SCALING-UP THE UNDP-UNEP POVERTY-ENVIRONMENT INITIATIVE

Annual Progress Report 2008
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 2008 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.
Scaling-up the UNDP-UNEP Poverty-Environment Initiative

Annual Progress Report 2008

July 2009
Scaling-up the UNDP-UNEP Poverty-Environment Initiative
# Table of contents

Executive summary .............................................................................................................. 4  
1. Background .................................................................................................................. 6  
2. Making a difference at country level ................................................................. 8  
3. Expanding the Poverty-Environment Initiative ............................................... 27  
4. Contributing to the UNDP-UNEP collaboration ........................................ 39  
5. Challenges ahead ....................................................................................................... 41  
6. Annexes – country fact sheets for on-going programmes.......................... 44  
   6.1. Bangladesh ............................................................................................................. 44  
   6.2. Bhutan ................................................................................................................... 46  
   6.3. Botswana ............................................................................................................... 48  
   6.4. Burkina Faso .......................................................................................................... 50  
   6.5. Kenya .................................................................................................................... 52  
   6.6. Lao PDR ................................................................................................................ 54  
   6.7. Malawi .................................................................................................................. 57  
   6.8. Mali ....................................................................................................................... 59  
   6.9 Mauritania .............................................................................................................. 62  
   6.10 Mozambique .......................................................................................................... 65  
   6.11 Papua New Guinea .............................................................................................. 67  
   6.12 Rwanda ................................................................................................................ 70  
   6.13 Tanzania ............................................................................................................... 73  
   6.14 Thailand ............................................................................................................... 76  
   6.15 Timor-Leste ......................................................................................................... 77  
   6.16 Uganda .................................................................................................................. 78  
   6.17 Viet Nam .............................................................................................................. 81
Executive summary

This 2008 UNDP-UNEP Annual Progress report covers two main areas of achievement: first, the impact that PEI country programmes have had over the past several years against our key targets; and second, the progress made in the PEI Scale-up as proposed to donors in 2007.

First, what impact has PEI had at the country level?

PEI country programmes have followed a coherent model that aims to influence economic development policy to include the contribution of environmental management to poverty reduction and pro-poor growth and to improve budget allocation and the poverty-environment content of sectoral and sub-national processes. PEI efforts rely increasingly on partnerships aimed at supporting the work of governments in collaboration with other national actors and donors. We have developed a set of intended targets to guide our work and to structure our monitoring of progress (see section 2.4). The following is a summary of achievements against these targets - based on experience in the pilot African countries and more recently in new country programmes in Asia. The specific information on individual countries is set out in the main report.

<table>
<thead>
<tr>
<th>Targets</th>
<th>Status in countries currently supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased awareness and understanding of poverty-environment issues and capacities for mainstreaming into development planning (Achievement 1)</td>
<td>In most of the countries, national stakeholders have significantly increased their awareness and understanding of poverty-environment linkages and of the importance of integrating them into development planning, with the help of PEI.</td>
</tr>
<tr>
<td>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 (Achievement 2)</td>
<td>In all countries, country-specific evidence has been collected and used to raise awareness, increase the understanding of poverty-environment issues (Achievement 1) and influence development planning at large (Achievements 3 to 6).</td>
</tr>
<tr>
<td>Environmental sustainability included as a priority (objective or outcome) in the PRSP or equivalent and related policy processes (Achievement 3)</td>
<td>In most of the countries, the inclusion of environmental sustainability in the PRSP or equivalent has been significantly improved over the years with the help of PEI. In other cases, the focus is now on sub-national or decentralized planning processes. In addition, in a limited number of countries, following the successful mainstreaming in the PRSP, sector plans, sub-national plans or equivalent, policy measures were developed. Such cases remain few and focused in scope (environmental policy, environmental legislation and economic instruments).</td>
</tr>
<tr>
<td>Poverty-environment indicators linked to policy documents of national development planning integrated in the national monitoring system (Achievement 4)</td>
<td>In most of the countries, poverty-environment indicators linked to policy documents have been developed. Further efforts need to be pursued in this area to include these indicators in the national monitoring system and to strengthen data collection and management.</td>
</tr>
<tr>
<td>Increased budget allocations for poverty-environment policy measures of non-environment ministries (Achievement 5)</td>
<td>In a limited number of countries, budget allocations for poverty-environment policy measures have increased. Further efforts need to be pursued in this area, for example by supporting mainstreaming in Public Expenditure Reviews.</td>
</tr>
<tr>
<td>PEI programmed into UNDAF, One UN and UNDP Country Programmes (Achievement 6)</td>
<td>The PEI operates through the UN country teams and delegates management of country programmes to the UNDP country offices. Where appropriate PEI participates in UNDAF formulation and reviews and engages with other UN initiatives. Four of the PEI pilot countries – Tanzania, Rwanda, Mozambique and Viet Nam – are One UN pilots countries. Thus the PEI has actively engaged in the One UN pilot processes. Good progress has been made in this area.</td>
</tr>
<tr>
<td>Effective coordination and work with in-country donors (Achievement 7)</td>
<td>In all the countries, the PEI strives to coordinate and work with in-country donors. Recently, in Bhutan for example PEI is developing the next phase as a joint programme with DANIDA, in Malawi PEI is undertaking joint activities with the World Bank and in Lao PDR with the Asian Development Bank. Progress has been made, although often limited to information coordination.</td>
</tr>
</tbody>
</table>
Second, how have we expanded and improved the PEI?

Our 2007 PEI Scale-up proposal was endorsed by our key donors and in mid-2007 the senior management of UNDP and UNEP committed to setting up a formal joint UNDP-UNEP PEI Scale-up. The joint UNDP-UNEP PEI project document envisages work in about 25-30 countries with a budget of $33 million over five years, starting effectively in 2008.

In 2008, the PEI has established the necessary global and regional infrastructure to expand the programme to Asia-Pacific, Latin America and the Caribbean (LAC) and Europe and the Commonwealth of Independent States (CIS). Through this effort, we have developed regional strategies, launched eight new country programmes and initiated dialogue with a number of other countries, assessing their needs and commitment with a view to launching additional programmes in 2009-2010. While working to expand, we are mindful of the need to ensure solid achievements and not to be too thinly spread. The new joint UNDP-UNEP management and programming operational approach reflects the principles of UN system-wide coherence. Thus, PEI is a key element of the UNDP-UNEP collaboration at global, regional and country levels.

As we expand, we are applying lessons learned during the earlier Pilot Phase:

- We are increasingly succeeding in securing the commitment of Finance and Planning Ministries to host PEI country programmes.
- Engaging in decentralised and sub-national planning and budgeting has emerged, particularly in Asia, as an important area to move implementation forward from national level plans and processes.
- Mainstreaming climate and poverty issues presents an opportunity and a challenge to ensure that the growing political interest in climate change also encompasses poverty-environment mainstreaming.
- During the pilot phase, PEI was able to secure significant amounts of co-financing from UNDP country offices and in-country donors. This is also being achieved in a number of new countries, especially in Asia, resulting in joint programmes with other donors at the country level - as was the case, with several of the pilot countries.
- In several of our new countries, we are integrating our support with existing UNDP country programmes, UNEP country activities and other joint programmes, such as UN-REDD.

We are, of course, continuing the process of lesson learning. A full evaluation of the pilot phase has just been completed, with support from Norway. We are significantly re-focusing our preparation of new country programmes in the light of these lessons and the Malawi Box at the end of section 3.2 provides a clear example of it. Our teams are ensuring that key factors are well in place before engaging at the country level:

- clear in-country demand and commitment from UNDP Country Offices and key government partners;
- realistic assessment of country planning processes and the role of both environment and planning ministries, whereby the planning/finance ministry must be an equal or the prime focal ministry in the process from the very beginning;
- detailed country-specific evidence on the links between environment, poverty reduction and pro-poor growth;
- clear focus on how PEI interventions can assist government partners and other actors achieve the key targets;
- a full partnership approach with key in-country donors and partners is vital for long term success on several fronts: increased collaboration with research institutions, CSOs and private sector.

The last part of this report focuses on issues for discussion and challenges foreseen over the next years that include continuous lesson learning, delivering on transformative targets and donor support, supporting the evolution of the PEI approach, living with climate change adaptation and measuring the longer-term impact of PEI.

Country fact sheets for the country programmes on going and under preparation are presented in the annexes in section 6.
I. Background

1.1. 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 Poverty Reduction Strategy Papers (PRSP) – 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 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 seven country programmes in Africa and one 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 support of these donors, UNDP and UNEP jointly prepared a formal proposal to seek financial support for a 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 eight in the pilot phase) with a budget of $33 million over five years. Its implementation effectively started in 2008.

1.2. 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, CSOs, 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

1.3. 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 environmental management of natural resources. PEI sets out to change perceptions and demonstrate that investment in environmental sustainability can lead to reduced poverty and improved livelihoods. It does this by helping people 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 fundamentally based on the importance of environment to development.

