Note: No weighting is given to the criteria. It is for the regional teams to use them as a guide to justify recommended allocation of PEI funds at country level.

NEED:

1. Focus on low and middle income countries.
2. Good evidence of significant environmental deprivation of poor groups (the Millennium Ecosystem Assessment, UNEP Global Environmental Outlooks, UNDP Human Development Report and national MDG reports might indicate potential target countries).
3. Evidence of strategic entry point and timeliness of the intervention to maximize impact, such as national development planning process (e.g. 5 year plan, MDG/SDG strategies, subnational development plans, significant climate change plans, etc) subject to review and entering next planning cycle, thus providing an opportunity for PEI.

DEMAND:

4. For PEI support packages to national/ strategic subnational development processes.
5. Demand should come ideally from a government office - through the UNCT-, preferably from ministries of P/F, or ministries of rural/local development. Demand from ministries of environment would also be acceptable if there has been a dialogue and agreement with ministries of P/F for them to lead the work.
6. A demand raised by the ministry of environment should be make conditional to dialogue and agreement with ministries of P/F to lead).
7. It is important to note that these generally reach the PEF through the respective UNDP Country Team.

READINESS

8. Government commitment to a most conducive institutional framework to carry out the mainstreaming process.
9. Political engagement for sustainable development.
10. Commitment to good governance to promote accountability and transparency.

RISK:

11. Quick assessment of risk followed by a more in-depth risk matrix that relates costs to return on investment.
12. A mixture of standard risk factors at country (political stability, election cycles), institutional (understanding, commitment and influence of key players) and project (adequacy of national and UN resources and capacity to implement the activities) levels.

RETURN ON INVESTMENT:

13. Focus on scoping and potential return on investment and added value. There are four main scenarios: (i) 'low hanging fruit' countries i.e. low cost of investment – high return on investment versus (ii) high cost – high return; (iii) high cost – low return; and (iv) low cost – low return. There are good arguments for not investing in countries that fit type (iii) & (iv) but good reasons to invest in countries (i) & (ii). The modular approach is relevant to type (i) countries, while the core PEI programme approach is applicable to type (ii) countries.
14. Evidence of political, budget (TRAC funds) and staffing contributions to the country programme.
15. PEI funds are used catalytically and there are commitments for funds leveraged from either UNDP TRAC, other donors and/or government own resources totalling x% of the country programme. Both co-financing and parallel funding could be considered as part of the total cost of the country programme.
16. Proportion of Regional Team staff time to number of existing country programmes and technical assistance commitments.

ANNEX 3: PEI REGIONAL IMPLEMENTATION STRATEGIES 2013-2017

PEI Africa

Countries	On-going (01/01/2013)	Under Discussion	TA & resources	TA only
<i>Botswana</i>	✓		✓	
Burkina Faso	✓		✓	
Kenya	✓		✓	
Malawi	✓		✓	
Mali	✓		✓	
Mauritania	✓		✓	
Mozambique	✓		✓	
Rwanda	✓		✓	
Tanzania	✓		✓	
Total No. of Countries	9			

Situation Analysis:

Africa has the youngest and fastest-growing population in the world with increasing urbanization closely linked. Although sub-Saharan Africa has abundant natural resources and its economies are predicted to grow by 5.4 % in 2012, largely based on resource extraction and infrastructure expansion, it has made the least progress in reducing poverty since the adoption of the MDGs, leaving the poverty rate at an average of 47.5 %. Key natural resources and ecosystems (land, forests, wetlands, etc.) continue to be used in ecologically unsustainable ways, meaning that the stream of economic and social benefits generate from these is being reduced over time. The region's weak institutional capacity to address sustainable development and its high vulnerability to climate change exacerbate the issues and accelerate unsustainable resource use. The latter have led to increased droughts, flooding, migration and urbanization placing further stress on water, land and forests. For example, a PEI Malawi study estimates that continued soil erosion at present rates will contribute to keeping 1.88 million Malawians in poverty.

PEI Africa achievements to date can be summarised as:

- 1) Successfully clarified P-E mainstreaming in 9 countries as a normative concept and developed it into an operation model that is proven – it is technically robust and politically acceptable.
- 2) Significantly improved understanding of how sustainability can help achieve development goals.
- 3) Significantly improved the inclusion of environmental sustainability objectives in national development plans.
- 4) Partially operationalized sustainability objectives through increased budgetary allocations.

Nonetheless needs remain to address insufficient sustainable operationalization of P-E objectives in sectors and other sub-national plans and budgets. PEI Africa's theory of change focuses on supporting the operationalization of P-E mainstreamed policies and plans by strengthening capacity of Government and key stakeholders to bring about the desired change in poverty reduction and environmental sustainability based on the use of PEI outputs, and strengthened cross-sectoral coordination, planning and budgeting mechanisms.

Programme Strategy and Main Thematic Focus

The PEI Africa regional strategy 2013-2017 builds on experiences and lessons learned to date and its

core element will be to continue with full country programmes in existing countries. However, with improved focus on cross-sectoral linkages and government co-ordination (planning and budgeting) mechanisms to enable implementation of policies and plans (national and subnational) for poverty reduction and environmental sustainability outcomes. Focus will be on deepening P-E mainstreaming results and impact in existing PEI countries. This will require a more comprehensive and targeted M&E system and focus on longer term P-E capacity building and funding mechanisms.

PEI Africa will increase efforts to strengthen the poverty, gender and vulnerability component of P-E mainstreaming and will assist countries to improve institutional capacity in support of policy improvement, particularly economic development planning as reflected by PRSPs and UNDAFs. Current efforts in incorporating P-E linkages into UNDP and UNEP programmes will be strengthened.

Focus will be put on generating increased investment in pro-poor environmental sustainability with more budget allocations both from governments and donors and with more focus on budget processes with the use of cost-benefit analysis at the country level.

Countries will receive technical support for improving cross sector policy development and the use/institutionalization of economic instruments for environmental sustainability. Key sectors to be involved will be Agriculture, Mining, Energy and Forestry among others.

The role of the Ministries of Economy and Finance and Planning will be assessed for more ownership at the country level and other actors will be more involved such as in-country donors, parliament members, economic and social councils, and the media.

