



Environment for the MDGs

## SCALING-UP THE UNDP-UNEP POVERTY-ENVIRONMENT INITIATIVE

Annual Progress Report  
2009



UNDP-UNEP Poverty-Environment Initiative



*The UNDP-UNEP Poverty-Environment Initiative (PEI) is a global UN programme that supports country-led efforts to mainstream poverty-environment linkages into national development planning. The PEI provides both technical and financial support to government partners for institutional and capacity-building programmes focused on the contribution of environment to poverty-reduction and pro-poor growth. This PEI Annual Progress Report for 2009 has been produced by the UNDP-UNEP Poverty-Environment Facility, based in Nairobi, as part of the process of keeping key PEI stakeholders - especially the governments who provide financial support to PEI - informed of progress against intended results. We would like to thank the governments of Belgium, Denmark, Ireland, Norway, Spain, Sweden, United Kingdom, and the European Commission for their generous support.*

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# **Scaling-up the UNDP-UNEP Poverty-Environment Initiative**

## **Annual Progress Report 2009**

**March 2010**





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## Executive summary

The UNDP-UNEP PEI Scale-up has been underway for two years. We believe that we have completed the process of setting it up and are now fully operational. Our joint teams in the three new regions have completed the process of engagement with candidate countries and the scoping work with those we have agreed to support. Our joint management system is fully in place. We have made financial commitments consistent with our projections of income from donors. We are implementing the results of the Norway evaluation (of the PEI Pilot Phase) and have a strong knowledge management and technical support system in place. We continue to improve our system of monitoring reporting and evaluation. In short, the PEI Scale-up is entering its full implementation phase.

This 2009 PEI Annual Progress Report covers two main areas of achievement. First, what have we achieved at the country level measured against our results framework? Second, what progress have we made in the expansion and improvement of the PEI and our influence over our host institutions - UNDP and UNEP?

### What have we achieved at the country level?

We continue to monitor our progress against the output indicators in our original joint Programme Document. To ensure that this process is more specific to country circumstances, we have developed a set of achievement targets relevant to PEI outputs. These are designed to cover the key targets around which any PEI country programme is designed. But of course, no two countries will have the same configuration. We use this as the framework to monitor and report on progress.

The table on the next page provides a broad overview of progress made to date against our achievement targets. These vary considerably depending on the period of time that PEI has been working in the country/region. It is important to keep in mind that this is the first year that we report on achievement targets marked with an (\*) and that the information mainly refers to progress made in 2009. Section 2.4 provides more detailed information on each of those per region. This report also includes a summary table of the status of each PEI country programme and the PEI country fact sheets.



*"This Conference is timely - it should not only enable us to discuss the environmental challenges our continent faces, but even more importantly, permit us to achieve a key imperative: placing the environment at the centre stage of development processes, where it belongs."*

*"The environment is our life-blood; indeed the real surprise is not that ministries of finance are now talking to ministries of environment - but that it has actually taken this long."*

*"Even when we look beyond agriculture, tourism, mineral wealth and fisheries, our economies depend critically on good environmental stewardship. Countries that depend on hydro-electric energy, geothermal electricity or even methane gas - as we propose to do here in Rwanda - must put appropriate water management policies in place as Africa is one of the world's driest continents. "*

(The honorable President of Rwanda, Mr. Paul Kagame on the occasion of the 3rd African Ministerial Conference on Financing for Development: "Climate Change: Financing Opportunities and Challenges to achieve the MDGs in Africa.", Kigali, 2009)

Achievement	Status in countries currently supported
<b>Achievement target 1A:</b> Country-led PEI programmes include assessments of the governmental, institutional and political contexts and of institutional and capacity needs and address the findings of these assessments *	All country-led PEI programmes include such assessments. PEI lessons learned have helped us to improve our understanding of governance and capacity issues affecting the potential for sustained, country-led poverty-environment mainstreaming. We have carried out extensive work in this area to plan more effective PEI country programmes.
<b>Achievement target 2A:</b> PEI programmed into UNDAF, One UN and UNDP country programmes	As a key objective of our work, PEI is integrated in all UNDAF and UNDP country programmes where we are present, including in the One UN pilot countries: Botswana, Mozambique, Rwanda, Tanzania and Uruguay.
<b>Achievement target 2B:</b> Improved collaboration between environmental, planning/finance and other key sectoral agencies	In all countries, a key PEI objective throughout 2009 has been to strengthen collaboration among government agencies. We have had considerable success and we provide 4 country examples in Africa and one for the Asia-Pacific region.
<b>Achievement target 2C:</b> Effective coordination and work with in-country donors	PEI has made progress in all countries in strengthening partnerships with key in-country donors, as another of our key objectives. We highlight examples made in 6 countries in Africa, 3 in Asia-Pacific and our programme in LAC.
<b>Achievement target 3A:</b> Country-specific evidence on the contribution of the environment to human well-being and pro-poor economic growth collected and used for poverty-environment mainstreaming	In all PEI countries country specific evidence has been collected and used to raise awareness, increase understanding of poverty-environment issues and influence development planning and budgeting processes at large. For 2009 we highlight examples where PEI-produced evidence has had an impact in planning and/or budgeting processes: 3 countries in Africa and 3 in Asia-Pacific.
<b>Achievement target 3B:</b> Increased awareness and understanding of poverty-environment issues	PEI assessments provide key information to raise awareness, 'make the case' and feed PEI national communications and advocacy strategies that help empower 'poverty-environment champions'. For 2009 we highlight examples of progress made in 6 countries in Africa, 3 in Asia-Pacific and in LAC.
<b>Achievement target 4A:</b> Environmental sustainability included as a priority (objective or outcome) in the PRSP or equivalent	Up to date, environmental sustainability has been included as a priority in 8 countries in Africa: Kenya, Mali, Mauritania, Malawi, Mozambique, Rwanda, Tanzania and Uganda. We have also included examples of progress made during 2009 in 1 country in Asia-Pacific.
<b>Achievement target 4B:</b> Environmental sustainability included as a priority (objective or outcome) in sector plans or equivalent *	Progress in sector plans has become a more significant element in country programmes in the Africa region (3 country examples for 2009) as these have matured. During 2009 we have made efforts to address sectors from early programme stages for most new country programmes.
<b>Achievement target 4C:</b> Environmental sustainability included as a priority (objective or outcome) in the sub-national level plans or equivalent *	In 2009 we have increased efforts towards this target during the formulation of our new country programmes in all 4 regions. We continue to make progress at the sub-national level in our older programmes (please refer to 4 countries in Africa and 1 in Asia-Pacific in 2009).
<b>Achievement target 4D:</b> Poverty-environment indicators linked to policy documents of national development planning integrated in the national monitoring system	This is another key PEI target, included in all of our country programmes. We provide examples of progress made in 2009 in 7 countries in Africa to illustrate success so far, but we are also working towards this achievement in the other regions.
<b>Achievement target 5A:</b> Strengthened capacity to enhance the contribution of natural resources and environment to public finances *	As our programmes mature, this target assumes greater priority. In 2009 we have taken practical steps to increase PEI impact in this area. We provide examples of progress made in 2009 in 2 countries in Africa and 1 in Asia-Pacific.
<b>Achievement target 5B:</b> Increased financial donor support for poverty-environment related measures *	Ultimately, a key PEI objective is to have a catalytic effect on donor support to greater priority for environmental management. We provide examples of 2 countries in Africa and 1 in Asia-Pacific.
<b>Achievement target 6A:</b> Increased budget allocations for poverty-environment policy measures by environment, sectoral ministries and sub-national bodies	In all PEI programmes, we are working towards the target of influencing budget and investment decisions. In the Africa region, we have had successes which we have reported on previously and here we identify 2 more recent achievements.
<b>Achievement target 7A:</b> Poverty-environment embedded in the governmental and institutional processes *	Successful integration of poverty-environment into national development plans and their monitoring system in all PEI Africa programmes (except for the 3 new ones) had led to a variety of institutional measures to continue the mainstreaming work. This target is very important for ensuring that strengthened capacity is embedded in the key decision making processes. See 6 examples for 2009.

\*Items marked with an (\*) have not been reported on previously

## How have we expanded and strengthened the PEI programme?

The Scale-up has continued as planned. The three new regions have rapidly progressed from early engagement with candidate countries to launching country programmes - agreed with UNDP country offices and government partners. The Africa region has launched three new country programmes. In effect, we have expanded almost to the limit of our current projection of income from donors. We are now active in 22 countries - up from 16 last year. In a few cases, we are in the process of exiting as some of the older country programmes come to an end.

We are committed to learning lessons and improving our performance. During 2009, Norway commissioned an independent evaluation of the PEI Pilot Phase - the 7 original countries in Africa. This was broadly positive and offered some very useful advice about "streamlining" our approach to ensure focus on specific targets. We feel that our work in the other regions has already demonstrated some of that focus - owing to the different conditions in countries. To follow up the evaluation, we have asked IIED (who undertook the evaluation) to give us support in making this "streamlining" operational and in developing a more robust approach to setting targets, monitoring results and reporting. There is also a need to strengthen our communication strategies.

During 2009, we have continued to strengthen PEI's knowledge management and technical support to our regional teams and country programmes. This ranges from better guidance, access to "products" from the country programme portfolio or support from partners in specific technical areas to exchanges of experience within the PEI community. We believe this is contributing to a stronger platform for providing support to UN Country Teams and government partners, and a broader understanding, for example in the Poverty Environment Partnership, of best practice and lessons learned.

Also, we have made considerable progress in aligning the PEI work and our teams with the UN Delivering as One process, with a set of cases where our country work is fully integrated into joint UN programmes, UNDAFs and One UN processes. We are seeing how PEI is contributing to better links between environment and poverty teams at the regional and country level in UNDP - which is a positive sign for integrating environmental mainstreaming into the UNDP structure. In UNEP, we are working across the new Programme of Work to support and provide a vehicle for mainstreaming key environmental issues - such as climate change adaptation and the Green Economy agenda. We have made a significant contribution to the work of the UN Development Group's Task Team on Climate Change and Environmental Sustainability. PEI's experience has also provided a substantial input to guidance and training on integrating environmental sustainability into UNDAFs.

There is still much work to be done to implement fully the joint UNDP-UNEP PEI Scale-up. We believe we have the tools to do this in place. In addition, we are encouraged to see progress in how PEI is influencing and supporting the strategic agenda of the host institutions. We will continue to work hard to strengthen our monitoring and reporting of achievements and communications with the development community. We also note that we are seeing a strong level of demand and a far greater appreciation of the poverty-environment issues among key decision-makers. The PEI is very relevant to the challenges facing poor countries that depend so much on their natural resource base and environmental assets.

## What is the value added of the PEI programme?

The PEI programme remains the only major international programme that provides long-term support to governments who are striving to integrate the value of environment and natural resource management to their key development goals - especially poverty reduction. Our key attributes include:

- We offer operational support to government actors in trying to change perceptions, raise awareness and overcome institutional barriers to integrating the value of environmental assets to development goals
- We are focused on supporting committed government partners - champions - who are motivated to work with finance and planning agencies
- We are targeting this support tactically at existing decision-making and planning processes where it matters most, including sector strategies and national and sub-national budget allocation



- We make every effort to build on existing initiatives, work with other development partners and mobilise a range of stakeholders - with the long term aim being to catalyze the resources and efforts of other actors for the long-term
- We offer a range of process and analytical tools to our partners, tailored to their institutional and decision making processes - with a strong emphasis on economic analysis to highlight the links between environment and poverty
- We aim to accumulate knowledge, learn lessons and make our approach available to the wider development community - in particular, the challenge of operationalizing the poverty-environment agenda in real country level decision-making
- Above all, we are committed to sustained operational support to government partners within a highly results focused context.

# I. Introduction

## I.1 PEI - From the Pilot to the Scale-up

The UNDP-UNEP Poverty-Environment Initiative (PEI) has its roots in the growing appreciation of how the environment contributes to poverty reduction and pro-poor growth that emerged in the late 1990s and was endorsed at the World Summit on Sustainable Development in 2002 in Johannesburg.

UNDP launched the first PEI activities during the late 1990s. This was a policy initiative focused on desk studies and policy recommendations. Meanwhile, UNEP launched its own poverty-environment project which concentrated on the significance of ecosystem services for poor people. Both programmes were initially targeted at policy and conceptual outputs but then started to assist governments to mainstreaming poverty-environment linkages into their development planning processes - especially PRSPs - following in the wake of initial efforts to work at the country level by bilateral donors, especially DFID.

An informal collaboration between UNDP and UNEP soon started and the initial joint UNDP-UNEP PEI was launched at the 2005 World Summit, with strong donor support. The two institutions effectively combined their efforts and their funds in support of a set of 7 country programmes in Africa and 1 in Asia. This is now referred to as the PEI Pilot Phase.

In late 2006, UNDP and UNEP undertook a vigorous effort to learn from the experience gained in this Pilot Phase and consulted key donors about their potential support for an expansion of the PEI. With the backing of these donors, UNDP and UNEP jointly prepared a formal proposal to seek financial support for a UNDP-UNEP PEI Scale-up.

The favourable reaction by donors to this proposal led to UNDP and UNEP launching the joint UNDP-UNEP PEI Scale-up in May 2007. The joint programme document for "Scaling-up the UNDP-UNEP Poverty-Environment Initiative" set an initial target of expanding the programme to work in about 25-30 countries (from 8 in the pilot phase) with a budget of \$33 million over five years. Its implementation effectively started in 2008.

## I.2 The Poverty-Environment Initiative in brief

We describe the PEI as a global UN programme that supports country-led efforts to mainstream poverty-environment linkages into national development planning, from policymaking to budgeting, implementation and monitoring. We provide financial and technical assistance to governments to set up analytical, institutional and capacity strengthening programmes with the aim of influencing policy and budgets and bringing about enduring institutional change by increasing the understanding of local poverty-environment linkages. In order to achieve that, PEI works increasingly in collaboration with other relevant actors at the local level such as leading practitioner and knowledge organizations, civil society organizations, and the private sector.

The UNDP-UNEP PEI:

- Was formally launched in 2005 and significantly scaled-up in 2007
- Currently works in Africa, Asia-Pacific, Europe and the CIS and Latin America-Caribbean
- Operates through a joint UNDP-UNEP Board, a global Facility, four regional teams and the UN country teams
- Is funded by the Governments of Belgium, Denmark, Ireland, Norway, Spain, Sweden, the United Kingdom, the European Commission and core funding of UNDP and UNEP
- Contributes to the UN "Delivering as One" process and strengthening the capacity of its host agencies to mainstream environment in their country operations

### **I.3 What is PEI trying to achieve?**

The aim of PEI is to contribute to the achievement of relevant national development priorities such as poverty reduction and other development objectives through improved management of the environment, especially natural resources. PEI sets out to change perceptions and demonstrate that investment in environmental sustainability does lead to reduced poverty and improved livelihoods. It does this by helping key actors to understand the linkages between environment and poverty, and to integrate environment into national development planning as an integral element of poverty reduction efforts. The full integration of environment into national economic planning processes is a long term (10 - 20 years) institutional change process aimed at improving the livelihoods and security of the poor. The PEI is helping to begin this process in selected countries, and to build a body of knowledge so that principles can be widely applied. It is hoped that over a moderate period of time, the rationale for investing in environmentally sustainable natural resource use will be universally based on the importance of environment to key development goals.



We believe that the value added of the PEI is that it is the one major international programme that attempts to operationalise the integration of environmental sustainability into national development processes and budgets - using a country-led approach based upon experience and lessons learned. Furthermore, the UNDP-UNEP PEI is a leading example of UN interagency co-operation. Our team has achieved a significant expansion of the existing PEI programme through a formal UNDP-UNEP joint programme - fully integrated into the Delivering as One process.

### **I.4 The 2009 Annual Progress Report**

In mid-2009, we produced our first formal Annual Progress Report. This reported on the progress and achievements up to the end of 2008 of the original PEI Pilot Phase and the early activities of the joint UNDP-UNEP Scale Up. This report follows the same format to a large degree and provides a report of progress and achievements during 2009.

## 2. Making a difference at country level

### 2.1 Current scale and overview of operations

During 2009, PEI has made significant progress in meeting the targets set out in the 2007 UNDP-UNEP Scale Up proposal. In addition to expanding PEI regional programmes in Africa and Asia-Pacific, we have fully established the necessary regional infrastructure to launch our regional programmes in Latin America and the Caribbean (LAC) and Europe and the Commonwealth of Independent States (CIS). As a result, we now have country programmes launched or under implementation in 22 countries - up from 16 a year ago.

- 10 in Africa: Kenya, Mali, Mauritania, Mozambique, Rwanda, Tanzania, Uganda and 3 new country programmes in Botswana, Burkina Faso and Malawi.
- 8 in Asia and the Pacific: Bhutan, Lao PDR, Vietnam and 5 new country programmes in Bangladesh, Nepal, Philippines, Thailand, and Timor-Leste.
- 2 in Europe and the CIS: both in preparation in Kyrgyzstan and Tajikistan.

2 in Latin America and the Caribbean: a new country programme in Uruguay and a country programme in preparation in the Dominican Republic.

Given our current financial resources, PEI has nearly reached its intended maximum scale. However, a number of other countries have expressed a genuine interest in what PEI has to offer. While it has been our aim to expand the PEI, we remain focused on the need to deliver results and not becoming "spread too thin". Subject to donor financial support, country needs and commitment, PEI will consider launching a maximum of 1-2 additional country programmes in 2010. See Annex 1 for an overview of country programme status per region

### 2.2 History of expenditures (2002-2009)

The total expenditure by the PEI programme from 2004 to 2009 is estimated to be over USD 28 million. As we reported last year, this represents a very significant leverage of the "central" funds provided by key donors to UNDP and UNEP - especially from UNDP country office TRAC funds. In the table below, we show how the different sources of funds have contributed to the overall PEI expenditure up to date.

The key sources are as follows:

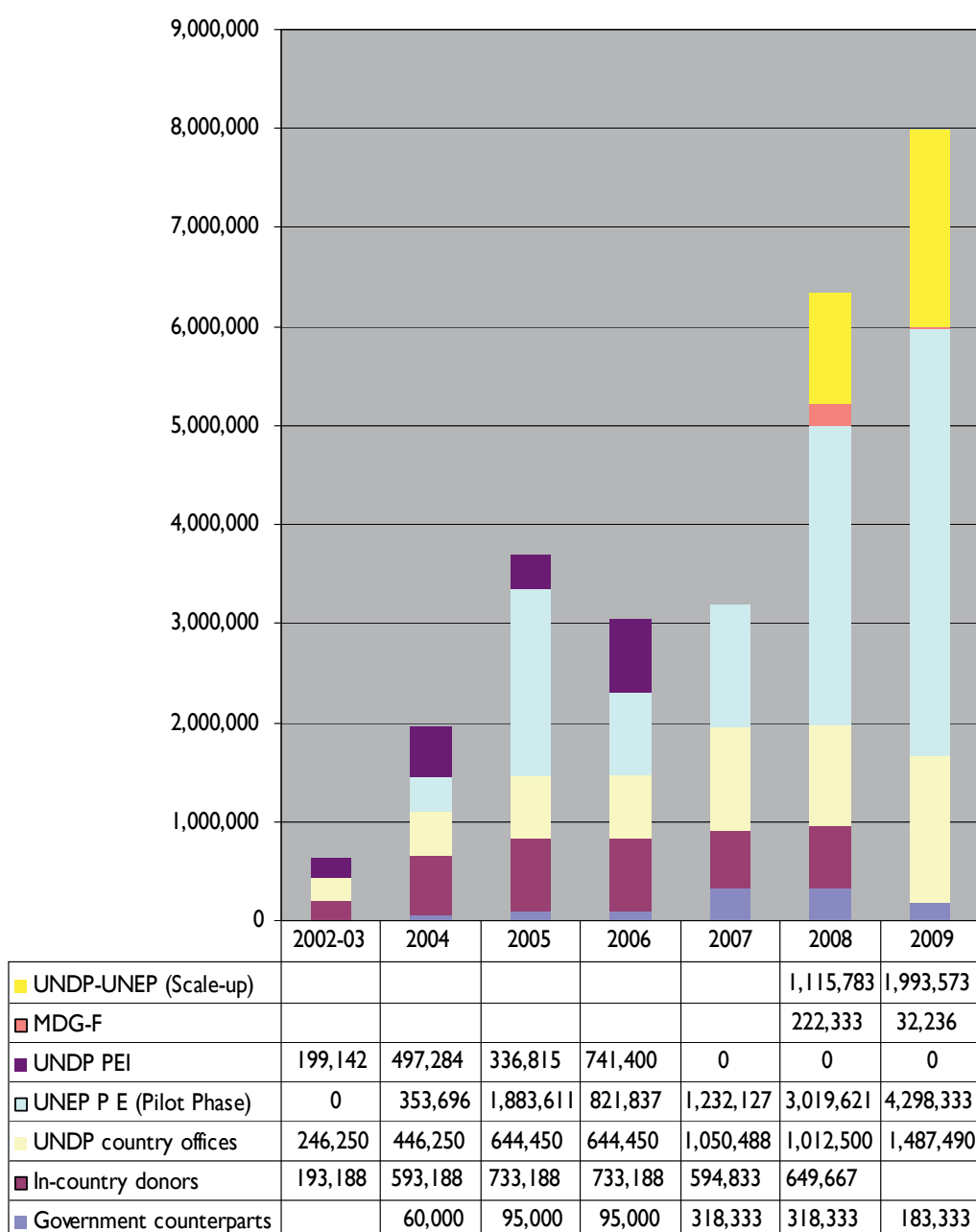
- **The PEI Scale-up** (starting in 2008): pooled funds from Belgium, Denmark, UK DFID, EC, Norway, Spain and Sweden - contributed via UNDP and UNEP. (This expenditure is reported on in detail in our 2009 Annual Financial Report.)
- The **MDG Achievement Fund** (MDG-F) contributed by Spain.
- The **UNDP PEI (2002-2007)**: made up of contributions by EC, UK DFID and some UNDP core funds.
- The **UNEP Poverty and Environment Programme** (Pilot Phase 2004-2009): made up of contributions by Belgium, Ireland, Norway and Sweden.
- Co-funding of country programmes by **UNDP country offices**. In 2009, we have managed to mobilise significant commitments by UNDP Country Offices - for example, over USD 2 million in Asia/Pacific - which will be recorded as expenditure from 2010 onwards.
- Contributions by **donors** at the country level: up to 2008, this was made up of contributions by UK (Kenya, Tanzania, and Vietnam), DANIDA (Tanzania), Luxembourg (Kenya). None actually occurred in 2009, although we mobilised a significant co-financing by DANIDA in Bhutan which will commence in 2010.
- Co-funding of country programmes by **government partners**.

In addition, several donors have provided personnel for periods of time, e.g. Junior Professional Officers (JPOs) for the PEI Facility, Africa, ECIS and LAC teams (Norway, Denmark, Spain), and in-country advisors in Kenya and Tanzania (UK). In 2009, Spain provided 2 additional JPOs - one in Nairobi and one in Geneva. Also, a Netherlands funded JPO has transferred from UNDP in Mauretania to the Africa PEI team.

Finally, it is hard to estimate the exact expenditure, but it is worth noting that in several PEI country programmes, we are teaming up with other parts of UNEP to combine activities funded by their budgets. In many new country programmes, we are merging our activities with other UNDP country programmes - thereby benefiting from their existing budgets.

We expect that from 2010 onwards, almost all of the direct contributions to PEI will be managed through the joint UNDP-UNEP pooled funds arrangements.

Figure 1: Estimated expenditures for PEI (2002-2009)



## 2.3 Country achievements in 2009

In this section, we present a brief description of the 7 key PEI outputs and 14 achievement targets. These are based upon the outputs identified in the joint programme document for “Scaling-up the UNDP-UNEP Poverty-Environment Initiative”. Building on its results framework, we list PEI outputs by chronological order according to the PEI phased model. However, as we have advanced with the implementation of country programmes we have developed and revised a set of achievement targets to reflect better specific priorities at the country level. These we set out below.

The focus on targets is part of our continuing efforts to improve PEI monitoring and evaluation mechanisms, including the development of enhanced indicators to ensure clearer understanding of intermediate and final achievement of targets and different levels of engagement necessary for their achievement, including the development of country-specific ‘exit’ strategies.

### PEI INTENDED OUTCOME

**Improved capacity of programme country governments and other stakeholders to integrate the environmental concerns of poor and vulnerable groups into policy, planning and implementation processes for poverty reduction, pro-poor growth and achievement of the MDGs.**

### PEI COMMON SET OF OUTPUTS AND ACHIEVEMENT TARGETS

#### Output 1: Improved PEI understanding of governance and capacity issues affecting potential for sustained, country-led poverty-environment mainstreaming

Key factors for the success of a PEI programme include country ownership of the environmental mainstreaming effort and embedding our in-country work in existing “mainstream” development processes, institutions and efforts. In order to change the very nature of governments’ decision-making culture and practices we need to understand their particular contexts. The findings of PEI assessments help us to identify “poverty-environment champions” and are included in the development/review of our country programmes.

- **Achievement target 1A: Country-led PEI programmes include assessments of the governmental, institutional and political contexts and of institutional and capacity needs and address the findings of these assessments.**

PEI assessments include political situation analysis, review of key planning documents, potential synergies with existing donor mainstreaming efforts, formal and informal policy making processes, initial diagnosis of priority poverty-environment issues and gap analysis of institutional capacity. These also help us to establish baseline data to measure progress against. Addressing their findings in the development and in the revision of country programmes has become part of our *modus operandi*.

#### Output 2: Improved collaboration between environmental, planning/finance agencies and key donors on identifying entry point(s) and key actions for mainstreaming environment into national development planning process

PEI has an important role in promoting an increased and systematic collaboration among key actors in environmental sustainability and poverty reduction, concentrating on government agencies. It is also necessary to build on previous initiatives to integrate environment and development and to identify appropriate ‘entry point(s)’. The mainstreaming effort encompasses not only the embedding in government processes and in the framework of UN country planning efforts, but also the close collaboration with donors for long-term results and improved poverty-environment outcomes.

- **Achievement target 2A: PEI is programmed into UNDAF, One UN and UNDP Country programmes**  
One of the first steps for the establishment of a country programme involves close coordination and collaboration with the UN Country Team with the aim of ensuring the inclusion of outcomes and outputs related to PEI into relevant UN planning processes at the country level.
- **Achievement target 2B: Improved collaboration between environmental, planning/finance and other key sectoral agencies**  
We believe that improved collaboration between environmental, planning/finance agencies and other relevant government institutions will result in more effective integration of poverty-environment issues in development planning. PEI’s role is to ensure that robust processes are in place, including participatory approaches, to involve environment agencies in planning and budgeting.
- **Achievement target 2C: Effective coordination and work with in-country donors**  
PEI coordination efforts with in-country donors is not restricted to bilateral donor agencies and more effective coordination efforts with relevant actors such as the World Bank and regional financing institutions are being established. PEI participates in relevant donor coordination groups, creating synergies between on-going programmes. The final aim is that in-country donors continue support to government processes when PEI programmes come to an end.

### Output 3: Improved understanding of contribution of environment to poverty reduction and growth within planning/finance, environment and sector ministries

This output indicator is addressed primarily to government agencies but also intends to reach the population at large, increasingly CSOs and the private sector, through poverty-environment focused awareness raising and capacity building activities. "Poverty-environment champions" who work in policy making are supported to get access to decision making processes and effectively play an active role. In order to convince key actors, evidence collected to make the economic case in collaboration with local leading academic and research institutions is one of our most precious tools.

- **Achievement target 3A: Country-specific evidence on the contribution of the environment to human well-being and pro-poor economic growth collected and used for poverty-environment mainstreaming**

PEI identifies priority country-specific poverty-environment issues through environmental and economic assessments. Our efforts build on local assessments and reviews carried out by in-country partners at the early stages of the programmes. These assessments are used to get political agreement on priorities for action in consultation and collaboration with key stakeholders.

- **Achievement target 3B: Increased awareness and understanding of poverty-environment issues**

PEI assessments identify key local poverty-environment linkages. This information is used to raise awareness and "make the case" for mainstreaming into development planning. It also feeds PEI national communications and advocacy strategies and helps us to empower "poverty-environment champions".

### Output 4: Integration of poverty-environment issues in key planning frameworks for poverty reduction and growth and in relevant sectoral policies, plans and implementation processes

The full integration of poverty reduction and environmental objectives in-country is a long-term (10-20 year) institutional change process and requires sustained engagement in national development policy and targeted policy planning processes. Greening critical development plans is a first concrete step in this direction. This process should be accompanied by the definition and integration of poverty-environment indicators in relevant monitoring systems.

- **Achievement target 4A: Environmental sustainability is included as a priority (objective or outcome) in the PRSP, national MDG targets or equivalent**

PEI helps to establish robust processes to integrate poverty-environment into national development planning instruments. These processes include participatory approaches to involve environment agencies in relevant planning processes. As a result, relevant objective/outcomes –ideally with a high priority level in the document structure– and policy and institutional measures for pro-poor environmental management are included in the national planning framework.

- **Achievement target 4B: Environmental sustainability is included as a priority (objective or outcome) in sector plans or equivalent**

The same applies to sector development planning instruments. Lessons learned indicate that a higher priority/focus on sector work is necessary from the Phase I of a country programme and that these should include target-setting and costing of sectoral interventions.

- **Achievement target 4C: Environmental sustainability included as a priority (objective or outcome) in the sub-national level plans or equivalent**

'Downstream' of the national development plan PEI works with ministries of local governments, municipalities and relevant decentralized entities. Increasingly PEI catalyses links with donors that have already provided positive results in new regions and finally aims at working with business for pro-poor, pro-environmental investments.

- **Achievement target 4D: Poverty-environment indicators linked to policy documents of national/sectoral/sub-national development planning integrated in the relevant monitoring system**

PEI aims to develop poverty-environment indicators to be embedded in existing planning and monitoring instruments –preferably linked to MDG monitoring. We also provide support to set up adequate monitoring information systems where these are not adequate or existent. PEI clearly defines responsibility and involves key actors as key step for sustainability, ownership and regular data collection and feeding (by supporting the establishment of adequate systems and providing specific trainings).

### **Output 5: Improved financing strategy to meet investment targets through domestic resource mobilization and harmonized donor support**

PEI efforts related to environmental fiscal reforms and budget expenditure reviews aim to influence the country's financing strategy and its capacity to integrate the sustainable use of natural resources and environment to public finances. Our final goal is to catalyze domestic resource mobilization and donor support to sustainable country-led development plans.

- **Achievement target 5A: Strengthened capacity to enhance the contribution of natural resources and environment to public finances**

Public expenditure reviews and environmental fiscal reforms are some of the tools that PEI are supporting in the countries to strengthen national and local capacity to develop poverty-environment investment strategies and financing options that include domestic finance for environment and relevant sectoral institutions. PEI also supports requests from governments to carry out an effective transition to "greening" the economy by undertaking adequate reviews and reforms and by providing adequate related training.

- **Achievement target 5B: Increased donor financial support for poverty-environment related measures**

Through an active role in donor coordination mechanisms PEI raises the profile of the poverty-environment mainstreaming effort. This long-term process requires funding security for long-term financing strategies and PEI's role is to catalyze others to play lead roles as required and to take over once PEI comes to an end. For this reason PEI aims to establish national-level partnerships with donors and development banks among others and catalyze links with business for pro-poor, pro-environment investments in the longer-term.

### **Output 6: Increased government macro and sectoral investment targets for longer-term investments to address priority poverty-environment concerns**

The final aim of the mainstreaming effort is to increase emphasis on macro and sector budgeting processes, including by improving country access to high-level economic expertise and political champions for further progress. We are shaping the 'streamlined' PEI model to communicate in-country work on economics and inform these strategies more cost-effectively.

- **Achievement target 6A: Increased budget allocations for poverty-environment policy measures by environment, sectoral ministries and sub-national bodies**

This is a long-term key objective of effective poverty-environment mainstreaming. An increase in budget allocations should apply to poverty-reducing environmental management, not just to environment agencies. In support to this process, policy measures to mainstream poverty-environment links should be costed by finance and planning or sectoral ministries and sub-national bodies.