1.4 What is particular about PEI in this context?

Succinctly, the value added of the PEI is that it is the one major programme that attempts to address the relative failure to operationalise the integration of environmental sustainability into national development processes and budgets. It does so through a proven operational model. Furthermore, UNDP-UNEP PEI is a leading example of UN interagency co-operation. Our team has put forward a significant expansion of the existing PEI programme through a formal UNDP-UNEP joint programme that represents a coherent model for the delivery of country programmes based on the lessons learned so far. Our joint efforts result in the commitment necessary from key ministries and in increasing partnerships with other main relevant actors.
2. Making a difference at country level

2.1. Current scale and overview of operations

The core of PEI is our portfolio of country level poverty-environment mainstreaming programmes. The launching of the Scale-up has focused attention since early 2008 on the expansion of the programme based upon the lessons learned in the pilot phase. At the same time, we have increased our focus on our key targets and on continuing to update the key lessons. In this section, we provide an overview of our current country operations and our assessment of what we have achieved.

PEI has doubled its country engagement in the last two years and is currently actively supporting 16 countries (up from 8 in 2007):

- 10 country programmes in Africa (Botswana, Burkina Faso, Kenya, Mali, Mauritania, Malawi, Mozambique, Rwanda, Tanzania, and Uganda);
- 6 country programmes in Asia (Bangladesh, Bhutan, Lao PDR, Thailand, Timor-Leste, Viet Nam)

We are also in dialogue with countries in Europe and the CIS (Kyrgyzstan and Tajikistan), Latin America and the Caribbean (Ecuador and Uruguay) and in Asia (Nepal and Papua New Guinea) which expressed an interest in getting assistance from the PEI. Subject to donor support, country needs and commitment, we will launch additional country programmes in these regions in 2009-2010.

While we are expanding the PEI, we remain focused on the need to deliver results and not to becoming “spread too thin”.

Table 1: Overview of country programme status per region

<table>
<thead>
<tr>
<th>Country</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>New country programme under preparation</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>New country programme under preparation</td>
</tr>
<tr>
<td>Kenya</td>
<td>Current country programme on-going; Evaluation to inform next steps</td>
</tr>
<tr>
<td>Mali</td>
<td>Current country programme on-going; Evaluation to inform next steps</td>
</tr>
<tr>
<td>Mauritania</td>
<td>Current country programme expanded (phase 1)</td>
</tr>
<tr>
<td>Malawi</td>
<td>New country programme on-going (phase 1)</td>
</tr>
<tr>
<td>Mozambique</td>
<td>New programme phase on-going (phase 2)</td>
</tr>
<tr>
<td>Rwanda</td>
<td>New programme phase on-going (phase 2)</td>
</tr>
<tr>
<td>Tanzania</td>
<td>New programme phase on-going (phase 2)</td>
</tr>
<tr>
<td>Uganda</td>
<td>Current country programme on-going; Assessment of new phase underway (phase 2)</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>New country programme under preparation</td>
</tr>
<tr>
<td>Bhutan</td>
<td>New country programme running (phase 1); New programme phase under preparation (phase 2)</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>New country programme on-going (phase 1)</td>
</tr>
<tr>
<td>Nepal</td>
<td>Request to launch a country programme being assessed (scoping)</td>
</tr>
<tr>
<td>Papua New Guinea</td>
<td>Technical assistance on mainstreaming provided through UNDP-PNG</td>
</tr>
<tr>
<td>Thailand</td>
<td>New country programme under preparation</td>
</tr>
<tr>
<td>Timor-Leste</td>
<td>New country programme under preparation</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>Current country programme on-going; Evaluation to inform next steps</td>
</tr>
<tr>
<td>Kyrgyzstan</td>
<td>Request to launch a country programme being assessed (scoping)</td>
</tr>
<tr>
<td>Tajikistan</td>
<td>Request to launch a country programme being assessed (scoping)</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Request to launch a country programme being assessed (scoping)</td>
</tr>
<tr>
<td>Uruguay</td>
<td>Request to launch a country programme being assessed (scoping)</td>
</tr>
</tbody>
</table>
2.2. **History of expenditures (2002-2008)**

The total expenditure to the PEI programme from 2004 to 2008 is estimated to be USD 19 million. This represents a very significant leverage of the “central” funds provided by key donors to UNDP and UNEP - especially from UNDP country offices TRAC funds. In the table below, we show how the different sources of funds have contributed to the overall PEI expenditure.

The key contributions are as follows:

- **The PEI Scale-up (starting in 2008)**: pooled funds from Belgium, Denmark, UK DFID, EC, Norway, Spain, Sweden, plus core funds from UNDP and UNEP.
- **The MDG Achievement Fund (MDG-F)** contributed by Spain.
- **The UNDP PEI (2002-2006)**: EC, UK DFID and UNDP core funds.
- **The UNEP Poverty and Environment Programme (Pilot Phase 2004-2009)**: Belgium, Ireland, Norway, Sweden, and UNEP core funds.
- **Contributions by UNDP country offices**.
- **Contributions by donors at the country level**: UK (Kenya, Tanzania, Vietnam), DANIDA (Tanzania), Luxembourg (Kenya).
- **Contributions by government partners**.

In addition, several donors have provided personnel for periods of time, e.g. JPO’s for the PEI Africa and LAC teams (Norway, Denmark, Spain and Finland), and in-country advisors in Kenya and Tanzania (UK).

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

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**Figure 1: Estimated expenditures for PEI (2002-2008)**

<table>
<thead>
<tr>
<th>Source</th>
<th>2002-03</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP-UNEP (Scale-up)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,115,783</td>
</tr>
<tr>
<td>MDG-F</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>222,333</td>
</tr>
<tr>
<td>UNDP (EC)</td>
<td>199,142</td>
<td>41,607</td>
<td>200,072</td>
<td>55,054</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNDP (UK)</td>
<td>455,676</td>
<td>136,743</td>
<td>686,345</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNEP (Sweden)</td>
<td>75,843</td>
<td>290,388</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNEP (Norway)</td>
<td>307,040</td>
<td>1,704,446</td>
<td>334,820</td>
<td>831,948</td>
<td>1,034,416</td>
<td></td>
</tr>
<tr>
<td>UNEP (Ireland)</td>
<td></td>
<td></td>
<td>81,609</td>
<td>911,332</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UNEP (Belgium)</td>
<td>46,656</td>
<td>179,165</td>
<td>487,017</td>
<td>242,727</td>
<td>783,485</td>
<td></td>
</tr>
<tr>
<td>UNDP country offices</td>
<td>246,250</td>
<td>446,450</td>
<td>644,450</td>
<td>1,050,488</td>
<td>1,012,500</td>
<td></td>
</tr>
<tr>
<td>In-country donors</td>
<td>193,188</td>
<td>593,188</td>
<td>733,188</td>
<td>733,188</td>
<td>594,833</td>
<td>649,667</td>
</tr>
<tr>
<td>Government counterparts</td>
<td>60,000</td>
<td>95,000</td>
<td>95,000</td>
<td>318,333</td>
<td>318,333</td>
<td></td>
</tr>
</tbody>
</table>
2.3. A programmatic and catalytic approach

The presentation of the Scale-up proposal to the key donors in 2007 was based upon a thorough review of experience at the country level at that time. Using that body of experience, we developed a programmatic model for poverty-environment mainstreaming. This was set out in the Scale-up proposal and the UNDP-UNEP programme document for “Scaling-up the UNDP-UNEP Poverty-Environment Initiative”. Since then the model has been further refined and documented in a Handbook.

The programmatic approach the PEI recommends for mainstreaming poverty-environment linkages into national development planning comprises three components or phases:

- **Finding the entry points and making the case**, which sets the stage for mainstreaming
- **Mainstreaming poverty-environment linkages into policy processes**, which is focused on integrating poverty-environment linkages into an ongoing policy process, such as a PRSP or sector strategy, based on country-specific evidence
- **Meeting the implementation challenge**, which is aimed at ensuring integration of poverty-environment linkages into budgeting, implementation and monitoring processes

This medium- or long-term approach aims to achieve the synergies and longer-term overall results to which the various activities contribute. The use of this approach can help in prioritising mainstreaming efforts in a specific national context and seeing more clearly how different activities and tactics can be combined to achieve intended outcomes at different stages in the design or implementation of development planning. Also, it can help structure programmes adopted by governments to achieve effective mainstreaming over a sustained time period—often building on more diverse and short-lived activities adopted by multiple stakeholders.

We understand that successful mainstreaming requires the engagement of many stakeholders, encompassing government and non-governmental actors and the broader development community operating in the country. PEI is a catalytic programme that supports country-led mainstreaming efforts as one element of a bigger national endeavour for environmental sustainability and poverty reduction.

This programmatic approach should be considered a flexible model to help guide the choice of activities, tactics, methodologies and tools in a particular country situation. Depending on the context and collective progress made to date with respect to poverty-environment mainstreaming in the country, some activities might be implemented in an accelerated manner or skipped; their sequence is not rigid either. Each component builds on previous activities and work carried out in the country. The process is iterative, with many interconnections between activities.

Stakeholder engagement, coordination with the development community and institutional and capacity strengthening take place at all stages, from inception through policy development, implementation and monitoring.

*(IIED, PEI Africa evaluation, June 2009)*
2.4. Country achievements to date

In this section, we present a description of what the PEI country programmes have achieved to date - organized according to the key expected results. The joint project proposal and programme document for “Scaling-up the UNDP-UNEP Poverty-Environment Initiative” presented a results and resources framework including the following intended outcome and expected results.

**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.

Related targets and results have been discussed at the meeting of the donor steering group in June 2008 and refined into a set of eight achievements. With the support of the PEI and other development partners, countries have progressed well towards a number of results in various areas of mainstreaming. The results and related achievements are presented below.