Outcome, Outputs and Main Activities	
PEI Outcome: Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals.	
Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied.	
Main Regional Activity Results	<ul style="list-style-type: none"> Institutional analysis reports to ensure effective targeting of P-E issues in designing PEI country programmes; Strengthen P-E mainstreaming in Ministries of Development Planning and Finance planning tools; Strengthen P-E economic evidence produced at national and sector level to make case for P-E mainstreaming; P-E objectives and indicators included in national and sector economic plans as well as in national monitoring and evaluation frameworks; Stronger focus on poverty, vulnerability, rights-based approach and gender within P-E mainstreaming initiatives. Strengthen coordination mechanisms and improved capacity within the government for integration of pro-poor sustainable NRM into policies and plans; Monitoring of implementation of P-E objectives; Capacity building support to Ministry staff and other stakeholders for more effective engagement in development planning and budgeting processes.
Output 2: Cross-sectoral budget and expenditure frameworks, and environmental-economic accounting systems institutionalised.	
Main Regional Activity Results	<ul style="list-style-type: none"> Application of economic tools such as Public Expenditure Reviews (PER) and cost-benefit analysis to identify and justify budget and other investment allocations for P-E mainstreaming; Support for increased budgetary allocations for P-E objectives through engagement in medium-term expenditure frameworks (MTEFs) and annual budget processes; Development of a long-term strategy and mechanisms for a sustained increase in funding for P-E objectives; Support the piloting and use of natural wealth accounting and strategic

	environment-economic accounting. Institutionalization of the use of economic instruments for environment.
Output 3: P-E approach and tools inform relevant regional and global strategic debates and policies on sustainable development.	
Main Regional Activity Results	Strengthen collaboration with UNDP Poverty Group and increased support from UNDP's Regional Bureau for Africa; Support to UNEP "delivering as One" in PEI Africa countries; South-south exchange visits between PEI countries and to non-PEI countries; Production of knowledge materials and participation in regional and global fora on inform global debate on Rio+20 follow-up and Post-2015 development debate; Development of guidance material on key topics targeting regional audience and decision makers. Programmatic contributes to relevant regional P-E mainstreaming initiatives supported by regional institutions (e.g. SADC, AU), international organisations and donors.

Partnerships	
UNDP Practice Groups	Poverty Reduction and MDGs Practice; Country offices, RBA and BDP. Poverty and Growth; Democratic Governance; Environment & Energy; Capacity Development - all at the country and/or regional level
UNEP Priority Themes and Divisions	Division of Regional Cooperation-One UN and UNDAFs Division of Technology, Industry and Environment-Green Economy Division of policy implementation – assessment work SCP, SAICM and Green Economy
Other UN institutions	UN Capital Development Fund, UN Habitat, ILO & Sustainable Energy for All. Participation at UN Country Team meetings and led initiatives.
Regional and International institutions	Sustainable Development Centre (Uganda), Overseas Development Institute (ODI), International Institute for Environment and Development (IIED), etc.
National Institutions by country (Public, CS, Private etc.)	Botswana: Ministry of Finance and Development Planning, the Ministry of Environment, Wildlife and Tourism, UNDP Botswana, the World Bank programme on Wealth Accounting and Valuation of Ecosystem Services (WAVES), Ministry of Local Government, the Office of the President and various sector ministries (Minerals, Energy and Water Resources, Agriculture, and Health). Botswana Institute for Development and Policy Analysis. Burkina Faso: Ministry of Environment, Ministry of Economy and Finance and the Ministries of Agriculture and Livestock, Ministry of Mining, Ministry of Budget, Parliament and relevant sub-committees, Office of the Prime Minister, and the Centre d'Analyse des Politiques Economiques et Sociales of BF Kenya: The Ministry of Planning, National Development and Vision 2030, the Ministry of Finance, the Ministry of Environment and Water Resources, the Ministry of Forestry and Wildlife, the Ministry of Local Government and sector ministries including Agriculture, Livestock Development, and Fisheries as well as the National Environment Management Authority, the MDGs Unit and the Kenyan National Bureau of Statistics, civil society stakeholders. Malawi: Ministry of Economic Planning and Development; Ministry of Finance; Ministry of Lands, Housing and Urban Development; Ministry of Agriculture and Food Security; Ministry of Environment and Climate Change Management, Ministry of Energy and Mining, Ministry of Local Government and Rural Development; Ministry of Irrigation and Water Development; and the Office of

	<p>the President and Cabinet. UN FAO is a formal partner. Bunda College of Agriculture.</p> <p>Mali: The Ministry of Environment and Sanitation through the National Directorate for Conservation of Nature and the Ministry of Economy and Finance and planning. Government partners and civil society institutions.</p> <p>Mauritania: The Ministry of Economic Affairs and Development, the Ministry of Environment and Sustainable Development, Ministry of Finance, Ministry of Agriculture and Rural Development and other sector ministries. Government partners and Municipalities.</p> <p>Mozambique: Ministry of Coordination of Environmental Affairs, Ministry of Planning and Development (MPD) and various sector ministries such as Agriculture, Fisheries, Tourism, Energy, Health, Mineral Resources, Public Works, Women and Social Affairs, and Finance. University Eduardo Mondlane, Investment Promotion Centre. Government partners.</p> <p>Rwanda: The Ministry of Natural Resources, the Environment Management Authority, the Ministry of Finance and Economic Planning as well as various sector ministries including those of Local Government and Good Governance, Agriculture, Infrastructure, Energy, Transport, Communications and Commerce as well as various UNEP branches. National Fund for the Environment (FONEWA)</p> <p>Tanzania: President's Office Planning Commission, Ministry of Finance, Prime Minister's Office/Regional Administration and Local Government, National Bureau of Statistics and Vice President's Office–Division of Environment. The University of Dar es Salaam's Economics Department and Environment for Development Initiative, the Economic and Social Research Foundation, and Research for Poverty Alleviation.</p>
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PEI Africa Programme Budget									
	2013	2014	2015	2016	2017	Total PEI	Confirmed Co-financing	Co-financing Sought	TOTAL (USD)
Regional Program	852,000	750,000	750,000	750,000	750,000	3,852,000			
Country programs	1,842,854	2,750,000	2,450,000	2,450,000	2,359,000	11,851,854			
TOTAL	2,694,854	3,500,000	3,200,000	3,200,000	3,109,000	15,703,854			

PEI Asia Pacific (A-P)

Countries	On-going (At 01/01/2013)	Under Discussion	TA & resources	TA only
Bangladesh	✓		✓	
Bhutan	✓		✓	
Indonesia		✓	✓	
Lao PDR	✓		✓	
Mongolia		✓	✓	
Myanmar		✓	✓	
Nepal	✓		✓	
Philippines	✓			✓
Thailand	✓		✓	

Total number of countries	6	3
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Situation Analysis:

Asia – Pacific (A-P) is the world’s most densely populated region and home to 66% of the world’s poor. Although the region’s annual per capita GDP growth was 7.5% in 2010, high densities of poverty exist in all countries. Resource consumption and carbon emissions in the region now outstrip the rest of the world, yet it has the lowest ecological carrying capacity. A-P is the region most prone to climate related disasters with the largest number of people vulnerable to climate change.