### **Output 7: Improved institutional capacity for poverty-environment mainstreaming among planning/finance, environment and key sectoral agencies**

PEI works with instruments of governments to assist them to improve and consolidate their mainstreaming processes. Capacity building is at the core of those efforts. In comparison with most institutional strengthening technical assistance, PEI only operates through existing government actors and aims to influence existing government policy and decision processes. In many respects, this is both a significant added value and also a source of the challenge facing PEI in achieving its targets.

- **Achievement target 7A: Poverty-environment embedded in the governmental and institutional processes (e.g. budget call circulars, systematic PEER, and other administrative procedures and systems)**

Institutional capacity is strengthened to integrate environment into budget decision making, sectoral strategies, plans and investment programmes – including at the local level. In this context, it is very important to ensure that ministries of finance and/or planning play a leading role in PEI and that environment agencies' mandates are strengthened as a result of their collaboration. By putting in place robust processes -including participatory approaches for environment agencies in planning and budgeting- they are assured a long-term role in budget-setting processes.



## 2.4 Country achievements in 2009 per achievement target

In this section, we present a description of progress made to date – organized according to the following key outcomes and achievement targets.

### Achievement target IA

Country-led PEI programmes include assessments of the governmental, institutional and political contexts and of institutional and capacity needs and address the findings of these assessments

The lessons learned from the PEI Pilot and from the first years of the Scale-up have helped us to improve our understanding of governance and capacity issues affecting the potential for sustained, country-led poverty-environment mainstreaming. In all PEI countries we have carried out extensive work by scoping, assessing, evaluating and reformulating relevant information to plan more effective PEI country programmes. We provide below some country examples in the four PEI regions.

#### Africa

##### **PEI review of key planning documents and National Development Plan 10 informs the formulation of our new country programme**

In **Botswana**, we commissioned a very comprehensive institutional analysis and mapping of policy processes and initiatives to help us formulate our country programme. It detailed roles and responsibilities and assessed capacity related to poverty-environment issues within the context of the National Development Plan 10 (NDP). To complement this information we conducted a review of NDP-10 and other relevant planning documents for identifying entry points for mainstreaming poverty-environment into national sectoral and local level planning processes.

##### **PEI persistence during long period of political instability generates comprehensive understanding of mainstreaming context to program the extended PEI Phase II**

PEI put together a comprehensive body of evidence throughout 2009 to improve the understanding of the changing institutional and political context in **Mauritania** and to programme the Phase II of the PEI accordingly. Although aid to the country was suspended for almost one year after the coup, PEI maintained its provision of technical support to partner ministries. The persistence of PEI has paid off and our country programme has been strengthened based on a strong commitment for the implementation of the current Phase II.

#### Asia-Pacific

##### **Poverty Environment Mainstreaming Guidelines put into perspective poverty-environment issues in the context of economic development of Bhutan**

PEI conducted a comprehensive preparatory phase in **Bhutan** to develop the new Phase of our country programme. This included support to the development of Poverty Environment Mainstreaming Guidelines that served as a tool to integrate poverty-environment issues into economic development of Bhutan. We have timed the beginning of this new Phase of the PEI in Bhutan to coincide with the promulgation of the Local Governments' Act 2009, which reforms Bhutan's administrative, financial, regulatory, planning and implementation framework at the sub-national level.

### PEI situation analysis informs current private investment management process in Lao PDR

In Lao PDR we conducted a situation analysis setting out a baseline assessment of poverty-environment linkages which provides key analytical direction for PEI support. This was based on multi-stakeholder consultations at the national and provincial levels and a number of analytical reports related to poverty, environment and natural resources. PEI Lao PDR was developed to cater to government's needs. Our programme aims to inform the current private investment management process which has raised important concerns on the true value of this investment and its social and environmental impacts in the country.



Stakeholder consultations in Lao PDR

### Joint review with communities and local governments in three representative provinces helps establish governance structure targeting Governors Office in Thailand

In **Thailand** we have carried out an extensive preparatory phase working closely with national and provincial authorities. We have reviewed the new Integrated Provincial Planning Framework and its opportunities and challenges for implementation with communities and local governments in three representative provinces. In response to the local specific pro-poor environment concerns we have established a governance structure targeting the Governors Office for an effective implementation of our programme in each of these provinces.

## Europe-CIS

### Participative assessments in Kyrgyzstan and Tajikistan point at sub-national focus of our upcoming programmes

In both **Kyrgyzstan** and **Tajikistan** we conducted a review of relevant country-related documents after consultations with key stakeholders such as key government ministries and agencies, parliamentarians, the Deputy Prime Minister (in Kyrgyzstan), province and village level authorities, higher education facilities, and civil society organizations. The situation analysis describes current institutional and political context, current planning and budgeting processes at national and sub-national levels, key country-specific poverty-environment linkages, and status of environmental mainstreaming in the respective countries.

### Prime Minister of Armenia requests PEI advice on how to adequately support the function of their National Commission for Sustainable Development

We conducted a scoping mission to **Armenia** following a direct request from the Prime Minister of the country to support the function of the National Commission for Sustainable Development (NCSD), whose main mandate is to ensure integrated planning that takes into account principles of sustainable development. Preliminary interventions for small-scale assistance (since Armenia is not a full-fledged PEI country) have been proposed by the Regional Team.

## Latin America and the Caribbean

### PEI assessments shape objective to promote greater impact of public social spending

We have also carried out an extensive Preparatory Phase in **Uruguay**, including the mapping of main poverty-environment issues in Uruguay, the political context (Uruguay had presidential elections in Q4 2009), specific assessments on institutions, formal and informal policy-making processes and their potential impact on poverty-environment mainstreaming. These assessments shaped the objectives and contents of our current Phase I country programme, helping to identify the best policy platforms, required partnerships and processes to successfully achieve our programme objectives.

## Achievement target 2A

### PEI is programmed into UNDAF, One UN and UNDP Country programmes

PEI country work is undertaken in full cooperation with UN Country Teams usually under the guidance of the Resident Coordinator. Consequently PEI is programmed in all UNDAF and UNDP country programmes where we are present, including in the One UN pilot countries: Botswana, Mozambique, Rwanda, Tanzania and Uruguay.

### Africa

#### **PEI is embedded in the emerging One UN – Government of Botswana partnership with the UNDP country office providing matching funds**

Following the inclusion of PEI **Botswana** in the UNDAF in 2008, during 2009 we focused our efforts to ensure that PEI is programmed in the UN Programme Operational Plan (UNPOP). The latter includes specific outputs, activities, targets and indicators with clear roles, responsibilities and financial commitments for all partners. These were carefully translated into a project document for PEI which mobilized significant resources from the UNDP country office and brought new partners on board. For instance, we will work with IFAD and FAO on agriculture intensification and poverty reduction.

#### **In Burkina Faso PEI brings together UNDP poverty and environment units and makes an effective contribution of UNEP to UNDAF revision**

Since the beginning of our presence in **Burkina Faso** PEI has been integrated in the work of the UN Country Team, bringing together not only the poverty and environment units of UNDP, but also facilitating UNEP's contribution to country efforts despite its status of non-resident agency. We also collaborate with the revision of the UNDAF. Furthermore, we have contributed to the preparation of the UNDP Human Development Report (HDR) for 2009 that focuses on environment and climate change. We hope to launch the Phase I of our country programme together with the 2009 HDR in the framework of our advocacy strategy.

#### **PEI Malawi partners with FAO on agriculture and food security and contributes to inclusion of environmental sustainability in UNDAF**

In 2009 we provided technical support to the UN country programme in **Malawi** mid term review contributing to the inclusion of environmental sustainability in the UNDAF 2008-2011. As a result, PEI contributes to UNDAF cluster 1 - responsible for agriculture, environment and natural resources. PEI is also part of the UNDP country programme and is integrated in the UNDP Malawi cluster responsible for climate change, environment, natural resources and disaster risk reduction. Furthermore, we work closely with the other members of the UN family in Malawi. For example, FAO is a key partner, particularly on PEI's support to the Ministry of Agriculture and Food Security to develop sustainability indicators for the Agriculture Sector Wide Approach. FAO is also a member of our PEI Malawi technical committee.

#### **As part of the One UN process “UNDAF-plus” PEI Mozambique promotes stronger reflection of poverty-environment priorities across the UN programs**

PEI **Mozambique** has actively participated in the One UN process and reported annually to the UNDAF after contributing to the incorporation of a country programme output on environmental mainstreaming in the “UNDAF-plus”. In 2009 we expanded our close collaboration between PEI and UNDP Small Grants Programme (SGP) in Mozambique.

### **PEI Rwanda actively participates in the One UN process ensuring coordination among UN agencies in the area of sustainable development**

In **Rwanda** PEI is programmed in the UNDAF, and included in the Thematic Working Group on Environment which is co-chaired by UNDP Rwanda and UNEP. As an active member of the Thematic Working Group for Environment PEI in collaboration with UNEP supports the coordination among UN agencies in the area of sustainable development.

### **PEI Tanzania was instrumental in starting implementation of One UN Joint Programme on Environment and Climate Change**

PEI is fully programmed in the One UN programme in **Tanzania**. Our support was instrumental in the development of a One UN Joint Programme on Environment and Climate Change and in starting its implementation in 2009.

## **Asia-Pacific**

### **UNDP country office in Bangladesh to integrate climate issues more systematically into other practice areas with PEI support**

Our country programme in **Bangladesh** "Capacity Building for the Planning Commission: Poverty, Environment and Climate Mainstreaming" has been integrated into the UNDP Bangladesh programme. We have jointly identified relevant UNDP projects with potential links to poverty-environment to facilitate stronger mainstreaming within UN projects and programmes. As part of our programme we will support the UNDP country office to integrate climate issues more systematically into other practice areas.

### **PEI Bhutan considered 'flagship' programme of UNDP country office**

In **Bhutan** PEI is fully integrated in the UNDP country programme, contributing to the UNDAF outcome 1 "national capacity to mainstream environmental concerns into policies, plans and programs enhanced". Furthermore, PEI is considered a 'flagship' programme of the UNDP country office as it has contributed to a close collaboration between the poverty, environment and governance units. We supported GNHC to prepare integrated village development plans for 10 rural and remote villages under a programme (REAP). We linked it with a programme supported by the Poverty Thematic Trust Fund (PTTF). Two villages received funds to undertake priority investments identified in their Village Development Plans.

### **PEI Lao PDR contributes to UNDAF objectives to improve institutional framework for longer-term poverty-environment mainstreaming**

PEI **Lao PDR** is not one stand-alone project but is fully integrated in the UNDP country programme in support of UNDAF objectives. It is designed to provide targeted support to ongoing programmes such as the programme of support to the "National Socio-Economic Development Plan" of the Poverty Unit and the "UN Joint Programme of Support to an Effective Lao National Assembly" of the governance unit. Furthermore, we facilitated the country office to develop a joint UNDP-UNEP environment strategy with a more strategic approach focusing on clear development outcomes. As part of the strategy we are working with financial support from UNEP in ecosystem valuation.

### **PEI Nepal addresses a core UNDAF outcome and is fully integrated into UNDP Country Programme**

PEI **Nepal** addresses one of the UNDAF outcomes and specifically targets the outcome relating to environment and energy mainstreaming. In this context, we blended PEI interventions with two ongoing initiatives namely a UNDP project to 'Strengthen the Planning and Monitoring Capacity of the National Planning Commission'; and a multi donor programme for 'Local Government Capacity Development'. By incorporating PEI with ongoing projects/programmes we achieve the intended outcomes of donor harmonization and also see this as a strategy of hedging risks in a prevailing volatile political environment.

## Europe-CIS

### **To support the implementation of PEI in the region, UNDP Bratislava Regional Centre establishes a cross-practice Poverty and Environment Workspace**

An important achievement of PEI so far in both **Kyrgyzstan** and **Tajikistan** UNDP offices has been the increased collaboration between different UNDP units and strong involvement of the Poverty Practice. Moreover, the UNDP Bratislava Regional Centre has established a cross-practice Poverty and Environment Workspace to facilitate exchange of information among colleagues working in areas such as poverty reduction, environment, gender, climate change adaptation, disaster risk reduction and water governance. At the country office level PEI has also brought together various UNDP cross-practices.

### **Environment and poverty-reduction units in Kyrgyzstan's UNDP office improve collaboration under 'cross-practice' PEI team**

**Kyrgyzstan's** UNDP office has created the so called 'cross-practice' PEI team, comprised of programme officers from the environment and poverty-reduction units. PEI has been integrated in the UNDP Kyrgyzstan 2010 Strategy as one of the elements to support poverty reduction and to strengthen linkages with other UNDP programmes.

### **PEI is part of UNDP Tajikistan Communities Programme supporting national and local planning, budgeting and monitoring and rural growth**

PEI has been integrated into the flagship multi-focus UNDP country office programme Tajikistan Communities Programme, which is fully aligned with Tajikistan's National Development Strategy and PRSP. In **Tajikistan**, the PEI will contribute to this programme, supporting local (district) planning, budgeting and monitoring, and rural growth.

## Latin America and the Caribbean

### **One UN Programme in Uruguay includes explicit mentioning of mainstreaming poverty-environment linkages in the support of local development processes**

Our country programme in **Uruguay** has been programmed into One UN, UNDAF and UNDP country programme activities. As a result UN programmes include explicit mentioning of mainstreaming poverty-environment linkages in the support of local development processes. These provide a more integrated framework for more efficient coordination between UN agencies working in environment and development issues. Furthermore, funds from the Resident Coordinator Office were allocated to support the coordination of existing UN initiatives in the areas of environment and development.

## Achievement target 2B

### Improved collaboration between environmental, planning/finance and other key sectoral agencies

In all countries, a key PEI objective throughout 2009 has been to strengthen partnerships with Ministries of Finance/Planning in order to actively engage them in the poverty-environment mainstreaming. This facilitates the engagement of the other line Ministries and high level decision makers.

#### Africa

##### PEI Malawi brings together sector and finance and planning ministries

In Malawi PEI has contributed to improved effective government coordination by bringing together stakeholders from various natural resource management sectors such as agriculture, forestry and land management with the finance and planning ministries in the framework of the PEI technical committee.

##### New PEI Steering Committee increases government agencies coordination in Mali

The new governance structure of the PEI programme in **Mali** includes a Steering Committee co-chaired by the Ministry of Environment and the Ministry of Economy and Finance. The PEI technical expert committee has brought together technical institutions involved in poverty-environment mainstreaming, improving collaboration between the government and donors. PEI organized an advocacy workshop in view of the forthcoming greening process of Mali's PRSP. As a result, specific organizational arrangements and a roadmap to be put in place for the success of the greening process were suggested in collaboration with in-country donors.

##### PEI Mozambique succeeds to improve collaboration between key ministries and sectors

Since the beginning of our country programme in **Mozambique** PEI has strived to involve the Ministry of Planning and Development (MPD) to the level required to succeed in our poverty-environment mainstreaming efforts. In 2009 we made the case for mainstreaming poverty-environment in development planning, effectively raising MPD awareness and understanding of necessary steps for a successful mainstreaming of poverty-environment issues. These efforts have resulted not only in a renewed and firm commitment by MPD, but also in an improved collaboration between MPD and the Ministry of Coordination of Environmental Affairs (MICOA). Our efforts in 2009 also contributed to agreement on key priorities for collaboration between MICOA and relevant sectors for the next five years.

##### PEI Rwanda supports work of Environment Sector Working Group for improved government and donor coordination

In Rwanda, PEI has served a significant role as a member of the secretariat of the Sector Working Group for Environment. It coordinates government work with in-country donors. During 2009 PEI contributed significantly to the elaboration of the Sector Strategic Plan for Environment and Natural Resources which seeks to articulate the main priorities and strategies that will be undertaken between 2009 and 2013. Largely due to our involvement, the Strategic Plan highlights the cross cutting status of environmental sustainability in national planning and the need for improved government coordination: "...the ENRSP will contribute to the successful implementation of EDPRS by engaging multiple institutions towards improved environmental management and rational use of natural resources."

#### Asia-Pacific

##### National Environment Commission Secretariat officer observes "when the Gross National Happiness Commission advocates poverty-environment mainstreaming all sector agencies take it seriously"

Before PEI became an operational programme in **Bhutan**, UNEP was operating under a joint project with the National Environment Commission Secretariat (NECS) to develop a "Poverty Environment Mainstreaming (PEM) Guideline". One of our first tasks was to contribute to the development of the PEM Guideline, which we did in collaboration with the NECS, but also involving the Gross National Happiness Commission (GNHC). Our efforts have resulted in two major achievements in this respect. On the one hand we have successfully included poverty-environment in the PEM Guideline (currently being piloted at sector and local levels). On the other hand GNHC officials have become increasingly convinced of the merits of poverty-environment mainstreaming.

## Achievement target 2C

### Effective coordination and work with in-country donors

PEI coordination efforts with in-country donors is not restricted to bilateral donor agencies and we have put strong emphasis on increasing coordination efforts with relevant actors such as the World Bank and regional financing institutions. PEI participates in relevant donor coordination groups, as it is vital for achieving synergies with other programmes and the long term success of poverty-environment mainstreaming. The final aim is that in-country donors continue support to government processes when PEI programmes come to an end. Below, we provide some examples of progress made during 2009.

#### Africa

##### **PEI Malawi collaborates with the World Bank in Agriculture Sector Wide Approach**

In **Malawi** PEI is an active member of the Donor Coordination Group on Agriculture and Food Security. Specifically, PEI works closely with the World Bank on the support that PEI is providing to Ministry of Agriculture and Food Security to develop sustainability indicators for the Agriculture Sector Wide Approach. PEI has also contributed to improved effective government coordination by bringing together stakeholders from various natural resource management sectors such as agriculture, forestry and land management with the finance and planning ministries in the framework of the PEI technical committee.

##### **PEI Mauritania provides substantive country evidence to elaborate joint in-country matrix in the area of environmental governance for donor support**

A good understanding of the programme by in-country donors strengthens poverty-environment mainstreaming advocacy efforts and increases our impact and chance of success. We provided country specific evidence from PEI assessments to in-country donor coordination mechanisms in **Mauritania**, e.g. the matrix used to prepare a joint response of support to the first democratically elected government after the Coup.

#### Asia-Pacific

##### **The Secretary of the Gross National Happiness Commission hails the Joint Support Programme with DANIDA as a model of donor harmonization**

The preparation of the new Phase in **Bhutan** happened to coincide with the preparation of DANIDA's third phase of Support for Environmental Sector Programme (SESP) in Bhutan. Both programmes have complementary features, so we seized this opportunity to capitalize on synergy under the lead of the Royal Government of Bhutan, working closely with DANIDA to develop the 'Joint Support Programme: Capacity Development for Mainstreaming Environment, Climate and Poverty Concerns in Policies, Plans and Programmes'.

##### **PEI Lao PDR partners with Asian Development Bank and other agencies to promote effective government and donor coordination**

PEI Lao PDR has been coordinated to provide targeted support alongside the considerable support provided by larger donors such as the Asian Development Bank and the World Bank. We have partnered with the Asian Development Bank - IFAD programme on Sustainable Natural Resource Management. Coordination efforts have promoted a closer working relationship between the Ministry of Planning and Investment, Water Resources and Environment Administration, Ministry of Agriculture and Ministry of Land Administration.

### **PEI Nepal works with multi-donor programme on integrating natural resource management issues**

In **Nepal** we work with a multi-donor support programme funded by the UN, the Asian Development Bank (ADB), DFID and other agencies. The programme focuses on integrating natural resource management issues into the capacity building and financial support of the local governance programme. During 2009 PEI has identified ways to collaborate with ADB beyond environmental safeguards infrastructure to identify opportunities to integrate pro-poor environment issues into performance grants through local government. PEI is also discussing with DFID how to include local climate adaptation plans into the Programme.

## **Latin America and the Caribbean**

### **PEI Uruguay integrated in key donor programs**

During 2009 we have carried out extensive coordination work in **Uruguay** to integrate our work into existing donor programmes. The most relevant include a lending programme of the Inter-American Development Bank on waste management, Spain's support to increased UN coordination at the country level and government programmes for social development and environment that receive support from external sources. PEI is set to play an important role in integrating different funding sources available to the government in the areas of social development and the environment.



## Achievement target 3A

### Country-specific evidence on the contribution of the environment to human well-being and pro-poor economic growth collected and used for poverty-environment mainstreaming

A key component of PEI programmes is to collect country-specific evidence on the links between environment, poverty reduction and pro-poor growth to convince policy makers, economists and planners that investment in environment sustainability is vital to achieve development goals. For example, a key issue widely identified as being of great importance to poverty reduction and better informed environmental decision making is the economic valuation of ecosystem services and using the results to influence policy. In all PEI countries, different types of country specific evidence have been collected and used to raise awareness, increase understanding of poverty-environment issues and influence development planning and budgeting processes at large. For 2009 we highlight examples where PEI-produced evidence has had an impact in planning and/or budgeting processes.

#### Africa

##### PEI presents results of substantive economics study to make economic case for poverty-environment mainstreaming in Malawi

PEI Malawi country programme led by the Ministry of Development Planning and Cooperation included a substantive economics study to determine the costs of unsustainable use of natural resources. The study has been carried out during 2009 in joint partnership with the University of Malawi (Economics department of Chancellor College and Bunda College of Agriculture). The results will serve PEI and the Ministry to make the economic case for poverty-environment mainstreaming into national and sectoral development plans and budgets.

##### Country-specific evidence from PEI economic assessment triggers decision by Government of Mali to green its upcoming PRSP

The results from the economic assessment presented to the government of **Mali** in 2009 provided a key element for the decision made by the government to green its upcoming PRSP. It provided evidence that Mali loses 20% of its GDP per year due to weak natural resources and environmental management. Results from the economics study report were used to produce advocacy materials, e.g. fact sheet that have been disseminated during workshops and meetings to increase the awareness of national stakeholders and in-country donors. Another positive outcome of the study is the considerably increased commitment from the Ministry of Economy and Finance to our country programme.

##### Results from coordinated studies form a good baseline to monitor progress towards achievement of MDGs in Mauritania

Results of the economic analysis of the cost of environmental degradation and unsustainable management of natural resources, the National State of the Environment report and environmental economic assessments have fed the ongoing strategic environmental assessments in Mauritania. The dissemination of results from these various studies has contributed to an improved understanding of the links between poverty and environment, forming a good baseline for our upcoming activities in a more stable political context.



Validation meeting of economic and environmental studies in presence of UN Resident Coordinator, Minister of Water and Sanitation, Minister of Environment and Sustainable Development and Minister of Health in Mauritania

**Ministry of Economy of Mauritania quotes PEI studies in fisheries sector:** “strategic costs of degradation represent almost 3% of the GDP, the contribution of fisheries being 3%” and **UNRC in Mauritania during World Day for the Fight against Poverty quotes PEI studies:** “the costs of environmental degradation in the country represent 14% of the GDP.”

## Asia-Pacific

### PEI Lao PDR undertakes assessment of national capacity for Integrated Spatial Planning

One of the critical capacity gaps in integrating poverty-environment issues in investment management was identified in the area of Integrated Spatial Planning (ISP) in **Lao PDR**. In 2009 we undertook an assessment of national capacity of ISP and completed a report following consultations with government, the private sector and donor. This report served as an important starting point for discussions among different government agencies including the National Land Management Authority and the Ministry of Planning and Investment as well as different donors. The PEI has concluded this work by facilitating a more coordinated approach to ISP which will be supported by other development partners.

### Launch of participatory Sub-Global Assessment of the Millennium Ecosystem Assessment in two PEI pilot provinces in collaboration with UNEP-DEPI

An integral part of our programme in **Thailand** is the ecosystem assessment work being done in two PEI pilot provinces. Its launch has been preceded by awareness raising with local communities and policy makers based on a participatory dialogue with stakeholders on how to improve local planning and budgeting processes. The assessment is being implemented in collaboration with UNEP-DEPI to drive evidence based policy change. Furthermore it provides a solid basis to build the capacity of local resource users and decision makers at local and national level to carry out integrated ecosystem assessments and act on their findings.

## Achievement target 3B

### Increased awareness and understanding of poverty-environment issues

As previously indicated PEI assessments identify key local poverty-environment linkages. This information is used to raise awareness and “make the case” for mainstreaming into development planning. It also feeds PEI national communications and advocacy strategies and helps us to empower “poverty-environment champions”. Based on previous PEI experience we have increased our efforts to develop comprehensive advocacy and communication strategies for the poverty-environment mainstreaming process. We have made good progress at country level and at regional level but more emphasis is needed. We also have increased our focus on mobilizing high level champions at country level and on creating partnerships with national research institutes and universities for the studies and assessments conducted under PEI in order to strengthen ownership and local capacities. Below we provide relevant examples for 2009.

#### Africa

##### Co-organized LEAD-PEI Communication and Advocacy Workshop in Botswana and Burkina to formulate PEI Advocacy and Communication Strategies

During this early stage of our programmes in **Botswana** and **Burkina Faso** we have made good progress towards systematizing efforts to create awareness for poverty-environment mainstreaming. In cooperation with LEAD International and national communication experts, we have conducted workshops to identify the main messages, key target groups, communication means and potential partners for a national PEI communication strategy. In **Botswana**, we have produced a briefing note on “Key Poverty and Environment Linkages in Botswana” for advocacy purposes and additional briefings and workshops have resulted in key recommendations for the formulation of PEI Botswana advocacy and communication strategy.



PEI Communications strategy meeting in Gaborone, Botswana

##### PEI Kenya produces Policy Brief on “Achieving the MDGs and Vision 2030 through Sustainable Development”

In **Kenya**, we produced a Policy Brief on “Achieving the MDGs and Vision 2030 through Sustainable Development”. With a view to raise awareness and increase capacities for mainstreaming in the country, the brief examines national commitments to environmental sustainability and makes recommendations for enhancing national capacity for economic valuation of the environment and natural resources.

##### Joint PEI-UNEP WCMC training on integrated ecosystem assessments in Mali and Mauritania

In 2009 we have also contributed to increase awareness on the links between environment and human well-being in **Mali** and **Mauritania** through training on Integrated Ecosystem Assessments. Furthermore, the results of economic assessments disseminated by PEI in 2009 in both countries highlighted the monetary costs of environmental degradation and related costs of remediation. The study has raised strong national interest and as part of our advocacy efforts fact sheets summarizing key findings were disseminated in Mali.

##### PEI Mozambique increases awareness raising efforts for wide range of national stakeholders including media and private sector

During 2009 we have stepped up our awareness raising efforts in **Mozambique** with various stakeholders. In addition to training provided to 53 journalists on poverty-environment linkages and on Strategic Environmental Assessments to MICOA directorates, Sustainable Development Centres and representatives from the mining and energy sectors, we have reached out to the private sector. Eleven private sector institutions participated in the workshop “Poverty and Environment - challenges and opportunities for the private sector in Mozambique” and endorsed a common understanding on the most suitable approach for private sector involvement in poverty-environment issues.

## Asia-Pacific

### Workshop promotes dialogue between research and policy communities on the economics of climate change in the Bangladesh context

As part of our awareness raising efforts in **Bangladesh** and in response to government demand for PEI support we organized a workshop on "Economic Approaches to Climate Change and Poverty: a workshop for economic policy makers and researchers in Bangladesh". It contributed to a greater understanding of the economics of climate change in the Bangladesh context, to inform the government's integration of climate change adaptation into Bangladesh's development agenda by supporting on-going dialogue between research and policy communities in the country. The workshop will inform the preparation of the PEI programme.

### PEI Bhutan increases understanding of poverty-environment linkages in rural areas



Rural Economic Advancement Programme – Focus Group Discussion in Progress in one of the 10 selected villages.

The Rural Economic Advancement Programme (REAP) is a targeted poverty reduction programme included in **Bhutan's** 10<sup>th</sup> Five-year Plan. Realizing the opportunity to strengthen the understanding between poverty and environment, PEI supported the Gross National Happiness Commission (GNHC) to undertake field surveys and focus group discussions in 10 remote and poorest villages of the country. High-level field visits and subsequent consultations with sector agencies helped to significantly improve GNHC understanding of the ground realities of poverty-environment linkages and the corresponding planning and implementation processes.

### Key government officials and National Assembly members in Lao PDR improve understanding on natural resources for pro-poor growth

As result of our support to awareness raising and capacity building activities in **Lao PDR** key government officials from the Ministry of Planning and Investment and the National Economic Research Institute could improve their understanding of the processes of mainstreaming poverty-environment issues in a similar developing country context through a study visit and the evaluation of the Poverty and Environment Partnership in Viet-Nam.

### PEI Lao PDR facilitates media coverage on inter-sectoral consultations on environment and natural resource management

We also assisted the Ministry of Planning and Investment in **Lao PDR** with inter-sectoral consultations on environment and natural resource management issues and disseminated the key messages and the results through media. Additional national consultations focused on raising awareness of the critical role of key environment, natural resource and climate adaptation priorities in achieving the MDGs.

## Latin America and the Caribbean

### PEI Uruguay promotes dialogue on poverty-environment mainstreaming during electoral campaign in 2009

During the preparatory phase in **Uruguay** we carried out extensive participatory awareness raising and capacity building activities. Taking into account the political context (Uruguay had presidential elections in Q4 2009) and as part of our awareness raising campaign we disseminated a video including intense discussions on environmental sustainability issues. It was based on the training provided to technical staff of political parties to support poverty-environment mainstreaming in their policy proposals.

## Achievement target 4A

### Environmental sustainability included as a priority (objective or outcome) in the PRSP, national MDG targets or equivalent

Environmental sustainability has been included in the PRSPs in the following countries in Africa during the PEI country programmes: Kenya, Mali, Mauritania, Malawi, Mozambique, Rwanda, Tanzania and Uganda. Below we focus on recent achievements in this area.

#### Africa

##### **Malawi Growth and Development Strategy reflects climate change, environment and natural resources as a key Government priority**

The current national development framework (2006-2011) for **Malawi** is the Malawi Growth and Development Strategy (MGDS). It serves as the single reference document on socio-economic growth and development priorities of the country. In 2009 a new Government came into office and the Ministry of Development Planning and Cooperation requested the support of PEI to revise the MGDS to reflect climate change, environment and natural resources as a key Government priority -as directed by the President during his key note address to Parliament. As a result of our joint efforts, these are now properly reflected as one of the key priority areas in the MGDS.

##### **PEI provides support to the PRSP greening exercise in Mali**

Renewed commitment from the Government of **Mali** and the UNDP CO to PEI have resulted in significant changes and revitalized efforts for mainstreaming. An exchange visit to Benin to learn from their "greening the PRSP" process, findings from PEI studies and the good collaboration between the Ministries of Environment and Economy and Finance have triggered in part the decision made in 2009 by the government to green their forthcoming PRSP (2012-2016). PEI is supporting the government with technical advice on the road map for the greening process and with advocacy activities in coordination with other donors such as the GTZ and the World Bank.

##### **PEI supports review studies on the progress in the achievement of environmental targets in Tanzania's MKUKUTA**

PEI supported the integration of environmental sustainability as a priority in **Tanzania's** National Strategy for Growth and Poverty Reduction (MKUKUTA in Swahili) over the period 2006-2010. The programme provides ongoing support to MKUKUTA implementation through the identification and inclusion of poverty-environment indicators in the national MKUKUTA monitoring system and the development of environment modules for the Tanzania socio economic database to ensure that data is available to report on these indicators. During 2009, PEI supported review studies on the progress in the achievement of environmental targets in the MKUKUTA and related poverty-environment nexus policy issues in order to inform the ongoing development of the next MKUKUTA.

#### Asia-Pacific

##### **PEI Lao PDR PEI includes environment and natural resource management in 7th National Socio Economic Development Plan**

During the 7th National Socio Economic Development Plan (NSED) drafting process PEI facilitated the inter-sectoral consultations on the role of environment and natural resource management for poverty reduction and the achievement of the MDGs. We also supported the Ministry of Planning and Investment in organizing a first workshop on integrating environment and climate into the 7th NSED. Specific policy measures have been proposed to the draft for cross-cutting thematic areas and sectoral policies including agriculture, land planning and finance. So far PEI could ensure a more thorough inclusion of environment and natural resource management in cross-cutting objectives and main focus areas.