<table>
<thead>
<tr>
<th>EXPECTED RESULTS</th>
<th>ACHIEVEMENTS</th>
</tr>
</thead>
</table>
| **Expected result 1:** Improved understanding of contribution of environment to Poverty reduction and growth within planning/finance, environment and sector ministries | - Achievement 1: Increased awareness and understanding of poverty-environment issues and capacities for mainstreaming into development planning  
- Achievement 2: 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 |
| **Expected result 2:** Integration of poverty-environment issues in key planning frameworks for poverty reduction, growth and national MDG targets | - Achievement 3: Environmental sustainability included as a priority (objective or outcome) in the PRSP or equivalent and related policy processes  
- Achievement 4: Poverty-environment indicators linked to policy documents of national development planning integrated in the national monitoring system |
| **Expected result 3:** Increased macro and sectoral investment targets for longer-term investments to address priority poverty-environment concerns | - Achievement 5: Increased budget allocations for poverty-environment policy measures of non-environment ministries |
| **Expected result 4:** Improved institutional capacity for poverty-environment mainstreaming among planning/finance, environment and key sectoral agencies | - Achievements 1 to 5 all contribute to this result |
| **Expected result 5:** Improved collaboration between environmental agencies, planning/finance agencies and key donors on identifying entry point(s) and key actions for mainstreaming environment into national development planning process | - Achievement 6: PEI programmed into UNDAF, One UN and UNDP Country programmes  
- Achievement 7: Effective coordination and work with in-country donors |
| **Expected result 6:** Improved understanding of governance and capacity issues affecting potential for sustained, country-led poverty-environment mainstreaming | - Ensuring a good understanding of governance and capacity issues has become a standard practice before launching new country programmes (See section 3.3) |
Below, we review country achievements to date. The table below provides a summary. Boxes present highlights and illustrate how achievements build on each other in line with the PEI approach. It is followed by more detailed information for each particular achievement. For more information on progress in recent or upcoming country programmes, please see section 3.3.

<table>
<thead>
<tr>
<th>Achievement</th>
<th>Status in countries currently supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased awareness and understanding of poverty-environment issues and capacities for mainstreaming into development planning (Achievement 1)</td>
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</tr>
<tr>
<td>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 (Achievement 2)</td>
<td>In all countries, country-specific evidence has been collected and used to raise awareness, increase the understanding of poverty-environment issues (Achievement 1) and influence development planning at large (Achievements 3 to 6).</td>
</tr>
<tr>
<td>Environmental sustainability included as a priority (objective or outcome) in the PRSP or equivalent and related policy processes (Achievement 3)</td>
<td>In most of the countries, the inclusion of environmental sustainability in the PRSP or equivalent has been significantly improved over the years with the help of PEI. In other cases, the focus is now on sub-national or decentralized planning processes. In addition, in a limited number of countries, following the successful mainstreaming in the PRSP, sector plans, sub-national plans or equivalent, policy measures were developed. Such cases remain few and focused in scope (environmental policy, environmental legislation and economic instruments).</td>
</tr>
<tr>
<td>Poverty-environment indicators linked to policy documents of national development planning integrated in the national monitoring system (Achievement 4)</td>
<td>In most of the countries, poverty-environment indicators linked to policy documents have been developed. Further efforts need to be pursued in this area to include these indicators in the national monitoring system and to strengthen data collection and management.</td>
</tr>
<tr>
<td>Increased budget allocations for poverty-environment policy measures of non-environment ministries (Achievement 5)</td>
<td>In a limited number of countries, budget allocations for poverty-environment policy measures have increased. Further efforts need to be pursued in this area, for example by supporting mainstreaming in Public Expenditure Reviews.</td>
</tr>
<tr>
<td>PEI programmed into UNDAF, One UN and UNDP Country Programmes (Achievement 6)</td>
<td>The PEI operates through the UN country teams and delegates management of country programmes to the UNDP country offices. Where appropriate PEI participates in UNDAF formulation and reviews and engages with other UN initiatives. Four of the PEI pilot countries - Tanzania, Rwanda, Mozambique and Viet Nam - are One UN pilot countries. Thus the PEI has actively engaged in the One UN pilot processes. Good progress has been made in this area.</td>
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<tr>
<td>Effective coordination and work with in-country donors (Achievement 7)</td>
<td>In all the countries, the PEI strives to coordinate and work with in-country donors. Recently, in Bhutan for example, PEI is developing the next phase as a joint programme with DANIDA, in Malawi PEI is undertaking joint activities with the World Bank and in Lao PDR with the Asian Development Bank. Progress has been made, although often limited to information coordination.</td>
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Achievement 1

Increased awareness and understanding of poverty-environment issues and capacities for mainstreaming into development planning

In most of the countries we have helped, national stakeholders have significantly increased their awareness and understanding of poverty-environment linkages and of the importance of integrating them into development planning.

**Highlight: Bhutan’s Gross National Happiness Commission embraces mainstreaming**

A series of workshops to create awareness and engage key government officials in broad-based dialogue on the concepts of mainstreaming environment were held in 2007-2008. PEI sought to actively engage several agencies that have a key role in mainstreaming poverty and environment in the development planning process, namely the Gross National Happiness Commission (GNHC) and the Ministry of Finance.

The efforts paid off and the GNHC became an active proponent of the mainstreaming process. It has now embraced the task of ensuring the integration of environmental considerations into all sector development plans and aims to incorporate in the Planning Manual a requirement that sector development plans must take into consideration poverty-environment concerns, as a condition for inclusion in future national development plans. The GNHC is the key implementing partner of the programme.

**Lao PDR: Workshops during the preparatory phase lead to increased awareness, commitment to poverty-environment mainstreaming and facilitate the identification of the key components for PEI-Phase I**

Workshops for central and provincial authorities in Savannakhet, Saravane, Oudomxay and Phongsaly provinces were held in late 2008 and early 2009 as part of the preparatory phase of the PEI country programme for Lao PDR with the participation of key sectorial ministries. The participants discussed key environment issues for pro-poor growth, rural development, spatial and participatory planning, environmental economics tools and investment law, among others. The workshops led to an increased awareness of the poverty-environment linkages, facilitated the identification of the key components of Phase I of the PEI in Lao PDR, and generated commitment to poverty-environment mainstreaming.

**Mozambique: Workshops, studies, training and demonstration projects lead to increased awareness and capacities**

Workshops for governments and civil society, combined with studies on poverty-environment linkages, led to an improved understanding of the linkages and improved national capacities for mainstreaming. Three provinces requested additional training to contribute positively towards the formulation of the annual Economic and Social Plan (2010). Stakeholders also demonstrated significant interest in poverty-environment demonstration projects and contributed to the development of selection criteria for such projects. A number of proposals have been positively reviewed by UNDP, the Ministry of Coordination of Environmental Affairs (MICOA) and the Ministry of Planning and Development (MPD) and four projects have received financial support. In addition, several training events for the media significantly increased journalists’ knowledge of the linkages, helped defining their role in the PEI programme context and produced ideas on how the media can raise awareness on these issues.
Rwanda: Trainings at national and district levels are complemented by media programmes

Planning and budget officers from the Ministry of Finance and Economic Planning (MINECOFIN) and key Ministries were trained on poverty-environment issues and their implications for national development. As a result, MINECOFIN committed to enhance budgeting for environment as a cross cutting issue. The Rwanda Environment Management Authority (REMA) trained 170 district technical officers (environment officers, planners and statisticians) from all 30 districts on the poverty-environment linkages and on integrating them into development planning (e.g. practical approaches to planning, budgeting and reporting). District participants requested further training on monitoring and evaluation, review of policies, Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA). PEI also supported radio and TV programmes to sustain the visibility of the mainstreaming agenda and to raise public awareness about poverty-environment linkages.

Tanzania: “Training of trainers” at sub-national level

Specific training events and manuals were developed for governments and civil society. “Training of trainers” workshops were carried out on mainstreaming livelihood data into regional, district and village plans and on SEAs and EIAs. Workshops for district planning officers were conducted by the Department of Regional Administration and Local Government in the Prime Minister’s Office in 7 regions (comprising of 39 districts). The workshops focused on the use of manuals for integrating poverty-environment linkages into district planning process as well as on reviewing local government planning and budget guidelines. Participants have requested additional trainings on poverty-environment mainstreaming tools.

Uganda: Districts, parliamentarians and civil society commit to addressing environmental issues

General awareness on poverty-environment linkages has been increased through workshops at national and local levels. As a result, thirteen districts through their Chairmen, Councillors and technical planning committees made commitments to address environmental issues by developing and implementing district environmental ordinances and by-laws. Also, members of the parliamentary committee on natural resources have committed themselves to advocate an increase in budget allocation for the environment. Participants from civil society became partners and advocates of poverty-environment mainstreaming. In addition, Uganda has involved the media in some of its mainstreaming effort when engaging parliamentarians and holding an awareness raising workshop. A radio advert in English was produced and aired for a short period and will be further improved.

Mali, Mauritania, Rwanda, Tanzania, Uganda trained on Integrated Ecosystem Assessments

In collaboration with SAfMA, PEI developed training materials on Integrated Ecosystem Assessments (IEA) and the Millennium Assessment approach. Following a “Training of trainers” workshop in South Africa attended by representatives from the seven pilot countries, additional workshops on IEA were conducted in Mali, Mauritania, Rwanda, Tanzania, Uganda. As a result, pilot IEAs were conducted by national teams in Mali, Rwanda, Tanzania and Uganda and was launched in Mauritania. In Uganda, the pilot integrated ecosystem assessment subsequently led to the development of a post graduate course on ecosystems and human well-being (based on the MA framework) at Makerere University’s Institute for Environment and Natural Resources (MUIENR).