In the region opportunities exist for poverty-environment-climate (PEC) mainstreaming such as: increasing government’s awareness of the links between the economy, environment and poverty; greening key employment sectors and national development plans; using decentralisation initiatives as a platform to extend PEC mainstreaming to the local level; looking at how climate financing can better meet development goals; and, capacity building for sustaining mainstreaming efforts.

Between 2008 and 2012 PEI A-P provided core financial and technical support to five countries and varying degrees of technical support to three other countries. The main results have been progress towards integrating poor people’s environment issues into national development plans and budgets; strengthen climate adaptation finance mechanisms; mainstreaming into decentralisation programmes; mainstreaming in public and private investment strategies; and mainstreaming into UN regional and country strategies.

Programme Strategy and Main Thematic Focus

The objective of the PEI A-P 2013-2017 remains improving environment and climate outcomes that matter to poor women and men by changing public and private investments through integrating environment and climate issues in planning, budgeting and economic decision-making at national and sub-national levels.

Emphasis is on consolidation in the current country portfolio whilst seeking to attract increased financing by Government and partners, as PEI core financial support decrease at country level. Responding to country demand by new countries will be subject to Government and UNDP CO commitments, available in-country funding and PEI A-P staff resources. Focus will also be on deepening P-E mainstreaming results and impact in existing PEI countries. This will require a more comprehensive and targeted M&E system and focus on longer term P-E capacity building and funding mechanisms.

PEI will provide targeted support to integrating pro-poor environment and climate issues in planning, budgeting and economic decision-making at national and sub-national levels. The approach will continue to bring environment and climate mainstreaming to non-environmental ministries and use economic analysis and technical studies as mainstreaming tools.

PEI A-P will focus on: governments implementing policies and plans into which PEC concerns have been mainstreamed; better integration of poverty, vulnerability and gender aspects in PEI’s mainstreaming work; increased focus on results and monitoring impact; better integration of emerging priority needs of the region particularly around climate finance and foreign investment in natural resources; strengthening governance aspects (for example, through Institutional and Context Analyses); stronger partnerships with the private sector; expanding the UN partnership to include UNCDF as a key joint programme partner, and working more with UN agencies represented at the country level. Phase II will continue to focus on raising the majority of programme funds from co-financing from both UN Country offices and bilateral donors in country. Current efforts in incorporating P-E linkages into UNDP and UNEP programmes will be strengthened.

Outcome, Outputs and Main Activities

PEI Outcome: Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals.

Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied.	
Main Regional Activity Results	<p>P-E objectives and indicators included in national and sector economic plans as well as in national monitoring and evaluation frameworks;</p> <p>Stronger focus on poverty, vulnerability, rights-based approach and gender within P-E mainstreaming initiatives.</p> <p>Strengthen coordination mechanisms and improved capacity within the government for integration of pro-poor sustainable NRM into policies and plans;</p> <p>Increased focus on results and measuring the impact of the implementation of policies and plans.</p>
Output 2: Cross-sectoral budget and expenditure frameworks, and environmental-economic accounting systems institutionalised.	
Main Regional Activity Results	<p>Application of climate adaptation finance tools for mainstreaming such as Climate/Environment Publication Expenditure and Institutional Reviews (CEPEIR) and cost-benefit analysis to identify and justify budget and other investment allocations for Poverty, Environment and Climate (PEC) mainstreaming;</p> <p>Support for increased budgetary allocations for PEC objectives through engagement in medium-term expenditure frameworks (MTEFs) and annual budget processes;</p> <p>Foreign direct investment in natural resources guidelines and procedures in support of poverty and environmental sustainability objectives.</p> <p>Development of a long-term strategy and mechanisms for a sustained increase in funding for P-E objectives;</p> <p>Support the piloting and use of natural wealth accounting and strategic environment-economic accounting.</p> <p>Institutionalization of the use of economic instruments for environment.</p>
Output 3: P-E approach and tools inform relevant regional and global strategic debates and policies on sustainable development.	
Main Regional Activity Results	<p>Strengthen collaboration with UNDP Poverty Group and increased support from UNDP's Regional Bureau for Asia-Pacific;</p> <p>Support to UNEP "delivering as One" in PEI A-P countries;</p> <p>South-south exchange visits between PEI countries and to non-PEI countries exchanges where activities will include knowledge sharing and lesson learning between countries including advocacy, awareness and networking and supporting regional dialogues on common themes;</p> <p>Production of knowledge materials on key topics (e.g. foreign investment guidelines, climate finance) and participation in regional and global fora on inform global debate on Rio+20 follow-up and Post-2015 development debate;</p> <p>Enhance partnerships with regional institutes, research organizations and regional development partners to include both lesson learning, potential for joint implementation and financial resource mobilization.</p>

Partnerships	
UNDP Practice Groups	Poverty and Inclusive Growth; Democratic Governance; Environment & Energy; Capacity Development - all at the country and/or regional level
UNEP Priority Themes and Divisions	<p>Division of Regional Cooperation – One UN and UNDAFs</p> <p>Division of Environment Policy Implementation – Sub Global Assessments</p> <p>Division of Environment Policy Implementation – Post Conflict & Disasters</p>