## Achievement target 4B

### Environmental sustainability included as a priority (objective or outcome) in sector plans or equivalent

Progress in including environmental sustainability as a priority in key sector plans has become a more significant element in country programmes in the Africa region as these programmes have matured. Drawing from previous experience we have made efforts to address sectoral mainstreaming from early programme stages during the formulation of most PEI new countries.

#### Africa

##### Ministry of Environment Three Year Action Plan in Burkina Faso integrates PEI as mainstreaming mechanism for Rural Production Sector Programme

In **Burkina Faso**, PEI has been integrated as the mainstreaming mechanism of the Ministry of Environment Three Year Action Plan. The Plan was developed following the implementation of Burkina Faso's new Ten Year Plan. This Three Year Action Plan is fully integrated in Burkina Faso's Rural Production Sector programme which brings together the Ministry of Agriculture, Fisheries and Water, the Ministry of Livestock and the Ministry of Environment (by combining their respective Ten Year Action Plans).

##### PEI Mozambique led study on mainstreaming environmental sustainability into sector plans

In 2009 we led a study on mainstreaming environmental sustainability into sector plans in **Mozambique** in close collaboration with the Ministry of Coordination of Environmental Affairs and the Environmental Working group. It included a number of recommendations on how agriculture, energy, health, mining, public works, fisheries and tourism sectors can improve environmental mainstreaming. To complement our efforts in the country we supported the Ministry of Planning and Development in the preparation and implementation of a unified planning and monitoring instrument (Mainstreaming Matrix) for mainstreaming cross-cutting issues in sector plans at national and provincial level.

##### In Rwanda PEI provides inputs to environment mainstreaming into planning documents for Ministry of Agriculture

In **Rwanda**, PEI provided inputs towards environment mainstreaming into the planning documents for Ministry of Agriculture as well as contributed to discussions on effective engagement between the environment and agriculture sectors during the Agriculture Sector Working Group meetings. PEI has served a significant role as a member of the secretariat of the Sector Working Group for Environment. During 2009 PEI contributed significantly to the elaboration of the Sector Strategic Plan for Environment and Natural Resources which seeks to articulate the main priorities and strategies that will be undertaken between 2009 and 2013. Largely due to our involvement, the Strategic Plan highlights the cross cutting status of environmental sustainability in national planning: „...the ENRSSP will contribute to the successful implementation of EDPRS by engaging multiple institutions towards improved environmental management and rational use of natural resources.“

## Achievement target 4C

### Environmental sustainability included as a priority (objective or outcome) in the sub-national level plans or equivalent

In 2009 we have increased efforts to target the inclusion of environmental sustainability in sub-national plans during the formulation of our new country programmes in all four regions. We continue to make progress at the sub-national level in our older programmes as shown below.

#### Africa

##### Kenya develops 148 district development plans integrating environmental issues and the MDGs

In **Kenya**, the Ministry of Planning and National Development and Ministry of Environment and Natural Resources supported the development of 148 district development plans that integrated environmental issues and the MDGs. PEI used the district planning process to raise awareness and the capacity of Provincial Planning Officers and District Planning Officers to link national development priorities (Vision 2030, Medium Term Plan and the MDGs) to district plans, activities and resource allocation.

##### First Provincial Annual Economic and Social Plans in Mozambique expected to include poverty-environment related activities in 2010

In **Mozambique** we have increased efforts to build capacity of planning departments at provincial level to effectively mainstream poverty-environment linkages in their Economic and Social Plans. This work has focused in three provinces (Cabo Delgado, Zambezia and Gaza) for environment, agriculture, public works and housing, tourism, industry and commerce, fisheries, mineral resources, energy and health sectors. Progress made during 2009 will be used in 2010 towards the development of the new annual provincial development plans, which are expected to include poverty-environment activities.

##### PEI Rwanda strengthens capacity to mainstream environment into district plans

After making good progress in mainstreaming poverty-environment at the national level in **Rwanda**, we have focused our work at the district level during 2009, where we have carried out intensive training activities in coordination with district authorities in charge of environment and development planning. We have provided specific training on how to mainstream sustainable development into district development plans.

##### Sustainable management of environment and natural resources was incorporated into district development plans of three districts in Uganda

In **Uganda**, sustainable management of environment and natural resources was incorporated into district development plans of three districts, namely Butalejja, Nakasongola and Masindi. Furthermore, a District Environment Policy was formulated in each of these three districts with focus on sustainable social and economic development. PEI has supported capacity building activities to ensure that the policies are used by the District planning office for overall district development planning and that environment and physical planning officers propose integrated environmental planning pilots in their districts.

#### Asia-Pacific

##### PEI Bhutan supports development of guidelines for participatory village planning

PEI **Bhutan** supported the development of guidelines for participatory village planning for food security and poverty reduction. The participatory planning approach helps analyze priorities, identify project ideas, prepare investment plans and undertake activities. The preparation of poverty-environment mainstreaming guidelines for sectors is on-going and these guidelines are already expected to be integrated into the guidelines for the preparation of Five Year Plans and other plans.

## Achievement target 4D

### Poverty-environment indicators linked to policy documents of national/sectoral/sub-national development planning integrated in the national monitoring system

We have provided support to governments to strengthen poverty or development monitoring systems in most of the countries which have reached this stage. We have worked with government partners to ensure that poverty-environment related priorities are reflected in monitoring systems and that appropriate indicators are established and used. For 2009 we provide examples of countries in Africa to illustrate success so far, but we are also working towards this achievement in the other regions.

#### Africa

##### **Poverty-environment indicators used to inform Kenya's national monitoring system**

In 2009 we completed a study that has served as a basis for the development of a set of indicators linking poverty and environment. A core set of poverty-environment indicators, baselines and protocols for data collection have informed the review of national indicators for monitoring the implementation of **Kenya's** Vision 2030 and Medium Term Plan. Coordination efforts resulted in timely development of the indicators, ensuring their inclusion in the new medium-term plans for all sectors involved. Our close collaboration with one of our main partners in the Unit responsible for monitoring and evaluation systems of the national development plans in the Ministry of Planning facilitates their future integration in the national monitoring system.

##### **PEI identifies poverty-environment indicators and provides training on SMART**

In 2009 in **Mali** we completed a study that identified 45 poverty-environment indicators, 13 of which have direct link with PRSP outcomes and will facilitate PRSP monitoring and implementation. These results will feed the upcoming mid-term review of the current PRSP (2006-2011) and the next PRSP (2012-2016) indicators. Additionally we provided training following the SMART methodology to governmental technical staff in the ministries of finance and planning (those in charge of the PRSP monitoring Unit), environment, energy and agriculture. As a result we have increased national capacity to develop poverty-environment indicators and provided adequate tools to integrate them in the national poverty monitoring system.

##### **PEI Malawi supports Ministry of Agriculture and Food Security to develop poverty-environment indicators for monitoring the Agriculture Sector Wide Approach**

Throughout 2009 PEI has supported the Ministry of Agriculture and Food Security of **Malawi** to develop poverty-environment indicators that will be used for monitoring the Agriculture Sector Wide Approach, in line with the Malawi's national development strategy monitoring and evaluation framework.

##### **20 new indicators specific to environmental governance and poverty-environment replace simple environment indicators in national monitoring system in Mauritania**

In **Mauritania**, PEI's engagement with the Ministry of Economy to review the indicators used for monitoring their PRSP 2 (2006-2010) led to the development of a matrix for monitoring environmental activities planned in the PRSP. More recently, we worked closely with all departments of the Ministry of Environment and all other relevant ministries –water, energy and fisheries- to simplify and reformulate all indicators used to monitor the PRSP. As a result, 20 new indicators specific to environmental governance and the links between poverty and environment have been integrated in the national monitoring system. These are now used to replace simple environment indicators that used to be the criteria's of the PRSP and the UNDAF.



### **PEI paves the way for unified planning and monitoring instrument for mainstreaming cross-cutting issues in sector plans at national and provincial level in Mozambique**

The Ministry of Planning and Development (MPD) of **Mozambique** requested PEI to assist them in the preparation and implementation of a unified planning and monitoring instrument for mainstreaming cross-cutting issues such as environment sector plans at national and provincial level. The resulting “Mainstreaming Matrix” is now part of the national monitoring system and ready to be used by the MPD and sectors in the Economic and Social Plan 2011 planning cycle. Environment was chosen as the case sector for the introduction of the Matrix to national and provincial planners.

### **PEI Rwanda developed poverty-environment indicators that were included in the Sector Strategic Plan for Environment and Natural Resources**

We have also made progress in **Rwanda**, where PEI developed poverty-environment indicators that were included in the Sector Strategic Plan for Environment and Natural Resources. Some examples include level of population awareness on/understanding of poverty-environment linkages and extent to which environment and natural resource sustainability principles are applied in key ENR-dependant sectors and economic management institutions.

### **PEI integrates poverty-environment indicators at the sector and local levels in Tanzania**

We have gone a step further in **Tanzania**, where we have put to good use the set of indicators previously developed and included in the national monitoring system. Furthermore, additional poverty-environment indicators were developed to be monitored at the sector and local levels together with an environment statistics module that has been incorporated into Tanzania’s web based Social Economic Database ([www.tsed.org](http://www.tsed.org)). This module provides practical assistance in monitoring the national development strategy for growth and poverty reduction (MKUKUTA). We have complemented it with an environment statistics publication that incorporates poverty-environment indicators collected from across sectors.

## Achievement target 5A

### Strengthened capacity to enhance the contribution of natural resources and environment to public finances

As our country programmes mature, this target assumes greater priority. In 2009 we have taken practical steps in our activities to increase PEI impact in this area. We provide examples of progress made in 2009 in 2 countries in Africa and 1 in Asia-Pacific.

#### Africa

##### Joint economics study with the University of Malawi focuses on the contribution of natural resources to public finances in Malawi

Intense awareness raising for the Ministry of Development Planning and Cooperation of **Malawi** led to a decision to undertake an economics study to make the case for the integration of poverty-environment issues in the public finances by determining the costs of unsustainable use of natural resources to the country. The study carried out during 2009 in joint partnership with the University of Malawi focuses on the contribution of natural resources to public finances in the country. The results of the study which will be finalized in 2010 will be also used for several capacity building activities targeting government and civil society organizations.

##### Public Environmental Expenditure Review and report on Environmental Fiscal Reform to improve fiscal instruments for environmental sustainability management in Rwanda

In **Rwanda** PEI supported a Public Environmental Expenditure Review in 2009. Its results have been disseminated together with a training manual. These will represent an important baseline for improving the efficiency and effectiveness of public environmental spending in Rwanda. Moreover, we have published and presented the Ministry of Finance and Economic Planning and selected sector representatives with a report on Environmental Fiscal Reform (EFR) with the aim of improving Rwanda's fiscal instruments for environmental management. The report finds for example, that even if EFR in Rwanda is still young it is very promising and in order to optimize the revenue generation for poverty reduction specific capacity building is necessary.

#### Asia-Pacific

##### Director of Department of Public Accounts in Bhutan “until PEI-led Environment-related Public Expenditure Review we had no basis for estimating our environment-related public investments”

In 2009 PEI provided support to the Department of Public Accounts in **Bhutan** to analyze the environment-related public expenditure incurred during the 9th Five Year Period and organized a “PEI Asia Pacific Regional Workshop on the contribution of natural resources and the environment to the public finances” in Bhutan. In our current country programme phase PEI will provide assistance to expand the environment-related expenditure analysis to cover decentralized budgets and to modify the Public Expenditure Management System to enable real time reporting on environmental expenditure. We will also support a gradual transition to green accounting by modifying the System of National Accounts.

## Achievement target 5B

### Increased financial donor support for poverty-environment related measures \*

Ultimately, a key PEI objective is to have a catalytic effect on donor support to greater priority for environmental management as part of the overall achievement of development goals. We are beginning to see the results of our efforts in this area, including substantial amounts of TRAC funds from UNDP that our regional team in Asia-Pacific has mobilized to support country programmes in Bangladesh and Lao PDR. Below we provide examples where PEI has played a significant catalytic role in increasing financial donor support for poverty-environment related measures.

#### Africa

##### PEI Mauritania mobilizes USD 661,712 jointly allocated by UNDP and UNEP from MDG-Fund for poverty-environment activities

PEI has played a key role in mobilizing MDG-F funding from Spain related to the “environment and climate change” thematic window in **Mauritania**. The resulting project “MDGF: Mainstreaming Local Environmental Management in the Planning Process” received 5 million USD from which 590,000 USD were allocated by UNEP and UNDP to activities strengthening poverty-environment mainstreaming over the period 2008 to 2011.

##### PEI plays a catalytic role in EU support to Ministry of Agriculture’s soil erosion control programme in Rwanda

Following the PEI supported inclusion of sustainable agriculture objectives and indicators in the PRSP and subsequently in the agriculture sector plan, PEI **Rwanda** supported the Rwanda Environment Management Authority (REMA) efforts to have these commitments operationalised, including through increased funding allocations. REMA has informed PEI that the EU has agreed to provide substantive funding to the Ministry of Agriculture’s soil erosion control programme. This demonstrates PEI’s catalytic role and also the importance of focusing on the operationalisation of PRSP commitments in sector plans and budgets.

#### Asia-Pacific

##### Joint Support Programme to Bhutan with DANIDA allocates \$4.86 million to poverty-environment related measures

At the time of preparation of After years of successful collaboration with the Gross National Happiness Commission (GNHC) in **Bhutan** the GNHC suggested joining forces with PEI and DANIDA’s “Support for Environment Sector Programme” (SESP) in a programmatic approach to mainstreaming through local government. As a result, the second phase of the PEI Bhutan country programme represents a joint effort with DANIDA, titled the Joint Support Programme (JSP), whereby PEI complements DANIDA’s SESP. As a result of this collaboration, The JSP has a budget of approximately \$4.86 million (DKK 20 million, equivalent of USD 4 million from DANIDA and USD 860,000 from PEI) and will be implemented in close collaboration with the GNHC’S Local Government Support Programme.

## Achievement target 6A

### Increased budget allocations for poverty-environment policy measures by environment, sectoral ministries and sub-national bodies

In all PEI programmes, we are ultimately working towards the target of influencing budget and investment decisions by budget authorities, by key sectoral agencies and by sub-national investment authorities. In the Africa region, we have had successes which we have reported on previously and here we identify more recent achievements.

#### **Minister of Environment of Mauritania announces increase in budget allocations to environmental issues of 600 millions Ouguiya for 2010**

Despite the political instability in **Mauritania** we have worked in the spirit of the Delivering as One to increase awareness and make the case for poverty-environment mainstreaming. Our efforts have contributed to the increase in budget allocations in poverty-environment core sectors. We advocated and provided technical support for the participation of the President and Mauritanian delegation at COP15 in Copenhagen, after which the Minister of Environment announced an increase in budget allocations to environmental issues in Mauritania of 600 millions ouguiya for 2010.

#### **Budget call circular by the Ministry of Finance in Uganda doubles environment budget in 2009**

In **Uganda**, a budget call circular by the Ministry of Finance now includes a clause and guidelines for integrating integration of environmental sustainability concerns into budget framework papers. As a result the environment budget more than doubled in 2009.

## Achievement target 7A

### Poverty-environment embedded in the governmental and institutional processes (e.g. budget call circulars, systematic PEER, and other administrative procedures and systems) \*

Poverty-environment has been successfully integrated into national development plans and their monitoring system in all of our Africa programmes, except the three new ones. This effort had led to a variety of institutional measures or processes being adopted to continue the mainstreaming work. This target is very important for ensuring that strengthened capacity is embedded in the key decision making processes such as budgeting.

### Africa

#### **PEI national multi-sectoral Task Team and National PEI Coordinator officially created by Ministerial Orders in 2009**

We have applied the lessons learned from our pilot projects from the beginning of our work in **Burkina Faso**. Our advocacy efforts towards establishing the long term structural support necessary for the sustainability of poverty-environment mainstreaming have led to a Ministerial Order for the creation of an Environment Unit in the Ministry of Economy and Finance -Division for Economic Planning. A national multi-sectoral PEI Task Team was officially created by a Ministerial Order. It is co-chaired by the Secretary General of the Ministry of Environment and the Secretary General of the Ministry of Economy and Finance.

#### **Ministry of Finance of Malawi incorporates sustainable natural resources management in new budget guidelines**

In 2009 the Ministry of Finance of **Malawi** with the support of PEI incorporated sustainable natural resources management in their new budget guidelines. As a result, the guidelines for the 2010-2011 budget cycle include clauses on integrating environmental sustainability in the budgeting process. In order to operationalize this, the Ministry of Finance has requested further support to develop detailed guidelines for the incorporation of sustainable natural resources management in sectoral budgets of non-environment ministries, e.g. Ministry of Agriculture and Food Security.

#### **Mid-term review of PRSP II includes an analysis of poverty-environment issues to inform elaboration of next national development plan for Mozambique**

Our presence in **Mozambique** dates back to 2005. PEI has been a catalytic activity, embedded in many government processes, influencing national and district plans and budgets towards a better integration of environment and poverty reduction, and building the capacity of planning officers. In this context, we conducted a mid-term review of the commitments made to sustainable environment in the PRSP II (PARPA II) in partnership with the Ministry of Coordination of Environmental Affairs and the Environment Working Group. The review includes an analysis of poverty-environment issues that will be used to inform the elaboration of the next national development plan for Mozambique, for which we will continue to provide support.

#### **Capacity building for integration of poverty-environment activities in provincial Economic and Social Plans for 2010**

In **Mozambique** we worked in collaboration with the Government to increase capacity among provincial planning departments and sectors for effective poverty-environment mainstreaming in their Economic and Social Plans. This work has focused on three provinces in the country (Cabo Delgado, Zambezia and Gaza), counting with 68 participants (16% female) from provincial directorates, including district services and provincial planning teams representing key sectors.

### PEI Rwanda increases training at local level

After making good progress in mainstreaming poverty-environment at the national level in **Rwanda**, we have focused our work at the district level during 2009. Progress made in capacity building includes training on Environmental Impact Assessments for a total of 200 representatives from public sector -district planners-, private sector, NGOs, and community based organizations in 30 districts. We have also provided specific training on how to mainstream sustainable development into district development plans. As a result, a number of District Development Plans now integrate sustainable development. We have complemented these efforts by improving the base of environmental data available at local level through capacity building and providing district authorities with data collection tools and monitoring systems.

#### Assessment on inclusion of poverty-environment issues in governmental and institutional processes in Tanzania

In **Tanzania**, we have also contributed to assess the implementation of Environment commitments made for the National Strategy for Growth and Poverty Reduction (MKUKUTA). This assessment is complemented by an analysis of the inclusion of poverty-environment issues in governmental and institutional processes. The findings of both studies will inform the development in 2010 of the new Growth and Poverty Reduction Strategy, the new Long Term Growth Strategy for Tanzania and the UNDAF. They also provide us with information on progress made and with a source of continuous lessons learned that can feed into other PEI programmes.

## Asia-Pacific

### Poverty-Environment Mainstreaming Guidelines effectively embedded in planning process in Bhutan

PEI supported the improvement of the Environmental Mainstreaming Guidelines in **Bhutan** to incorporate a poverty-environment dimension. We collaborated with both national planning and environment agencies in the formulation of the revised guidelines, facilitating the process of integrating this new perspective in the national planning process in Bhutan. A NECS officer observed *“once the GNHC (national planning agency) began to advocate for adoption of the mainstreaming guidelines all sector agencies have begun to take it seriously”*.

## 3. Expanding the Poverty-Environment Initiative

### 3.1 The PEI Scale-Up

A year ago, we reported on the progress we had made in the two strategic objectives of the UNDP-UNEP PEI Scale-Up. The first was to strengthen the PEI country programme approach through lesson learning; the second was to expand the PEI in the new regions. We also reported on the adoption of joint UNDP-UNEP implementation arrangements. Below we report further on the first of these objectives.

In the previous section, we have indicated that we have continued to expand according to our strategy – in many cases, steering new country programmes from the “scoping” stage to full programmes agreed with UNDP CO’s and government partners. We now have country programmes in 22 countries. During 2010, we expect to have completed our programmes in at least 2 countries.

Our rate of expansion has been a direct function of the commitments of financial resources from donors. We do not currently plan to expand further to a great extent unless we receive specific support from donors for work in additional countries. However we are aware that there is strong demand in all regions from UN Country Teams and from governments. In some cases, we have been able to meet some of the demand by providing technical input without the need to provide financial resources. In addition, in a small number of cases we have decided not to provide support where we have found that there is insufficient local ownership and commitment.

In 2009, we have launched new country programmes in Burkina Faso, Botswana, Timor-Leste, Nepal, Thailand, Bangladesh and Uruguay. Also, we are nearing completion of the preparatory phase in Tajikistan, Kyrgyzstan and Dominican Republic. In the Philippines, we are providing technical support at the request of the UNDP country office and government.

We have also continued to strengthen our joint implementation arrangements - with particular focus on the joint regional teams and how they work with UN Country Teams.

### 3.2 A Learning approach – applying lessons learned

We have continued to make every effort to strengthen the preparation and implementation of our country programmes.

- With the support of the Norwegian government, we commissioned an independent evaluation of the PEI Pilot Phase in Africa
- We also carried out 2 evaluations of country programmes in order to guide future support: in Kenya and Mali
- We have continued our work on improved knowledge products and technical support
- We have done further work on sharing knowledge and experience

### 3.3 Evaluations and learning exercises

In 2009, we commissioned IIED to undertake an independent evaluation of the PEI Pilot Phase in Africa. This evaluation confirmed PEI's unique catalytic role that PEI in integrating environmental management in poverty reduction and economic planning at the country level. Some of the key conclusions and recommendations included:

- PEI has recognized the need to embed itself in national planning processes and key institutions. In this context it needs to ensure focus making an impact on budget processes, key sector strategies and local investment planning – a more “streamlined” PEI model.
- PEI has been an adaptive and learning programme - in particular, with respect to the political, economic and institutional dimensions of effective mainstreaming: It now needs to work harder at communicating its lessons more widely.
- PEI has customised its approach effectively to country circumstances. It needs to give more emphasis on developing effective advocacy and communications strategies at the country level - involving a wider group of stakeholders.
- Achieving the ultimate objectives of PEI country programmes involves a long-term institutional change process. PEI needs to enable and catalyze the activities of UNDP and other in-country donors to join in and continue the mainstreaming effort
- PEI has made a very significant contribution to “Delivering as One” in the environmental mainstreaming arena. PEI needs to secure the support of UNEP and UNDP management to implement the joint UNDP-UNEP MoU and to address some of the operational barriers to effective implementation at the country level.

PEI has welcomed the recommendations presented in the evaluation and has presented a detailed management response. We believe that all are relevant to the PEI Scale-Up in addition to the Pilot PEI programme. Also the design and preparation of new country programmes has already benefited from many of the lessons learned from the Pilot programme. This is part of our on-going efforts to improve PEI monitoring and evaluation mechanisms, including the development of enhanced indicators to ensure clearer understanding of our intended intermediate and final results - taking account of different levels of engagement necessary for their achievement, including the development of country-specific ‘exit’ strategies when appropriate. We have therefore decided to focus on the following key strategic issues - while applying the detailed country specific recommendations in the relevant programmes:

- We have used our partnership with IIED to commission a paper on “Streamlining the PEI Model and its Approach to Monitoring and Evaluation”.
- We have boosted our effort to communicate the achievements of individual PEI country programmes by developing a better approach to reporting against “achievement targets” and collecting success stories.
- We have used our partnership with LEAD International to pilot a new approach to developing advocacy and communications strategies as part of launching new country programmes
- We continue to engage with the UNCT and interested donors in-country and have had some considerable success in securing UNDP country funds and are exploring options for co-funding with multilateral and bilateral donors.
- We continue to support the discussions about the UNDP-UNEP MoU, seeing PEI as a key example of collaboration at a global, regional and country level.

In addition, during 2009 we undertook two country specific evaluations - one in Kenya and one in Mali. These were used to decide how to go forward in each country and how to prioritise our support where previous results were disappointing. In one case, this has led to a dramatic improvement in commitment and results.



### 3.4 Providing knowledge products and technical support

We continue to use knowledge products and other tools to provide technical support to our regional teams and country programmes. As reported in 2009, PEI has developed and/or updated a number of knowledge products:

- The Handbook for Practitioners “Mainstreaming Poverty-Environment Linkages into Development Planning”. Building on the PEI experience to date, the handbook provides practical, step-by-step guidance on how governments and other national actors can mainstream poverty-environment linkages into national development planning. It is the first practical guidance on this kind on poverty-environment mainstreaming and provides a common reference to all PEI country programmes. It is now available in French, Spanish, Portuguese, Russian and Vietnamese.
- “Making the economic case: A primer on the economic arguments for mainstreaming poverty-environment linkages into national development planning” (updated). This primer is designed to help countries and other actors engaged in the mainstreaming challenge to succeed in “making the economic case” for investing in environmental assets. It is now available in English, French, Spanish and Portuguese.
- The Guidance Note on Mainstreaming Environment into National Development Planning. The updated guidance note provides a quick overview of the PEI approach, steps and success factors for mainstreaming. It is available in English, French and Spanish.
- A Primer on “Making the business case for environmental investments”. This is currently under development. This primer will outline the political economy and background to current trends in international investment in the developing world and the implications of the current global economic crisis for poverty and the environment
- A Primer on “Environmental and natural resource sector law in the context of poverty-environment mainstreaming”. This is currently under development. This primer will explain the importance of environmental law for policy reform associated with poverty-environment mainstreaming
- A Primer on Local Level Success. This is currently under preparation under our partnership with WRI. It will focus on specific examples of local successes demonstrating the impact of environmental mainstreaming on local livelihoods and identifying the key enabling factors.
- In addition, we have contributed to recent publications by IIED - “The Challenges of Environmental Mainstreaming” and “Integrating environment and development in Vietnam”. IIED will be publishing additional reports on environmental mainstreaming in Malawi and Philippines - with support from PEI.
- We continue to use knowledge products and other tools to provide technical support to our regional teams and country programmes. In particular, we have greatly improved the availability and circulation of key products from our country programmes - ranging from ToRs to reports, to briefing materials - which are now available in an e-library on our revamped website. <http://www.unpei.org/Knowledge-Resources/elibrary.asp>
- Training: In addition to in-country trainings, we have organized various regional and global technical trainings in the field of ecosystem assessments, contribution of NRE to public finances and communication and advocacy such as:
  - LEAD International facilitated the training of PEI champions in Dakar for our Francophone countries. This training, especially developed for our programme, aims at enhancing and developing participants’ capacity to engage with key stakeholders and influence them for greater recognition of the role of environment in pro-poor growth and poverty reduction.
  - Joint PEI-UNEP WCMC training on integrated ecosystem assessments in Mali and Mauritania.
  - PEI Asia-Pacific organized a “Workshop on the contribution of natural resources and the environment to the public finances”.

- Lessons learning Workshop on “Local government’s role in environment, natural resource management and climate change” in Asia-Pacific.
- PEI Asia-Pacific Regional Meeting, with the participation of representatives from key national agencies, UNEP and UNDP offices from PEI countries in the region to discuss lessons learned and way forward for poverty-environment mainstreaming in the region.



Panel discussion on economic development, poverty reduction, environment and climate change in Asia-Pacific

### 3.5 Sharing knowledge and experiences

In addition to our own materials, PEI continues to collect and disseminate products from other development partners relevant to poverty-environment mainstreaming.

- **The website** includes a collection of knowledge products relevant to poverty-environment mainstreaming from a wide range of sources. They are organized and presented according to the components and activities of the PEI programmatic approach in order to support country-level mainstreaming. <http://www.unpei.org/Knowledge-Resources/index.asp>. The website is also used to share information on regional and country programmes, partnerships, meetings, events and news.
- **The community of practice.** PEI has established a global community of practice which includes over 230 practitioners from the PEI countries, UNDP country offices, UNEP and the PEI. Practitioners can submit queries for information, advice or exchange of experiences on any subject relevant to mainstreaming. PEI also keeps the community of practice regularly informed of the programme development across regions, new knowledge products and website updates through a regular newsletter.
- **Partnerships.** We continue to benefit from a number of strategic and technical partnerships - which in 2009 included IIED, IUCN, WRI and Lead International. We continue to be an active member of the Poverty-Environment Partnership (PEP) which was hosted in 2009 by UNEP’s Regional Office for Europe on behalf of the Swiss government. We have also continued to the OECD DAC/EPOC Task Team on Governance and Capacity Building for Natural Resources and Environmental Management of which we are currently co-chair.

## 4. Contributing to the UNDP-UNEP Collaboration

### 4.1 Joint UNEP-UNEP management

In 2009, the PEI has continued to be a pioneering example of a joint UNDP-UNEP programme - with a joint Board, Facility and regional teams. Both host institutions have contributed core staff - some full-time, some part-time - at the global and regional level who continue to work together as single teams.

The funds received via either host institution are pooled and managed through the UNDP Atlas system - under the management of the Facility. The Facility provides guidance to the regional teams on how country projects are set up under these management arrangements. The regional teams then agree the best option with the UNDP Country Office - depending on whether the UNDP Country Office is providing co-financing or merging the PEI activities into an existing UNDP country project.

### 4.2 The UNDP-UNEP Memorandum of Understanding (MoU)

The revised MoU between UNDP and UNEP that was signed in 2008 is the fundamental instrument for governing the growing partnership between the two organizations. The PEI was a source of reference when the MoU was drawn up, and continues to be a leader in the implementation of the MoU. This is most apparent at the national level, where PEI has provided the platform for UNEP to bring its skills and knowledge to bear at the country level while UNDP provides the necessary links into the UN Country Team and government policy and planning processes. (See next section).

The MoU is also being put into operation beyond the PEI. The Strategic Approach to International Chemicals Management (SAICM) is a joint UNDP/UNEP programme that has successfully adapted and adopted PEI approaches and methodologies. REDD (Reduction of Deforestation and Forest Degradation) is evolving into a successful UNDP/UNEP/FAO initiative that recently very successfully received support and endorsement at the Copenhagen climate change meeting.

There have been further efforts to consolidate the implementation of the MoU. For example, a meeting was held to begin to plan how the two agencies can collaborate on climate change action, using the MoU as guidance. Much more will be needed to fully integrate the processes laid out in the MoU into joint work involving UNDP and UNEP. The PEI will continue to provide examples of best practice in MoU implementation.

### 4.3 PEI within UNDP

The UN Resident Coordinator in Bhutan considers the PEI a flagship programme of the UNDP country office as it has contributed to achieving close cooperation between the Poverty, Environment and Governance Units of the country office.

The PEI continues to make progress in achieving a good level of integration into the business of UNDP regional bureaux and country offices. Joint regional teams are in place in Africa, Asia and the Pacific, Latin America and the Caribbean and Eastern Europe and the CIS and Central Asia. Encouraging progress has been made in bringing the regional UNDP poverty and environment specialists together around the PEI at the regional level and, especially, at the country level. The Bratislava Regional Centre established an informal cross-practice group. A Poverty and Environment Workspace has been set up to facilitate the exchange of information among colleagues working on poverty-environment issues, which will promote a more participatory approach to the formulation of upcoming country programmes. In an increasing number of country offices, the poverty and environment units are working together to deliver the PEI country programme. Moreover, the Poverty-Environment Facility ensures with regular contributions that poverty-environment topics are adequately discussed on internal UNDP knowledge networks and featured in internal Newsletters, thereby strengthening the cooperation of environment and poverty practitioners within the organization.

The UN Resident Coordinator in **Kyrgyzstan** has highlighted PEI's role in "designing a more holistic approach" by bringing together the Environment and Sustainable development Unit and the Poverty Reduction Unit, creating a cross-disciplinary team with the UNDP office

There continue to be operational challenges in many UNDP country offices, partly resulting from the very high workloads experienced by staff. However, PEI is funding solutions to this in many cases by ensuring that we are fully part of the UNDP country programme and wherever appropriate jointly financing with UNDP a staff member dedicated to providing support to PEI. A good indicator of the relevance of PEI to the programmes of UNDP country offices is the significant amount of TRAC that has been allocated to PEI.