Vietnam: Workshops, studies and essay, photo and poster competitions raise awareness and capacities

Workshops and studies have contributed to strengthening the Ministry of Natural Resources and Environment both in terms of its understanding of poverty issues, and of its ability to influence the development authorities to pay attention to environment issues. The Ministry of Labour, Invalids and Social Affairs has included environmental sustainability to be considered in its poverty alleviation projects, increasing demand to do so particularly at the provincial planning level. The project also launched essay, photo and poster competitions, and dissemination of messages on poverty-environment linkages using billboards in Hanoi.
Achievement 2

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 countries, country-specific evidence has been collected and used to raise awareness, increase the understanding of poverty-environment issues (Achievement 1) and influence development planning at large (Achievements 3 to 6).

Bhutan: Evidence from field visits carried out in connection with the Rural Economic Advancement Program (REAP)

The Gross National Happiness Commission (GNHC) identified remote rural villages that ranked high in terms of poverty to be included in its Targeted Poverty Intervention Program, known as REAP. GNHC staff, including the Secretary, conducted field visits to 10 of these villages to understand the specific conditions and constraints affecting these communities and the ability to improve their livelihoods and general well being. Since the livelihood of people in these remote areas depends exclusively on their natural surroundings, the findings demonstrated clear linkages between poverty and environmental management. GNHC will use these findings as evidence when formulating the recommendations for environmental mainstreaming in the Local Development Planning Manual.

Kenya: Studies on poverty-environment linkages inform district environmental planning

The following background studies on poverty-environment linkages at national and district levels were completed: “Poverty and Environment Issues: Governance, Institutions, Institutional Frameworks and Opportunities” and “Voices from the Field: Bondo, Murang’a and Meru South Districts”. These served to inform particular district environmental action planning processes. A study of Kenya’s economic growth, renewable natural resources and the environment was commissioned accompanied by a briefing note entitled “Making the Connection: Economic Growth, Poverty and the Environment”.

Mali: Vulnerability, ecosystem and economic assessments form country-specific evidence

A study focusing on identifying sites where the poverty-environment linkages are the most acute was carried out in 2006. This study’s scope covered the entire 49 circles of Mali. As a result, 12 districts have been retained as the most vulnerable, and serve as a basis for undertaking pilot projects. In 2008, as a follow-up, an assessment has been conducted in 12 districts located in the 3 most vulnerable regions to identify potential small scale poverty-environment community projects. Two other key studies were carried out in 2008-2009: a pilot IEA which highlights root causes of environmental degradation in Mali (currently being finalised) and an economic assessment on the costs of environmental degradation and related remediation costs. The economic study has been highly welcomed considerably increasing PEI’s profile in government plans. The economic study has also led to a research project in the ‘Ecole Polytechnique Fédérale de Lausanne’ which focussed on the calculation of remediation costs to feed in the environmental economics methodology used in Mali. The project entailed establishing a database of reference costs that can be used for similar assessments in the West African context. It also proposed improvements to the assessment methodology to better identify policy tools and funding modalities for remediation.
Mauritania: Pilot sites and economic analysis with a sector focus form country-specific evidence

A study on the geographical areas most affected by poverty-environment issues was conducted in 2006. The study identifies critical poverty-environment linkages in Mauritania (rural and urban) and the most representative pilot sites. In 2008, as a follow-up to this study, poverty-environment profiles were developed for four districts situated in the most vulnerable regions. Micro-projects are under development for these four districts. An economic analysis of the cost of environmental degradation and unsustainable management of natural resources in Mauritania was conducted in 2008, with a key focus on water, fish, forests and soil resources. To date, the study has contributed to strengthen the links between the Ministry of Environment/PEI-Mauritania and the Ministry of Economic Affairs and Development (MAED), which is leading the country’s PRSP process and its MDG strategy.

Mozambique: Studies on poverty-environment linkages, policies and institutional arrangements improve national capacities

PEI carried out studies on poverty-environment linkages and on relevant policies, projects, and institutional arrangements. These studies describe the importance of ecosystem services for human well-being in the country and led to the improvement of national capacities for environmental mainstreaming in Mozambique.

Highlight: Country-specific evidence enables Rwanda to mainstream poverty-environment linkages into the PRSP

In Rwanda, a pilot integrated ecosystem assessment and an economic analysis of natural resource management were conducted in 2006-2007. Specific poverty-environment-energy linkages were also analysed in 2006. The economic study for example found that because of environmental degradation poverty had increased, people’s livelihood opportunities had declined, provincial health budgets were escalating, and soil erosion was costing the country approximately $60m per year (2% of GDP). These studies were instrumental in influencing Rwanda’s second PRSP. Using their findings and employing a strategy of ‘continuous interaction’, the PEI team managed to have environment successfully integrated into the Economic Development and Poverty Reduction Strategy (EDPRS) and sector planning within a year. One of the participants from a training session exclaimed, “This is exactly the kind of information we desperately need!” He continued, “This information is essential in order to understand not only the relationship between economic development and the environment, but also for individual sectors to understand how an unsustainable environment can have a negative influence on their own sector’s targets.”

Uganda: Assessments, demonstration projects and a study on economic instruments inform the five-year National Development Plan

A series of reviews and assessments were conducted (e.g. review of the gaps between mainstreaming of environment in policies and the lack of implementation; a pilot integrated ecosystem assessment). More recently, a study on “economic instruments for promoting sustainable natural resource use, environmental sustainability and response to climate change” has generated important findings and lessons that will be used to inform the five-year National Development Plan. As an immediate result, a policy brief has been developed and is being used to engage stakeholders in energy, transport, water and sanitation, and banking and finance sectors. In addition, the PEI supported three micro projects at the local level demonstrating the importance of the poverty-environment linkages for poverty reduction and human wellbeing. These were carried out in partnership with CSOs and CBOs.
Thailand: Millennium Ecosystem Sub-Global Assessment (SGA) for sustainable natural resource management

An ecosystem services assessment is being undertaken as part of the Thailand PEI Framework to provide scientific information to guide land use and economic development decisions in the pilot area with focus on improving the benefits of natural resources for poor communities. This assessment process will also help build the capacity of local resource users and decision makers at national and local level to carry out integrated ecosystem assessments and develop options to improve the management of ecosystems to ensure their sustainability and to satisfy human needs.

Timor-Leste: Using the World Bank Country Environmental Analysis (CEA) to demonstrate the evidence of poverty-environment linkages

During the scoping phase, the PEI team used evidence from the CEA to highlight the significance of environment in addressing the needs of the poor. Given the limited availability of data and analysis in the country, the PEI team found the CEA to be an extremely useful resource to demonstrate the evidence of poverty-environment linkages.

Vietnam: Ten case studies highlight poverty-environment linkages from different angles

We developed ten case studies reviewing poverty-environment linkages in different settings and relating to different aspects of resource use. These were synthesized into six reports on local linkages between poverty and environment by thematic areas (e.g. policy and legislation, health, water supply and sanitation, renewable energy, rural livelihoods and gender).

Achievement 3

Environmental sustainability included as a priority (objective or outcome) in the PRSP or equivalent and related policy processes

In most of the countries, we have significantly improved the inclusion of environmental sustainability in the PRSP, in sector and sub-national plans or equivalent over the years. Efforts need to be pursued in this area depending on the country situation. In addition, following the successful mainstreaming in such plans, specific policy measures were developed in a limited number of countries. Such cases remain few and focused in scope (environmental policy, environmental legislation and economic instruments).

Bhutan: PEI supported guidelines for national and sectoral planning and the template for local development plans; Livelihood assessments used in guidelines for local planning and in frameworks for national planning

Environment is one of the core pillars of Bhutan’s long term development plan, “Bhutan 2020: A vision for peace, prosperity and happiness”. Accordingly, the need to mainstreaming environment in the development planning was recognized under their 10th Five Year Plan. We support the GNHC of Bhutan to integrate environment across sectors through the Poverty-Environment Mainstreaming Guidelines and the template for local development plan.

Furthermore participatory assessments of livelihood options and the relation between poverty-environment linkages in the 10 targeted villages under the Bhutan Rural Economy Advancement Programme (REAP) were completed. Guidelines for participatory village planning for food security and poverty reduction were developed. The participatory planning approach will analyse priorities to identify project ideas, develop project plans, prepare village investment plans, and undertake
activities. The REAP program has also led to the formulation of an overall strategic framework embedding poverty-environment considerations under which Bhutan’s future growth and poverty reduction programmes will be developed. These will be implemented under the 10th Five Year Plan.

Kenya: Environment is included in Vision 2030 and raised in district and national planning

PEI was invited by the Vision 2030 Secretariat in recognition of ongoing work with the Ministry of Planning and National Development and with the Ministry of Environment and Natural Resources. PEI contributed to the formulation of strategic priorities included in the Vision 2030. As a result, environment is being addressed both as part of the social development pillar and as a cross-cutting issue. In addition, we contributed to the completion of three District Environment Action Plans (DEAPs - Bondo, Murang’a North and Meru South Districts). The DEAP processes raised the profile of environmental issues in district planning processes and highlighted the need for multi-sector planning. Drawing lessons from the DEAP process, draft guidelines for mainstreaming environment in the development planning process were prepared and submitted to the Ministry of Planning and National Development.