	Specific programmes include Climate Adaptation & Green Economy at the global and regional levels DTIE!
Other UN institutions	UNCDF on Local Climate Adaptation, UN HABITAT on Ecosystem Based Adaptation in Asian Cities, Participation at UN Team meetings at the country level (various UN agencies)
Regional and International institutions	South Asian Network for Development and Environmental Economics (SANDEE); Economy and Environment Program for Southeast Asia (EEPSEA); International Institute for Environment and Development (IIED); Overseas Development Institute (ODI) for Climate Public Expenditure and Institutional Reviews (CPEIRs); Extractive Industries Transparency Initiative (EITI)
National Institutions by country (Public, CS, Private etc.)	<p>Bangladesh: Led by the Planning Commission's General Economic Division. Others include Finance Division of the Ministry of Finance; planning cadres of sectoral line agencies; Ministry of Environment and Forests.</p> <p>Bhutan: Led by the Gross National Happiness Commission (GNHC) in coordination with Government of Denmark, AUSAID, UNDP APRC (LDCF). Others: Various sectoral ministries, civil society partners (Tarayana Foundation, Royal Society for Protection of Nature (<i>RSPM</i>)).</p> <p>Lao PDR: Led by the Ministry of Planning and Investments. Coordinating with the Department of Planning, Investment Promotion Department, National Economic Research Institute (NERI) and the Ministry of Natural Resources and Environment (MoNRE). Provincial authorities (four pilot provinces) are Oudomxay, Phongsaly, Saravan, Savannakhet and three more to be added in Phase II.</p> <p>Nepal: Led by the National Planning Commission and Ministry of Federal Affairs and Local Development.</p> <p>Philippines: Executed jointly by the Department of Interior and Local Government and the Department of Environment and Natural Resources. Key partners include Department of Finance, Department of Budget and Management, and the National Anti-Poverty Commission. Also working with the Extractive Industries Transparency Initiative.</p> <p>Thailand: Led by the Ministry of Interior. Others include the Ministry of Natural Resources and Environment, Regional Environmental Offices, Provincial Administration of Khoen Kaen, Nan, Samut Songkram, Chamber of Commerce, and the Office of the National Economic and Social Development Board.</p>

PEI Asia-Pacific Programme Budget									
	2013	2014	2015	2016	2017	Total PEI	Confirmed Co-financing	Co-financing Sought	TOTAL (USD)
Regional Program	665,890	656,815	620,000	610,000	600,000	3,152,705	0	0	3,152,705
Country programs	904,372	805,000	805,000	730,000	600,000	3,844,372	5,207,000	3,700,000	12,751,372
TOTAL	1,570,262	1,461,815	1,425,000	1,340,000	1,200,000	6,997,077	5,207,000	3,700,000	15,904,077

PEI Europe & Commonwealth of Independent States (ECIS)

Countries	On-going (At 01/01/2013)	Under Discussion	TA & resources	TA only
Tajikistan	√		√	
Kyrgyzstan	√		√	
Armenia	√			√
Moldova		√		√
Albania		√		√
Total No. of Countries	3	2		

Situation Analysis

As per 2010 MDG report for the region, 36% of the population are poor or at risk of poverty, living on less than \$5 per day. In Central Asia and South East Europe, pockets of poverty and labor migration persist. For instance, 47% of the Tajikistan's population and more than a third of Kyrgyzstan's population live in poverty while the absolute poverty rate hovers at around 22% in Moldova.

Major poverty and environment issues for the region include: land degradation and desertification; water-energy nexus; threats to food security and agricultural production; natural disasters; and, impact of climate change on environment, agriculture, health and energy.

Key PEI ECIS achievements to date in Tajikistan include: A methodology for district planning integrating P-E mainstreaming has been piloted in 14 districts and incorporated in planning curriculum; P-E linkages have been incorporated in indicators of the national development plan; and environmental sustainability incorporated in a micro-financing scheme. In Kyrgyzstan, PEI has supported P-E linkages in programme budgeting for the agriculture sector; P-E linkages integrated in the Naryn regional strategy which is key for area-based development; and initiated a "green economy" programme. In Armenia, PEI conducted a valuation of ecosystem services with has influence mining sector policies.

Programme Strategy

For the period 2013-2017, PEI ECIS will aim to consolidate P-E mainstreaming in the current PEI countries. Focus will be to support countries in their Rio+20 vision to build inclusive green economies and to ensure environmental sustainability, peace and security. Focus will be on deepening P-E mainstreaming results and impact in existing PEI countries. This will require a more comprehensive and targeted M&E system and focus on longer term P-E capacity building and funding mechanisms.

Within the context of available PEI staffing and resourcing, PEI ECIS will explore adding one or two full country programmes from 2014 onwards conditional to national interest and commitment, available PEI and in-country financing, and PEI ECIS staff resources.

The main focus will be in the advocacy and influencing government institutions and their development partners by building on from the value added of PEI efforts to date. In this sense, it will be vital to position PEI in Central Asia among current, in-country, donor working groups, while in SEE it will be equally important to align with the EU's relevant instruments and its reform agenda. Efforts will be made to better integrate poverty, vulnerability and gender aspects in PEI's mainstreaming work. Current efforts in incorporating P-E linkages into UNDP and UNEP programmes will be strengthened. Also the use of regional institutions will be encouraged to become PEI champions for a multiplier effect.

PEI interventions will be further sharpened to be highly strategic and demonstrate their value added while also being aligned with, and synergized, with other current donor programmes but should still maintain P-E brand linkages.

Outcome, Outputs and Main Activities (narrative description)	
PEI Outcome: Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals.	
Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied.	
Main Regional Activity Results	<p>For ongoing programmes (TJ, KR, ARM) consolidate P-E linkages in national SD strategies, especially in sector work (agriculture, water, energy and mining) by strengthening institutions and mechanisms.</p> <p>P-E objectives and indicators included in national and sector economic plans as well as in national monitoring and evaluation frameworks;</p> <p>Stronger focus on poverty, vulnerability, rights-based approach and gender within P-E mainstreaming initiatives.</p> <p>Strengthen intra and cross-sector led government coordination mechanisms and improved capacity within the government for integration of pro-poor sustainable NRM into policies and plans;</p> <p>Increase focus on results and measuring the impact of the implementation of policies and plans.</p>
Output 2: Cross-sectoral budget and expenditure frameworks, and environmental-economic accounting systems institutionalised.	
Main Regional Activity Results	<p>Support for increased budgetary allocations for P-E objectives through engagement in medium-term expenditure frameworks (MTEFs) and annual budget processes;</p> <p>Development of a long-term strategy and mechanisms for a sustained increase in funding for P-E objectives;</p> <p>Support the piloting and use of natural wealth accounting and strategic environment-economic accounting, and adoption of “green” indicators;</p> <p>Institutionalization of the use of economic instruments for environment.</p>
Output 3: Pro-poor environmental outcomes are integrated into regional and global institutions and sustainable development processes.	
Main Regional Activity Results	<p>Strengthen collaboration with UNDP Poverty Group and increased support from UNDP’s Regional Bureau for ECIS;</p> <p>Support to UNEP “delivering as One” in PEI ECIS countries;</p> <p>Exchange visits between PEI countries and to non-PEI countries exchanges where activities will include knowledge sharing and lesson learning between countries including advocacy, awareness and networking and supporting regional dialogues on common themes;</p> <p>Production of knowledge materials on key topics (e.g. foreign investment guidelines, climate finance) and participation in regional and global fora on inform global debate on Rio+20 follow-up and Post-2015 development debate</p> <p>Strengthen collaboration with regional institutions such as CAREC and Green Bridge relative to emerging issues including green indicators and the links with climate change, P-E and gender, technology transfer and contributions to post-2015 SDGs.</p>