#### 4.4 PEI within UNEP

PEI is integrated into UNEP's Medium Term Strategy (2010-2013), specifically in three of the six strategic priorities - environmental governance, climate change adaptation and ecosystem management. During 2009, UNEP has prepared its Programme of Work for the current biennium (2010-2011). PEI is located under the Environmental Governance sub-programme, but has a clear responsibility for contributing its mainstreaming approach in most of the other sub-programmes. To a large extent, our role will be key to ensuring a coherent and operational approach to mainstreaming that is fully aligned with the principles of "Delivering as One". In some cases, we can provide a vehicle for more issue-focused mainstreaming initiatives (such as chemicals or sustainable consumption) in the countries where we are active. In addition we can provide our knowledge - best practice and lessons learned - to guide other comparable efforts.

Our main areas of collaboration within UNEP include:

- **Climate change adaptation:** we are fully involved in the (DEPI led) UNEP Programme of Work plan for mainstreaming adaptation into national planning processes. We expect to work at the country level in Bangladesh and Tanzania, as well as part of a larger UNEP programme on adaptation mainstreaming in LAC.
- **Ecosystem assessment:** we continue to work jointly with DEPI on the Millennium Assessment Follow-Up, being responsible for the implementation of ecosystem assessments as part of PEI country programmes - in Thailand, Uganda and probably also in one country in the LAC region. In addition, we have also worked with UNEP-World Conservation Monitoring Centre (WCMC) in capacity building on ecosystem assessment in PEI countries - for example in Mali In Lao PDR we signed a partnership agreement with UNEP to link our country programme with an on-going UNEP ecosystem valuation programme.
- **Green Economy Initiative:** we have been collaborating with UNEP DTIE to develop an operational approach to the Green Economy agenda in PEI countries - which are typically heavily dependent on natural resources for livelihoods and jobs. In Burkina Faso for example, we are launching an economic assessment integrating Green economy issues, e.g. highlighting sectors where it is worth investing in Green jobs.
- **Sustainable Consumption and Production:** we have continued our collaboration with DTIE at the country level and have supported their publication: "Mainstreaming Sustainable Consumption and Production and Resource Efficiency into Development Planning". Specifically, in 2009, we have joined efforts (and pooled resources) in Burkina Faso and Mali to effectively mainstream sustainable consumption and production and resource efficiency into our country programmes.
- **Sound chemicals management:** in 2009, we started to work with the UNEP-UNDP programme on mainstreaming Sound Management of Chemicals into Development Planning (SAIMC). We have been able to share our knowledge products and lessons learned as well as agree opportunities for joining forces at the country level. A good example is joint work in Mauritania

As resources flow into climate change programmes and as countries struggle to integrate climate resilience into their economies, there are demands to establish appropriate institutional arrangements. These efforts will meet many of the same challenges as poverty-environment mainstreaming, principally the need to shift climate change management from niche ministries and departments and manage it as an issue that affects all parts of the economy, without neglecting its poverty dimension. This is the case of **Malawi** and **Burkina Faso**, where results from PEI studies will serve to make the economic case for climate change mainstreaming. In the case of Malawi we are providing a significant input to the institutional set up for climate change mainstreaming based on the PEI model in close collaboration with DFID and the World Bank

In 2009 our regional team in Asia-Pacific organized together with the Government of Bangladesh and the South Asian Network for Development and Environmental Economics a workshop titled **“Economic Approaches to Climate Change and Poverty: a workshop for economic policy makers and researchers in Bangladesh”**. The workshop fostered discussions on Government efforts to integrate climate change adaptation into the development agenda.

In **Bhutan** we provided support to the Department of Public Accounts to undertake a Public Environmental Expenditure Review with a view to establishing “green budgeting”. Our counterpart stated that until then “we had no basis for estimating our environment-related public investments”. In the country programme PEI will expand the environment-related expenditure analysis to cover decentralized budgets and to modify the Public Expenditure Management System to enable real time reporting on environmental expenditure. We will also support a gradual transition to green accounting by modifying the System of National Accounts.

#### 4.5 PEI within the UN and “Delivering as One”

We have been an active participant in the UNDG process to create guidance and training to integrate environmental sustainability and climate change adaptation into UNDAFs - a process that brings together a wide range of UN agencies. The PEI guidance, country level experience and lessons learned has been a major input to this process and ensures that UN guidance for use by UN Country Teams is fully aligned with PEI guidance and practice with our government partners.

We have also established new partnerships in 2009 with other UN agencies - in particular the UN Capital Development Fund (UNCDF) in the Asia region. Recently, we have collaborated with the UNCDF to pilot-test their plan to develop a new capital grant mechanism for climate adaptation measures at the local government level in Bhutan. PEI in the framework of our collaboration with DANIDA will support assessments to determine the cost of adaptation, which would then be financed through the UNCDF grant mechanism

Our reporting on progress made towards Achievement 2A under section 2 reflects the excellent progress made by PEI to operate through the UN Country teams and to delegate management of country programmes to the UNDP country offices. Where suitable, components of PEI country programmes are integrated into programmes and projects managed by other practice areas of UNDP country offices like governance and poverty, as in the case of Bangladesh and our upcoming programmes in Kyrgyzstan and Tajikistan.

Of great importance has been PEI’s key role in a number of countries to provide a vehicle for UNEP’s engagement in the UN “Delivering as One” process and in working jointly with other UN agencies to contribute to UNDAF preparation, for example in Burkina Faso, Lao PDR or Mozambique. In this context, the lessons learned from our country experience on the vital importance of positioning UNEP’s country work within UN country teams processes and strategies is contributing to best practice for country engagement and developing country level work as it has been the case in Lao PDR, where we facilitated the development of a joint UNDP-UNEP environment strategy.

***In 2009, the UNDP-UNEP Poverty-Environment Initiative (PEI) was developed. The PEI will work strategically to strengthen mainstreaming of environment in national, sectoral and district policy making, planning and budgets to support delivery of poverty reduction and economic growth. The PEI is an integral part of the Government of Botswana-UNPOP to support the UNDAF outcomes on Economic Diversification and Poverty Reduction and on Environment and Climate Change. This will ensure that PEI dovetails into an existing agreed framework of support and cooperation between the Government of Botswana and the UN.***

(Extract from section “Highlights on progress in UN reform”. 2009 annual report of the Resident Coordinator of Botswana to the Secretary General of the United Nations)

**In Mauritania PEI promotes One UN approach in a no-One UN country and contributes to core strategic outputs, successfully mobilizing resources from MDG-Fund**

The results from the evaluation of the UNDAF in **Mauritania** point out at PEI's contribution to core strategic outputs during 2008-2009. Furthermore, strengthened synergies with ongoing projects in the Management, Environment and Poverty Units increased impact and chances of success. Thanks to the good collaboration between UNDP-UNEP we succeeded in our joint resource mobilization efforts from the MDG-F: MDG Environment Joint programme: "Mainstreaming environmental local management into national planning processes". PEI served as source of inspiration for a One UN approach in a no-One UN country, successfully gathering seven UN agencies in this effort.

In the framework of PEI contributed to the One UN pilots in Botswana, Mozambique, Rwanda Tanzania and Uruguay. For example, PEI Tanzania was instrumental in starting the implementation of a One UN Joint Programme on Environment and Climate change.

One UN Programme in **Uruguay** includes explicit mentioning of mainstreaming poverty-environment linkages in the support of local development processes for more efficient coordination between UN agencies

**PEI Lao PDR contributes to UNDAF objectives to improve institutional framework for longer-term poverty-environment mainstreaming**

PEI **Lao PDR** is not one stand-alone project but is fully integrated in the UNDP country programme in support of UNDAF objectives. It is designed to provide targeted support to ongoing programmes such as the programme of support to the "National Socio-Economic Development Plan" of the Poverty Unit and the "UN Joint Programme of Support to an Effective Lao National Assembly" of the governance unit. Furthermore, we facilitated the country office to develop a joint UNDP-UNEP environment strategy with a more strategic approach focusing on clear development outcomes. As part of the strategy we are working with financial support from UNEP in ecosystem valuation.

## 5. Opportunities and Challenges

### 5.1 Learning, adapting and communicating

The current phase of PEI is a serious effort to scale up from its initial Pilot Phase. The Scale-up Phase was carefully designed to build on lessons learned during the Pilot Phase, and as the Scale-up proceeds, PEI continues to learn and adapt. The Pilot Phase produced an abundance of knowledge and lessons. The independent evaluation discussed in Section 3 (<http://www.unpei.org/Knowledge-Resources/index.asp>) provided a range of lessons which provide a basic platform of experience on which new PEI programmes have been developed. New PEI programmes continue to expand knowledge, experience and lessons. While the first-phase PEI projects concentrated on helping the central institutions of government to respond to the poverty-environment challenge, some of the more recent projects have been designed in countries where decentralized governance structures operate, and the PEI way of working is being adapted to support poverty environment mainstreaming in local government entities. Some programmes are now focusing on key sectors, where new knowledge is being generated on how to mainstream poverty and environment into sectoral planning and implementation.

PEI has continued its practice of bringing together its HQ and regional teams for annual meetings that are carefully designed to encourage inter-regional exchange of information. PEI has been strengthening the systems to bring together the comprehensive knowledge that has been generated. The PEI website, [www.unpei.org](http://www.unpei.org), has evolved into an important repository of information and knowledge, and has been recently re-vamped to make access easier and more intuitive.

The Pilot and Scale-up Phases have revealed the importance of country PEI programmes having a good means of communicating results. This ensures that important decision-makers within each country learn and understand what the programmes are achieving. Also, information becomes available to the PEI community at large and adds to the body of knowledge that PEI is creating. PEI is encouraging all national programmes to develop a communications strategy as an integral part of their PEI work. IIED has provided advice on communications, and LEAD has organized communications and advocacy workshops in Burkina Faso and Botswana.

Knowledge management is proving to be a worthwhile but complex challenge. It requires the constant generation of information and lessons at the country level, communications at many levels and across many networks, the distillation of information into knowledge and complex systems of dissemination. Fortunately, there are many new technologies to accomplish all of this, and PEI is busily setting up innovative systems and means of communicating.

### 5.2 Achieving results and hitting targets

The PEI has now established the regional and national initiatives foreseen in the scaling up project document. The challenge is to build on this success, concentrate on programme implementation, and ensure that focus is maintained on achieving the results and meeting targets. At the same time, sufficient flexibility must be reserved to allow programmes to learn from experience. The scale-up programme document requires the first phase of country programmes to contribute to the understanding of the potential contribution of environment to poverty reduction, the increased role of environment in national planning processes and the integration of poverty and environment into key planning frameworks. The second phase should establish national capacity for mainstreaming into key national agencies, mainstreaming into sectors, increased investment and longer-term strategies to meet necessary domestic investment.

For the main part, the first phase objectives have been or are being met, and the second phase objectives are increasingly being met in countries where the PEI is sufficiently mature. However, a major challenge to meeting the longer term objectives is that PEI alone cannot achieve them, and effective partnerships with governments and development partners will be needed. For this reason, the PEI scale up focuses on capacity building and creating enabling conditions. While PEI is supporting mainstreaming in a number of key sectors, the focused help of major donors to those sectors will always be needed. The challenge, therefore, is to broaden the PEI approach and make it attractive to others. PEI works with donors in all of its national programmes, often through established donor coordination mechanisms. PEI also contributes to UN “Delivering as One” approaches in a number of countries and seeks to assist country teams.

### 5.3 The continuing need for a mainstreaming platform

The 2008 Annual Progress report referred to the PEI as a “transformative” initiative, and to the need for a vision to transform the PEI from a programme into a new way of doing business. This imperative is becoming increasingly apparent, and progress is being made. UNDP and UNEP are moving towards a more systematic implementation of their joint MoU, where the PEI is mentioned as an important supportive initiative. At the same time, new developments are taking place at the global level.

The international community has begun to embrace the concept of a “Green Economy”, and donors and other partners have recognized the relevance of PEI in helping to put in place “green economies” for poor, natural resource dependent countries. Within UNEP, the PEI has contributed to country-level delivery for the Green Economy Initiative. Climate change is now universally recognized as a challenge for poor countries, and the challenge for those involved in climate change adaptation is familiar - the need to mainstream adaptation into national development priorities. The PEI approach should be of great relevance to adapting to the effects of climate change and we are experiencing country demand in this area. PEI is already active in several countries, using our knowledge of environmental mainstreaming to set up the institutional framework for climate change adaptation mainstreaming.

It is important to stress that the PEI, as conceived when it was designed, still has a great deal to do, and continues to need financial and intellectual support. However, its medium and long-term future should be to support the evolution of a broader global platform for environmental mainstreaming, and for its approaches, tools, methodologies and knowledge to become the basis of the way the world treats environmental management as a basic input to economic growth and poverty alleviation and to the achievement of sustainable development. In order to make the PEI approach more useable and immediately relevant, PEI has asked IIED to help to develop a “streamlined” PEI approach, which will be easier to understand, communicate and to implement.

### 5.4 Mobilising resources: in-country progress

The PEI was successful during its first two years of operation in mobilizing resources and pledges of resources for its activities. The target budget of the Scale-up target appeared to be in reach. Recently, we have had to work very hard to maintain the level which we earlier understood to be dependable income. Also, the current global recession has of course led to donors being much less able to make future funding commitments. We have been very careful not to make commitments to our partner governments that cannot be delivered from what we believe to be dependable income. However, we have let some countries know that we cannot make any commitments beyond our current activities. Meanwhile, we are of course making vigorous efforts to mobilise resources from UNDP at the country level and to form partnerships with other donors – both bilateral and multilateral where we have the opportunity.



## Annex I: Overview of country programme status per region

### Africa

COUNTRY	DURATION	CURRENT STATUS	SUMMARY OF MAIN OBJECTIVES
Botswana	2009-2011	<p><b>Phase I</b> Preparatory Phase completed. Phase I started with matching funds from UNDP. PEI contributed to the development of the UNDAF and to the Government of Botswana-UN Programme Operational Plan and is well integrated into both. PEI has a good profile and framework of engagement with Government (lead agency: Ministry of Finance and Development Planning), UNDP and other UN agencies. Early efforts to prepare a PEI advocacy and communication strategy, an analysis of key poverty and environment challenges and a institutional capacity assessment served as baseline for Phase I.</p>	<p>The recently started Phase I main objectives are:</p> <ul style="list-style-type: none"> <li>• Work with the UNCT to strengthen the implementation of the National Development Plan 10 as regards to economic diversification and poverty reduction.</li> <li>• Conduct an economic analysis to feed into the support provided by PEI under UNDAF.</li> </ul>
Burkina Faso	2008-2011	<p><b>Preparatory Phase</b> The Preparatory Phase is almost completed. Early activities with main counterparts (Ministry of Economy and Finance and Ministry of Environment) have started to enable conditions for effective poverty-environment mainstreaming. Some results include the establishment of a national multi-sectoral PEI Task Team by Ministerial order, an Environment Unit in the Ministry of Finance (leads the formulation process of the PRSP and MDGs), an institutional and organisational audit of the national commission for environment and sustainable development, collaboration with LEAD International to enhance their capacity to engage stakeholders and define our communication strategy or the official appointment of a National PEI coordinator. PEI supports the revision of National Sectoral Policy Guidelines to integrate poverty-environment in sector plans and budgets from the early stages of the programme. There is a strong national ownership of PEI, good relations with key donors, e.g. Luxembourg and EC, and good integration in the UNDAF on UNEP's country programming document.</p>	<p>PEI is expected to be launched in May 2010, together with the Burkina Faso Human Development Report (HDR) for 2010, which focuses on environment and climate change. PEI will be presented as a joint response by the UN system to the issues highlighted in the HDR. Focus of PEI Phase I:</p> <ul style="list-style-type: none"> <li>• Support the Ministry of Economy and Finance's efforts to institutionalize their new approach to programmatic and budgetary planning at sectoral level while strengthening its collaboration with the Ministry of Environment. As part of our Phase I this approach will be pilot tested in 3 sectors.</li> <li>• Launch the PEI economic assessment focusing on environment and natural resources, including green economy and sustainable consumption and production aspects to advocate for environmental sustainability mainstreaming into the PRSP.</li> </ul>
Kenya	2005-2009	<p><b>Phase II</b> nearing completion After implementation of the original Pilot PEI programme progress has been made in poverty-environment mainstreaming in national and district planning processes. Environmental sustainability is part of the social development pillar and a cross-cutting issue in Kenya's Vision 2030 and 148 District Development Plans. As an indication of improved understanding of the role of environment in economic growth and poverty reduction, our lead partner, the Ministry of Planning and National Development sought PEI's contribution in the Vision 2030 process. Poverty-environment indicators have been developed for national and sector planning and monitoring systems and there is an improved collaboration among government agencies and donors, with more clarity on coordination modalities between technical assistance programmes such as those from DANIDA/SIDA. The PEI Kenya team visited Tanzania as part of PEI South-South cooperation efforts and regional communities of practice for mainstreaming.</p>	<p>A recent independent evaluation of PEI Kenya identified significant areas where further efforts would be necessary to achieve further progress if additional resources can be mobilized. Therefore current efforts in Kenya focus on two interrelated objectives:</p> <ul style="list-style-type: none"> <li>• Reassess the way forward in Kenya in view of limited resource availability from PEI.</li> <li>• Design funding options for further P-E mainstreaming at national and sectoral level.</li> </ul>

COUNTRY	DURATION	CURRENT STATUS	SUMMARY OF MAIN OBJECTIVES
Malawi	2007-2011	<p><b>Phase I</b></p> <p>Preparatory Phase and early stages of Phase I built up a strong PEI ownership by the Government of Malawi (lead agency: Ministry of Development, Planning &amp; Co-operation) and by the UNDP CO. This resulted in considerable progress of our country programme, i.e. in environmental sustainability defined as a cross-cutting issue in the PRSP, in the inclusion of climate change, environment and natural resources as priority area in the revised national development framework, in government agreement for sustainability indicators to be incorporated in the Agriculture Sector Wide Approach (SWAP) and in significant input to the climate change mainstreaming institutional set up, based on the PEI model. Furthermore, UN-FAO is a formal partner and sustainability indicators for the Agriculture SWAP have been jointly developed with the World Bank Malawi office.</p>	<p>Main objectives of the Phase I include:</p> <ul style="list-style-type: none"> <li>• Complete and strategically communicate the results of the economics study to key stakeholders.</li> <li>• Work with the Ministry of Development Planning &amp; Co-operation to strengthen their coordination mechanism and capacity.</li> <li>• Work with the Ministry of Finance to incorporate sustainable natural resources management in national budgeting processes to increase budget allocations for non-environment sectors.</li> <li>• Integrate poverty-environment in the guidelines of the Office of the President and Cabinet.</li> <li>• Assist the Ministry of Agriculture and Food Security to monitor sustainability indicators for the Agriculture SWAP.</li> </ul>
Mali	2007-2011	<p><b>Phase I</b></p> <p>Early efforts were slow in achieving results owing to lack of awareness from key stakeholders. The independent evaluation commissioned by the PEI and the results of the economic assessment, combined with the exchange visit to Benin to learn from Benin's greening PRSP and the PEI Champions training have raised the profile of PEI at national level. As a result, the Government and UNDP (Poverty and Environment Units) agreed to make significant changes and demonstrated clear commitment towards revitalized efforts. The Steering and the Technical Committees started meeting periodically and ensuring that strategic decisions are taken as required. The Ministry of Economy, Finances and Planning is increasingly involved in all strategic PEI activities. A result of the exchange visit to Benin the Government has announced their commitment to green the upcoming PRSP with PEI support in coordination with in-country donors, led by the GTZ. Poverty-environment indicators for the national poverty monitoring system have been identified.</p>	<p>Revitalized programme objectives:</p> <ul style="list-style-type: none"> <li>• Support poverty-environment mainstreaming into sector strategies and the implementation of the current PRSP.</li> <li>• Provide support to the government's efforts for the preparation of the forthcoming PRSP (2011-2015) greening exercise in collaboration with other donors such as GTZ, EU and the World Bank.</li> <li>• Support improved mechanisms for climate change mainstreaming.</li> <li>• Support capacity building activities on sustainable environmental management targeted at decision makers and national planners.</li> <li>• Elaborate and disseminate briefing notes and fact sheets highlighting key messages and results from PEI studies as advocacy tools targeting various stakeholders.</li> </ul>
Mauritania	2007-2011	<p><b>Phase II</b></p> <p>Due to highly unstable political context during the PEI extended Phase II we decided to focus our efforts on enabling conditions for effective poverty-environment mainstreaming. As a result, there is now recognition by the Government (main partner: Ministry of Environment linked to the Office of the Prime Minister) of the importance of environmental issues and their link to poverty. There is also increased awareness and improved knowledge base on the links between environment and human well-being through the training on integrated ecosystem assessment, the exchange visit to learn from Benin's PRSP greening experience and the country-specific evidence collected so far. Twenty new poverty-environment indicators have been integrated in the PRSP 2 monitoring and evaluation system in close collaboration with lead donors. PEI has successfully increased donor financial support to poverty-environment mainstreaming activities from the MDG-Fund.</p>	<p>The new political context provides an opportunity for PEI to go further in the mainstreaming effort with the following focus:</p> <ul style="list-style-type: none"> <li>• Build capacity of relevant ministries and other stakeholders (e.g. Parliament) to support the revision of the upcoming PRSP.</li> <li>• Facilitate coherence between sector ministries budgeting process and national budgeting process.</li> <li>• Support the Government in preparation of Local Environment Action Plans and the Ministry of Environment in the revision of its environmental law framework.</li> <li>• Develop specific tools for mainstreaming environment into national financial mechanism and budgeting processes.</li> </ul>

COUNTRY	DURATION	CURRENT STATUS	SUMMARY OF MAIN OBJECTIVES
Mozambique	2005-2011	<p><b>Phase II</b></p> <p>As one of the eight One UN pilot countries Mozambique counts with the 'UNDAF- Plus' that incorporates an output on mainstreaming environment in development planning. After a significant increase in Government commitment at national level, Phase II has been extended to the provincial level through the PRSP2 implementation process. Recent focus has been on capacity building for provincial planning processes, resulting in increased awareness on how to integrate poverty-environment into annual plans. PEI has joint forces with the Ministry of Planning and Development in a longer-term effort in awareness raising and capacity building on mainstreaming poverty-environment. This effort also includes the introduction of specific planning tools to ensure their integration in the next 5-year plan and in the sector and provincial annual plans.</p>	<p>The current focus of PEI-Mozambique is on medium term priorities as formulated in PRSP 2 with emphasis on budgeting processes:</p> <ul style="list-style-type: none"> <li>• Expand the knowledge base by undertaking an economic analysis of the economic gains of investing in sustainable management of natural resources for pro-poor growth.</li> <li>• Improve the knowledge within 7 key sectors on poverty-environment linkages and their capacity to mainstream environmental sustainability.</li> <li>• Build capacity of local government authorities to integrate environment into district Economic and Social Plans, including support for communities to implement projects promoting environmental sustainability and poverty reduction.</li> <li>• Support capacity building activities of environment and planning ministries for the upcoming Medium-Term Expenditure Review.</li> </ul>
Rwanda	2005-2010	<p><b>Phase II</b></p> <p>PEI played a considerable role in the inclusion of environmental sustainability as one of the five priority areas of UNDAF and is fully engaged in the One UN process. Poverty-environment linkages have been integrated as cross-cutting issues in the PRSP. Significant progress has been made in enabling conditions for effective mainstreaming at sectoral level. Technical skills among government personnel and local government officials on the use of tools for environmental mainstreaming have been improved. The development of a knowledge base on poverty-environment issues through e.g. the economic analysis of costs of environmental degradation and the pilot integrated ecosystem assessment, together with economic related work (including a public expenditure review) provide the necessary country-specific evidence. As a result of a very close collaboration with our lead partners (Rwanda Environment Management Authority and the Ministry of Finance and Economic Planning), the environment budget was increased by 40% in 2007-2008. The PEI communication strategy has contributed to increased public awareness. Our current focus is on operationalizing commitments to environmental management in key sectors and support to budget process.</p>	<p>The current phase is articulated around Rwanda's medium term priorities, i.e. to operationalise key targets and commitments made in the PRSP at national and sub-national level:</p> <ul style="list-style-type: none"> <li>• Promote financial instruments and increased investments in the area of environment, by providing research and training on topics such as environmental fiscal reform and public environmental expenditure review.</li> <li>• Enhance the integration of environmental sustainability into the budget calls and processes and provide on-the job technical support to the Ministry of Finance.</li> <li>• Specific and targeted support to key sectors for environmental mainstreaming activities in sector programmes.</li> <li>• Capacity building of local government authorities to integrate environment into district development plans, including support for communities to implement projects promoting environmental sustainability and poverty reduction.</li> <li>• Promote partnerships with sector ministries, but also NGOs, national academia and private sector to strengthen sustainability and national ownership.</li> </ul>
Tanzania	2003-2010	<p><b>Phase II</b></p> <p>PEI was instrumental in the development of a One UN Joint Program on Environment and Climate Change (FAO, UNDP, UNEP, UNESCO, UNIDO) under the One UN. We are also engaged in the PRSP review with the Ministry of Planning, Economy and Empowerment. Poverty-environment issues were successfully integrated in the previous national development plan and related indicators in its monitoring system with PEI support. In 2009, a review of progress made was carried out to feed into the upcoming PRSP (2010-2014). Improved understanding of poverty-environment linkages has resulted in increased budgetary allocations for environmental sustainability. Local workshops to review local planning and budget guidelines resulted in Government's commitment to mainstream poverty-environment at all levels.</p>	<p>Phase II activities as part of the joint UN programme focus on:</p> <ul style="list-style-type: none"> <li>• Provide support to the PRSP revision and Support government efforts in mainstreaming environment in key sector programmes and budgets, such as energy, agriculture and water.</li> <li>• Strengthen the capacity of sector and sub-national/local government authorities to identify and integrate poverty-environment.</li> <li>• Tackling under-investment in environmental assets through better economic analysis and business models for environmental investments.</li> <li>• Increased emphasis on poverty and budgeting aspects through increased collaboration with the Poverty Eradication Division and the UNDP Poverty Unit.</li> </ul>

COUNTRY	DURATION	CURRENT STATUS	SUMMARY OF MAIN OBJECTIVES
Uganda	2005-2009	<p><b>Current Phase II nearing completion.</b></p> <p>PEI has had clear success at sensitizing the Government of Uganda to relevant environmental sustainability issues, which counts with a solid base of country-based evidence. The final draft of National Development Plan captures environmental sustainability concerns as one of its six main objectives, including budgeting for environmental sustainability. Sustainable management of environment and natural resources is incorporated in three budgets and District Development Plans so far leading to increased allocations for environmental sustainability actions. PEI supported the inclusion of environment in national guidelines. The environment budget doubled in 2009 as result of the inclusion of those guidelines for integrating environment into budget framework papers. There is nevertheless insufficient collaboration among sectoral ministries in relation to the budget process. PEI is designing a Sub-Global Assessment (SGA) in collaboration with UNEP-DEPI and Makerere University, with support from SwedBio.</p>	<p>Due to the inability to generate cross government momentum PEI cannot justify continuous support to Uganda (especially taking into account insufficient funds), except for specific activities:</p> <ul style="list-style-type: none"> <li>• Finalise the on-going activities that are still being implemented by PEI Uganda.</li> <li>• PEI will continue in Uganda through the implementation of the SGA 2009-2011. Its first phase is the exploratory and design phase, which Makerere University will lead in collaboration with key stakeholders, such as DEPI-UNEP and SwedBio.</li> <li>• The SGA will build on programmatic involvement and active staff support from EPRC and MUIENR who are implementing it. In addition to key national authorities that compose its advisory board, local government and relevant sectors will be involved in its implementation.</li> <li>• It is expected that the Government of Uganda- led by NEMA- takes forward the poverty-environment mainstreaming process.</li> </ul>

## Asia-Pacific

Bangladesh	2008-2012	<p><b>Phase I</b></p> <p>The Planning Commission will lead the PEI after a prolonged Preparatory Phase which resulted in government and UN commitment to broaden the institutional framework for environment and climate change mainstreaming. Bangladesh has considerable funds available for climate change, but these have been set aside in separate funds – often with the Ministry of Environment which has limited capacity. The PEI will support the Planning Commission to build its capacity so that in future climate risks and funds can be included into the mainstream planning and budget process. Discussions on the PEI have been fed into the revision of the PRSP and the National Climate Change Strategy. PEI has supported advocacy and dissemination on the economics of climate change for Planning Commission officials.</p>	<p>PEI current focus:</p> <ul style="list-style-type: none"> <li>• Increase awareness, knowledge of and commitment to poverty-environment-climate mainstreaming through dissemination of analysis and findings.</li> <li>• Develop Project Performa to integrate poverty-environment-climate issues into key national and sector planning documents and appraisal processes.</li> <li>• Improve the current development budget to ensure adequate investment in poverty-environment-climate related purposes.</li> <li>• Support the Planning Commission to institutionalize climate mainstreaming process.</li> <li>• Integrate poverty-environment-climate linkages into the UNDP country programmes.</li> </ul>
Bhutan	2008-2013	<p><b>Phase II</b></p> <p>The Gross National Happiness Commission (former Planning Commission) has led the programme focusing on enabling conditions at national and local levels. Guidelines for mainstreaming poverty-environment measures into sectoral plans have been developed. By supporting field work on poverty-environment linkages for the Rural Economy Advancement Programme, local planning has been improved and will now include a focus on natural resources as the basis for rural livelihoods. PEI support to the Public Expenditure Review on environment has shown the need to better target funding for environment and climate issues. Phase II has been designed as a \$5 million programme with DANIDA and will focus on capacity development to support mainstreaming environment and climate at the national level and integrating environment and climate concerns to ensure food security and poverty reduction through local level planning and budgeting. Additionally, a capital grant mechanism for climate adaptation measures at the local government will be developed in partnership with UNCDF and pilot tested in two districts.</p>	<p>The PEI Phase II has two main objectives:</p> <ul style="list-style-type: none"> <li>• Ensure strengthened capacity at a national level to mainstream environment and climate change into national and sectoral planning processes – in the framework of the 10th Five year Plan.</li> <li>• Initiate the process of mainstreaming environment into local level planning processes.</li> </ul>