Our team also supported the Ministry of Environment and Natural Resources to prepare an Environment Policy in collaboration with DANIDA/SIDA. The preparation of the policy was led by a national steering committee composed of experts in environment and development. The process drew on the participation of seven thematic task forces with participation of main stakeholders (government, civil society, communities and politicians). The policy intends to strengthen linkages between the environment sector and national development plans.


The Ministry of Planning and Investment requested our support to integrate pro-poor natural resource management issues into the 7th NSEDP. As part of the comprehensive PEI Framework for Lao PDR, we provide targeted support to the existing NSEDP support project coordinated by the UNDP Poverty Reduction Unit in the following areas: technical briefs on priority themes and recommendations for the NSEDP draft; review of planning guidelines for the inclusion of poverty-environment linkages and support associated training processes at both the national and provincial levels; and Poverty-Environment indicators in the monitoring and evaluation system of the NSEDP. UNEP’s Millennium Account Project on valuing ecosystem services is also providing scientific evidence to the NSEDP development and sectoral planning processes as part of PEI work in the country.

Mali: Environment is included as a priority of the PRS

PEI worked with the Ministry of Environment and the Poverty Reduction Strategy (PRS) unit of the Ministry of Finance to ensure that environment is present as a key area of intervention in the new PRS Paper adopted in March 2007. The new PRS Paper reflects the environment as a priority area of intervention and recommends the mainstreaming of environment in all sectors. However, it also recognizes that the consideration of the environment issues into sector strategies and development planning processes at all levels remains a challenge. More efforts are needed to achieve PEI’s mainstreaming goals.

Mauritania: The PRSP recognizes environment and sustainable management of natural resources as one of the two priority cross-cutting issues

Our team worked closely with the Ministry of Environment and the Poverty Reduction Strategy (PRS) unit of the Ministry of Finance to ensure that environment is present as a key area of intervention in the new PRS Paper adopted in October 2006. The second PRSP (2006-2010) recognizes environment and sustainable management of natural resources as one of the two priority cross-cutting issues through the implementation of the National Environmental Action Programme (NEAP). PEI produced an in depth analysis of the level of integration of the environment into the main national development strategies (including the new PRSP), sector strategies, sub-national development strategies and plans and
national programmes and projects (2007). The report provided a clear description of the institutional mechanisms in place for the environment sector and provided specific recommendations to strengthen mainstreaming efforts. This report collected the baseline information needed for the development of Mauritania’s mainstreaming guidelines (upcoming). In 2007, the national PEI coordinator was officially appointed as representative from the Ministry of Environment to the PRSP. The PRSP process has not been active over the last 3 years due to the institutional instability. But in view of the PRSP revision planned to start mid-2009, the Ministry of Economic Affairs and Development (MAED) has re-energised the PRSP process and we have facilitated an Environment Thematic Group meeting to mobilise the group for poverty-environment mainstreaming.

**Mozambique:** The PARPA reflects environment as a cross-cutting issue in the three pillars and environment is integrated in provincial and district plans

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 second PARPA (2006-2009) was completed and adopted in May 2006 reflecting environment as a cross-cutting issue in the three pillars. Poverty-environment was also integrated in two provincial annual plans and at the district level. PEI is now working with the Ministry of Development and Planning to include poverty-environment concerns in the guidelines for elaboration of sector, province and district plans.

**Rwanda:** The environment is included both as a priority sector and as one priority cross-cutting issue in the PRSP and in a number of sector strategies

PEI worked closely with all Economic Development and Poverty Reduction Strategy (EDPR) working groups and participated in their meetings, strengthening their capacities and providing support and environmental expertise in mainstreaming, including advocacy papers and knowledge on poverty-environment linkages. A baseline report on poverty-environment linkages in Rwanda, a draft synthesis report of the different studies conducted under the PEI and a report reviewing the existing PRSP and its inclusion of poverty-environment linkages (2006) served as basis for the development of the second PRSP. PEI also supported and facilitated the EDPR Sector review workshop for the Environment and Lands Sector Working Group where the findings of the economic analysis of natural resource management were presented. The effort resulted in environment being included both as a priority sector and as one priority cross-cutting issue in Rwanda’s second PRSP: the Economic Development and Poverty Reduction Strategy (EDPRS) adopted in September 2007. PEI also supported the development of specific tools for mainstreaming into the new PRSP (Guidelines for mainstreaming Environment in the EDPRS - 2006 and Poverty). In addition, PEI has been actively engaged in the elaboration of a Sector Strategic Plan for the Environment and Natural Resources - the first overall plan for the environment sector. It also supported six sectors (e.g. agriculture, local governance, and infrastructure) in mainstreaming environment in the development of sector strategies, based on the EDPRS. The Rwanda Environment Management Authority has incorporated environment into government sector guidelines.
Highlight: The Vice President’s Office successfully integrated environment into Tanzania’s National Strategy for Growth and the Reduction of Poverty

In Tanzania, the Vice President’s Office, which was then composed of the poverty reduction division and the division of environment, successfully reflected the contribution of environment to development by integrating environment into Tanzania’s National Strategy for Growth and the Reduction of Poverty. Environmental concerns have been integrated into all three clusters of MKUKUTA (Tanzania’s PRSP/National Strategy for Growth and Poverty Reduction). Instead of framing environmental issues as those of ‘environmental protection’ separate from other concerns, they are expressed as relevant challenges to livelihoods, vulnerability, health and economic growth. These are evidenced by the inclusion of poverty-environment targets in the MKUKUTA and as ten poverty-environment indicators in the MKUKUTA Monitoring System (See Achievement 6).

The successful integration of environment into MKUKUTA and its monitoring system has paved the way for the implementation in different sectors and at the district level, since MKUKUTA is the overarching framework in the national budget process and in sector and district level planning. Our programme enabled different environmental actors to engage in the PRS review process, laying a foundation for future cooperation. The programme has also had a significant role in disseminating the MKUKUTA to civil society actors across the country.

Uganda: Environment is one objective of the national development plan and is incorporated into district plans

PEI supported the government in the identification of “environment and sustainable use of natural resources” as one of the six main objectives and pillars/thematic areas of the new National Development Plan (NDP 2009-2014) currently under formulation. Uganda’s National Environmental Management Authority (NEMA) is leading the environment sector’s engagement in the NDP formulation process, which effectively translates the Poverty Eradication Action Plan (PEAP) into implementation. 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”, instrumental for the Environment Sector to contribute to the new National Development Plan. Four sub-sector working papers on Climate Change, Wetlands, Forests, and Wildlife have also been produced. We are now supporting the environment sector in Uganda to participate in the revision process of the PEAP that leads to the adoption of the new NDP for Uganda. Our services have been demanded for many sector planning processes and we have already worked in three of them (agriculture, health, trade and industry). Furthermore, sustainable management of environment and natural resources has been incorporated into District Development Plans of three districts in Butalejja, Nakasongola and Masindi.

Viet Nam: Poverty issues are integrated in the biodiversity law and party decrees address poverty and environment issues

Particular progress has been made in the mainstreaming of poverty issues into environmental legal frameworks and regulations, notably the new biodiversity law. Several components of our programme support local knowledge, access and benefit sharing, income and livelihoods for poor groups in relation to their roles in biodiversity protection. This is a significant breakthrough which establishes a legal basis for introducing payments for ecosystem services. We have conducted research, workshops and advocated strongly for the passage of the law. This has facilitated many individual party decrees on poverty and on the environment. While this does not yet include a decree on poverty-environment linkages, many provinces have combined the requirements of these decrees in structured responses that serve as delivery mechanisms for poor groups.
Achievement 4

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

In most of the countries, poverty-environment indicators linked to policy documents have been developed. Efforts need to be pursued in this area to include these indicators in the national monitoring system and to strengthen data collection and management.

Kenya: Poverty-environment indicators contribute to the review of the monitoring of Vision 2030 and Medium Term Plan

Our team has supported the development of poverty-environment indicators at the beginning of 2009. The study carried out during the review of national indicators for monitoring the implementation of Kenya’s Vision 2030 and Medium Term Plan identifies the contribution of poverty-environment linkages to the achievement of national and sub-national development objectives and a core set of poverty-environment indicators, baselines and protocols for data collection.

Mali: Poverty-environment indicators to feed into the review of the PRSP indicators

During the elaboration of the PRSP in December 2008 our team supported the development of poverty-environment indicators for the national poverty monitoring system (Observatoire du Developpement Humain Durable. The results will be used to feed into the review of the PRSP indicators planned by Mali.

Mauritania: Environmental and poverty-environment indicators feed into the PRSP, sector work and the State of the Environment report

In line with priority interventions identified in the National Environmental Action Programme (NEAP), we have supported the development of environmental indicators for Mauritania. Following the military coup in August 2008 which led most in-country donors to freeze aid to the country, the government requested our support to develop Mauritania’s first “State of the Environment” report, initially supported by UNDP and GTZ. Upon direct request from the Ministry of Finance, we supported the development of a matrix for monitoring environmental activities - part of the PRSP 2 (2006-2010) - and the integration of twenty new environmental governance and poverty-environment indicators. At the same time we support the sectors of water, energy and fisheries to develop environmental indicators related to their activities.