Partnerships	
UNDP Practice Groups	BDP: Poverty; Environment; Governance practices.
UNEP Priority Themes and	Ecosystems; Resource efficiency/Green economy; Chemicals Sub-programmes; possibly also others

Divisions	
Other UN institutions	PEI incorporated in UNDAF of UN Country Team in KYR
Regional and International institutions	GIZ, DFID (UK AID), OECD, SDC, EU, Green bridge, CAREC, ENVSEC and UNDP GEF
National Institutions by country (Public, CS, Private etc.)	<p>Tajikistan: Ministry of Economic Development and Trade (MEDT), Sughd Regional Government, 14 district authorities, civil society and the private sector; GIZ and DFID within the Rural Growth Programme.</p> <p>Kyrgyzstan: 1st Vice-Prime Minister's Office, the Ministry of Economics and Antimonopoly Policy, State Agency on Environment Protection and Forestry, State Agency on Regional Development, the Academy of Management and local authorities in two pilot areas (Naryn Province and Suusamyrayilokmotu) and local NGOs.</p> <p>Armenia: Ministry of Nature Protection, Ministry of Economy, Prime-minister's office (Deputy head of staff of the Government), Regional Administration of Syunik Marz, Local authorities of four communities (Pilot Area), and Intergovernmental multi-stakeholder National Council on Sustainable Development.</p>

PEI ECIS Regional Budget									
	2013	2014	2015	2016	2017	Total PEI	Confirmed Co-financing	Co-financing Sought	TOTAL (USD)
Regional Program	392,800	375,000	375,000	375,000	375,000	1,892,800	0	0	1,892,800
Country programs	895,166	780,000	720,000	720,000	720,000	3,835,166	50,000	0	3,885,166
TOTAL	1,287,966	1,155,000	1,095,000	1,095,000	1,095,000	5,727,966	50,000	0	5,777,966

PEI Latin America and Caribbean (LAC)

Countries	On-going (At 01/01/2013)	Under Discussion	TA & resources	TA only
Dominican Republic	√		√	
Guatemala	√ (<i>Ended Dec 2012</i>)		√	
Paraguay		√	√	
Peru		√	√	
Uruguay	√		√	
Total No. of Countries	3	2		

Situation Analysis:

Poor people in Latin America and the Caribbean (LAC) are heavily dependent on natural resources for their well-being. Environmental degradation decreases their options for livelihoods and income generation. This is particularly the case for women, children and marginalised groups, including ethnic minorities. The environment is linked to three primary factors that affect quality of life of the poor, particularly (i) health and effects from unclean water, indoor air pollution and exposure to toxic chemicals and environmental risk factors; (ii) livelihoods and effects from environmental degradation and limited access to natural resources; and, (iii) vulnerability to climate related hazards, natural disasters and environment-related conflict.

These linkages between poverty and environment—including climate change—are visible across LAC as environmentally exposed landscapes are often where many poor and marginalised people live. Poor people living in dryland areas, such as the “Dry Corridor” in Guatemala and other areas already affected by El Niño phenomenon face great uncertainty of rainfall. The vulnerability of these groups can be reflected in crops losses of up to 60-80% and high levels of malnourishment. In the Dominican Republic, of all people heavily affected by hurricanes and storms, 90% are poor. Poor people living in and around forests face declining forest coverage and quality, with estimated losses in environmental services between US\$ 200-1,000/ha. Furthermore, people living in the growing slums across the LAC region suffer from a lack of ecosystem services such as access to clean water, sanitation and sewage.

The PEI LAC programme commenced in 2009 with the establishment of a joint UNDP and UNEP team in Panama. The PEI Uruguay programme has successfully supported national institutions to integrate P-E mainstreaming in waste management policy initiatives, secured an increase in national budget allocation to the social and environment Ministry, and enabled community cooperatives engaged in waste management to have formal jobs, avoid exposure to dangerous waste, and benefit from improved social security and incomes. The PEI Dominican Republic is focusing on social and house safeguards and climate change mitigation. Lastly, UNDP Guatemala with technical support from PEI LAC and the PEF has coordinated an integrated ecosystem and human well-being assessment in the “Dry Corridor” region of Guatemala. This study, conducted in close collaboration with the National Development Planning Office (SEGEPLAN), the Ministry of Environment (MARN) and two local authorities, piloted a rapide assessment methodology aimed at integrating ecological, social and economic variables into local development planning.

In mid-2012, PEI LAC issued a call to UNDP Country Offices for concept proposals for PEI country programmes in line with the PEI mainstreaming programmatic approach. Three concept proposals from Guatemala, Paraguay and Peru were shortlist and invited to participate in the PEI LAC Regional workshop held in September 2012.

Programme Strategy and Main Thematic Focus

For the period 2013-2017, PEI LAC will aim to consolidate P-E mainstreaming in Uruguay and the Dominican Republic, and to progressively elaborate and initiate PEI programmes in Guatemala, Paraguay and Peru. Efforts will be made towards PEI planned funds serving as a catalyst to secure

additional funds from Government and/or country-based partners to deliver on proposed programmes. Focus will be to support countries in their Rio+20 vision to build inclusive green economies and to ensure environmental sustainability, peace and security. Focus will be on deepening P-E mainstreaming results and impact in existing PEI countries. This will require a more comprehensive and targeted M&E system and focus on longer term P-E capacity building and funding mechanisms. Efforts will also be made to better integrate poverty, vulnerability and gender aspects in PEI's LAC mainstreaming work

In particular, PEI LAC will continue to support the Government of Uruguay on P-E mainstreaming in the solid waste management sector. In Guatemala PEI is exploring the opportunity to support SEGEPLAN in integrating environmental, social and economic variables into development planning processes with a focus on food security. In Paraguay the proposed programme will aim to strengthen capacity for inclusive businesses engage in inclusive green economy initiatives. Lastly, in Peru the proposal is to integrate P-E mainstreaming in solid waste management systems.

Current efforts in incorporating P-E linkages into regional UNDP and UNEP programmes will be strengthened. Also the use of regional institutions will be encouraged to become PEI champions for a multiplier effect.