COUNTRY	DURATION	CURRENT STATUS	SUMMARY OF MAIN OBJECTIVES
Lao PDR	2009-2011	<p><b>Phase I</b></p> <p>The Ministry of Planning and Investment is leading PEI Lao PDR to strengthen capacities of central and selected provincial authorities to mainstream environment and climate in the next five year plan and to better manage private investment that is the main driver of environmental and social change in Lao PDR. The programme is working at the national level and with key agencies in two Provinces in the south and two in the north of the country. PEI will support a more strategic approach to improve the quality of investment in agricultural concessions, hydropower and mining which are having a major impact on rural livelihoods. We support a national and provincial investment strategy and improved assessment, coordination and monitoring of private investment to maximize benefits and minimize social and environment impacts.</p>	<p>Phase I has four key objectives:</p> <ul style="list-style-type: none"> <li>• Strengthen poverty reduction and environmental sustainability linkages in the 7th National Socio Economic Development Plan (NSEDPP) 2011-2015;</li> <li>• Enhance capacities of national and provincial authorities to plan and manage private investments in key sectors to maximize poverty reduction and sound environmental management;</li> <li>• Support the strengthening of the Environmental and Social Impact Assessment (ESIA) Department of WREA at the national and provincial levels; and</li> <li>• Increase National Assembly members' understanding of poverty reduction and environmental management.</li> </ul>
Nepal	2010-2012	<p><b>Phase I</b></p> <p>After a Preparatory Phase dominated by assessing the overall political risk, PEI Phase I will start shortly. The National Planning Commission is leading the PEI at national level and the Ministry of Local Development at local government level. At national level, PEI will focus on the incorporating pro poor environmental measures in sector strategies under the next periodic plan and introducing poverty-environment related criteria in the Prioritization Criteria used for annual budget allocations. At local level, PEI will focus on local government reforms on decentralisation and inclusive development, which lie at the heart of the political process and the drafting of a new Federal Constitution.</p>	<p>During Phase I PEI is focusing on the role of natural resources and climate issues in the ways local governments plan and budget. Main objectives:</p> <ul style="list-style-type: none"> <li>• Support the National Planning Commission to integrate poverty-environment linkages into national planning and budgeting processes; and</li> <li>• Support to the Ministry of Local Development to mainstream environment into local planning processes and rural infrastructure investment.</li> </ul>
Thailand	2009-2011	<p><b>Phase I</b></p> <p>The Ministry of Interior is leading the programme, focusing on a new decree on integrated local planning and the need for greater decentralisation which are linked to the current political turmoil in Thailand. At national level, PEI will work on the revision of the National Economic and Social Development Plan. At local levels, the focus is on demonstrating the benefits of improved provincial planning and budgeting in four provinces. The focus is on better management of both public and private investment in these provinces in ways that promote poverty reduction through better ecosystem and natural resource management. As part of the PEI a Sub-Global Assessment (SGA) has been launched in collaboration with UNEP-DEPI and with support from SwedBio in two provinces. The aim is to define available ecosystem services, possible future scenarios and what policies to use to reach a preferred scenario. The issues to be addressed include pressure on ecosystem from rapid industrialisation and mass tourism, pressures from agribusiness linked to corn based livestock feed and pressures from ethanol production. PEI has initiated participatory dialogues between communities and local governments on these key issues.</p>	<p>Our current main areas of focus are:</p> <ul style="list-style-type: none"> <li>• Increase coherence of national development plans and policies, including the preparation of the 11th National Economic and Social Development Plan;</li> <li>• Strengthen capacity of the Ministry of the Interior, provincial and local government officials in relation to environmental mainstreaming in provincial planning processes supported by three of the MEA ecosystem services assessments (SGAs) conducted under the MA Follow Up plan;</li> <li>• Strengthen capacity of communities in advocating for pro-poor natural resource and environmental management concerns in provincial planning and budgeting processes;</li> <li>• Enable lessons-learning for ASEAN partners and other Asian countries to integrate pro-poor environment and natural resource management in planning and budgeting processes.</li> </ul>

## Europe and the Commonwealth of Independent States

COUNTRY	DURATION	CURRENT STATUS	SUMMARY OF MAIN OBJECTIVES
Kyrgyzstan	2009-2012	<p><b>Phase I</b></p> <p>During the Preparation Phase PEI supported the elaboration of the draft national Long Term Development Strategy 2020, providing recommendations to better reflect environmental sustainability and establishing key entry points. These include support to sub-national level planning and budgeting processes and to the elaboration of the next Country Development Strategy (from 2012). Phase I was expected to start in Q2 of 2010. <b>However, given the political upheaval of 6 April 2010 the country is in a precarious political and social situation. The future new government's policy may require modifications in the planned PEI programme activities.</b> PEI is well embedded in the UNDP Kyrgyzstan 2010 Strategy and will contribute to the elaboration of the new UNDAF 2011-2016 to be developed in 2011.</p>	<p>To assist sub-national authorities in integrating poverty-environment issues in planning and budgeting processes.</p> <p>To ensure coherence with medium- and long-term development strategies at national level.</p>
Tajikistan	2009-2012	<p><b>Phase I</b></p> <p>The Preparatory Phase is being finalized and has identified a strong need to improve national capacity for improved implementation, monitoring and evaluation of the Poverty Reduction and the MDG Strategy. Phase I is expected to start in Q2 of 2010 and is fully programmed in UNDP multi-focus Communities Programme. The programme supports 15 pilot districts in integrated and participatory planning. It provides PEI with an excellent entry point to foster the integration of poverty-environment linkages in sub-national plans and to strengthen implementation capacities.</p>	<p>The main objectives of the Phase I respond to the issues identified during the Preparatory Phase:</p> <ul style="list-style-type: none"> <li>• Support the implementation of the National Development Strategy 2007-2015 and the 3<sup>rd</sup> Poverty Reduction Strategy (PRS3) at district level by assisting selected districts to mainstream poverty-environment concerns into District Development Plans.</li> <li>• Support the National Statistical Committee to review and evaluate existing poverty-environment indicators and to develop a set of adequate indicators for national and sub-national planning, budgeting, monitoring and evaluation processes.</li> <li>• Complement UNDP Communities Programme to improve the capacity of the Ministry of Economic Development and Trade in monitoring and evaluation of the PRS3 and of the MDG Strategy.</li> </ul>

## Latin America and Caribbean

Dominican Republic	2009- tbd	<p><b>Preparatory Phase</b></p> <p>Scoping mission identified potential entry points and government priorities in poverty-environment and Climate change adaptation.</p>	<p>Potential general objective:</p> <ul style="list-style-type: none"> <li>• To mainstream poverty-environment linkages arising from vulnerabilities to environmental shocks (i.e. droughts, floods, deforestation, land degradation, and storms) into poverty reduction strategies and national development processes.</li> </ul>
Uruguay	2008 - 2011	<p><b>Phase I</b></p> <p>Successful Preparatory Phase completed, including the mapping of main poverty-environment issues, specific institutional and policy-making processes assessments and the potential impact on targeted poverty-environment mainstreaming in the particular context of Uruguay. PEI is programmed into One UN, UNDAF and the UNDP country programme. Our work is also integrated in existing donor programmes such as the one from the Inter-American Development Bank on waste management. There is also a strong government ownership with the Planning and Budget Office.</p>	<p>Phase I is set out to:</p> <ul style="list-style-type: none"> <li>• Produce and disseminate key studies to improve the understanding of benefits derived from mainstreaming environment into development planning and poverty reduction.</li> <li>• Strengthen institutional capacities to effectively mainstream environment into development planning and poverty reduction activities.</li> <li>• Mainstream poverty-environment linkages into key sectoral strategies and into annual and five-year budgets</li> </ul>

## Annex 2: Country Fact Sheets

### Bangladesh

#### Basic facts of the PEI in Bangladesh

- The focus of PEI in Bangladesh is on poverty reduction, environment sustainability and climate change adaptation mainstreaming. The project aims to contribute to reversing environmental degradation and adapting to climate change impacts in a way that will benefit the poor, particularly destitute women as well as to help enabling growth consistent with a better environment.
- PEI aims at improving natural resources management and environment outcomes for poor people through mainstreaming pro-poor and gender sensitive environment and climate change issues into the design and implementation of national development processes, budgets and economic decision-making.
- Following a prolonged preparatory phase (2008-June 2009), which resulted in government and UN commitment to broaden the institutional framework for environment and climate change mainstreaming, a Joint Programme Document was developed by the Government of Bangladesh, UNDP- Bangladesh and PEI. It was signed in December 2009 for three years.
- The programme will be lead by the Planning Division. It will be coordinated by the General Economic Division and by the Ministry of Planning with other partners from the Ministry of Environment and Forests.

#### The context of mainstreaming in Bangladesh

- The geographical location of Bangladesh in the confluence and delta of three mighty rivers - Ganges, Brahmaputra and Meghna, at the head of the Bay of Bengal, and near the eastern Himalayas, make it extremely vulnerable to floods and cyclones.
- Poverty, growth, climate change and environmental sustainability are inextricably bound together in Bangladesh. Half the population is poor and depends on an over-exploited and degrading natural resource base. Environmental factors account for as much as 22% of the national burden of disease. Over two-thirds of the labour force directly depends on environmental resources for their livelihood support.
- National government and its agencies are divided along sector lines with limited technical expertise at the Ministry level. There is no mechanism that can effectively ensure environment and climate change issues are addressed and integrated in policy or project planning.
- The relevant key regulatory national agencies include the Planning Commission, Ministry of Environment and Forests, Ministry of Agriculture, Ministry of Fisheries and Livestock, Ministry of Land, and Ministry of Water Resources. Several have developed plans and strategies, but implementation is ad hoc with a lack of sound information and analysis. The linkages between poverty and environment is neither clearly focused nor adequately strategized.
- Targeted national and sector planning documents include the 2nd Poverty Reduction Strategy Paper, Five-Year Plan, a three-year rolling investment programme, Annual Development Plan, Annual Development Programme, Vision 2030, sector strategies and Development Project Performa
- The over 12,000 non-governmental organizations in Bangladesh are part of a highly diverse sector ranging from vast service providers to small local welfare groups, pressure groups, and service contractors. Corporate social and environmental responsibility is not yet a widely accepted practice in domestic industries, but is now starting to be emphasized by those multinationals that operate here or that are buyers from national industries.

## Main activities of the PEI

- Develop and disseminate analysis of linkages between social and economic factors, climate change and key development priorities (e.g. agriculture, infrastructure, trade, food security, gender equality and poverty reduction).
- Increase awareness, knowledge of and commitment to poverty-environment- climate mainstreaming through dissemination of analysis and findings (building on lessons from national level analysis and field experience).
- Develop Project Performa to integrate poverty-environment-climate issues into key national and sector planning documents and appraisal processes.
- Improve the current development budget to ensure adequate investment in poverty-environment-climate related purposes.
- Support the Planning Commission to institutionalize climate mainstreaming process.
- Integrate poverty-environment-climate linkages into the UNDP country programmes.

## What has been achieved to date?

- Scoping and preparation with in-country consultations translated into a country-led PEI programme.
- PEI-Bangladesh has been linked to the UNDAF and is expected to contribute to the outcome "Survival and development rights of vulnerable groups are ensured within environmentally sustainable frameworks and the country programme outcome "Enhance carrying capacity of the environmental and natural resource base and increase access to sustainable energy services resulting in human and income poverty reduction".

## Lessons learned

- In line with the PEI programmatic approach, it is critical to engage the actors in charge of development planning and encourage them to take the lead in the mainstreaming effort.
- Changes in extreme weather events, average temperature, and precipitation all have implications for the environmental and socio-economic status of a country. Poor people are highly vulnerable to external shocks that they have little control over. Climate change adaptation mainstreaming is thus an integral part of poverty-environment mainstreaming.

## Way forward

- Set up the project management unit for PEI-Bangladesh.
- Develop appropriate coordination mechanisms with other UNDP and donor programmes in the country.
- Establish a socio-economic analysis team and carry out a mapping exercise and preliminary analysis of linkages between social and economic factors, climate change and three top development priorities.
- Follow on with other activities planned under the project document.



## Bhutan

### Basic facts of the PEI in Bhutan

- Following a successful Preparatory Phase (October 2007-April 2008), Phase I of PEI in Bhutan commenced in July 2008 and was completed in December 2009. Phase I focused on creating awareness on the importance of addressing poverty-environment linkages especially to address rural poverty in Bhutan. Over the course of Phase I, the Gross National Happiness Commission (GNHC) - Bhutan's apex planning agency - assumed a central role in integrating pro-poor environmental considerations in planning processes both at the central and local level. PEI also supported a review of public environmental expenditure of the 9<sup>th</sup> Five-year Plan period.
- Phase II of PEI commenced in January 2010 and will be completed in July 2013, to coincide with completion of the 10<sup>th</sup> five-year plan.
- PEI Phase II was designed in collaboration with the Government of Denmark (DANIDA) and is titled the 'Joint Support for Capacity Development in Mainstreaming Environment, Climate Change and Poverty concerns in Policies, Plans and Programmes' - or more simply, the Joint Support Programme (JSP). The programme constitutes the third phase of Danish support to the environment sector in Bhutan through the Sustainable Environment Support programme (SESP) and PEI Phase II. The JSP commenced in January 2010 and will be completed in July 2013 along with the 10<sup>th</sup> Five-year Plan. The overall budget of JSP is around USD 4.2 million, made up of contributions from Government of Denmark (approx USD 3.27 million), UNDP/UNEP (USD 0.75 million) and UNDP Bhutan core funds (USD 0.11 million). A parallel funding modality is adopted by UN and the Government of Denmark for disbursement of the respective contributions.
- The project is coordinated by the Gross National Happiness Commission (GNHC) with other implementing partners including the National Environment Commission, Ministry of Agriculture, Ministry of Economic Affairs, Ministry of Works and Human Settlements, Ministry of Finance, Ministry of Home and Cultural Affairs, local governments units and civil society organizations.

### The context of mainstreaming in Bhutan

- Bhutan's vision 2020 document envisions environmental conservation as dynamic and treats natural resources not merely to be preserved but also as an immense asset that can be sustainably and wisely utilized for socio-economic development.
- Article 5 of the Constitution of the Kingdom of Bhutan (2008) mandates the Royal Government of Bhutan to ensure ecologically balanced sustainable development while promoting justifiable economic and social development.
- Bhutan's Gross National Happiness philosophy, an overarching development framework, takes environmental conservation into account as an integral component.
- The National Environment Commission of the Royal Government of Bhutan has identified the lack of environmental mainstreaming as one of the main shortcomings of the 9<sup>th</sup> Five Year Plan and has suggested that environmental issues are mainstreamed at the planning stage of the strategic plans, programmes and policies in the 10<sup>th</sup> Plan. The 10<sup>th</sup> Five Year Plan (2008-2013) guidelines demonstrate the commitment to mainstreaming and consider environment as cross-cutting issues intimately intertwined with poverty reduction.
- The key strategies of the 10<sup>th</sup> Five Year Plan to reduce poverty through environmental management interventions include: sustainable use of environmental resources as an asset by the local communities for better income and wellbeing, community based eco-tourism, bio-prospecting and implementation of interventions to reduce human-wildlife conflicts.
- Despite the strong relationship between economy, environment and poverty in Bhutan, there is a lack of detailed diagnosis of key poverty-environment linkages with key poverty reduction and growth priorities—such as agriculture, water and sanitation, energy and tourism.

## Main objectives and activities of the PEI (JSP)

- Raise awareness on poverty-environment linkages through national, district and sub-district level workshops.
- Establish poverty-environment linkages through studies and analysis - determine where the links are strongest, substantiate policy decisions (e.g. incentives to promote p-e initiatives), support investment decisions (i.e. targeting public expenditure to maximize p-e outcomes), validate and prioritize programmes (e.g. EFRC, rural electrification, watershed protection, etc.)
- Review planning processes of the 10<sup>th</sup> FYP from a poverty-environment and climate perspective (e.g. policies governing rural production and livelihoods) and recommend improvements.
- Finalize guidelines for integrating poverty-environment considerations and apply the guidelines to the development plans, policies, and programs, of all sectors/ministries at the central level, as well as to selected local levels.
- Analyze status and use of poverty-environmental indicators vis-à-vis Gross National Happiness (GNH) indicators, to report conditions and trends related to pro-poor environmental outcomes.
- Monitoring of poverty-environment related outcomes and linking such outcomes to programmes and budgets - through the National Plan Monitoring System and through outcome-based budgeting (Public Expenditure Management System, Multi-Year Rolling Budgets).
- Integrate poverty-environment considerations into the strategic framework of the Government's targeted poverty intervention programme - the Rural Economy Advancement Programme - and scale up the application of integrated village development planning through amendments to the Local Development Planning Manual and enhanced local capacities to use the manual.

## What has been achieved to date?

- The GNHC is an active proponent of environmental mainstreaming. It has now embraced the task of ensuring the integration of environmental considerations into all sector development plans and has taken measures to incorporate specific language to this effect in the Planning Manual. The Planning Manual guides sectors in the formulation of sector development plans for inclusion in national development plans.
- Participatory assessments of livelihood options and poverty-environment linkages in 10 targeted villages under the Bhutan's Rural Economy Advancement Programme were completed. Guidelines for participatory village planning for food security and poverty reduction were developed. The participatory planning approach will help analyze priorities, identify project ideas, prepare investment plans and undertake activities.
- The work with the Rural Economy Advancement Programme has led to the formulation of a strategic framework embedding poverty-environment considerations under which all of the Bhutan's future growth and poverty reduction programmes will be developed and implemented under the 10<sup>th</sup> Five Year Plan.
- The preparation of poverty-environment mainstreaming guidelines was completed in 2009. An exercise in applying the guidelines to the 10<sup>th</sup> plan programme of the all sectors will be carried out under the JSP and is expected to elicit environment and climate mainstreaming related capacity development needs within sectors at different levels of government.
- The JSP is being implemented in close coordination with the Local Governance Support Programme (LGSP) - a multi-donor programme that provides capacity development and financial support (through block grants) to local governments. PEI support will be used to improve the pro-poor environmental outcomes from application of the block grants.
- The PEI programme in Bhutan has strengthened donor harmonization. The JSP is a significant achievement in collaboration between UN and a bilateral development partner (DANIDA). The close collaboration between JSP and the LGSP has strengthened partnerships within the UN

system, specifically between UNDP-UNEP and UNCDF. UNDP-UNEP together with UNCDF is in the process of developing a new capital grant mechanism for climate adaptation measures at the local government level, which will be pilot-tested in Bhutan. The programme will support assessments of LG's planning process involving risks and vulnerability assessment of infrastructure to climate risks.

## Lessons learned

- Seeking to engage agencies that have a key role in development planning processes in early stages of the project is critical. An earlier environmental mainstreaming project in Bhutan which primarily engaged the National Environmental Commission was less effective because it was seen as an environment sector initiative. PEI directly engaged the GNHC which has a central role in influencing the national and local planning processes. PEI also focused on poverty reduction as the final outcome of poverty-environment mainstreaming efforts. This resonates well with line agencies which share a similar goal.
- PEI gained acceptance of the GNHC, partly by supporting the governments own core targeted poverty intervention programme. By doing so, PEI was seen as being responsive and also used a very good entry point to demonstrate the linkages between poverty and environment/natural resources in rural Bhutan.
- In considering the multi-dimensional nature of poverty-environment linkages, the need to bring on board various stakeholders (government, NGOs/CSOs, development partners, media and private sectors) is crucial to the overall success of poverty-environment mainstreaming.
- Good understanding of the programme and strong involvement by all stakeholders including UNDP Country Office strengthens synergies with ongoing projects/programmes and increases impacts and chances of success.
- PEI's approach to mainstreaming poverty environment considerations in plans has prompted a close review of the planning processes at the national and local levels. The resulting amendments to the planning process will have much greater ramifications including an improvement in coordination - both horizontal and vertical - amongst sectors and different levels of government. The amendments will also facilitate effective mainstreaming of other cross-cutting issues (e.g. disaster risk reduction, etc).
- In Bhutan poverty-environment linkages are recognized and addressed through numerous projects, programmes and policies and at all levels. However, these initiatives have often been approached with different viewpoints and objectives - either core conservation or core poverty reduction - and often missed opportunities to capture synergy between efforts. There is a need to document ongoing practices and highlight opportunities and challenges for better coordination between development activities that achieve pro-poor environmental outcomes. PEI as a mechanism should facilitate taking the evidence from projects/programmes on the ground to convince policy makers to integrate as part or mainstream into the bigger national program.

## Way forward

- Help further strengthen partnerships within government agencies and development partners to successfully implement the current programme. There is further potential to tap synergy between programmes of the UN Country Programme and Action Plan to address poverty-environment linkages. The capacity to identify and maximize on such opportunities is being established within the UNDP Country Office and will be an asset during future country programming operations.
- Use findings from local assessments to formulate recommendations for policy, institutional and fiscal reforms that aim to integrate pro-poor environmental measures in development processes.
- Support the integration of poverty-environment linkages into sectors' long-term strategic plans, policies and programmes.

- Explore financing sources and mechanisms to continue addressing poverty-environment mainstreaming measures (mainly capacity development needs) from UNDP-Bhutan, in-country donors and national governmental resources, with a view to ensure the sustainability of the effort.
- Establish poverty-environment linked indicators both at the national and local level through the application of PEM Guidelines, which will be eventually incorporated into the Planning and Monitoring System (PlAMS) for long term monitoring of pro-poor environmental outcomes.
- Develop the capital grant mechanism for climate adaptation measures at local government level in partnership with UNCDF and pilot test it in two districts.
- The application of the guidelines will identify detailed studies and assessments that need to be conducted for sector agencies to revise relevant policies and plans and to develop specific programmes and projects that address environment and climate mainstreaming.

## Botswana

### Basic facts of the PEI in Botswana

- PEI contributed to the development of the UNDAF for Botswana (2008) and the Government of Botswana-UN Programme Operational Plan (2009).
- The Joint GoB/UNDP/UNEP PEI Programme (2010-2011) will contribute to the achievement of two UNDAF Outcomes:
- Economic Diversification and Poverty Reduction: A diversified economy whose growth is rapid, inclusive, sustainable and generates decent employment opportunities by 2016
- Environment and Climate Change: By 2016, the rural poor, especially women, enjoy greater benefits from the environment and natural ecosystems.
- The main institutions involved are: the Ministry of Finance and Development Planning (MFPD) (lead agency) and the Ministry of Environment, Wildlife and Tourism (MEWT) as well as Ministries of Local Government, Agriculture, Tourism, Health and Water.
- Programme implementation will be supported by a PEI Secretariat based in the MFPD or Office of the President comprising of a national project manager, an international adviser, and a finance/admin assistant.

### The context of mainstreaming environment in Botswana

- Botswana's Vision 2010 and the National Development Plan 10 (NDP) 2010 - 2016 recognize the importance of environment and natural resources within the context of ten key result areas that include: Sustainable Economic Growth, Sustainable Environment and Enhanced Well-being and Social Responsibility. Ministries, departments, and districts are expected to implement sub-sector goals related to Economic, Environment, Security and Administration.
- The United Nations and the Government of Botswana have articulated an UNDAF (2010-2016) that responds to the National Development Plan with goals and outcomes in five areas: Governance and Human Rights Promotion; Economic Diversification and Poverty Reduction; Health and HIV and AIDS; Environment and Climate Change; and Children, Youth and Women Empowerment. The UNDAF will be implemented through a Joint UN Programme Operational Plan (UNPOP, 2010-2014).

### Main activities of PEI-Botswana

- Identification of key environment, growth and poverty reduction issues in Botswana.
- Institutional analysis and mapping of policy processes and initiatives, roles and responsibilities of the Government of Botswana and development partners related to environmental issues within the context of the National Development Plan 10.
- Review of NDP-10 and other relevant planning documents to identify entry points for mainstreaming environment into national sectoral and local level planning processes.
- Identification of potential 'champions' in government, civil society, private sector, media and donors; focal points within government; and relevant donor and government-donor coordination mechanisms.
- Development of a Joint Programme for the achievement of selected key results in the United Nations Development Assistance Framework and the establishment of effective implementation arrangements to bring together environment, planning/finance and key sectoral ministries.

## What has been achieved to date?

- Enhanced awareness on the links between poverty and environment (PE) issues and economic growth and their contribution to national development priorities by the Government of Botswana's Rural Development Council and the Multi-sectoral Committee on Poverty Reduction.
- A PEI Communication and Advocacy Workshop held in December 2009 provided key recommendations for the formulation of a PEI Botswana Advocacy and Communication Strategy including the identification of key stakeholders to be targeted for long term policy, institutional and behavioral change.
- A Poverty and Environment Brief has been developed for advocacy and awareness-raising on PE linkages.
- An Institutional Assessment was completed in October 2009.
- A Government of Botswana/UNDP Botswana/UNDP/UNEP PEI Joint Programme on Poverty and Environment to achieve the objectives articulated in the UNDAF and related UNPOP and UNDP Country Programme (2010-2014) was signed in January 2010.

## Key documents for PEI Botswana

- GOB-UNDP-UNEP Poverty Environment Initiative, Workshop report, Development of the PEI Botswana Communication Strategy, December 2009
- Joint Programme Document (January, 2010).

## Way forward

The recruitment of the Program Implementation Team is ongoing and programme implementation commenced in January 2010 with the development of the Annual Work Plan.

## Burkina Faso

### Basic facts of the PEI in Burkina Faso

- PEI-Burkina will be a joint initiative between PEI, UNDP-Burkina Faso and the Government of Burkina Faso.
- The Preparatory Phase is underway (started in July 2008) and early activities have started to enable conditions for effective poverty-environment mainstreaming.
- PEI-Burkina will be executed by the Government of Burkina Faso (NEX) through national partner institutions, led by the Ministry of Environment (MECV/SP-CONEDD) and the Ministry of Economy and Finance (MEF/DGEP).
- Donors include Sweden and Denmark (through UNEP-UNDP PEI Fund) and additional funding expected from UNDP-Burkina (TRAC) and in-country donors.

### The context of mainstreaming in Burkina Faso

- In 1995 a National Council for Environmental Management (CONAGESE) was created with the primary mission to provide a forum for consultation to fully integrate environmental considerations into the social, economic and cultural development processes. In 2002, SP/CONAGESE was renamed Permanent Secretariat for Environment and Sustainable Development (SP/CONEDD).
- In 2000, Burkina Faso was the first country in the sub-region to develop a PRSP: CSLP 2000-2003 (key focus was on health and education). In 2003, the revision of the PRSP led to a new document CSLP 2004-2008 which included some efforts to integrate environmental sustainability. The CSLP 2004-2008 became the reference document for all development activities in the country. At decentralized level, regional PRSP (CSRLP) were developed for the country's 13 regions.
- In 2008, an official decree coordinated by SP/CONEDD was published for the creation of Environment Units at Ministerial and regional levels and for public and private companies. Their main mandate is to contribute to the integration of environmental concerns when designing and implementing policies, programs and projects.
- In 2008, a peer review of the CSLP 2004-2008 was conducted which concluded that 'environment should be strengthened together with the economic and social pillars of sustainable development'
- The PRSP 2004-2008 revision process officially started in 2009 (revision process was delayed for 2 years due to implementation delays). The new PRSP will be titled 'Stratégie de Croissance Accélérée et de Développement Durable pour la période 2011-2015 (SCADD)'
- The government's objective for this revision is to 'encourage the acceleration of productivity and growth, and launch a process for sustainable development'.

### Main activities of the Preparatory Phase

- Preliminary analyses (baseline information) on (i) the country specific poverty - environment linkages, (ii) the institutional and political context (and related mechanisms) and (iii) the related capacity-building needs.
- Awareness raising on the importance of P-E mainstreaming amongst all key stakeholders (series of workshops and meetings with government, in-country donors, civil society and private sector).
- Participative development of a PEI strategic environmental mainstreaming programme tailored to the context and needs of Burkina Faso (detailed workplan and institutional arrangements).
- Launching of urgent activities to be implemented for the success of PEI-Burkina Faso.

## What has been achieved to date?

- A National multi-sectoral PEI Task Team (Comité Technique de Suivi - CTS) was officially put in place by a Ministerial order in February 2009 [co-chaired by the Secretary General of the Ministry of Environment (MECV) and the Secretary General of the Ministry of Economy and Finance (MEF)].
- The Permanent Secretariat for Environment and Sustainable Development (SP/CONEDD) has officially appointed a national PEI coordinator by an office memorandum in July 2009.
- PEI-Burkina's advocacy has led to a Ministerial order for the creation of an Environment Unit in MEF's division responsible for Economic Planning which is leading the formulation process of the SCADD (PRSP, MDGs, etc).
- Two national workshops (co-chaired by MECV and MEF) have taken place in 2009 and presentations on PEI-Burkina were made during in-country donor groups meetings (Rural sector group and Environment group) in view to mobilize national stakeholders and ensure a participative approach for the development of the PEI-Burkina Faso programme.
- Representatives from Burkina Faso participated in: (i) a training session organized by PEI and the non-profit organization LEAD International in Senegal to enhance their capacity to engage stakeholders for greater recognition of the role of environment in pro-poor growth and poverty reduction and (ii) a one week francophone training event based on the forthcoming Millennium Assessment Methods Manual, organized by PEI and UNEP-WCMC in Mauritania to enhance their capacity to carry out or take part in ecosystem assessments.
- A national participatory workshop resulted in mapping out PEI-Burkina's Advocacy and Communication Strategy (under development).
- PEI-Burkina is supporting MEF's Division of Sectoral Policies to integrate environment and climate change as a cross-cutting issue in their revised Guidelines for developing sectoral policies and translating them into Medium Term Expenditure Frameworks.
- PEI-Burkina is contributing to the SCADD process by providing documentation and information to the SCADD Secretariat hosted by MEF/DGEP (periodic working sessions between the Secretariat and the national PEI Coordinator).
- PEI-Burkina has been integrated into MECV's 3 year plan which is an integral part of Burkina Faso's Rural Sector programme and a special presentation on PEI was given during the 2nd conference of CONEDD.
- An institutional and organisational audit of the CONEDD has been conducted in order to see how to improve its efficiency and remove existing barriers in playing its role as national commission for environment and sustainable development.

## Lessons learned

- Changes in the government can lead to significant delays (since the preparatory phase started: Minister of Environment, Secretary General/MECV and Permanent Secretary/CONEDD have changed; as a result the preparatory phase had been significantly delayed).
- Difficulties to obtain the needed support from Government as technical staff/focal points in government are stretched by their original duties. The government needs to officially appoint a national coordinator.
- Mobilizing stakeholders is a long process especially for key non-environment stakeholders like MEF.
- Convincing environmental institutions of the critical importance to work hand-in-hand with Finance and Planning institutions is challenging but critical to ensure the collaboration needed for the success of the mainstreaming process.



## Way forward

- Validation of preparatory phase reports and PEI-Burkina workplan by the CTS.
- Joint official launch of PEI-Burkina Faso and the National Human Development Report on Environment and Climate Change.
- Launch of the PEI Economic assessment focussing on the productive side of the environment and natural resources (PEI/Green Economy/SCP aspects) to advocate for environmental mainstreaming into the SCADD.
- Support the establishment of the Environment Unit in MEF (which will be an active key partner for PEI).
- Collaboration with UNEP's Division of Technology, Industry and Economics - Sustainable Consumption and Production Branch in view of integrating SCP into SCADD.

## Dominican Republic

### Basic facts of the PEI in the Dominican Republic

- Upon the request of the Government of the Dominican Republic, PEI carried out scoping missions to the country during 2009. In early 2010 PEI started its Preparatory Phase and expects to launch a Phase I in the country during the second half of 2010.
- The overall goal of the PEI in the Dominican Republic is to mainstream poverty-environment linkages arising from vulnerabilities to environmental shocks (i.e. droughts, floods, deforestation, land degradation, and storms) into poverty reduction strategies and national development processes.
- Key government institutions involved include the State Secretariat for Environment and Natural Resources (SEMARENA); the State Secretariat for Economy, Planning and Development (SEEPYD); the Social Cabinet (Gabinete Social), including the Unique System of Beneficiaries (SIUBEN) and the Solidaridad Programme; the National Climate Change Council and Clean Development Mechanism (CNCCMDL) and the Emergency National Commission.

### The context of mainstreaming environment in the Dominican Republic

- More than one third of the country's total population lives in poverty and almost 12% live in extreme poverty. The Dominican Republic is predominantly an urban society with 69% of its total population living in urban areas. According to ECLAC, its population has increased 1.3% from 2005-2010.
- Although the country is one of the highest growing economies in the region, some of the crucial issues facing the Dominican Republic are high levels of poverty and inequality, high unemployment rates (14.2%, in 2008) and existing environmental vulnerabilities that may be further exacerbated by the projected impacts of climate change. In this regard, the Global Climate Risk Index ranks the country as 5th within a list of the 10 most affected countries by extreme weather events.
- Droughts, floods, deforestation, land degradation and water availability are among key environmental issues in the country.