Mozambique: Poverty-environment indicators input into the monitoring of the PRSP and district development planning

In Mozambique we also supported the development of poverty-environment indicators used by the Ministry of Planning and Development (MPD) as input for the indicators that will monitor progress of the environmental targets of Mozambique’s second PRSP (PARPA 2). We are involved in the mid-term evaluation of the PARPA 2 to ensure that poverty-environment linkages will be adequately considered. In addition, our team is currently supporting the integration of poverty-environment indicators in the guidelines for district development planning.

Rwanda: Poverty-environment indicators are successfully integrated in the monitoring system of the EDPRS

In Rwanda we supported the development of a report on “Environment Indicators: Strategies for monitoring them within the frame work of Economic Development and Poverty Reduction Strategy (EDPRS) - 2006” and poverty-environment linkages were subsequently successfully integrated in the monitoring system of the EDPRS.
Highlight: Poverty-environment linkages built into the Poverty Monitoring system in Tanzania

The Vice President’s Office (VPO) mainstreaming team had ensured that the National Strategy for Growth and the Reduction of Poverty embodied a strong focus on how environment contributes to poverty reduction and sustainable growth. The team knew that the targets in this strategy would be monitored through a newly designed Poverty Monitoring System and success would depend on ensuring that the targets were well reflected in it. Having built up a sound working relationship with the Poverty Eradication Department (PED) responsible for the monitoring system, the VPO team organised a key brainstorming meeting which resulted in agreement to include ten indicators related to the key poverty-environment targets in the monitoring system. Furthermore, additional poverty-environment indicators were also developed to be monitored at the sector and local levels.

In 2008, PEI supported the VPO Division of Environment to strengthen the data management system to update the poverty-environment indicators. As a result, Tanzania is now measuring and reporting progress towards environmental sustainability using poverty-environment relevant indicators and data. We are also supporting the improvement of capacities for “State of the Environment” reporting at sub-national level in collaboration with UNEP-DEWA’s Africa Environmental Information Network.

Achievement 5

Increased budget allocations for poverty-environment policy measures of non-environment ministries

As country PEI programmes have matured, there have been opportunities in a limited number of countries to bring about an increase in budget allocations for poverty-environment policy measures. Further efforts need to be pursued in this area, like in Bhutan and Rwanda, where we are supporting mainstreaming in Public Expenditure Reviews.

Bhutan: Review of Public Expenditure on Environment

A review of Bhutan’s public accounts is being carried out with our support to assess expenditure on environment across all sectors. This will be the basis for monitoring future environmental expenditure and a first step in setting up a set of green accounts. Bhutan has also developed a set of composite indices to measure Gross National Happiness (GNH). We will support the refinement of the ecological indicators of the composite GNH index. The GNH index is expected to be used in conjunction with the periodic development plans and to influence project and budget decision-making, starting with the mid-term review of the 10th Five Year Plan.

Mozambique: Baseline study of financial and economic instruments is undertaken

PEI is currently conducting a baseline study of existing financial and economic instruments in use at national and international level and potentially available for Mozambique.

Highlight: Rwanda’s budget for environment increased by 40% in 2007-2008

An original request to assist in designing budget interventions in government ministries increased awareness across government sectors, particularly the Ministry of Finance and Planning, on the value of environment and conservation to national development. Furthermore, the process highlighted underfunding for the environment in the government budget. With help from the Rwanda Environment Management Authority team in identifying funding gaps, the government increased its budget for the environment by 40% in 2007-2008. As next steps, we will support a Public Expenditure Review, Environment Fiscal Reform and build capacities for mainstreaming in budgeting in Rwanda.
Tanzania: Budget allocations for the environment are multiplied five-fold

The Ministry of Finance increased the budget allocation to the environment from just over 1 billion Tanzanian shillings in 2005-06 to almost 5.7 billion in 2006-07 on the strength of evidence from a public expenditure review that showed an annual loss of $1 million in the sector. It found additional investment in the sector worthwhile, based on evidence of its high contribution to household incomes and livelihoods. The team described their work as one big communication task (including through the media, TV, print and radio) to bring about improved understanding, interest and political will on poverty-environment issues. We are currently focusing our efforts in environmental fiscal reform.

Uganda: Environment is integrated in the budget call circular and environment budget doubles

The Ministry of Finance included a clause and guidelines for integrating environment into budget framework papers in the budget call circular. With our support the environment budget more than doubled. Sustainable management of environment and natural resources has been incorporated into increasing budgets in the districts of Butalejja, Nakasongola and Masindi.

Achievement 6

PEI programmed into UNDAF, One UN and UNDP Country Programmes

Our team operates through the UN Country Teams (UNCT) and delegates 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. This approach allows to develop synergies between programmes, to build on existing relations with key government partners and to maximize efficiency in the use of human and financial resources, among others.

Where appropriate we also participate in United Nations Development Assistance Framework (UNDAF) formulation and reviews and engage with other UN initiatives. Four of the PEI pilot countries - Tanzania, Rwanda, Mozambique and Vietnam - are One UN pilot countries. Good progress has been made in this area.

PEI is integrated in UNDAF in Bhutan, Botswana, Lao PDR, Malawi, Mauritania, Mozambique, Rwanda and Tanzania

In Bhutan, we contribute to the UNDAF outcome 1 “National capacity to mainstream environmental concerns into policies, plans and programs enhanced”.

Highlight: PEI-Botswana integrated into the UNDAF

In 2008, PEI participated in the development of the UNDAF for Botswana, contributing to two of its 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.

From the very beginning PEI is thus fully integrated in the UN country efforts, along with other UN agencies.
In **Lao PDR**, we contribute to UNDAF outcome 1 “By 2011, the livelihoods of poor, vulnerable and food insecure populations are enhanced through sustainable development within the MDG framework” and to the following Country Programme Action Plan (CPAP) outcomes:

- **Outcome 1**: Improved access to land and sustainable use of natural resources
- **Outcome 2**: Pro-poor planning mechanisms, harmonization of aid coordination and disaster management

In addition to these two outcomes, we also contribute towards the achievement of the Governance Outcomes of the CPAP by increasing awareness of National Assembly members about poverty-environment linkages, strengthening capacities of national and local authorities to manage development planning and investment processes, and supporting the development of mechanisms that increase civil society participation in planning and investment management. The integration of PEI into projects and programmes managed by the Governance and Poverty Practice Areas of UNDP Lao PDR Country Office aims to develop synergies between programmes, build on their solid relations with key Government partners (particularly the Ministry of Planning and Investment and the National Assembly), and maximize efficiency in the use of human and financial resources, amongst others. As the implementation of PEI is initiated in Lao PDR, our challenge will be to ensure that our support achieves truly transformative - rather than additive - results.

In **Malawi**, we are member of the UNDAF cluster 1 on sustainable economic growth and achievement of national food security. Our country programme is integrated in the corresponding UNDAF outcome 1. PEI is a core part of the UNDP Malawi MDG cluster work programme along with climate change and disaster risk reduction. UN-FAO is also a formal partner.

In **Mauritania**, our team has played a key role in mobilising MDG Achievement Fund resources related to the ‘environment and climate change’ thematic window (MDG-F-1724: Mainstreaming Local Environmental Management in the Planning Process). We developed a template concept note for environmental mainstreaming activities to be used by the MDG-F Secretariat for other MDG-F countries. Thanks to the funds mobilized through the MDG-F we will continue mainstreaming efforts over the next 3 years in collaboration with FAO, WFP, UNICEF, UNESCO and UNDESA. We also supported and participated in the development of the ‘transition UNDAF 2009-2010’. PEI is in the UNDP CPAP since 2006.

In **Mozambique**, we supported the UNDAF formulation and actively participated in the One UN process. The “UNDAF-Plus” has incorporated a country programme output on mainstreaming and best practices on agriculture, land tenure and sustainable use of natural resources (water, wood energy, land, wildlife, forestry, livestock and fisheries) to ensure that the rights of access of communities and disadvantaged people are respected.

In **Rwanda**, PEI supported the UNDAF formulation and actively participated in the One UN process. As a result, environment is now one of the five main pillars of the UNDAF and a cross cutting issue. UNEP co-chairs the Environmental Team group together with UNDP.

In **Tanzania**, we are working with UNDP in the development of a new joint programme.

In **Uganda**, we are actively engaged in UNDAF formulation and reviews and with other UNDP programmes such as sustainable land management.
Achievement 7

Effective coordination and work with in-country donors
In all the countries we work we strive to coordinate and work with in-country donors. Progress has been made, although often limited to information coordination.

Bhutan: PEI and DANIDA collaborate closely on mainstreaming
DANIDA is preparing an environment programme which primarily focuses on investment at the local level to achieve pro-poor environmental outcomes in the country. The local development planning manual that GNHC is preparing with PEI support will be used to implement block grants provided by DANIDA. The next phase will be a joint programme with DANIDA. AusAid supported a capacity building programme on mainstreaming for officers from line agencies complementary to the awareness raising workshops that we organized in the country.

Cambodia: PEI supports donor coordination in climate change adaptation mainstreaming
Our regional team facilitated coordination of donor support to the country’s efforts in addressing climate change with focus on mainstreaming pro-poor climate change adaptation in national development planning processes through its advisory services to the UNDP Cambodia country office.

Kenya: PEI plays a central role for donor coordination
Our team played a central role between donors to clarify coordination modalities between programmes working with MPND, MENR, NEMA and other institutions under the EMCA in accordance with the Paris Declaration. We facilitated a donor harmonisation workshop on the request of MENR among other related activities. We are also working closely with the DANIDA/SIDA Environment Sector Support Programme in Kenya.