Outcome, Outputs and Main Activities	
PEI Outcome: Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals.	
Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied.	
Main Regional Activity Results	<p>Institutional analysis report to ensure effective targeting of P-E issues in designing PEI country programme;</p> <p>Strengthen P-E mainstreaming in Ministries of Development Planning and Finance planning tools;</p> <p>P-E economic evidence produced at national and sector level to make case for P-E mainstreaming;</p> <p>P-E objectives and indicators included in national and sector economic plans as well as in national monitoring and evaluation frameworks;</p> <p>Stronger focus on poverty, vulnerability, rights-based approach and gender within P-E mainstreaming initiatives.</p> <p>Strengthen coordination mechanisms and improved capacity within the government for integration of pro-poor sustainable NRM into policies and plans;</p> <p>Monitoring of implementation of P-E objectives;</p> <p>Capacity building support to Ministry staff and other stakeholders for more effective engagement in development planning and budgeting processes.</p>
Output 2: Cross-sectoral budget and expenditure frameworks, and environmental-economic accounting systems institutionalised.	
Main Regional Activity Results	<p>Support for increased budgetary allocations for P-E objectives through engagement in medium-term expenditure frameworks (MTEFs) and annual budget processes;</p> <p>Development of a long-term strategy and mechanisms for a sustained increase in funding for P-E objectives;</p> <p>Support the piloting and use of natural wealth accounting and strategic environment-economic accounting, and adoption of "green" indicators;</p> <p>Institutionalization of the use of economic instruments for environment.</p>
Output 3: Pro-poor environmental outcomes are integrated into regional and global institutions and sustainable development debates.	
Main Regional	Strengthen collaboration with UNDP Poverty Group and increased support from

Activity Results	<p>UNDP's Regional Bureau for LAC;</p> <p>Support to UNEP "delivering as One" in PEI LAC countries;</p> <p>Exchange visits between PEI countries and to non-PEI countries exchanges where activities will include knowledge sharing and lesson learning between countries including advocacy, awareness and networking and supporting regional dialogues on common themes;</p> <p>Production of knowledge materials on key topics (e.g. foreign investment guidelines, climate finance) and participation in regional and global fora on inform global debate on Rio+20 follow-up and Post-2015 development debate.</p>
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Partnerships	
UNDP Practice Groups	The Regional Team will continue to work together with technical staff from the BDP/Poverty, Governance and Environment practice teams.
UNEP Priority Themes and Divisions	The Regional Team will build on thematic expertise from the DELC, DEWA and DEPI teams at UNEP both at the regional and HQ levels.
Other UN institutions	On a demand basis, the Regional Team may establish collaboration agreements with other UN agencies such as FAO, ECLAC and others.
Regional and International institutions	On a demand basis, the Regional Team may establish collaboration agreements with regional and international institutions like bilateral donors and multilateral development banks in areas of relevance to the existing and planned portfolio
National Institutions by country (Public, CS, Private etc.)	<p>Dominican Republic: Ministry of Economy, Planning and Development (MEPYD); Social Cabinet; Single System of Beneficiaries (SIUBEN); National Territorial Planning Authority (DGODT); and the Ministry of Environment and Natural Resources. REGATTA (UNEP's Regional Gateway for Technology Transfer and Climate Change Action in Latin America and the Caribbean), civil society institutions and donors.</p> <p>Guatemala: National Development Planning Agency of the Office of the President (SEGEPLAN); the Ministry of Environment and Natural Resources (MARN); and Municipal authorities of El Progreso and Zacapa in the eastern "Dry Corridor"; Fundacion Defensores de la Naturaleza; Universidad del Valle de Guatemala; and WWF-Guatemala; ,</p> <p>Uruguay: Planning and Budget Office (OPP), The Ministry of Housing, Land Use and Planning and the Environment (MVOTMA), the Ministry of Social development (MIDES), Municipality of Montevideo, and local cooperatives</p>

PEI LAC Regional Budget									
	2013	2014	2015	2016	2017	Total PEI	Confirmed Co-financing	Co-financing Sought	TOTAL (USD)
Regional Program	223,750	226,500	226,500	226,500	226,500	1,129,750	0	0	1,129,750
Country programs	972,446	600,000	600,000	600,000	600,000	3,372,446	0	8,306,317	11,678,763
TOTAL	1,196,196	826,500	826,500	826,500	826,500	4,502,196	0	8,306,317	12,808,513

ANNEX 4: REGIONAL STEERING COMMITTEES – TERMS OF REFERENCE

Background

The joint UNDP and UNEP Poverty-Environment Initiative (PEI) is a global programme that supports country-led efforts to mainstream poverty-environment (P-E) and gender equality linkages into national development policy and planning processes. P-E mainstreaming involves establishing the links between environment and poverty, and then identifying which policies and planning processes can bring about better pro-poor environmental management in order to help achieve development goals such as MDGs.

The ministry of P/F/local government is typically chosen as institutional host for a PEI country programme, in collaboration with the ministry responsible for environment and/or natural resources.

The programme is implemented through the joint UNDP-UNEP Poverty Environment Facility, located in Nairobi, joint UNDP-UNEP regional teams in four UN regional headquarters, and country teams. The PEI is currently supporting 25 countries with financial and/or technical assistance. PEI is an example of joint UNDP and UNEP programmes through shared management, funding, and implementation modalities. It is considered a flagship example of “One UN”.

The PEI programmatic approach for mainstreaming P-E and gender equality linkages into national development policy and planning processes comprises of three components:

- Finding the entry points and making the case: which sets the stage for mainstreaming
- Mainstreaming P-E linkages in planning and policy processes: integrating P-E and gender equality linkages into an on-going policy process (e.g. medium term national development plans, PRSP, or sector strategies based on country-specific evidence).
- Meeting the implementation challenge: aimed at ensuring integration of P-E linkages into budgeting, implementation and monitoring processes.

The PEI Regional teams support portfolios of country programmes that share common issues and can benefit from a strengthened regional approach to P-E mainstreaming that respond to regional realities and dynamics. In order to strengthen regional teams and programmes to more effectively support P-E mainstreaming at country and regional level, as well as within the UN regional institutions and programmes, the PEI MTR (2011) and Business Review (2012) recommended the establishment of PEI Regional Steering Committee (RSC).

Purpose and Tasks of the RSC:

The overall purpose of the PEI Regional Steering Committee is to oversee the effective delivery of the PEI regional programme in the respective region.