### Main activities of the PEI in the Dominican Republic

- Raise awareness among decision and policy-makers and relevant stakeholders by developing roundtables and elaborating country-specific evidence-based arguments to ensure systematic mainstreaming of poverty-environment into the national development planning structure as well as to ensure dissemination of knowledge and experience.
- Conduct a gap analysis and needs assessments to determine the extent of the required interventions on capacity building and institutional strengthening.
- Facilitate frameworks and provide technical and financial assistance to support the process of inter-institutional agreements and memorandums of understanding on poverty-environment related issues.
- Provide technical assistance for the mainstreaming of poverty-environment linkages into the National Development Strategy (END), pluri-annual plans, the national public investment plan and sectoral policies.
- Build technical capacities in SEEPyD, Social Cabinet, SOLIDARIDAD, SIUBEN, CNCCMDL and SEMARENA in line with sector priorities and institutional mandates.
- Apply an asset-based approach to poverty in order to gain a better understanding of the environmental shocks that affect the Dominican Republic and how they impact households' well-being in the short and long term and the achievement of the MDGs.
- Empower poor households' beneficiaries of Solidaridad to increase resilience to environmental risks.

## Kenya

### Basic facts of the PEI in Kenya

- The PEI Kenya project document was signed in August 2005. The programme of work was prepared jointly by the Government of Kenya, UNDP-Kenya, DFID and UNEP.
- The programme is executed by the Government of Kenya through national partner institutions, led by the Ministry of Planning and National Development. The main institutions involved are: the Ministry of Planning and National Development, the Ministry of Environment and Natural Resources, and the National Environment Management Authority.
- The programme implementation is supported by a PEI Secretariat comprising of a national project manager, an adviser, and a MPND seconded programme officer

### The context of mainstreaming environment in Kenya

- The Government of Kenya recognizes the importance of the environment in achieving its economic recovery and poverty reduction goals. The Economic Recovery Strategy for Wealth and Employment Creation 2003-2007 states that "economic recovery needs to be sustainable if the objectives of poverty reduction and wealth creation are to be achieved".
- Furthermore, the 9th National Development Plan (2002-2008) states that "the full integration of environmental concerns in development planning at all levels of decision making remains a challenge to the country". It further acknowledges, "in view of the high incidence of poverty in the country, the need to integrate environmental concerns in development activities should be given high priority".
- The Environment Management Coordination Act Bill was enacted by the Parliament in 1999. In 2007, the Government launched a process of formulating an over-arching Environment Policy based on the Environment and Development Sessional Paper (1999). This serves as an opportunity to further give guidance on the mainstreaming of environment into development planning and budget processes.
- Current national and district planning frameworks are coming to the end of their term (e.g. ERS in 2007 and National Development Plans/District Development Plans in 2008) and reflection on achievements is being undertaken to influence the re-planning process (e.g. ERS II post 2007).

### Main activities of PEI-Kenya

- Improving the understanding of poverty and environment linkages through investigative studies at district level and undertaking economic assessment of Kenya's natural resources focusing on key sectors supporting the national economic and poverty reduction.
- Strengthening Government capacity to deliver pro-poor environment policy through support towards the Environment Policy formulation process.
- Supporting the development of District Environmental Action Plans (DEAPs) in nine districts, including improving stakeholder participation in the DEAP formulation process and strengthening linkages with district development planning and monitoring processes.
- Developing tools for integration of environment into national budget, e.g. through Medium-Term Expenditure Framework and other sector Public Expenditure Review processes.

### What has been achieved to date?

- Improved knowledge base and understanding on poverty and environment linkages. Two background studies on improving understanding of poverty and environment linkages at district and national levels - "Poverty and Environment Issues: Governance, Institutions, Institutional Frameworks and Opportunities" and "Voices from the Field: Bondo, Murang'a and Meru South Districts" - were completed. These served to inform district environmental action planning and the Briefing Note titled "Making the Connection: Economic Growth, Poverty and the Environment". 5,000 copies of the briefing note were distributed to all District Environment Officers, District Development Officers and PEI-Kenya institutional partners. As an indication of

improved understanding of the role of environment in economic growth and poverty reduction, PEI's contribution was sought in the Vision 2030 process.

- Improved elaboration of District Environment Action Plans (DEAP). Three District Environment Action Plans (Bondo, Murang'a North and Meru South Districts) were completed with inputs from the PEI. The DEAP processes have served to raise the profile of environmental services and natural resource management in district planning processes, and the need for multi-sectoral planning. Draft Guidelines for Mainstreaming Environment in the Development Planning process were prepared drawing lessons from the DEAP process. A workshop is planned for the last quarter in 2008 to share lessons learned from the DEAP development process.
- Development of an environment policy for Kenya. PEI supported the Ministry of Environment and Natural Resources (MENR) to elaborate a "Road Map" to prepare an Environment Policy. The PEI supported the work of seven thematic taskforces and the National Steering Committee in the production of the Environment Policy Paper that fed into the Draft Environment Policy (June 2008) that covers sustainable management of ecosystems, sustainable use of natural resources, environmental stewardship, enhancing environmental quality, environmental research and monitoring, linkages with other sectors, and implementations strategies and actions.
- Cross-fertilisation between PEI-Kenya and PEI-Tanzania. As part of the South-South cooperation that the Global PEI aims to facilitate, the Kenyan PEI team visited Tanzania in September 2006 to learn from the Tanzanian experience of mainstreaming environment. The key elements in the Tanzanian success in mainstreaming environment were identified and a list of follow-up actions for Kenya was agreed on.
- Improved Donor Coordination. Clarity between donors on relationships and coordination modalities between technical assistance programmes working with MPND, MENR, NEMA and other institutions under the EMCA has been achieved in accordance with the Paris Declaration. PEI played a central role in achieving this, including facilitating a donor harmonisation workshop on the request of MENR. Through their respective advisers, PEI and the DANIDA/SIDA Environment Sector Support Programme are working closely together, demonstrating how two programmes can complement each other and achieve real synergies.
- Integration of poverty/environment indicators in national and district planning and monitoring. A study to support the Government of Kenya in developing a set of indicators linking poverty and environment is underway. The study has identified contributions of poverty and environment linkages to the achievement of national and sub-national development objectives develop a core set of PE indicators, baselines and protocols for data collection. This indicator development process is contributing to the ongoing review of national indicators for monitoring the implementation of Kenya's Vision 2030 and Medium Term Plan.

## Lessons learned

- It is important to demonstrate the links between poverty and environment at the national and local levels in language familiar to planners and policymakers.
- Restrained Government capacity needs to be addressed in moving the mainstreaming processes forward whilst ensuring full Government leadership and ownership of the process.
- Given limited financial and time resources, there is a need to have a clear programme focus and clearly prioritise activities linked to ongoing national and sector priorities and policy implementation.
- The review of the PEI Kenya program by the government of Kenya provided useful insights to improve project implementation including the need to strengthen national ownership by including a broader range of stakeholders and enhancing the integration of the PEI Kenya interventions with the main activities of the Ministry of Planning, National Development and Vision 2030.

## Way forward

- Project activities in 2009 will focus on a limited set of results linked to priorities in the Ministry of Planning including enhancing budget effectiveness towards the achievement of MDGs and improving capacity at the sub-national level for integrated planning (economic, environment, social).

## Kyrgyzstan

Given the political upheaval of 6 April 2010 the country is in a precarious political and social situation. The interim government headed by Ms. Roza Otunbayeva announced elections in 6 months time. The government counterparts, especially at the national level, have to be however reconfirmed once a new government is formed. The future new government's policy may require modifications in the planned PEI programme activities (April 2010).

### Basic facts of the PEI in Kyrgyzstan

- Following the request of the Government of Kyrgyzstan, the Europe & CIS PEI regional team jointly with the UNDP Country Office and relevant Government partners developed a PEI country programme (Phase 1) during 2009. The Preparatory Phase included extensive stakeholder discussions.
- In June 2009, following an urgent request from the President's office, PEI supported the elaboration of the draft national Long Term Development Strategy 2020. PEI provided recommendations to better reflect environmental sustainability in the document. This ad-hoc intervention helped to establish key entry points and to identify champions among political decision-makers to promote poverty-environment mainstreaming.
- Key entry points for successful poverty-environment mainstreaming in Kyrgyzstan have been identified at the sub-national level planning and budgeting processes, i.e. province and village level. Additionally, the elaboration process of the next Country Development Strategy for the period 2012 onwards provides an excellent entry point for PEI.
- Key partners identified during the preparatory phase: Office of the First Deputy Prime Minister, State Agency for Environment Protection and Forestry, State Agency of Local Self-Governance Development and sub-national authorities of selected areas.
- The PEI country programme will be aligned with the objectives and contribute to the elaboration of the new United Nations Development Assistance Framework 2011-2016 (UNDAF) to be developed in 2011.

### The context of mainstreaming environment in Kyrgyzstan

- Poverty remains high in the Kyrgyz Republic though extreme poverty is moderate. An estimated 31,7 % of the population lives below the poverty line and 6 % in extreme poverty. About 65% of Kyrgyzstan's population lives in rural areas. 51 % of the rural population lives in poverty compared to 30 % of the urban population. In five out of eight provinces in Kyrgyzstan, the poverty rate is over 50 %.
- Agriculture is the structural backbone of the economy, accounting for about 40 % of total employment (70% of the poor) and over 1/3 of GDP. As over 40% of agricultural land is degraded and over 85% of territory is exposed to erosion, sustained agricultural growth. Measures to raise farm productivity and farm incomes are key priorities of the Government.
- Additional major environmental problems in Kyrgyzstan include deforestation, lack of safe energy supply, soil and water contamination, toxic waste and chemicals and frequent natural disasters. The country is highly vulnerable to natural disasters and is frequently exposed to over 20 different types of hazardous natural events and processes. Numerous sites in the country are heavily contaminated with toxic and radioactive waste as a result of mining production including uranium tailing sites. Most of these tailings are located in areas prone to disasters with potentially disastrous consequences for the population.

- The development direction of the country is defined through its current Country Development Strategy 2009-2011 (CDS). The CDS is anchored on four pillars including environmental sustainability and natural resources management as one major policy commitment. While the understanding of environmental and poverty-environment linkages is good at national level, as reflected in its leading strategy documents, the implementation, particularly at sub-national level, is hampered by lack of administrative skills and missing institutional and procedural mechanisms. The actual expenditures for environment protection during recent years have been reduced to a critical low level and make up only 0.26% of GDP.

### Opportunities for a PEI Programme

- A major finding of the initial PEI missions included the recommendation to initiate a country programme which places strong emphasis on systematic mainstreaming at the sub-national level and on sub-national planning processes. In the current Kyrgyz political context, the governance structures at sub-national level are more stable than at national level and provide better conditions for systematic mainstreaming of poverty-environment concerns.
- The PEI country programme will initially focus on two provinces, Naryn oblast (province) and Suusamyр айыл окмоту (administrative unit of rural communities consisting of up to 20 small settlements). Both areas are among the poorest in Kyrgyzstan with high poverty levels at approx. 50 %. PEI will be actively promoting poverty - environment mainstreaming into development programmes of the selected areas.
- At national level, a review of the current CSD and support for the development of a new CSD were identified as main entry points for PEI for systematic poverty - environment mainstreaming.
- PEI will build on and complement the efforts and results of on-going projects of the UNDP Democratic Governance, Environment and Poverty Reduction units to help developing and strengthening capacities of local communities and governments on decentralization and environmental fiscal reform policies.
- The PEI will also seek programmatic and financial linkages with key donors as WB, GEF, GTZ, DFID, EU and Aga Khan Foundation.

### Way forward

- Review and evaluate the CSD 2009-2011 and related sectoral plans, budgeting and M&E processes from a poverty-environment perspective.
- Support sub-national authorities and other stakeholders to mainstream poverty-environment linkages in the next Regional Development Strategy of Naryn oblast and the Local Self Government Development Plans of Suusamyр айыл окмоту. The aim is to influence their budgeting and monitoring processes, including the identification and promotion of new financial mechanisms that target sustainable use of natural resources for poverty reduction and income generation.
- Design and implement a comprehensive communication strategy at national and regional levels to build long term strategic partnerships, raise awareness, facilitate civil society involvement in decision-making processes and advocacy on poverty-environment mainstreaming.
- Establish a PEI coordination mechanism and further identify poverty-environment champions in government, private and civil society sectors.
- Coordinate poverty-environment initiatives in the framework of the new UNDAF and international aid agencies.

## Lao PDR

### Basic facts of the PEI in Lao PDR

- In Lao PDR, the focus of PEI is on strengthening capacities of targeted central and provincial authorities to integrate poverty-environment concerns and opportunities into development planning processes.
- The PEI Lao PDR framework document was signed in May 2009. The programme of work was prepared jointly by the Government of Lao PDR and UNDP-UNEP PEI. An extensive preparatory phase was conducted including national consultation workshops with pivotal stakeholders from national and provincial administrations to define priorities.
- The PEI Lao PDR Phase I started in May 2009 and will run until December 2011 (31 months).
- The programme is implemented by the Government of Lao PDR through its national institutions, coordinated by the Ministry of Planning and Investments (MPI) and including the Water Resources and Environment Administration (WREA) and the National Assembly. Provincial authorities of four pilot provinces (Oudomxay, Phongsaly, Saravane, Savannakhet) will be involved.
- Further national partners include Ministry of Agriculture and Forestry and National Land Management Authority and selected development partners such as the Asian Development Bank and IFAD.

### The context of mainstreaming of environment in Lao PDR

- In Lao PDR, more than 50% of GDP is derived from agriculture, forestry, livestock and fisheries; approximately 80% of the population relies on the natural resources base for livelihoods; and almost 60% of Foreign Direct Investment is related to the country's environment and natural resource base.
- Poverty rates in Lao PDR declined from 46% (1992) to 34% (2002) due to economic growth rates of 6% and higher. Poverty persists, however, throughout the country and the major challenges include food security (37% rate of malnourished children under five), access to clean water resources and sanitation, limited access to cultivation land and natural resources, education and employment.
- Key environmental issues affecting the poor include declining access to forest resources from illegal logging and conversion of land for agriculture concessions and plantations; declining biodiversity including fish stocks, and an increased susceptibility to extreme weather conditions caused by climate change (flooding, droughts).
- Investment has grown exponentially in recent years, as Lao PDR has slowly opened up to foreign investment. In terms of value, the hydropower, agriculture and mining sectors attract the most investment and the largest investors are Thailand, China, Vietnam and France. There is an urgent need to strengthen investment processes and investment management to minimize social and environmental impacts.
- The Lao PDR National Growth and Poverty Eradication Strategy (NGPES), the 6th Five Year National Socio-Economic Development Plan and the National Strategy on the Environment include references that emphasize that the importance of the environment for poverty reduction.
- Lao PDR's principal development master plan, the 7<sup>th</sup> National Socio-Economic Development Plan (2011-2015), is being developed in 2009/2010, led by the Ministry of Planning and Investment. Given the importance of natural resources for the Lao economy and the livelihoods of Lao people, it is critical to ensure that poverty-environment concerns are adequately reflected in this development plan.
- Over the next two years (2010-2011), the National Assembly will be debating a series of critical legislative proposals with far-reaching implications for poverty reduction and sustainable development, including a draft Investment Law and its regulations, draft Fisheries Law,

draft Law on Land and Natural resources, revision of the Environment Protection Law. All of these would strongly benefit from improved integration of poverty-environment concerns and indicators.

### Main activities of the PEI in Lao PDR

- *Output 1: Poverty reduction and environmental sustainability linkages are strengthened in the 7th National Socio Economic Development Plan (NSEDP) 2011-2015* and policy makers have better access to policy relevant research products on poverty-environment linkages for their informed decision-making.
- Develop technical briefs on key poverty-environment issues that can inform key development sectors' strategies and the programs of the final NSEDP;
- Mainstream poverty-environment linkages into planning guidelines at multiple levels;
- Support the participatory development of poverty-environment indicators; and
- *Output 2: Capacities of national and provincial authorities to plan and manage investments for poverty reduction and sound environmental management strengthened.*
- Support development of Provincial and National Investment Strategy
- Realize assessment of investment process, institutional arrangement and capacity needs at the national and provincial levels;
- Strengthen institutional arrangements for inter-sector coordination related to investments appraisal and monitoring in two pilot provinces;
- Support development of a integrated investment database in pilot provinces
- Facilitate community participation and consultation mechanisms to inform investment decisions.
- *Output 3: The Environmental and Social Impact Assessment (ESIA) Department of WREA has strengthened capacity to ensure comprehensive review and approval processes of environmental and social assessments and management plans based on the law and good science in effective coordination with the concerned line ministries and state enterprises.*
- Develop technical guidelines under the new (draft) ESIA Decree;
- Strengthen provincial and national level capacities to manage the ESIA process
- Provide training on ESIA management
- Support the establishment of an expertise network in environmental and social assessment and management.
- *Output 4: National Assembly (NA) members have improved their understanding of the poverty-environment linkages and capacity to influence national development processes towards sound natural resource management.*
- Strengthen the awareness of NA members of key poverty-environment linkages in planning, budgeting and legislative processes;
- Support the review of legislation on topics that have important environment-poverty implications
- Review and strengthen the current mechanisms for handling petitions and complaints related to environment and natural resource management by the NA.
- *Output 5: NERI has strengthened capacity to carry out research and analysis on economic valuation of ecosystem services* and communicate information on their trade-offs in development decisions (in collaboration with UNEP/DEPI).
- Research/ analysis of environmental and financial costs and benefits from land use change for development



- Targeted communications strategy for policy awareness and uptake of results into development decisions
- Capacity building program on environmental economics

### What has been achieved to date?

- The Ministry of Planning and Investment has taken an active role in including environment issues in planning for both public and private investment.
- Pro-poor environment indicators and recommended actions have been included in the drafting process for the 7<sup>th</sup> National Socio-Economic Development Plan (2011-2015), including a focus on participatory forestry.
- Investment Promotion Department of Ministry of Planning and Investment has highlighted need for a more strategic approach to improve the quality of investment in agricultural concessions, hydropower and mining which are having a major impact on rural livelihoods.
- To achieve this, the programme is supporting a national and provincial investment strategy and improved assessment, coordination and monitoring of private investment to maximize benefits and minimize social and environment impacts.
- Provincial level committees, co-chaired by the Governor's office and Department of Planning and Investment, have been established in the Southern pilot provinces to develop a more strategic and coordinated approach to private investment.
- Donor partnerships have been developed with the joint Asian Development Bank - IFAD programme on Sustainable Natural Resource Management and Productivity Enhancement Project which also focuses on southern Lao PDR.
- A baseline assessment of environmental and social impacts in pilot provinces is being carried out to understand on the ground impacts from investments.
- Draft technical guidelines for ESIA review by the government and draft ESIA manual for developers are being assessed by WREA, line ministries and the private sector.

### Lessons learned

- The Ministry of Planning and Investment is willing to take an active role in improving public and private investment for pro-poor environment and climate outcomes - providing that it receives sustained technical support in ways that support ongoing processes.
- Climate mainstreaming received higher political attention following climate related disasters which had major social and economic impacts.
- Technical inputs into key processes need to be provided when the time is ripe in the national language and sustained until the process is complete.

### Way forward

- Strengthen poverty reduction and environmental sustainability linkages in the 7th National Socio Economic Development Plan (NSED) 2011-2015;
- Enhance capacities of national and provincial authorities to plan and manage private investments in key sectors to maximize poverty reduction and sound environmental management;
- Support the strengthening of the Environmental and Social Impact Assessment (ESIA) Department of WREA at the national and provincial levels; and
- Increase National Assembly members' understanding of poverty reduction and environmental management.

## Malawi

### Basic facts of the PEI in Malawi

- The PEI-Malawi focus is on strengthening capacities of targeted national, sector (agriculture) and local authorities to integrate poverty-environment concerns, with a focus on water, forestry, land and energy.
- The preparatory phase included extensive consultations with relevant government institutions and key donors and took nearly one year.
- The PEI-Malawi started from December 2008 and runs to June 2011.
- PEI Malawi is a core part of the UNDP-Malawi MDG Cluster work-programme, along with climate change and disaster risk reduction and will help implement the UNDAF.
- UN-FAO is a formal partner.

### The context of mainstreaming in Malawi

- Environmental degradation is a serious issue in Malawi with equally serious economic implications. For example, productivity of major crops in Malawi is below the potential yields due in part to reduced soil fertility caused by unsustainable land use practices.
- A review of the Malawi Growth and Development Strategy (MGDS, 2006-2011) lists as one of its nine Key Focal Areas 'Climate Change, Natural Resources and Environmental Management.' The successor document for the next five years period will greatly expand upon this theme.
- Environment related objectives and provisions MGDS have not yet been adequately operationalised programmatically or in terms of budgets. Related performance indicators also need to be developed for the MGDS and relevant sector plans, such as the Agricultural Development Programme.
- Capacity enhancement and improving institutional coherence of the environment and natural resources sectors are key issues. Currently management of natural resources is fragmented across different institutions and more coherence would be most beneficial.

### Main activities of the PEI in Malawi

- Raising awareness of links between sustainable natural resource management, economic growth and poverty reduction among decision-makers, civil society and the public. This includes an economic analysis of the costs of environmental degradation and benefits of sustainable natural resources management.
- Strengthening coordination mechanisms and improving capacity within the Government and other stakeholders for the integration of sustainable natural resources management into policies and plans. These include in the Office of the President and Cabinet (OPC) and Ministry of Finance (MoF).
- Integrating sustainable natural resource management into the implementation of the Agricultural Sector Wide Approach (ASWAP) and other relevant sector and district level programmes related to land, water, forestry and energy.
- Increasing budget allocations, donor funding, private investment and exploring other financing mechanisms, including environmental fiscal reform, for sustainable natural resource management. This includes mainstreaming poverty and environment into the national budget guidelines.
- Improving capacity and strengthened systems within the government for monitoring sustainable natural resource management. This includes support for production of a national Environmental Outlook Report with poverty focus plus development of poverty-environment indicators.

## What has been achieved to date?

- The programme document was signed in December 2008 at a ceremony attended by the then Minister of Finance, Deputy Minister of Economic Planning and Development, senior Government, UNDP and PEI Africa staff.
- The PEI team based in the Ministry of Development Planning and Cooperation (MDPC) consists of a project manager and an international technical advisor and an administrative assistant
- Sustainability indicators for the Agricultural Sector Wide Approach (ASWAP) were developed jointly with the World Bank Malawi office.
- An environment addendum for the Malawi Growth and Development Strategy (MGDS) prepared which contributed towards increased priority given to environment in the MGDS review
- An economic study on the costs of sustainable or unsustainable use of natural resources is expected to be completed by the end of first quarter 2010.
- Terms of Reference prepared, proposals reviewed and consultant team recommended for the following activities which should begin within the first quarter 2010:
- Environmental Outlook Report in collaboration with UNEP-DEWA
- Updating OPC's Executive Decision-making Guideline including a focus on mainstreaming poverty and environment
- Stand-alone guideline for poverty-environment mainstreaming in the budgeting process
- PEI is integrated in the UNDP Malawi country programme via a PEI-Climate Change-Disaster Risk Reduction programme.

## Lessons learned

- Active support and involvement of the UN Resident Coordinator and/or UNDP Country Director makes a big difference and was very helpful in gaining critical initial high level meetings with Government. Subsequently, the UN Resident Coordinator's support meant that PEI became an integral part of UNDP Malawi Country Programme
- Detailed institutional analysis was very helpful in identifying entry points and areas PEI can support.
- Adequate staff resources must be allocated to the preparatory phase to ensure this does not take too long.
- Even during the preparatory phase, opportunities to integrate environmental sustainability into national and a key sector arose - these opportunities were seized, which required resources being available before the formal approval.
- Capacity constraints in UNDP offices must be jointly addressed, including for administrative and financial processes. It is important to focus on the PEI objectives.

## Way forward

- Complete and strategically communicate the results of the economics study to key stakeholders, including parliamentarians.
- Ensure co-ordinated PEI-climate change work programmes within MDPC, once that the climate change co-ordinator in the Ministry is in place.
- Ensure that the proposed Steering Committee on Climate Change, Natural Resources and Environmental Management is in line with the mandate of the MGDS.
- Take part in the mid-term review of the Malawi UNDAF to ensure that environmental sustainability and PEI are adequately incorporated.
- Take pro-active steps to ensure administrative and financial processes do not significantly delay PEI-Malawi implementation

## Mali

### Basic facts of the PEI in Mali

- The programme focuses on capacity building for a better articulation of the environment policy within the national development planning processes.
- PEI-Mali started in April 2005 (phase 1) and has been scaled-up for 2007-2008, as a joint initiative between the Government of Mali, UNDP-Mali and PEI.
- The programme is executed by the Government of Mali through national partner institutions, led by the Ministry of Environment and Sanitation through its National Directorate for Conservation of Nature and the PRSP Unit of Ministry of Economy and Finance.
- The programme is implemented by a National Project Management Unit under the supervision of the Ministry of Environment and Sanitation which leads the process and liaises closely with the other national partners.
- Donors include Norway (through UNEP) and UNDP-Mali. The funds are distributed through UNDP-Mali.

### The context of mainstreaming in Mali

- The 1st PRSP (CSLP) was developed in 2002. The CSLP was the basis for the development of Regional Poverty Reduction Plans implemented at the district level.
- In the 1st CSLP, Sustainable Environmental Management was not highlighted as priority and was barely mentioned.
- In 2006, the second generation of CSLP was developed. It was adopted by the Government on 20/12/2006. The PEI country project team has been involved in the CSLP 2 drafting process as one of the PEI national focal points is a representative of the Ministry of Economy and Finance /CSLP Unit.
- CSLP 2 (entitled National Strategy for Growth and Poverty Reduction) recognizes environment and sustainable management of natural resources as one of the priority areas of intervention for the country. However, the document states that the consideration of the environmental issues into sectoral policies and development planning processes at all levels (national, regional and local) remains a challenge.

### Main activities of the PEI

- Engagement in the CSLP drafting process through participation in various workshops and consultations.
- Training of academics, policy makers, economists and CSOs to the techniques of Integrated Ecosystem Assessment (IEA), which will lead to a better understanding of the links between poverty and the environment.
- Pilot IEA of the Mopti region conducted between June and December 2008. The draft assessment report was delivered in January 2009 and clearly highlighted some of the root causes of environment and natural degradation in Mali. The report is currently being amended to reflect the comments received to date.
- Economic assessment conducted between July and December 2008. The assessment highlights the monetary costs of environmental degradation and related costs of remediation. It shows to national decision makers the benefits of investing in sustainable natural resources use and environmental management. This study has raised strong national interest; two fact sheets are currently being developed to disseminate the results amongst decision makers.
- Identification of the geographical areas (priority intervention sites) where the linkages between Poverty and Environment are the most critical in Mali. As a follow-up to this study, an assessment has been conducted in 12 districts located in the 3 most poverty-environment

vulnerable regions, to identify potential small scale poverty-environment community projects. Recommendations have been elaborated to strengthen the mainstreaming of environmental issues in national and decentralized development planning.

- Identification of poverty-environment indicators for the national poverty monitoring system (Observatoire du Développement Humain Durable). As a follow-up to this study a training workshop on P-E indicators is planned for government technical staff. The results of this study will be used to feed in the planned review of CSLP indicators. The report is currently being amended to reflect the comments received to date.
- Exchange visit to Cotonou to learn from Benin's greening PRSP experience. Over 2006-2007, Benin conducted greening PRSP exercise using Strategic Environmental Assessment (SEA) as the key tool. Five Malian delegates from the government and a national UNDP Programme Officer participated in the exchange visit and gained deep understanding of Benin's greening PRSP exercise and the use of the SEA. The Malian delegation committed to create an enabling environment to promote the SEA approach in Mali for their forthcoming greening PRSP exercise and related processes.
- Organization in April 2009 in Dakar, Senegal of a training session on leadership development for five Malian delegates from the government and a national UNDP Programme Officer. The training aimed at promoting PEI champions at country level in support to PEI activities in Mali.
- Data base management system for the environmental sector. Mali National Authorities reported the need of an information management system capable to provide accurate information for decision making purpose.
- At the request of the Government, PEI through a consultancy work is helping the Government Unit in charge of monitoring of sustainable development issues to put in place a data base management system for environmental data monitoring. The structure of the information system will repose on the PSA principles(Pressure -Status- Answer).Tangible indicators are being put in place and guidelines on how to implement environmental monitoring system and to manage data collection for each indicator are being set up. The system is being arranged in twelve main environmental themes and a web page will allow easy access to data users and data providers. The list of indicators will be regularly updated, as the system will be flexible and allow regular updating activities. The completion of the study is underway and an advanced report will be available soon.
- National Authorities organized last July a national assize on Environment aiming at updating and sharpening existing strategies and formulating new strategies and policies where they are lacking. Updated or newly formulated strategies had to be in line with MDGs and the Paris Declaration principles to take into account the poverty dimension of environment and to improve aid efficiency. One of the areas requiring new strategies is the Strategic Environmental Assessment (SEA) that national authorities wanted to assign high priority to. PEI support facilitated consultancy work and the organization of a forum. Recommendations from the forum include mainstreaming environmental indicators into the next PRSP review as recommended by PEI studies. They also point at the need to involve strategic ministries, mainly those of Economy, Finance and Planning in the forthcoming PRSP greening and related budget allocation processes.
- Organization of advocacy workshop for the forthcoming PRSP greening process. The objective of the workshop was among others to provide to decision makers in Mali a deep understanding of PEI objectives and activities, and a clear explanation of the methodological approach required for Environment mainstreaming. It targeted high level decision making actors and raised interest from in-country donors after their attendance. The workshop suggested an organizational arrangement and a roadmap to be put in place for the success of the greening process. At the request of in-country donors, PEI-Africa made a presentation on PEI and on the PRSP greening process .The meeting has been for the two parties (PEI-Africa and the donor group) a starting point to make prevail a donor dialog focusing on the PRSP greening process.

## What has been achieved to date?

- Recognition by the Government of Mali of the importance of environmental issues and their links to poverty.
- Importance of involving all relevant stakeholders in order to achieve better results by turning our objectives into the main priorities of the different Government bodies.
- Increased awareness and improved knowledge base on the links between environment and human well-being through training on integrated ecosystem assessment and the identification of priority interventions zones for PEI-Mali.
- PEI-Mali evaluation: in view of the slow progress of PEI in Mali, an independent evaluation of the country programme was conducted. The evaluation permitted to highlight the main barriers to date including the lack of technical and managerial capacities and lack of respect of the agreed institutional arrangements (steering committee meetings and technical committee meetings). However, based on the progress achieved in 2008 in terms of activity implementation and the number of studies and assessments conducted, the evaluation recommended the continuation of PEI-Mali for 2009 to disseminate and use the results and re-dynamize PEI-Mali by energizing its steering committee and technical committee, reinforce the Programme Management Unit, engage with key ministries and in-country donors and refocus the workplan to target strategic results (realistic and achievable).

## Lessons learned

- Importance to build up a strong Project Management Unit at country level to ensure a stronger impact on the national and local planning processes and stronger advocacy on national decision makers.
- Importance to promote PEI vision (strengthen communication) and to enhance government ownership and commitment through exchange visits and coaching of national P-E champions that can influence decision makers.
- The use of qualified international experts and institutions to support PEI activities provides invaluable opportunities to increase decision makers' awareness and to strengthen local expertise.

## Way forward

- Support poverty-environment mainstreaming into sector strategies and the implementation of the CSLP 2.
- Support capacity building activities on sustainable environmental management targeted at decision makers and national planners.
- Elaboration and dissemination of briefing notes and fact sheets highlighting key messages and results from PEI studies as advocacy tools targeting various stakeholders.
- Strengthen PEI-Mali's implementation bodies (steering committee, technical experts committee, project management unit) to strengthen its institutional position and ownership.
- Strengthen the nascent partnership between PEI-Africa and the relevant donor group led by the GTZ to consolidate coordination efforts in Mali.

## Mauritania

### Basic facts of the PEI in Mauritania

- The programme focuses on capacity building for a better articulation of the environment policy within the national development planning processes.
- PEI-Mauritania started in October 2005 (phase 1) and has been scaled-up for 2009-2011, as a joint initiative between the Government of Mauritania, UNDP- Mauritania and PEI.
- The programme is executed by the Government of Mauritania (NEX) through national partner institutions, led by the Ministry of Environment (Ministère Délégué auprès du Premier Ministre pour l'Environnement et le Développement Durable - MDEDD) and the Ministry of Economics and Finance (Ministère des Affaires Economiques et du Développement - MAED).