Lao PDR: Enhancing inter-ministerial coordination on managing private investment and collaborating with multi-donor programmes
A Poverty-Environment Coordinating Board (PECB) is being set up to ensure sound coordination between the four main policy outputs of our programme. The coordinating board will be chaired by the Ministry of Planning and Investment and members include representatives from other key Ministries and Agencies, UNDP and other key development partners. PEI’s output on investment management will be delivered in close cooperation with the ADB/IFAD Sustainable Natural Resource Management and Productivity Enhancement Project and the Northern Uplands Core Coherent Program (AFD/EC/GTZ/SDC). We are currently exploring a partnership agreement with ADB/IFAD on Sustainable Natural Resource Management in the Southern pilot provinces and at the national level. It will focus on the development of an integrated PEI - ADB/IFAD work plan, bringing together the Ministry of Planning and Investment and the Ministry of Agriculture and Forestry.

Malawi: PEI and the World Bank collaborate on agriculture development
PEI and the World Bank have initiated work on developing sustainability indicators for the Agricultural Development Programme.

Mauritania: Donor coordination efforts suffer from political instability
Towards the end of 2007, our team made presentations to the Environment Donor Group led by GTZ on our country programme and its products. Following the presentation, GTZ and the environment donor group engaged themselves to support a high level national workshop on poverty-environment mainstreaming. However, most donors decided to freeze their aid to the country after the military coup in August 2008, and the event could not take place.
Highlight: PEI as active member of the Environment Donor Group in Mozambique

We are an active member of the Environment Donor Group in Mozambique and we support UNDP in its role as chair. The Ministry of Environment considers us a key player for the coordination of a series of studies carried out by in-country donors on the linkages between environment, climate change and economic growth.

Rwanda: PEI helps reactivate the sector working group on environment

PEI has been actively involved in the reactivation of the Sector Working Group on Environment. We have enhanced the coordination and support from development and government partners to the Environment and Natural Resource sector. This contributed to the establishment of a Sector-Wide Approach. Our team will be part of the Sector Working Group on Environment Secretariat.

Timor-Leste: PEI supports development of joint Initiation Plan (IP) for environmental mainstreaming

We provided technical support to develop the IP for environmental mainstreaming by pooling UNV, GEF, TRAC and PEI funds, improving synergy between existing projects and identifying new strategic interventions. We also initiated the discussions to develop a possible joint programme of support to environmental management in Timor-Leste with different UNEP divisions, the Government of Portugal and other interested donors such as the EC.

Uganda: PEI is part of the sector working groups and donor environment group

PEI has become a firm fixture in the sector working groups of the National Development Plan process, as well as the donor environment group.

Effectiveness and sustainability - Towards longer-term achievements

Effectiveness - good: The model developed and employed by PEI is appropriate and effective. By aiming to deal with what otherwise would be separate agendas and separate actors - in poverty and environment - with the same process, PEI has already demonstrated effectiveness in terms of synergies (plans and budgets that serve both agendas). Most projects have achieved tangible results, notably with respect to the integration of environment in main national development strategies and plans, awareness-raising, policy reform and capacity-building. All national projects have produced information and documents - some of which are of high quality - that provide the basis for p/e mainstreaming. We do not know of a more effective activity in Africa addressing the challenging linked p/e agendas.

Sustainability - satisfactory: The sustainability of the p/e mainstreaming processes and arrangements promoted by PEI can only be discussed in the context of a long-term vision, with the understanding that effective changes can only occur within a 10-20 year time frame. Most of the approaches, strategies and tactics employed by PEI will lead to the sustainability of the interventions - given the long time spent mapping the context and choosing (generally effective) entry points into existing planning and budgeting systems. The main challenges reside in the location of the process within the government machinery (finance/planning versus environment), in the mobilisation and participation of non-state actors, in the effectiveness of p/e mainstreaming within the UN agencies at global and CO levels, and in the involvement of donors and their coordination groups.

(IIED, PEI Africa evaluation, June 2009)
3. Expanding the Poverty-Environment Initiative

3.1. The PEI scale-up

The launch of the PEI Scale-up in late 2007 entailed two strategic objectives: first, to strengthen the approach adopted at the country level based upon lessons learned; second, to expand the PEI in other regions.

It also embodied several elements in its design and implementation arrangements that reflected a commitment by the two agencies to a full joint programme. In particular, the Scale-up is based upon:

- A formal partnership between UNDP and UNEP with joint decision-making, joint programming and pooled funds
- A coherent programmatic approach based upon lessons from the pilot phase
- A regional implementation architecture with joint UNDP-UNEP regional teams who develop and manage a portfolio of country PEI programmes
- Clear results framework underpinning a commitment to monitoring achievement of outputs and measuring impacts
- Active involvement in the UNDP-UNEP collaboration within the framework of “Delivering as One”
- Coordination and support by the new UNDP-UNEP Poverty-Environment Facility based in Nairobi.

2008 has been the year in which the Scale-up has been put into operation. As a result we have:

- Agreed and implemented a unique joint UNDP-UNEP financial management arrangement
- Expanded our portfolio in the Africa region by two countries
- Established a regional Asia-Pacific PEI team and launched two new country programmes
- Established regional PEI teams for LAC and Europe-CIS and initiated scoping missions to candidate countries
- Identified additional candidate countries in all regions
- Initiated a programme of technical support and knowledge management – including continued work on lesson learning and monitoring achievements
- Initiated partnership agreements with several international NGOs

3.2. A learning approach – applying lessons learned

The PEI pilot project has been a learning and adaptive programme, shaped ultimately - if not immediately - to suit country needs.

(IIED, PEI Africa evaluation, June 2009)

As we have launched the Scale-up, the process of lesson learning has been continued and has ensured a focus, while expanding, on improving the preparation and implementation of country programmes to deliver on our targets. The key lessons derived from the pilot phase are presented below. All of them have been compiled in guidance documents to support countries interested in mainstreaming. They have been applied in the expansion of existing country programmes and in the preparation or launching of new ones.
From country selection to “Delivering as One” - major lessons learned to date

- **Country selection**: Choose the countries to support very carefully and put effort into assessing a country’s potential for a successful PEI before making a commitment. Resist pressure to start in countries where key conditions for success are not in place - for example, if the necessary motivation and commitment is not present in the government. Be prepared to say no.

- **Strategic focus and tactical flexibility**: Focus on the pro-poor environment outcomes to be achieved while being flexible in the choice of activities, tactics, methodologies, and tools and adapting to changing circumstances and opportunities. Depending on the context and collective progress made to date with respect to poverty-environment mainstreaming, the programme should build on previous activities and work carried out in the country.

- **Importance of the governmental, political and institutional contexts**: Look at the governmental, institutional, and political contexts in the country. This helps develop a thorough, shared understanding of the situation, which in turn provides the basis for finding the most effective entry points for mainstreaming poverty-environment linkages in national development planning. It also enables countries to identify potential partners and champions for poverty-environment mainstreaming.

- **Country-specific evidence on poverty-environment linkages**: Undertake targeted analytical studies that unearth evidence about the nature of poverty-environment linkages in the country. Such studies might include integrated ecosystem assessments and/or economic analyses using extensive amounts of national data to elucidate the specific contributions of the environment and natural resources to both the national economy and human well-being in the country.

- **Finance and planning ministries as lead institutions**: Ensure the commitment of the finance and planning ministries or equivalent as lead institutions for a mainstreaming effort. Because of the close relationship between poverty-environment mainstreaming and national development planning, the ministry of planning or finance, in collaboration with environmental institutions, need to lead the initiative. Key sector ministries also need to be engaged from the early stage.

- **Sector ministries -like agriculture- as key partners**: Seriously consider putting emphasis on key sector ministries - like agriculture - from the beginning in programmes. Populations depend on the environment to earn incomes in sectors such as agriculture, fishing, forestry and tourism, through both formal and informal markets. Depending on national development priorities, poverty-environment mainstreaming into an ongoing sector policy process such as a sector strategy might be the way forward.

- **Champions**: Mobilize practitioners who take on the role of advocating for the integration of poverty-environment considerations into development planning at national, sector, and sub-national levels. These include high-level decision-makers and government officials who advocate for poverty-environment mainstreaming.

- **In-country partnerships**: Develop partnerships with a view to making the case for mainstreaming. A successful, sustained poverty-environment Mainstreaming effort requires partnerships with the development community, including international funding institutions, multilateral and bilateral donors, and international and national NGOs. The involvement of the media often deserves special attention and a specific approach designed to increase journalists’ knowledge of poverty-environment linkages and to encourage them to report on poverty-environment issues.
“Delivering as One”: Work with the United Nations Resident Coordinator, the UNDP Resident Representative and their teams and offices. When one or more UN agencies are supporting a poverty-environment mainstreaming initiative, the programme should be embedded into the UN Development Assistance Framework, the One UN Programme (where applicable), and the work programmes of participating agencies. Just like the finance and planning ministries are central to mainstreaming, it is vital that the UNDP country office poverty unit (or equivalent) is a (or the) key UNDP country office partner.

High level of commitment required: Prepare for high level of effort and strong in-country presence. Because it is new, seeking to change priorities and involves a number of ministries, poverty-environment mainstreaming requires a great deal of staff time, technical and political support at different levels to succeed - e.g. focal points in environment and finance and planning ministries, a national project manager, a technical advisor, a finance assistant, specialized teams for integrated ecosystem assessments and economic analyses and support from regional PEI teams.