The effective delivery of the PEI regional programme shall be undertaken with due consideration of:

- PEI global programme, and in particular P-E mainstreaming intended results;
- PEI Regional strategy and annual budgets and work plans;
- UNDP and UNEP respective global and regional practice areas, divisions and programmes and projects. In particular within the context of strengthening P-E mainstreaming delivery by national and regional institutions and within UN institutions; and,
- UNDP implementing agency operational and programmatic guidelines and requirements.

In order to achieve the intended purpose, the RSC shall undertake the following tasks

- Endorse PEI Regional implementation strategies, annual workplans and budgets;
- Provide strategic policy, planning and implementation guidance to country programmes and regional implementation strategies including with regard to social (gender & rights based),

economic (valuation, assessment, CBA, etc) and ecological (NRM, CC, ecosystems, etc.) issues in support of achieving sustainable development.

- Monitor progress of regional programme implementation in accordance with Regional Strategies, workplans and budgets;
- Provide strategic guidance to strengthening linkages with UN Regional programmes, institutions, projects where mutual programmatic and funding “wins” can be achieved at country and regional levels;
- Champion P-E mainstreaming objectives within UN regional programmes, institutions and projects at regional and country levels. Contribute towards the mainstreaming of P-E approaches and tools within member’s respective institutions and programmes;
- Identify and recommend periodic regional/country based studies to support the delivery of the PEI regional programme (e.g. diagnostic/assessment studies, performance reviews, monitoring and evaluation reviews, etc.);
- Contribute to PEI/PEF commissioned global reviews (e.g. MTRs and Final Evaluations) through interaction with review consultant(s), and review of draft documents;
- Support fundraising efforts in support of PEI programme delivery in the region, either as direct contributions to PEI pooled funds or as co-financing at country and/or regional levels; and,
- Secure PEI regional staffing requirements in line with PEI PRODOC, Regional implementation strategies and PEI business review (2012), in close liaison with the PEF.

Membership

The membership of the PEI Regional Steering Committees shall comprise of:

- UNDP Regional Service Centre Director or Practice Leader (ideally from the poverty practice) (Co-Chair)
- UNEP Regional Director (or Deputy), (Co-Chair)
- Poverty-Environment Facility Co-Directors
- Heads of additional UNDP regional Practice areas:

The Co-chairs can review and increase RSC membership in light of programmatic and coordination requirements in the region, including UN agencies, regional civil society/think tank institutions, partners, etc.

The Secretariat of the Regional Steering Committee shall consist of the PEI Regional team leader (or co-leaders). The Secretariat shall be responsible for liaising with the co-chairs to schedule meetings and establish the meeting agenda’s. The Secretariat shall be responsible for circulating meeting background documentation no later than two weeks prior to the meeting date and minutes/meeting report no later than two weeks after the meeting date.

The RSC shall meet at least twice annually.

ANNEX 5: UNEP SIGN OFF AND SPECIFIC PROJECT DOCUMENT REQUIREMENTS (e.g. OUTCOME LEVEL INDICATORS; UNEP FORMATTED BUDGET)



UNITED NATIONS ENVIRONMENT PROGRAMME

Programme des Nations Unies pour l'Environnement Programo de las Naciones Unidas para el Medio Ambiente
 Programma Organizzazzjoni Nazjonali għall-Ambjent برنامج الأمم المتحدة للبيئة
 聯合國環境署



Project Document: XXXX

JOINT UNDP-UNEP POVERTY-ENVIRONMENT INITIATIVE 2013-2017

Project Executive Summary:

The joint UNDP-UNEP Poverty-Environment Initiative (PEI) is a global programme that supports country-led efforts to mainstream P-E linkages into national development policy, planning and budgeting processes. P-E mainstreaming involves establishing the links between environment and poverty, and then identifying which policies, planning and budgeting processes can bring about better pro-poor environmental management in order to help achieve development goals such as MDGs and future SDGs. PEI provides an important example of UN reform that has demonstrated an integrated, programmatic approach to support countries. The focus of PEI work is on capacity development to 'operationalize' mainstreaming in development policy frameworks and their implementation. UNDP and UNEP believe there is now a unique opportunity to strengthen and consolidate the PEI partnership to effectively address increasing demand resulting from the important achievements made so far. This joint programme document (PRODOC) outlines the proposed PEI programme for the period 2013-2017 (5 years) and corresponds to the second phase referred to in the original PEI Scale-Up PRODOC.

SIGNATURES

Name of Programme Framework Coordinating Division Director:	Review Signature:	
Name: Bakay Kante, DELC		Date: 11 / 4 / 13
Name of Project Managing Division Director:	Review Signature:	
Name: Ibrahim Thiaw, DEPI		Date: 10 / 4 / 13
In Approval of the Project submitted by the above Director and Coordinator: UNEP Deputy Executive Director	Approval Signature:	Date: / / 20

1 Project Overview

Project Information

Table 1: Required Project Information

Identification					
Project Title	JOINT UNDP-UNEP POVERTY-ENVIRONMENT INITIATIVE 2013-2017				
Managing Division	DEPI				
Project Manager and Org. Unit	Isabell Kempf	UNEP/PEI-DEPI			
Type/Location	Global, regional, national				
Region (delete as appropriate)	Africa,	Asia Pacific			
	Europe	Latin America Caribbean,			
List Countries	Albania, Armenia ,Bangladesh, Bhutan, Botswana, Burkina Faso ,Dominican Republic, Guatemala, Indonesia, Kenya, Kyrgyzstan ,Lao-PDR, Mali , Malawi, Mauritania, Moldova, Mongolia, Mozambique, Myanmar, Nepal, Paraguay, Peru, Philippine, Rwanda , Sri Lanka, Tajikistan, Tanzania, Thailand, Uruguay,				
Programme of Work	2014/2015 and 2016/2017				
Sub-programme	#4 – Environmental Governance				
Expected Accomplishment	4 c Countries increasingly mainstream environmental sustainability in national and regional development policies and plans. 4 c(i) Increase in the number of national development plans and UNDAFs in targeted countries that incorporate the principles of environmental sustainability with the assistance of UNEP and the joint UNDP-UNEP PEI.				
PoW Output(s) to which Project contributes ¹	Subprogramme 4 Environmental Governance c (i)	Subprogramme 4 Environmental Governance c (i)			
	4.3.1 2012-2013	4.3.1 2014-2015			
Date of Programme Framework Clearance	2-10-2012				
Other Divisions/Regional Offices involved	ROLAC	ROAP	ROA	ROE	

2 Risk Analysis see page 42 (PRODOC) and table 4

Project Specific Opportunities

See page 18 of the PRODOC

Specific opportunities include cooperation with other UNEP programmes:

PEI's mainstreaming results have contributed substantially to the delivery of UNEP's Environmental Governance and Ecosystem Management sub-programmes, and to a lesser extent the Climate Change, Resource Efficiency and Sustainable Consumption sub-programmes. In the next phase, PEI will establish closer programmatic links with UNEP's thematic areas through collaborative efforts that respond to country P-E mainstreaming demand channelled through the RT in respective UNEP Regional Offices. Building on collaboration with DEPI's Ecosystem Management sub-programme in applying ecosystem and human well-being assessments, including ecosystem valuations, to inform sub-national development planning, it is proposed that further inputs from DEPI's Ecosystem Economics and Services Unit will serve to strengthen assessment methods and results to inform pro-poor, equitable and environmentally sound economic development scenarios. PEI will continue to work in collaboration with DEWA on the use of environmental assessments for policy making (e.g. GEO series). Our teams will also contribute to the gender and environment outlook that will use social science information and gender-sensitive indicators to review gender environment links and guide policy actions towards gender mainstreaming.

It is also proposed that PEI's national experiences of linking ecosystem services and development planning will be channelled to IPBES via UNEP and UNDP. Similarly, PEI will collaborate with UNEP's Climate Change Adaptation Branch on the development of, and funding for, a new PEI strand of work on ecosystem-based climate change adaptation for the urban poor, in cooperation with UN-Habitat, and the UNDP Regional Centre and UNEP Regional Office for Asia/Pacific, and UNDP Country Offices in Bangladesh, Cambodia, Indonesia, Laos, Philippines, Sri Lanka and Vietnam. PEI will continue to collaborate on respective comparative advantages and complementary approaches with DTIE's Green Economy team towards elaborating inclusive greener economy policies in national development planning, budgeting and fiscal systems, and promote the development and application of national measurement methodologies which include pro-poor growth and environmental variables and outcomes. Joint work on mainstreaming sound chemicals management is undertaken together with DTIE, based on a successful partnership in Burkina Faso and in close collaboration with the joint UNEP-UNDP Chemicals Partnership Initiative.

Stakeholder Analysis

See page 20 (PRODOC), from paragraph 2

Partnership Analysis

See page 20 (PRODOC), from paragraph 3

Socio-economic Contribution, including Gender and Poverty Alleviation

P-E mainstreaming includes both a gender and poverty focus. See Definitions of Poverty-Environment (P-E) and P-E Mainstreaming (page 2 of the PRODOC) and details on a gender and equity based approach on page 17.

Critical Success Factors

Towards a sustainability strategy see page 18 of the (PRODOC) and risk log on page 43

Use of Legal Instruments:

See Section 9 Legal Context on page 48. In addition, PEI works with partners such as IIED, WRI as implementing partners using legal instruments through UNDP. Joint work with UN-Habitat within the framework of the MOU between UNEP and UN-Habitat

Logical Framework – (see section 4.3, page 24 of PRODOC)

PEI Outcome indicators:

4) Rate of application of ENR sector and linked socio-economic indices.

Baseline	Target
2012 (or earliest available): 6 PEI countries report on ENR sector and linked socio-economic indices.	By 2015, at least 14 countries report on ENR sector and linked socio-economic indices

5) Amount of public sector financial expenditure for P-E results (environment and NRM).

Baseline	Target
2012 (or earliest available) 14 PEI countries report increased national expenditure	By 2015, at least 16 countries report an increase in expenditure

6) Level of integration of P-E mainstreaming approach and tools in UN (UNDP, UNEP) and partner strategies and programmes at country, regional and global levels.

Baseline	Target
2012: level 1 on integration scale attained	By 2015, level 4 on integration scale attained

3. Budget, and Organization

See page 34 of the PRODOC

PEI Budget Projection for 2013-2017 – excluding country co-funding (UNDP TRAC, UNEP POW, Bilateral, Government)

DESCRIPTIONS	2013	2014	2015	2016	2017	TOTAL (USD)
<p>Output 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied. (Maximum of 29 countries with financial and/or TA support).</p> <ul style="list-style-type: none"> • Proportion of PEI country programme implementation: staffing, studies, briefing notes and knowledge management products, and workshops, meetings and in-country travel. • Proportion of technical assistance support provided by four Regional teams to PEI country teams, UNDP CO and UNCT. 	2,560,300	2,762,244	2,606,095	2,570,295	2,465,595	12,964,529
<p>Output 2: Cross-sectoral budget and expenditure processes, and environment-economic accounting systems institutionalised. (Maximum of 29 countries with financial and/or TA support).</p> <ul style="list-style-type: none"> • Proportion of PEI country programme implementation: staffing, studies, briefing notes and knowledge management products, and workshops, meetings and in-country travel. • Proportion of technical assistance support provided by four Regional teams to PEI country teams, UNDP CO and UNCT. 	3,463,268	3,498,244	3,270,095	3,224,295	3,101,395	16,557,297
<p>Output 3: P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and Member States</p> <ul style="list-style-type: none"> • Proportion of Regional teams cost to support regional communities of practice and networks, and contributions to regional and global development programming. • Poverty Environment Facility* inclusive of: briefing notes and knowledge management products, studies and 	1,681,730	1,432,827	1,470,310	1,466,910	1,463,510	7,515,287

guidance notes, programme coordination between regions and UN institutions, financial and operational management, workshops, meetings and travel, and programme and administrative staff (co-financing), monitoring and evaluation.						
Total (Excluding GMS)	7,705,298	7,693,315	7,346,500	7,261,500	7,030,500	37,037,113
UNDP-UNEP General Management Services (GMS) 8%	616,424	615,465	587,720	580,9201	562,440	2,962,969
TOTAL (USD)	8,321,722	8,308,780	7,934,220	7,842,420	7,592,940	40,000,082
Sub-Total (Excluding GMS)	7,705,298	7,693,315	7,346,500	7,261,500	7,030,500	37,037,113
UNDP-UNEP General Management Services (GMS) 8%	616,424	615,465	587,720	580,9201	562,440	2,962,969
Sub- TOTAL (USD)	8,321,722	8,308,780	7,934,220	7,842,420	7,592,940	40,000,082
Contributions by UNDP²² for core staff and programme implementation at the country and regional level.	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Contributions by UNEP²³ for core staff and premises	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
TOTAL (USD)	12,321,722	12,308,780	11,934,220	11,842,420	11,592,940	60,000,082

²² Core financial contribution targets to be achieved at country, regional and global level.

²³ Core contributions from the Environment Fund.