### The context of mainstreaming in Mauritania

- The 1st PRSP (CSLP) was developed in 2002. It was the basis for the development of the regional Plans for Poverty Reduction implemented at the district level.
- In 2004-2005, a National Environmental Action Plan (NEAP) was developed which was approved and adopted in 2006.
- In 2006, the second generation of PRSP was developed. The PEI country team was involved in the development of PRSP 2 and made contributions towards mainstreaming the environment into it.
- PRSP 2 recognizes environment and sustainable management of natural resources as one of the 2 priority cross cutting-issues through the implementation of the NEAP as an important step in to fully take into account the cross-cutting aspect of the environment.
- Due to the ongoing political instability the national PRSP unit has not been operational since the formulation of the second PRSP in 2006.
- The revision process of PRSP 2 is planned to take place between February 2010 and August 2010 and will lead to a third generation PRSP that will cover the period 2011-2015.

### Main activities of PEI-Mauritania

- Strong engagement in the PRSP process through participation in key workshops and consultations, providing support to the Environment Thematic Group and other thematic groups for the integration of P-E issues.
- In 2009, PEI supported the Ministry of Economics and Finance and the Ministry of Environment in the review and monitoring of the implementation of the PRSP 2. Within this exercise, PEI provided specific support to the sectors of water, energy and fisheries for the production of environmental and sustainable development indicators related to their activities.
- Training of academics, policy makers, economists and CSOs to techniques of integrated ecosystem assessment (IEA), which lead to a better understanding of the links between poverty and environment in Mauritania.
- In 2009, PEI and UNEP-WCMC organized a joint regional francophone training on the Millennium Assessment methods manual in Mauritania. In addition, a pilot IEA focusing on wetlands [Diawling National Parc, Maâl lake and Kankossa pond] was launched.
- Identification of the national geographical areas where poverty-environment linkages are the most critical. In 2008, as a follow-up to this study, Poverty and Environment Profiles have been developed for 4 districts situated in the most vulnerable regions and in 2009, 2 poverty-environment micro-projects have been launched in 2 of the districts [Assaba and Brakna].
- In-depth analysis of to which extent environment is integrated into the main national development strategies, the sectoral strategies, the decentralized development strategies/

plans and national projects/programmes. This work was complemented in 2009 by Strategic Environmental Assessments on the health sector, the rural development sector and water sector.

- Development of environmental indicators for Mauritania. In 2009, this work was complemented by an additional study on P-E indicators.
- In 2008 PEI supported an economic analysis of the cost of environmental degradation and unsustainable management of natural resources in Mauritania. This study was complemented in 2009 with additional environmental economic assessments focusing on water, fish resources and rural development [livestock and agriculture].
- In 2008, PEI and GTZ supported the development of Mauritania's first State of Environment Report.

### What has been achieved to date?

- The development of the National Environmental Action Plan (PANE) has been strongly supported by PEI.
- Recognition by GoM of the importance of environmental issues and their link to poverty.
- Increased awareness and improved knowledge base on the links between environment and human well-being through the training on integrated ecosystem assessment and country specific evidence on P-E linkages.
- Increased financial support from the MDG-Fund for the 'environment and climate change' thematic window in Mauritania (MDGF: Mainstreaming Local Environmental Management in the Planning Process). As part of this process, PEI developed a template concept note for environmental mainstreaming activities to be used by the MDG-F Secretariat for other MDG-F countries.
- Mauritania's First State of Environment Report was produced jointly with the GTZ in 2008.
- PEI's engagements with the Ministry of Economics and Finance/PRSP Unit led to the development of a matrix for monitoring environmental activities planned in the PRSP 2 (2006-2010). More recently, during the review process of PRSP 2 indicators, twenty new indicators specific to environmental governance and the links between poverty and environment have been integrated.
- Improved understanding of poverty-environment linkages through an exchange visit to Cotonou to learn from Benin's greening the PRSP experience. Over 2006-2007, Benin conducted a greening the PRSP exercise using Strategic Environmental Assessment (SEA) as the key tool. One Mauritanian delegate from the government and a national UNDP Programme Officer participated in the exchange visit and gained deep understanding of Benin's greening PRSP exercise and the use of the SEA.
- Technical validation of the 15 studies produced with PEI support.

### Lessons learned

- Political and related instability makes it very difficult to achieve environmental mainstreaming. There has not been adequate national ownership of the programme largely because of the political instability including the frequent changes in the government structures and personnel.
- Importance of having a strong communication strategy to disseminate the results of PEI activities and strengthen national ownership of the programme.
- Strong involvement and ownership of the programme by the UNDP Country Office (management, Environment and Poverty Units) strengthens synergies with ongoing projects and increases impacts and chances of success.
- Good understanding of the programme by in-country donors strengthens P-E mainstreaming advocacy and increases impact and chance of success.



## Way forward

- Organize a national high level P-E mainstreaming workshop [Etats generaux de l'environnement] to mobilize key decision makers from the new government and disseminate PEI results to date.
- Edit, translate to Arabic and print key PEI-Mauritania studies for proper dissemination.
- Support the PRSP revision process planned for 2010.
- Support capacity building activities on sustainable environmental management targeted at decision makers and national planners.
- Develop specific tools to mainstream environmental sustainability into national financial mechanism and budgeting processes.

## Mozambique

### Basic facts of the PEI in Mozambique

- The overall objective of the first phase of the programme (September 2005-March 2008) was to strengthen environmental policy and management capacity at the national and local levels as a contribution to poverty alleviation and sustainable development.
- The current focus of PEI-Mozambique is on the medium term needs as formulated in the PRSP 2 (PARPA 2) with an emphasis on building capacity for sound environmental management at the local, district, and national level and improving the knowledge base on sustainable management of natural resources and its important role in development and pro-poor growth.
- The Government of Mozambique, through the Ministry of Coordination of Environmental Affairs (MICOA) was responsible for the implementation and coordination of the project and the main national partners were the Ministry of Planning and Development (MPD), UNDP-Mozambique and the NGO Centro Terra Viva.
- PEI II is a joint Government of Mozambique, UNDP Mozambique and UNEP Project and the main national partners are MICOA, MPD, and Ministries of: Agriculture, Fisheries, Tourism, Energy, Health, Mineral Resources and Public Works.
- The donors who funded PEI I included the Government of Belgium and the Government of Norway (through UNEP). The Government of Ireland (through UNEP) is providing all the funds for the second phase.

### The context of mainstreaming in Mozambique

- Mozambique's second PRSP, the National Action Plan for the Reduction of Absolute Poverty (PARPA 2), was completed in 2006 and covers the period 2006-2009(11). Environment is a cross-cutting issue.
- In 2005, Mozambique published a national report on the Millennium Development Goals that highlighted the limited progress towards achievement of MDG 7. The Government of Mozambique envisages that the use of natural resources has to fulfil the basic needs of the people and development of the nation in equilibrium with economic growth, technology development, environmental protection and social equity.
- Every year the Government prepares an Economic and Social Plan (PES) to guide the implementation of the PARPA. PEI-Mozambique aims to build capacity of government, national, provincial and district level, to integrate environment in the preparation of the Economic and Social Plans.
- Mozambique is one of the eight One UN pilot countries. The 'UNDAF- Plus' has incorporated a country programme output on mainstreaming of environment in development planning.

### Main activities of the PEI

- Undertake analytical studies that draw upon existing available data to improve awareness about poverty-environment linkages.
- Assess key sector policy and planning frameworks (including PARPA 2) to identify poverty-environment linkages, gaps and institutional capacity to address these.
- Train central and local government staff on the importance of poverty-environment linkages to economic development and poverty reduction.
- Conduct training and develop capacity for selected sectors and support sectors in applying simplified Strategic Environmental Assessment and integrated economic-environmental appraisals to ongoing policy and legislative processes.
- Support integration of environment into the province and district strategic and operational plans.

- Develop a communication strategy to raise awareness about the links between poverty and environment.
- Support the integration of environment into the formal curriculum in schools.
- Develop capacity of Ministry of Coordination of Environmental Affairs and Ministry of Planning and Development involved in Medium-Term Expenditure Review and Public Expenditure Review in key sectors.
- Develop strategic plan for improved financing for environmental investments (e.g. user fees and royalties including donor support).
- Develop opportunities and mechanisms for coordination between the Government of Mozambique and key development partners to support environmental priorities across sectors.
- Strengthen institutional arrangements for mainstreaming.

### What has been achieved to date?

- PEI supported the reflection group of the National Action Plan for the Reduction of Absolute Poverty (PARPA 2) whose task was to define sector needs to address the environmental issues within PARPA and the Strategic Development Plans at provincial level and to bring together all actors with an interest in mainstreaming in PARPA 2. The group was successful in bringing together all actors with an interest in mainstreaming environment in PARPA 2.
- Improved understanding of the environmental mainstreaming status and needs - based on a PEI-led study on the mainstreaming of environmental issues into sector PES. The study identifies a number of recommendations on how agriculture, energy, health, mining, public works, tourism and fisheries sectors can improve environmental mainstreaming
- PEI has been a catalytic activity, embedded in many government processes. It has been able to influence national and district plans and budgets towards a better integration of environment and poverty reduction, and through building the capacity of planning officers.
- Workshops for governments, civil society and journalists, combined with studies on poverty-environment linkages, has led to an improved understanding of the linkages and improved national capacities for mainstreaming. Training of teachers have also been undertaken to raise awareness on poverty-environment linkages in the national curriculum.
- PEI has contributed to increased capacity to mainstream environment in the Economic and Social Plans (PES) in 8 provinces, of which some annual Economic and Social Plans are beginning to include p/e activities, e.g. in Manica and Sofala provinces in 2008.
- PEI has supported the Ministry of Planning and Development in the preparation and implementation of a unified planning and monitoring instrument (Mainstreaming Matrix) for mainstreaming cross-cutting issues in sector plans at national and provincial level. The instrument will be used by MPD and sectors in the PES 2011 planning cycle; and environment has been used as a case in the introduction of the matrix to national and provincial planners
- A greater level of coordination and dialogue have been achieved between the relevant institutions involved in environmental mainstreaming, such as between MICOA and the sectors.
- PEI supported the development and inclusion of poverty - environment indicators for the Mozambique Environmental Outlook Report.
- 53 journalists have been trained on environmental issues with the aim of increasing public awareness about the p-e linkages.
- A series of trainings on Strategic Environmental Assessments (SEAs) have been initiated with the participation of MICOA directorates, Sustainable Development Centres, CONDES and sector representatives from mining and energy.
- Increased awareness among 11 private sector institutions as a result of a workshop "Poverty and Environment - challenges and opportunities for the private sector in Mozambique" in which

the concept prepared by PEI on the most suitable approach for private sector involvement was endorsed by the participants.

## Lessons learned

- The reflection group of the National Action Plan for the Reduction of Absolute Poverty (PARPA 2) focused specifically on the integration of environment in the PARPA 2. After the completion of PARPA 2 the group lost momentum. Strengthening the collaboration with permanent structures such as the council for sustainable development (CONDES) is this critical.
- Improving coordination and communication within and between government institutions is critical to mainstreaming. For example, increasing the collaboration between environment and macro-economic sector partners is essential. Strategically targeting policy makers is also important.
- Mixing policy level activities with more “concrete” activities such as media communication and demonstration projects can prove fruitful.
- A task team to give strategic direction and technical inputs to the programme is fundamental.
- Community approaches can develop real momentum: Some of the micro-projects have revealed how communities can solve some of their own p/e problems if they are helped in diagnosing these problems and encouraged to develop their own low-cost solutions

## Way forward

- Expand the knowledge base by undertaking an economic analysis of the economic gains of investing in sustainable management of natural resources for pro-poor growth.
- Improve the knowledge within 7 key sectors on poverty-environment linkages and their capacity and to include environment as a cross-cutting issue.
- Build capacity of local government authorities to integrate environment into district Economic and Social Plans, including support for communities to implement projects promoting environmental sustainability and poverty reduction.
- Review of the institutional linkages between MICOA and the national planning and policy-making processes to identify entry points for strengthening the inclusion of environmental mainstreaming in these processes.
- Continue support to the implementation of PARPA 2 in environment related activities at national, provincial and district levels.
- Play an active role in the evaluation of PARPA 2 in order to measure the current achievement of environment as a cross cutting issue and propose measures for improvement.
- Give practical examples of ‘what works’ already in Mozambique: best practice catalogues to show what has and can be done in local contexts (and not only micro-projects), awards for improvement, linking these to district plans, etc
- Develop capacity of Ministry of Coordination of Environmental Affairs and Ministry of Planning and Development involved in Medium-Term Expenditure Review and Public Expenditure Review in key sectors.
- Develop strategic plan for improved financing for environmental investments (e.g. user fees and royalties including donor support).

## Nepal

### Basic Facts of PEI Nepal

- The PEI country programme in Nepal was signed in February 2010. The programme will be implemented through December 2012.
- PEI-Nepal is not a stand-alone project, but has been designed to provide targeted support to ongoing programmes, in particular, the Institutional Strengthening Support to National Planning Commission Project implemented by the National Planning Commission (NPC) and the Local Government Community Development Programme (LGCDP) implemented by the Ministry of Local Development (MLD). Accordingly the PEI programme framework documents complements the Project Documents and PEI activities are incorporated in the Annual Workplans (AWPs) of the respective projects.
- The main national partners include the National Planning Commission (NPC) and the Ministry of Local Development (MLD).

### The context of mainstreaming environment in Nepal

- Nepal witnessed a decrease of poverty levels from 42% in 1996 to 31% in 2004. However, this improvement is negated by a significant increase in income inequality - the Nepal Living Standards Survey (3003/3004) showed that the Gini Co-efficient rose from 34.2% to 41.1% between this period. Rural poverty levels remain as high 45% in some districts. There are also stark contrasts in poverty levels between lower caste and minority groups versus the upper caste groups of society.
- Nepal's economy is heavily reliant on natural resources. 86% of the population resides in rural areas and more than 80% of Nepalese people derive their livelihoods from forest-related products. Nepal relies heavily on traditional energy sources, which comprises 93.2% of total energy requirements. Biomass provided 86% of the total energy consumption. Shortage of electricity and water crisis has emerged as a national problem.
- The key environmental issues in Nepal are deforestation, loss of biodiversity, land degradation, climate variability and its impacts, and urban environmental problems due to rapid urbanization. The environmental health costs associated with poor environmental management represent a significant burden on Nepal's economy.
- Nepal's economy is extremely vulnerable to climate variability and extreme weather events and is compounded by socio-economic and environmental factors, including increasing pressure on natural resources and land, population growth and governance. The main climate-related risks in Nepal are: the Glacial Lake Outburst Floods (GLOF), impacts on livelihoods and economy from extreme weather with impacts for millions of people, consequences for economic sectors like hydropower and agriculture, and derived longer-term consequences on health (food security, and water and vector-borne diseases).
- The absence of effective local government for over a decade created the space for numerous community based projects in Nepal. The dominance of community-based projects confined to specific issues, however, also hindered the development of more programmatic policy approaches and systematic scaling up of good practices.
- Following a decade-long conflict termed the 'people's war' against what was considered a feudal state, a Constitutional Assembly (CA) elected in 2008 vowed to steer the country through a political transformation to a federal system. The CA committed to strengthening decentralised governance in order to promote more inclusive growth in line with the Local Self Governance Act of 1999 and the Interim Constitution of 2007.
- The transition poses both opportunities and threats for natural resources management. Issues related to people's right over use and management of natural resource are expected to receive considerable attention during the deliberations of the new Constitution.

- A Three-year National Development Strategy (2008/2009 - 2010/2011) serves as the Interim National Development Plan for the Constitutional Assembly.
- With the current three-year interim plan term nearing completion and significant delays in drafting of the new Constitution due to political differences between the CA members, NPC has led the process of preparing for the next periodic plan. The preparatory work has commenced with initiation of an Approach Paper to set out the macro and sector specific strategic objectives for the next periodic plan.

### Activities of PEI Phase I

- Provide technical support for the integration of pro-poor environmental measures in national periodic plans by undertaking analyses, to inform the Approach Paper and prioritization criteria, and subsequent draft plan documents.
- Undertake analyses, e.g. economic analysis, ecosystem assessment, to inform the approach paper and prioritization criteria, and subsequent draft plan documents.
- Support the development/improvement guidelines/check-list/formats for integrating pro-poor sustainable NRM at national and local levels.
- Awareness raising of poverty-environment linkages and sustainable NRM targeting NPC officials and task forces involved in the formulation of the next periodic plan.
- Support for integration of pro-poor sustainable NRM into the budgetary process by providing technical analyses, e.g. Public Expenditure Review on environment, environmental fiscal reforms and improving the budgetary guidelines/formats and the NPC approval process of development projects to be included in the budget.
- Review of options for financing mechanisms for sustainable NRM and development of recommendations for financing options
- Improve the macro-level indicators used by the NPC poverty monitoring unit to strengthen monitoring and evaluation of pro-poor environmental outcomes.
- Provide training for NPC poverty monitoring unit for data collection and analysis on poverty-environment linkages and sustainable NRM.
- Review relevant guidelines and directives (e.g. integrated planning, monitoring guidelines, minimum conditions and performance measures, block grant guidelines) to assess their pro-poor and pro-environmental impacts at the local level and propose specific measures to improve them.
- Undertake an economic analysis of local government investments in rural road construction at Village Development Committee (VDC) level to assess the costs and benefits of alternative road construction approaches including social and environmental concerns.
- Provide policy recommendations on rural infrastructure development in partnership with MLD-led Rural Transport Infrastructure Sector Wide Approach (SWAp) Programme.
- Support the development of training materials on integrated planning and rural infrastructure development practices - targeted to the district level environmental officers - and train them.
- Train Social Mobilisers on integrating pro-poor climate and environmental concerns in the development planning process including key environmental issues; participatory climate risk assessment, scenario development, integrated planning; participatory budgeting, monitoring and evaluation.
- Pilot selected planning tools building on the regional best practices (e.g. participatory climate risk assessment, community-based adaptation planning and options, scenario development, participatory budgeting, monitoring and evaluation) in selected districts/villages.
- Support design, production and dissemination of public awareness and communication materials on poverty-environment issues.

- Assess the impacts of the existing DDC/VDC block grants on the local environment and natural resource base.
- Provide technical input to the improvement of the existing DDC/VDC block grant formula to better target the neediest communities and to provide incentives to increase investment in NRM and environmental protection.
- Provide specific recommendations on improving local government support to enable greater private investment in ecosystem services and sustainable livelihood options.
- Analyze the current practices for generating revenues and benefit sharing from natural resources and rural energy investment at VDC level including taxation, royalties, fees on marketable natural resources and payment for ecosystem services; and formulate policy recommendations.
- Improve understanding and information of targeted VDC officials and community user groups (specifically targeting marginalized groups) on maximizing revenues from natural resource management and equitable benefit sharing options

### What has been achieved to date?

- A PEI advisor has been appointed and is located at UNDP CO/NPC/MLD to support both outputs of the PEI programme.
- PEI activities designed and incorporated in the 2010/11 Annual Work Plans of the project to support Institutional Strengthening of NPC and LGCDP.
- Technical inputs provided to incorporate poverty-environment considerations in the Approach Paper for the next periodic plan.
- A set of national consultation meetings and workshops on pro-poor environmental measures in the next periodic plan organized.
- PEI activities at District Development Committee and Village Development Committee levels under LGCDP have been identified.
- The ToR for PEI supported economic analysis of local government investments in rural road construction is approved and will be launched in April-May 2010.

### Way Forward

- Engage NPC and key sectors in a series of national consultation sessions to support integration of poverty environment considerations in the next periodic plan.
- Undertake sector review with sector experts in at least five non-environment sectors.
- Train District Environment Desk (DED) officers in collaboration with relevant partners such as DFID.
- Continue PEI-supported economic analysis of local government investments in rural road construction.
- Develop ToR for Information, Education and Communication (IEC) materials on key pro-poor environment and climate issues and rural infrastructure. PEI will support the review of Minimum Condition Performance Measures (MCPM) of DDC and integration of pro-poor environment and climate issues in DDC - MCPM manual.
- Support the integration of pro-poor environmental priorities in Minimum Condition (MC) manual of VDC and propose pro-poor environmental Village Development Committee performance measure (PM) indicator and propose the pro-poor environmental provisions for the revisions of VDC Block Grant guidelines.
- Undertake integration of pro-poor environment and climate criteria and indicators in the planning and budgeting manual and scheme of implementation.
- Follow-up with DFID-Nepal on identified cooperation ideas and a lessons learning workshop in the area of local adaptation planning.

## Rwanda

### Basic facts of the PEI in Rwanda

- The main purpose of the first phase of PEI-Rwanda (November 2005-May 2007) was to ensure integration of environment into Rwanda's new PRSP, the Economic Development and Poverty Reduction Strategy (EDPRS).
- The second and current phase (August 2007-December 2010) is articulated around Rwanda's medium term needs, namely building capacity for sound environmental management at the local, district, and national level, in collaboration with other ongoing initiatives to enable the implementation of the EDPRS and its environmental commitments.
- The project is executed by Government of Rwanda through Ministry of Natural Resources and implemented by Rwanda Environment Management Authority in close collaboration with Ministry of Finance and Economic Planning. It is a joint Government of Rwanda, UNDP Rwanda and PEI project.
- The main national partners are the Ministry of Natural Resources, the Rwanda Environment Management Authority, the Ministry of Finance and Economic Planning, the Ministry of Local Government and Good Governance, the Ministry of Agriculture, the Ministry of Infrastructure, Energy, Transport and Telecommunications and the Ministry of Commerce, Industry, Investment Promotion, Tourism and Cooperatives.
- The donors which funded phase one of PEI included the Government of Belgium and the Government of Norway (through UNEP) and UNDP-Rwanda. The Government of Ireland (through UNEP) is providing the vast majority of the funds for the second phase with some contributions from the Government of Rwanda and UNDP-Rwanda.

### The context of mainstreaming in Rwanda

- Rwanda's "Vision 2020" is the country's overarching national planning and policy framework into which other strategies, plans, programmes and policies should fit. Developed in 1999, the Vision 2020 document recognises that the environment cannot be tackled in isolation. The document states that Rwanda will endeavour to "mainstream the environmental aspect in all policies and programmes of education, sensitisation and development and in all the processes of decision-making".
- Rwanda's first PRSP was finalised in November 2001 and endorsed by the World Bank and IMF in July 2002. In the development of PRSP 1, environment was considered a cross cutting issue but not an independent sector. However, it is widely agreed that Rwanda's first PRSP did not adequately integrate environmental issues and consequently, the planning processes did not adequately take into account sustainable natural resource management.
- In September 2007, the Rwandan Cabinet approved the EDPRS (the second PRSP), where environment is both recognized as a cross-cutting issue and an independent sector.
- PEI was strongly engaged in the elaboration of the EDPRS and played a crucial role in supporting the work of both the Environment and Land Use Management Sector Working Group and the Cross-cutting Issues Working Group.
- Rwanda is one of the eight 'One UN pilots'. Environment is one of five focus areas of the UNDAF, which can also be partially accredited to the advocacy work of PEI.

### Main activities of PEI-Rwanda

- Development of environmental mainstreaming tools for the elaboration of the EDPRS.
- "Environment-for-development" media events (radio and TV programmes) to sustain the visibility of the mainstreaming agenda and raise public awareness about poverty and environment linkages.



- Increase awareness and more effective participation of stakeholders in environmental policy and planning processes, including training of women and youth groups and other civil society groups.
- Building capacity through providing trainings to various stakeholders on topics such as integrated ecosystem assessment, poverty-environment indicator development and on-the-job training and technical support.
- Building capacity at national and district level for government officials in understanding and analysing links between poverty and environment and integrate environment into development planning.
- Support to six key sectors in the integration of poverty-environment in Sector Strategies and implementation plans, based on the EDPRS.
- Support district level planning in environment mainstreaming, including training in collection of environmental data and development of indicators aligned with the MDG 1+7.
- Capacity development and technical support to Ministry of Finance to improve environmental mainstreaming in budgets across sectors, developing financial instruments, conduct mainstreaming of environment in public expenditure reviews and environmental fiscal reform.
- Awareness raising targeting the private sector on Environmental Impact Assessments (EIA) and capacity building for the overall effective applications of EIA
- Support to the UNDAF formulation and actively participation in the One UN process.

### What has been achieved to date?

- Development of a knowledge base on poverty- environment linkages in Rwanda through e.g. an economic analysis of costs of environmental degradation, identification of poverty-environment-energy linkages, and a pilot integrated ecosystem assessment.
- Environment is mainstreamed in the EDPRS. The evidence and advocacy provided by PEI were instrumental in this accomplishment. Most sectors have taken on board environmental recommendations and planned actions.
- Linkages between environment and poverty are reflected in Sector Strategic Plans and priorities.
- A communication strategy was developed and is being implemented.
- Increased public awareness about poverty-environment linkages through productions for TV, radio and print media, as well as training of journalists. Newspaper articles about PEI issues have been published.
- Strengthening of the environment sector through the EDPRS process with clear priorities developed.
- Technical support given to the elaboration of the Sector Strategic Plan for Environment and Natural Resources, which provides a strategic tool for environmental mainstreaming throughout various sectors.
- Guidelines for mainstreaming and checklists for all sectors have facilitated the integration of environment as a cross-cutting issue in sector planning.
- Strategic collaboration with the Ministry of Finance to support environment as a cross-cutting issue in budget calls and improved budgeting for sustainability across sector ministries.
- A Public Environmental Expenditure Review and training manual has been produced presented and disseminated and will represent an important baseline for improving the efficiency and effectiveness for public environmental spending in Rwanda.

- A report on Environmental Fiscal Reform has been published with the aim of improving Rwanda's fiscal instruments for environmental management.
- Capacity development of planners, local NGOs and CBOs in 30 districts about links between poverty and environment and integrate environment into development planning undertaken.
- A number of District Development Plans were supported to mainstream environment.
- 500 people have been trained among District and local staff up to Umudugudu level in environmental data management (collection and reporting) in order to improve environmental planning.
- Improved skills among government personnel and local government officials on the use of tools for environmental mainstreaming (i.e. indicator development).
- In total 200 representatives from public and private sector and NGOs at both sector and District levels have received training on Environmental Impact Assessments.
- Small scale demonstration projects have successfully been presented to policy makers on how sustainable environmental management can improve livelihoods and reduce poverty, and plans are being made to replicate the pilot projects in other districts.
- Establishment of a cross-ministerial Task Team and a Stakeholder Consultative Group ensuring effective stakeholder consultation and sector engagement for environmental mainstreaming.
- Environment is one of five focus areas for the UNDAF, which PEI actively involved with the formulation of. PEI has also been fully engaged in the One UN process.

## Lessons learned

- Involvement of key stakeholders from the very start of programme development ensures broad ownership and improves the efficiency and effectiveness of its implementation.
- It is crucial to clearly demonstrate the links between poverty and environment at the national level in a language familiar to planners and policymakers. Assessments such as economic analysis of environmental degradation and integrated ecosystem assessments are essential evidence-based advocacy tools in convincing policy-makers about the importance and benefits of sustainable natural resource management.
- It is necessary to provide sustained support over a longer period. PEI-Rwanda's continuous engagement in the EDPRS process ensures better mainstreaming results by closely monitoring the process and responding to specific needs from the other sectors pertinent to integration of environment.
- A key to success has been PEI's ability to link with, and insert themselves in, other larger policy processes, and to feed these processes with ideas, tools and opportunities.
- The production of tools such as mainstreaming guidelines, sector specific environmental checklists and poverty-environment indicators provides concrete guidance to the sectors and relevant ministries and enhances the mainstreaming process.

## Way forward

- In the context of the Rwanda State of the Environment and Outlook report launch a dissemination programme to sensitize District Mayors and parliamentarians and development partners on poverty-environment links
- Continuous support and monitoring of the EDPRS implementation for environmental mainstreaming at both national and district level, including strengthening environmental data collection at district level.
- Promote financial instruments and increased investments in the area of environment, by providing research and training on topics such as environmental fiscal reform and public environmental expenditure review.

- Support the implementation of the recommendations from the recent Public Environmental Expenditure review and the report on Environmental Fiscal Reform in close collaboration with the Ministry of Finance.
- Enhance integration of environment into the budget calls and processes and provide on-the job technical support for environmental mainstreaming to the Ministry of Finance.
- Specific and targeted support to key sectors for environmental mainstreaming activities in sector programmes, including assist in the elaboration and implementation of sub-sector environmental plans.
- Building capacity of local government authorities to integrate environment into district development plans, including support for communities to implement projects promoting environmental sustainability and poverty reduction.
- Give strategic support for the Rwanda Environment Management Authority to engage the media for public awareness and poverty-environment mainstreaming
- Promote partnerships with sector ministries, but also NGOs, national academia and private sector to strengthen sustainability and national ownership.
- Actively participate in the re-activated Sector Working Group in support of the Environment and Natural Resource sector and the Sector Wide Approach process. PEI will be part of the Sector Working Group Secretariat and support the Environmental Thematic Group that UNDP and UNEP co-chair.

## Tajikistan

### Basic Facts of PEI in Tajikistan

- The Preparatory Phase of the PEI started in March 2009 at the request of the Government of Tajikistan. A joint UNDP-UNEP mission in 2009 identified the entry points for poverty-environment mainstreaming. Phase I is scheduled to commence in May 2010 and is planned to run for a period of 32 months, until December 2012.
- The PEI was prepared jointly by the Government of Tajikistan, UNDP Tajikistan and the PEI regional programme for Europe & CIS. As part of the preparatory process, several stakeholder meetings were held with key ministries and agencies and authorities at the province, district, sub-district and village levels. Coordination efforts with in-country donors include the World Bank, Asian Development Bank, EU and DFID.
- Key entry points for poverty-environment mainstreaming identified are district level planning and budgeting processes. These are in line with PEI support to the implementation of the third Poverty Reduction Strategy.
- The programme will be coordinated by the joint UNDP-UNEP PEI regional team and will be executed jointly UNDP Tajikistan office and the Ministry of Economic Development and Trade. Other key partners will be district level authorities of selected districts, the Committee for Environmental Protection and Forestry, and other national institutions.

### The context of mainstreaming environment in Tajikistan

- Tajikistan is the poorest country in Central Asia with 53% of the population living below the poverty line and 17 % in absolute poverty (PRS 2010-2012). More than 70% of the population lives in rural areas. While poverty reduction in rural areas is proceeding at a faster pace than in urban areas, poverty continues to be a predominantly rural phenomenon. Development assistance efforts, economic stabilization in key sectors and massive flow of cash from remittances of labour migrants partly contribute to relieve the extreme poverty situation.
- The main environmental problems in Tajikistan include unsustainable agriculture practices, lack of reliable energy supply, high vulnerability to natural disasters and climate change impacts and water and food insecurity.
- While only 7% of the territory is considered to be suitable for economic land use about two third of Tajikistan's population lives in rural areas and depends on agriculture for their livelihoods. While the agriculture sector has accounted for more than one-third of the overall economic growth between 1998 and 2004, poor agricultural practices and services, environmental degradation and outdated equipment have also led to unsustainable growth and an overall low agricultural productivity.
- Energy supply problems strongly affect the economic performance and the living conditions of majority country's population and sectors. Over 1 million people in Tajikistan, primarily in rural areas, have little or no access to an adequate energy supply, particularly during the winter. The absence of a reliable electricity supply has forced large parts of the rural population to increasingly turn to the burning of conventional biomass and fossil fuels. Recent attempts to develop income-generating activities for rural communities have largely failed partly due to the absence of a reliable electricity supply.
- Tajikistan is particularly vulnerable to natural disasters, such as earthquakes, landslides, floods, avalanches and extreme climate conditions. The country suffers on average nearly 500 disasters per year, which cause widespread damage. The annual environmental damages are estimated to have an economic cost of 4.8% of GDP and primarily affect the poor. In addition, Tajikistan is one of the climate change "hot spots" in the wider Eastern Europe and CIS region.

- Tajikistan's principal strategic document, the National Development Strategy 2007 - 2015 (NDS) is the Government's principal guidance for addressing the MDGs and defines the priorities of government policy, focused on achieving sustainable economic growth, expanding the public's access to basic social services and reducing poverty. Other national development strategies, plans and programmes that serve as entry points for implementation of PEI Tajikistan include the recently adopted Poverty Reduction Strategy 2010-2012 (PRS 3) and the District Development Planning Process.
- While Tajikistan has an advanced legislative framework for environmental protection in place, compliance is, however, unsatisfactory due to inadequate implementation mechanisms, lack of financial resources and insufficient inter-agency coordination.

## Opportunities for PEI

- The two major country development documents, the NDS and the PRS3 (PRS3 was adopted in February 2010), call for increasing institutional capacity to promote environmental sustainability, for preventing and coping with natural disasters, sustainable use of natural resources and for managing biodiversity and ecosystems. While both strategies already identify the promotion of environmental sustainability as one of the country's development priorities, weak implementation capacities so far have hampered serious progress.
- Upon the request of the Ministry of Economic Development and Trade (MEDT), UNDP Tajikistan has developed a methodology for district development planning, monitoring and budgeting. UNDP in partnership with MEDT is currently supporting 15 pilot districts (through District Development Councils - DDCs) in integrated and participatory planning. This on-going process provides a good entry point for the PEI to foster the integration of poverty-environment linkages in sub-national plans and to strengthen implementation capacities.
- The PEI will support identification and integration of key poverty-environment links and indicators to be reflected in sub-national (district) and national planning and in the budgeting cycle. At district level, PEI will design and apply criteria for environmentally sustainable poverty reduction extension and micro-finance services.
- The process of elaborating the new PRS has revealed a strong need to improve national capacity for improved PRS implementation, monitoring and evaluation. The PEI will support any action taken to improve such capacities from a poverty-environment perspective. Key activities will include reviewing and evaluating existing poverty-environment indicators and the development of a set of adequate indicators for national and sub-national planning, budgeting, monitoring and evaluation processes, in cooperation with the National Statistical Committee (GosComStat). PEI will complement UNDP Tajikistan project to improve capacity of the MEDT for monitoring and evaluation of the PRS3.
- Sectors that have major impact on poverty do not pay adequate attention to environmental sustainability and for funding environmental measures. Development activities pursued by the Government and the donor community in Tajikistan open up possibilities of interaction with PEI.

## Way forward

- The PEI regional team, together with the UNDP Tajikistan office, has finalized the Phase I country programme document, currently under review by the PEF and the Government of Tajikistan.

## Tanzania

### Basic facts of the PEI in Tanzania

- The first phase of PEI-Tanzania (October 2003-December 2006) focused on “Integrating Environment into the Poverty Reduction Strategy Process”. The programme was jointly prepared by the Government of Tanzania and UNDP and funded by Danida, DFID, UNDP and UNEP (with contributions from Belgium and Norway).
- The second and current phase (July 2007-December 2010) focuses on “Integrating Environment into National Strategy for Growth and the Reduction of Poverty (NSGRP/MKUKUTA Implementation”.
- The Joint Programme UNDP-Tanzania / PEI is executed by the Government of Tanzania through national partner institutions, led by the Vice-President’s Office (VPO) / Department of Environment (DoE) in collaboration with the Ministry of Planning, Economy and Empowerment, National Environmental Management Council, National Bureau of Statistics, Ministry of Finance, Ministry of Natural Resources and Tourism, and Prime Minister’s Office/Regional Administration and Local Government.
- In 2008, the PEI was instrumental in the development of a One UN Joint Program on Environment and Climate Change (2008-2010) that brings together 5 UN Agencies (FAO, UNDP, UNEP, UNESCO, UNIDO) under the One UN Programme Framework. This Joint Programme includes core PEI activities related to mainstreaming environmental sustainability in sector and sub-national planning processes and environmental fiscal reform. Agency resources are complemented by funding from the multi-donor supported One UN Fund.

### The context of mainstreaming in Tanzania

- The 1<sup>st</sup> PRSP was developed in 2000. A national Poverty Monitoring System (PMS) was set up as an integral part of the strategy in order to facilitate the evaluation of progress towards poverty reduction. Environment was recognized in the paper as a cross-cutting issue, but the profound linkages between poverty and environment in the country were not adequately addressed.
- In 2001, the Government of Tanzania / Vice-President’s Office initiated a process aimed at integrating environment into the PRS process, including the Poverty Monitoring System and Medium Term Expenditure Framework (MTEF). The PEI programme was initiated in response to a request by the Vice-President’s Office to UNDP for assistance in this process.
- In 2005, as an outcome of a formal PRS review process, the National Strategy for Growth and Reduction of Poverty (NSGRP), known by its Swahili acronym MKUKUTA, was adopted. As a result of the PEI programme, poverty-environment issues are integrated in the strategy, and poverty-environment indicators have been incorporated into the revised PMS now known as the MKUKUTA Monitoring System.
- Following the adoption of the MKUKUTA, the challenge is to ensure that the poverty-environment issues are integrated in its implementation through sector and local level plans, budgets and programs.

### Main activities of the PEI (Phase II)

- The current poverty-environment programme builds on the successful mainstreaming of environment into the NSGRP/MKUKUTA achieved during the first phase of the programme, and the enactment of the Environmental Management Act. The programme focuses on the realization of environmental targets contained in the MKUKUTA and contributes to the implementation of the Environmental Management Act through support to the following four components:
- Capacity strengthening to integrate environment in sector and district plans and implement strategic poverty-environment interventions at local level;

- Improved access and utilization of poverty-environment data in the MKUKUTA process and local level planning ;
- Sustainable financing of environment targets in the MKUKUTA and in local level planning processes; and
- Promotion of efficient utilization of rangelands and empowering pastoralists through improved livestock productivity and market access
- The UN will combine interventions at the policy level with implementation in the field and contribute to the implementation of environmental management in sector plans and processes through providing complementary support to the Environmental Management Act implementation.

### **What has been achieved to date?**

#### **Improved understanding of governance and capacity issues affecting potential for sustained, country-led poverty-environmental mainstreaming**

- The PEI programme supported drafting of new environmental legislation, the Environmental Management Act (EMA) which was enacted in 2004.
- Strengthened national capacity to carry out integrated environmental assessment and reporting through the production of scientific credible and policy relevant national and/or city state of the environment reports. An inter-sectoral team led by VPO and NEMC have identified the key thematic areas and issues that will be used to prepare Dar es-Salaam City Environment and Climate Change Outlook report.

#### **Improved collaboration between environmental agencies, planning/finance agencies and key donors in mainstreaming environment into national development planning processes**

- The PEI programme enabled different environmental actors to engage in the PRS review process laying a foundation for future co-operation. The programme has also had a significant role in disseminating the MKUKUTA to civil society actors across the country.
- The PEI programme has been able to respond to capacity building needs of the national implementing agencies (Vice-President's Office, National Environmental Management Council, local government authorities). Zonal "Training of Trainer" workshops have been carried out on mainstreaming livelihood data into district plans and awareness raising on environment management tools (e.g. Environmental Impact Assessments, Strategic Environmental Assessments)

#### **Improved understanding of contribution of environment to poverty reduction and growth**

- Focused research on environmental issues through the development of a National Environment Research Agenda (NERA) has been carried out and funding made available to proposals from researchers. The focus has shifted from environment protection to environmental issues as challenges to livelihoods, vulnerability, health and economic growth objectives.
- The Integrated Ecosystem Assessment (IEA) methodology was introduced and a pilot IEA Study was carried out for the Livingstone Mountain Ranges.
- A regular poverty-environment Newsletter with articles in both English and Swahili is produced and disseminated to MDAs, Research Institutions and Civil Society Organisations at various events.
- Civil Society Organizations trained on understanding poverty and environment related policy frameworks including MKUKUTA, Environment Management Act (EMA), Climate Change, and sustainable income generation opportunities.

Integration of poverty-environment issues in key planning frameworks for poverty reduction, growth and national MDG targets (plans, budgets, monitoring frameworks)

- Successful integration of environment into MKUKUTA and its Monitoring System. Environmental concerns have been integrated into all three clusters of MKUKUTA: 16 out of 96 development targets are related to environment. Ten poverty-environment indicators have been incorporated into the MKUKUTA Monitoring System, comprising of 60 different indicators.
- An Environment statistics module has been developed and incorporated into Tanzania's web based Social Economic Database (TSED) at [www.tsed.org](http://www.tsed.org). This is complemented by an environment statistics publication that incorporates poverty and environment indicators collected from across sectors.
- Interim reports on assessing the implementation of Environment commitments in the National Strategy for Growth and Poverty Reduction (MKUKUTA) and an analysis of Poverty/Environment Issues. The studies will be used to inform the development of the new Growth and Poverty Reduction Strategy, the new Long Term Growth Strategy for Tanzania and the United Nations Development Assistance Plan in 2010

Improved financing strategy to meet investment targets through domestic resource mobilisation and harmonised donor support

- The budgetary allocation for environment has increased since 2005 following a Public Expenditure Review on environment that highlighted critical investments required.
- Studies on environmental budgeting in three districts (Sengerema, Singida and Mbozi) and Public Expenditure Review of Kongwa district undertaken.
- Training for key sectors (wetlands, tourism) on economic evaluation on natural resources carried out and evaluation of Ihefu wetland ongoing.

## Lessons learned

- The housing of both the Poverty Eradication Division (PED) and the Division of Environment (DOE) in the Vice President's Office (VPO) at the beginning of the PEI programme was a great benefit for mainstreaming poverty and environment issues in the National Strategy for Growth and Poverty Reduction. Challenges to collaboration have arisen since the move of Poverty Eradication Division to Ministry of Planning and later the Ministry of Finance.
- Making the case for environment in the framework of national development challenges including poverty reduction provided a focus to operationalize the discussion of the importance of environmental sustainability making it practical, concrete and real rather than an abstract issue.
- Establishing an entry point is critical. As national planning, decision making and consensus building tool, the PRSP (MKUKUTA) provided the basis for getting agreement on the relevance of environmental issues for national development goals.
- Involving relevant stakeholders from government, research institutions and NGOs at national, sector and local levels as well as promoting their effective participation is very important to successful mainstreaming.
- There is a need to provide capacity development support over a sustained period for government bodies responsible for developing and monitoring the PRS at national, sector and district level.
- Focusing on implementation, monitoring and evaluation mechanisms contributes to making the effort operational. This includes the incorporation of poverty-environment indicators into the monitoring system and enhanced coordination of data collection.
- Pooling of government, UN and donor resources into a joint programme helped to achieve results.
- Moving from policy commitments to actions requires sustained effort by champions in key sectors with strong coordination and technical support from lead policy and decision making institutions in poverty and environment.



## Way forward

- Moving from 'making a general case' to 'committing to specific actions' and mainstreaming environment in key sector programmes and budgets, such as energy, agriculture and water.
- Strengthening the capacity of sector and sub-national/local government authorities to identify and integrate poverty- environment issues into sector and district development planning processes.
- Tackling under-investment in environmental assets through better economic analysis and business models for environmental investments, including mobilization of government and donor resources for environment.
- Continuing generation of evidence, advocacy and awareness-raising on poverty-environment linkages within the context of the ongoing national review of the current National Growth and Poverty Reduction Strategy (MKUKUTA) and development of its successor in 2010.
- Increased emphasis on poverty and budgeting aspects through increased collaboration with PED and the UNDP Poverty Unit.

## Thailand

### Basic Facts of PEI Thailand

- The PEI in Thailand aims to strengthen inclusive planning and budgeting at national and provincial level for natural resource and ecosystem management to achieve pro-poor growth.
- The Ministry of Interior will lead implementation of the PEI by building on recent reforms to integrated provincial planning. These reforms provide new opportunities for local communities to participate and influence public and private investments that affect natural resources use. Ecosystem assessments will demonstrate the value of ecosystems that sustain local livelihoods and recommend policy options.
- The PEI country programme Phase 1 in Thailand was signed by the Government and officially launched in March 2010. The programme will run over a period of 20 months, until December 2011.
- The programme of work was prepared jointly by the Government of Thailand, UNDP-Thailand and PEI regional programme Asia-Pacific.
- In line with the Millennium Ecosystem Assessment Framework, a sub-global integrated ecosystem assessment (SGA) is being carried out in selected pilot provinces to provide science based evidence in support of PEI interventions.
- The PEI effort is incorporated into the overall UNDP Thailand programme under the One UN programme strategy.

### The context of mainstreaming environment in Thailand

- The intense exploitation of forest, land and water resources, especially during the rapid economic growth during the 1990's, has led to severe deterioration of natural resources. Strong export-led industrialization and rising consumption levels and demands for food and raw materials have further exacerbated the depletion of natural resources. Unsustainable use of natural resources is the one United Nations MDGs that Thailand is in danger of missing across the entire country.
- Overall distribution of income in Thailand is uneven and incidences of poverty remain high amongst rural populations in particular. Agriculture is the mainstay of the rural economy of Thailand. Around 87% of the poor are farmers in rural areas and farming, forestry and fishing still provide over half of all jobs and livelihoods for those still living under the poverty line.
- Forest cover fell from 53% in 1961 to 25% in 1998. The legacy of deforestation includes conversion to dry lands, sedimentation of rivers and loss of natural habitats and water scarcity. In the fisheries sector, over-harvesting of marine fisheries has reduced fishing yields by 90%, and coastal areas have been seriously degraded by expansion of capture fishing, shrimp aquaculture, industry and tourism. Of particular concern is the tremendous pressure on Thailand's available water resources. The impact of environmental degradation falls disproportionately on the poor.
- The expansion and intensification of agriculture has placed enormous strain on ecosystem functioning. Intensification of agriculture has also led to social problems, increasing landlessness, joblessness and urban migration. There is a strong link between changes in agricultural sector and poverty in the rural areas of Thailand.
- Thailand's development agenda is guided by a Five-year National Economic and Social Development Plan (NESDP). The current one NESDP-10 (2007-2011) is based on the Sufficiency Economy Philosophy and focuses on sustainable development. NESDP-10 is also considered the national sustainable development strategy for Thailand - it covers the three dimensions of the sustainable development concept, and incorporates a Green Accounting component. The Thai government is currently in the process of drafting the 11th plan (2012-2016).

## Main activities of PEI Thailand

- The PEI aims to strengthen inclusive planning and budgeting at national and provincial level for natural resource and ecosystem management to achieve pro-poor growth. The initiative provides technical and financial support to:
- Increase coherence of national development plans and policies
- Integrate pro-poor environmental priorities into development decision-making and budgeting processes at sub-national levels
- Strengthen community capacity to advocate for pro-poor natural resources management in provincial planning
- Share lessons learned among member states of the ASEAN.
- Coherence of national plans will include technical support for the elaboration of the 11<sup>th</sup> National Economic and Social Development Plan to enhance the integration of pro-poor environment and sustainable development principles and policy measures, including improved indicator systems. The PEI will conduct sub-global ecosystem assessments in all pilot provinces with the objective to provide concrete scientific evidence on linkages between ecosystem services and human well-being to influence the 11<sup>th</sup> NESD process.
- Pro-poor environmental priorities will be integrated into decision-making by capacity building for provincial and local administration planning officials in supervision and monitoring of national directives related to pro-poor environmental policies. This will include application of appropriate planning and budgeting tools including spatial planning, scenario planning, economic analysis and ecosystem assessment. This work will also improve coordination and transparency of decision-making procedures between national, provincial and community political authorities through improved communication channels and measures.
- Capacity development for local communities will be provided to improve organizational capacities, networking and advocacy skills as well as technical and political know-how for planning and budgeting policies through training and sharing of good practices.
- The PEI will also support regional knowledge-sharing, media outreach and networking on public and private investment plans, pro-poor and sustainable economic analysis and sustainable natural resources management within the ASEAN context.

## What has been achieved to date?

- Ministry of Interior has taken active ownership of the programme
- Provincial level task forces have been set up in three pilot provinces of Samut Songkram, Nan and Khon Kaen, which will report to the main planning committee chaired by the Provincial Governor.
- The sub-global assessments (SGA) have started in the three pilot provinces.

## Lessons Learned

- The Ministry of Interior is willing to take an active role in improving public and private investment for pro-poor environment and climate outcomes - providing that it receives sustained technical support in ways that strengthen ongoing processes.
- Provincial pilots makes the mainstreaming approach more meaningful to central Ministries and allows a chance to demonstrate the variety of poverty environment linkages.

## Timor-Leste

### Basic Facts of PEI in Timor-Leste

- The PEI programme in Timor-Leste is currently under preparation. The preparation includes assessing the poverty-environment linkages, raising awareness on sustainable environmental management at district level and building partnerships for a poverty-environment mainstreaming effort.
- The PEI forms the core of an overall UNDP-Timor-Leste programme on environment mainstreaming. A UN Volunteer project to raise public awareness and promote youth volunteers for environmental management will be prepared in collaboration with PEI. PEI will be implemented (to the extent possible) through on-going UNDP projects and will furthermore compliment projects of other bi-lateral development partners.
- The main national partners of the future PEI programme include the Ministry of Economy and Development and the Ministry of Agriculture and Fisheries.

### The context of mainstreaming environment in Timor-Leste

- Timor-Leste gained independence in May 2002 and remains one of the poorest countries in the world in terms of human development.
- Around 42% of the population lives below the national poverty line (\$0.55 per day). Timor-Leste faces a combination of sluggish growth, rising inequality, and a rapidly expanding population, implying that the poverty headcount may be expected to increase.
- Investments in infrastructure, social services and programs to revive economic growth have remained stagnant since independence, resulting in marginal improvements in general living conditions and livelihood opportunities. A key limitation to nation building activities is a very low human resources skill base. Only 50% of adults are literate, while less than one-third of adults have some secondary education.
- 80% of the population is rural and over 80% relies on agriculture as the primary means of livelihood. 20% of the population is currently food insecure, and an additional 24% are vulnerable to food insecurity. The country suffers from very low agricultural productivity due to traditional practices and a former culture of dependence on Government subsidies.
- Timor-Leste is considered a biodiversity hotspot. About two thirds of the land mass is severely degraded with rapid deforestation, grazing, shifting cultivation practices and lack of irrigable land, along with rapid population pressures leading to watershed degradation and erosion. Coastal resources are extremely rich but lie in a narrow patch of fringing reef and are therefore particularly vulnerable to over-exploitation. Other issues include indoor air pollution, lack of water supply and sanitation, solid waste and threats to biodiversity. Timor-Leste is also extremely vulnerable to climate change. About 82% of households do not have access to electricity and 98% use firewood as their primary source of energy.
- In 2002 Timor-Leste set out its vision for development including the sustainable management of the agriculture, forestry and fisheries sector, in the country's first ever National Development Plan. However, the legislation and policies regarding pro-poor natural resources management and environment management are still at an infancy stage and most legislation is currently being drafted and developed and monitoring procedures and standards are hardly existing.
- The Environmental Impact Assessment Law and the Pollution Law are currently being developed and reviewed by the Council of Ministers. A draft forestry policy paper is currently under consideration. Two draft law proposals on decentralization are currently being finalized. Timor-Leste has no specific laws and policies on land degradation and desertification, issues are addressed under sectoral legislation. There is a strong need for coherent policy planning taking into account sustainable development principles. All ministries face severe constraints in capacity and resources.

- The Ministry of Economy and Development is responsible for environmental planning, urban environmental services and ecology, whereas the Ministry of Agriculture and Fisheries has prime responsibility for sector related aspects of environmental management. An Inter-ministerial working group on Environment and Natural Resource management was set up to be a coordinating body.
- The Government of Timor-Leste has shown commitment to adopting sustainable strategies in managing key sectors such as agriculture, forestry and fisheries. However, the Government has serious limited capacity to operationalise its commitment.

### Opportunities for a PEI programme

- UNDP is currently the major partner in Timor-Leste providing policy-level support on environment issues. PEI is well positioned to contribute to capacity development and supporting processes to integrate poverty-environment considerations into planning processes and through strategies for decentralized development in key sectors. Through UNDP-Timor-Leste, PEI is well placed to mobilize other development partners to support a programme to support pro-poor environmental management.
- Building public awareness through campaigns and environmental education by targeting youth at local level through promotion of volunteering as strategic tool for sustainable development.
- Strengthening national and decentralized planning and decision making processes through targeted support to major line ministries and inter-ministerial working groups as well as public authorities at district level through scientific assessments and valuation studies and other advisory services.
- Developing sustainable energy approaches and improving energy access for the poor through supporting the development of a sustainable Foreign Direct Investment strategy in non-petroleum sectors that contributes to alternative livelihood development and supporting access to energy for rural poor.

### Way forward

- Formulate a PEI programme addressing major poverty-environment, structural and related institutional concerns in Timor-Leste.
- Establish a PEI national coordination team.

## Uganda

### Basic facts of the PEI in Uganda

- Phase I started in March 2005, first work plan was completed early 2007.
- Phase II commenced in May 2007 and was scheduled to end December 2008, however the programme was extended for one year and some activities are still running.
- The Government of Uganda (GoU), through the National Environment Management Authority (NEMA), is responsible for the implementation and coordination of the project.
- The main national partners are: NEMA, the Ministry of Finance, Planning and Economic Development (MFPED) and Local Government in the focus districts.
- Donors: Belgium and Norway (through UNEP). Funds are distributed through NEMA. UNDP Uganda is increasingly involved in the PEI in Uganda.

### The context of mainstreaming in Uganda

- The policy and legal framework for addressing environmental issues in Uganda has been evolving particularly after its National Environment Action Plan (NEAP) process in 1990-1995.
- The first Poverty Eradication Action Plan (PEAP) was developed in 1997. It was reviewed in 2000 and again in 2004.
- The 2004-08 PEAP includes environment related priority actions in all five pillars. However, the PEAP has failed to attract public and private sector resources to implement programmes for sustainable development, and hence has not been able to reduce the rampant environment and natural resource degradation in the country.
- In 2007 the GoU embarked on a major PEAP revision process which will lead to the adoption of a new 5-year National Development Plan (NDP) for Uganda.
- Focus of phase II of the PEI in Uganda has been on mainstreaming environment into the PEAP revision process with the aim of including poverty-environment linkages into the new NDP, which was endorsed by the Cabinet in December 2009. PEI has also supported environmental mainstreaming in the budgeting process and in the PEAP implementation at sectoral and district levels.

### Main activities of the PEI (2005-2007)

#### Phase I:

- Review of the existing poverty reduction policies, plans and programmes and projects for their adequacy in addressing environmental concerns, identifying gaps and suggesting recommendations for improved environmental mainstreaming (available at: [http://www.unep.org/dpdl/poverty\\_environment/PDF\\_docs/UG\\_final\\_rpt\\_prsp.pdf](http://www.unep.org/dpdl/poverty_environment/PDF_docs/UG_final_rpt_prsp.pdf));
- Country report on ecosystems, their services and linkages to human well-being (available at: [http://www.unep.org/dpdl/poverty\\_environment/PDF\\_docs/UG\\_ecosystems\\_rpt.pdf](http://www.unep.org/dpdl/poverty_environment/PDF_docs/UG_ecosystems_rpt.pdf));
- An integrated ecosystem assessment (using the Millennium Ecosystem Assessment methodology) in Lake Kyogo catchment;
- Training of civil society organizations on poverty and environment linkages;
- Micro projects at the local level demonstrating the importance of the poverty-environment linkages for poverty reduction and human wellbeing.

#### Phase II:

- Engagement in the PEAP revision process with a view to integrating environment into the new 5-year NDP for Uganda, endorsed December 2009.

- Engagement in the national budgeting process to achieve increased budgets for environmental interventions for various sectors and supporting health, agriculture, tourism, trade and industry sectors to integrate poverty-environmental concerns into sectoral policies and plans.
- Facilitation of formulation of district environment policies and integration of poverty-environmental concerns into district development plans and related budgets in pilot districts;
- Support to local level innovative activities demonstrating poverty-environment linkages and communication of best practices to influence policy and decision making;
- Evaluation and identification of best practices and lessons learned from local level activities;
- Public-awareness raising activities, e.g. TV and radio programmes;
- Edit and publish the various reports and studies;
- Integrated ecosystem assessment follow-up through the Sub-Global Assessment (SGA) approach start-up mid 2009.

### What has been achieved to date?

- Reviews done under the PEI helped to highlight the gap between mainstreaming of environment in policies and the lack of implementation, especially at the sub-national level;
- General awareness on poverty and environment linkages has been increased;
- Partnerships with CSOs and CBOs at local and national levels to raise awareness on poverty environment linkages and the implementation of micro level activities;
- Thirteen districts through their LCV Chairmen, Councilors and Technical planning committees made commitments to address environmental issues by developing and implementing district environmental ordinances and by-laws;
- Members of the Parliamentary committee on Natural Resources have committed themselves to advocate for increase in budget allocation to the environment;
- MFPED has included a clause/paragraph and manual on mainstreaming environmental issues into budget framework papers in the budget call circular;
- Environment and sustainable use of natural resources has been identified as one of the six main objectives and Pillars/thematic areas of the new National Development Plan (NDP), and NEMA through PEI's support is leading the environment sector's engagement in the NDP formulation process. This has resulted in two main publications, "ENR and Climate Change, NDP Working Paper 7" and "Support to Mainstreaming Environmental Issues in the PEAP Revision Process." Four sub-sector working papers have also been produced in Climate Change, Wetlands, Forests, and Wildlife including policy briefs;
- A key study on "Economic instruments for promoting sustainable natural resource use, environmental sustainability and response to Climate Change" has generated important findings and key lessons to inform the formulation of the 5-year NDP with a view to using economic instruments for environmental management and promoting pro-poor growth;
- A brief based on the Economic Instruments study, "Making a difference for the poor using economic instruments to promote sustainable natural resources use, environmental sustainability and response to Climate Change" has been developed and has been used to engage stakeholders in the Energy, Transport, Water and Sanitation, and Banking and Finance Sectors;
- Environmental concerns have been integrated into the DDP, Budget Framework Papers and Policy Statements and District Environmental Policies have been formulated for the three focus districts and is ready for implementation.
- Evaluation and identification of lessons learned of best practices of micro projects;
- PE linkages and best practices used for production of radio and TV programmes;

- The various reports and studies carried out by PEI Uganda have been edited and will be published in 2010.

### Lessons learned

- There exists a large body of evidence on environmental issues in Uganda, including numerous guidelines on integration of environmental and there could be a risk of duplication of studies and activities (“consultant culture”), however, implementation still lags behind;
- Active support of several partners, including MFPED, Sector ministries, CSOs, UNDP Uganda and development partners in-country is critical;
- Uganda has a reasonably good policy, legal and institutional framework for environmental mainstreaming however, there are limited budget allocations for environment at sector and local level;
- Links to on-going national, sector and local policy making processes such as the PEAP revision, NDP development, District Plans and the MDA budget process have provided useful early entry points;
- The need for stronger coordination and harmonisation of activities by the GoU in the environment and natural resources sector which is poorly represented in the Joint Water and Environment Sector working group;
- The activities of the programme should be well integrated in the strategies and day-to-day activities of the implementing institutions to foster national ownership, enhance implementation and effectiveness.

### Way forward

- Finalise the on-going activities that are still being implemented by PEI Uganda;
- PEI will continue in Uganda through the implementation of the SGA 2009-2011. First phase is the exploratory and design phase, which the Economic Policy Research Centre (EPRC) and Makerere University Institute of Environment and Natural Resources (MUIENR) both from Makerere University will lead in collaboration with key stakeholders;
- The SGA will build on programmatic involvement and active staff support from EPRC, MUIENR, NEMA, MFPED, the National Planning Authority, local government and relevant sectors.



## Uruguay

### Basic facts of the PEI in Uruguay

- After a very successful Preparatory Phase marked by awareness raising activities during the electoral campaign in 2009, the Project Document for the PEI Phase I activities in Uruguay was approved in December 2009. It will be implemented over a period of 18 months, beginning in early February 2010.
- The Joint GoU/UNDP/UNEP PEI Programme will contribute to the achievement of the following UNDAF and country programme outcomes:
- Expected outcome of the UNDAF: By 2010 the country will have made progress in the building of capacities for the integration of knowledge, innovation and diversification in productive processes for goods and services geared to sustained and sustainable growth.
- Expected outcome of the Joint Programme in the country: The country will have promoted integrated management of the population, territory and environment, with an emphasis on local and rural development.
- Output of the Country Programme; Output of the Country Programme
- The immediate objective of the PEI in Uruguay is to promote greater impact of public social spending by mainstreaming the environmental dimension into development planning processes and by harmonizing sector and national development and poverty reduction policies.
- The Planning and Budget Office (OPP) is the lead agency for PEI implementation.
- Other Government partners are: the Ministry of Housing, Land Use Planning and the Environment (MVOTMA), the Ministry of Social Development (MIDES) and the Municipality of Montevideo (IMM).
- The implementation of Phase I will provide an opportunity to further develop policies and the capacity to expand the reach of the "One UN" Programme in Uruguay in the areas of vulnerability and environmental sustainability.

### The context of mainstreaming environment in Uruguay

- Uruguay is primarily an urban society: 92% of Uruguayans live in urban areas and 40% of the country's population lives in the capital, Montevideo. The country also has a relatively low population growth rate compared to the rest of the region, with a 2.4% increase in population between 1998 and 2004.
- One out of every five Uruguayans is poor. Efforts made to mitigate the impacts of the economic crisis and reduce the vulnerability of the poorest sectors have not been sufficient.
- In Uruguay there are clear linkages between the deterioration of the environment and its effect on the poorest sectors. The GEO Uruguay examines how the environment affects both negatively and positively the human well-being.
- There is no clear vision about the role of the environment in regard to development planning as an instrument to prevent vulnerable households from falling into poverty and the poor households from getting poorer.
- Main environmental challenges facing the country include the growth of the forestry industry, soil degradation and urban environmental problems such as pollution and waste management.
- The demand for natural resources and environmental goods and services will continue to grow. This will have an impact on both rural areas (e.g. decreased availability of land for agricultural use, loss of biodiversity) and urban areas (e.g. peripheral growth of cities and associated environmental problems).

- The capacity of the Government units in charge of centralized planning is weak. It is necessary to strengthen these Government units so as to ensure sustainable and inclusive development for those who live in conditions of poverty and vulnerability.
- The planning process in Uruguay is largely sector-focused. Development planning is generally carried out sectorally, through ministries such as MVOTMA and MIDES in conjunction with the OPP. The most important platform for short-to-medium-term planning is the five-year national budget and annual review process.
- Uruguay has a centralized planning office (OPP) with constitutional authority to influence policy formulation, coordination and planning. The OPP has been identified as a key institution for the implementation of the PEI in Uruguay.

### **Main activities of the PEI in Uruguay**

- Determine and quantify the poverty-environment (p-e) synergies in both the urban and rural sector, with initial emphasis on the interface between health, environmental quality, income levels, waste management and marginalized population depending to a great extent on natural resources.
- Assess the degree to which the synergies mentioned above have been mainstreamed into development plans and poverty reduction strategies.
- Estimate the cost-benefit of mainstreaming p-e linkages into development and poverty reduction strategies.
- Design and implement an awareness-raising campaign on p-e topics in key urban and rural sectors, in order to build national consensus and commitment around the issue. Activities may include institutional dialogues on the benefits derived from p-e mainstreaming; field visits; exchange programs, among many others.
- Identify the specific needs in terms of institutional and capacity strengthening of key poverty-environment sectors and areas (e.g., IMM, OPP, MVOTMA and MIDES) and engage with these institutions in capacity building activities in order to ensure environmental mainstreaming into development plans and poverty reduction strategies.
- Establish working mechanisms that can be sustained in the long term.
- Conduct targeted assessments on poverty-environment linkages aimed at influencing policy processes.

**UNDP-UNEP Poverty-Environment Initiative  
UN Gigiri Compound, United Nations Avenue  
P.O.BOX 30552-00100, Nairobi, Kenya**

**Fax: (254) 20 762 4525**

**email: [facility.unpei@unpei.org](mailto:facility.unpei@unpei.org)**

**Web: [www.unpei.org](http://www.unpei.org)**