Evaluations and learning exercises

We carry out regularly specific evaluations and learning exercises to improve and adapt our work to the realities of mainstreaming poverty-environment into public policy in developing countries. The most recent ones include:

- The ecosystem assessments: we organized the evaluation of the pilot ecosystem assessments undertaken as part of our country programmes in Uganda, Rwanda and Tanzania. The World Resources Institute (WRI) evaluated their outcomes and recommended ways to improve ecosystem assessments in support of poverty-environment mainstreaming. Lessons from this rapid evaluation carried out at the end of 2008 are being integrated in the planning of the ecosystem assessments in Mauritania, Uganda and Thailand.

- The Viet Nam experience: our team contributed to the evaluation of the UNDP Viet Nam Poverty-Environment project carried out by IIED in 2008 with a view to integrate lessons from this earlier experience in PEI programmes, particularly in the region.

- The Africa experience: the seven PEI pilot countries in Africa under the Norwegian agreement with UNEP have been evaluated by IIED in 2009. We also organized an independent evaluation of the Kenya and Mali country programmes with a view to inform on their future and to draw lessons for PEI in general.
The case of Malawi presented in Box 1 illustrates how the lessons are applied in new country programmes.

Box 1: Applying lessons learned into new country programmes - The case of Malawi

Malawi is the first country in Africa under the new PEI management arrangements and reflects well the lessons learned to date. PEI-Malawi was initiated upon request from the UNDP Resident Representative / UN Resident Co-ordinator (UNRC), who provided excellent support.

Its main ingredients are:

- Two initial scoping missions to ascertain if the conditions for a successful PEI were present.
- One of the first meetings was with the Minister of Finance.
- Repeated meetings with all key Government sectors to identify needs and ensure commitment. Plus meetings with key donors.
- Institutional analysis identifying key environmental and development processes, institution, decision-makers, plus potential entry points and priorities.
- Consultations ensured full alignment of PEI-Malawi with Government and UNCT processes and priorities.
- Close joint formulation of the project document by Government, PEI and UNDP Malawi - PEI is an integral part of Malawi’s UNDP country programme; main activities include PEI, climate change and disaster risk reduction.
- UN-FAO is also a partner. This is all the more important as Malawi is a spontaneous One UN pilot country.
- Strong involvement of key institutions:
  - PEI Leading Ministry: Ministry of Economic Planning and Development (MEPD).
  - National programme coordinator: Director of Economic Planning; manages the PEI Malawi Team located in the Ministry of Economic Planning and Development.
  - The Environment Affairs Department is a key partner and sector ministries are actively involved.
  - Close working relationship with Ministry of Agriculture and Food Security which we support to develop sustainability indicators for the Agriculture Development Programme.
  - All key sector ministries are part of the PEI technical committee that provides technical oversight for our Malawi programme.
- Climate change is now firmly on the agenda: climate change activities are in the workplan; PEI provides substantive input to the development of government-donor climate change response coordination mechanism co-chaired by the UNRC and the MEPD.
- Minister of Finance launched PEI programme in December 2008 with participation of Deputy Minister MEPD, senior Government officials, UNRC and staff, PEI Africa representatives and press.
- Key activities had already been initiated before formal programme launch - e.g. economic study of the costs of sustainable/unsustainable use of natural resources and support for sustainability indicators in the Agriculture Development Programme.
- The launch of the country-led programme that follows the preparatory phase took considerably longer than anticipated: serious institutional fragmentation across the Environment and Natural Resource sector, doubts in the Environment Agency about the MEPD leading PEI-Malawi, initial staff gaps in the PEI Africa team (now resolved), slow recruitment of the PEI-Malawi team and UNDP Malawi.
- We already have a couple of new key lessons:
  - Ensure resource availability to initiate activities in a flexible manner before formal programme launch in order to not miss key entry points or undermine credibility in the PEI process when it takes longer than hoped.
  - Recruit PEI country team earlier to speed up programme implementation.

But overall, albeit later than we hoped, PEI-Malawi has a very good foundation for success.
3.3. Planned scale of operations (2010-2012)

The aim of the Scale-up strategy was to expand the PEI to three other regions: Asia-Pacific, Latin America and Caribbean, and Europe and the CIS. In order to do so we have set up joint UNDP-UNEP regional teams responsible for engaging with the candidate countries and helping them prepare and implement poverty-environment mainstreaming programmes.

The target rate of expansion was set out in the joint UNDP-UNEP programme document “Scaling-up the UNDP-UNEP Poverty-Environment Initiative”. We aimed to reach 14 countries under the PEI by the end of 2008: 7 in Africa, 4 in Asia and 3 in the other regions (See Table 2).

Our current position of 16 country programmes (10 in Africa and 6 in Asia) is in line with the target. The difference in the geographical distribution can be explained by the fact that the Africa regional programme had been established before the Scale-up started, the Asia regional team was established in mid 2007 and new teams had to be established in Latin America and the Caribbean and Europe and the CIS in mid to late 2008. In addition, funds for the Scale-up and the new regional and country programmes started to become available only in the course of 2008.

According to this plan, the Scale-up would peak with 26 country programmes at the end of 2010 and then gradually decrease as country programmes complete their phase 2, as shown in table 1.

Table 2: Country programme targets (2008-2012) and progress to date

<table>
<thead>
<tr>
<th>Phase</th>
<th>2007-08 (targets)</th>
<th>Current (actual)</th>
<th>2010 (targets)</th>
<th>2011 (targets)</th>
<th>2012 (targets)</th>
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<td>Asia - 6</td>
<td>Asia - 2</td>
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</table>

The table will be revised on a yearly basis to reflect demand, progress and resources available to launch new programmes. We acknowledge the limitations of this form of target. First, while these targets are useful to monitor overall progress, we fully understand that they do not themselves reflect achievement or impact at the country level (Section 3). Also, the do not reflect the differences in scale and approach from one country programme to another - as we increasingly adopt a more flexible and adaptive mode to responding to country needs.
3.4. Country programme expansion under the scale-up

Country programme status and prospects under the Scale-up are presented in this section. We describe below the expansion of country programmes that were running prior to the Scale-up and the process of launching and preparing new country programmes. For more information on the country programmes, please refer to the country fact sheets - see section 6.

Expanding current country programmes (Phase 2) – Mozambique, Rwanda, Tanzania and Uganda

Four of the initial country programmes have entered phase 2: Mozambique, Rwanda, Tanzania and Uganda1, benefiting from the lessons learned to date.

In Mozambique, a country programme for 2008-2010 was developed with the Government of Mozambique, UNDP-Mozambique and PEI. One key lesson applied is to further engage the Ministry of Planning and Development to (co)lead the new programme phase.

In Rwanda, a country programme for 2007-2009 was developed with the Government of Rwanda, UNDP-Rwanda and PEI. PEI is working at the sectoral level and the Ministry of Finance to introduce poverty-environment policy measures and increase the related budget, a new area of work. Significant time is also being spent to support the mainstreaming into the district development plans which effectively translate the EDPRS into implementation.

In Uganda, a country programme for 2007-2008 was developed with the Government of Uganda, UNDP-Uganda and PEI. PEI is supporting the environment sector in Uganda to participate in the revision process of the Poverty Eradication Action Plan (PEAP) which will lead to the adoption of a new National Development Plan for Uganda. One example of lesson applied is that PEI is now engaged in UNDAF formulation and reviews and working with the Government of Uganda and UNDP-Uganda to develop a new joint programme.

In Tanzania, a country programme for 2007-2010 was developed with the Government of Tanzania, UNDP-DDC, UNDP-Uganda and PEI. Another example of our new approach is that UNEP-DEWA’s Africa Environmental Information network (AEIN) activities in Tanzania have been embedded in the PEI-Tanzania programme.

Launching new country programmes – Bhutan, Lao PDR and Malawi

Three new country programmes have successfully been assessed, gone through the preparatory phase and entered phase 1. Their development, set up and programmes have strongly benefited from the lessons learned to date.

In Bhutan, we developed a country programme for 2008-2009 with the Government and UNDP taking into consideration lessons learned. The project is coordinated by the Gross National Happiness Commission in collaboration with other partners including the Ministry of Agriculture, the Ministry of Finance, the National Environment Commission (NEC), local governments and civil society. It focuses on strengthening capacities of targeted central and local authorities to integrate poverty-environment concerns. Activities include assessments of poverty-environment linkages, demonstration projects (through the Rural Economy Advancement Programme), awareness-raising and mainstreaming into national and local planning and budgeting processes (e.g. public environmental expenditure review). Bhutan has already produced a number of achievements in particular in respect to raising national awareness and commitment to mainstreaming (see section 2).

In Lao PDR, a country programme for 2009-2011 was developed in a highly participatory and consultative manner with the Government of Lao PDR, the UNDP/UNEP Environment Unit in Lao PDR and PEI. The vice-minister of Planning and Investment, the Water Resource and Environment Administration, and the National Assembly signed the project document together with UNDP Lao PDR Country Office and PEI. Our focus in Lao PDR is on strengthening capacities of targeted central and

1 The four other initial country programmes are completing their first phase (Mauritania) and/or being evaluated to decide about the next steps (Kenya, Mali and Viet Nam).
Scaling-up the UNDP-UNEP Poverty-Environment Initiative

provincial authorities to integrate poverty-environment linkages and opportunities into development planning processes. This will be developed through working towards the achievement of four closely related outputs: strengthen poverty-environment linkages in the 7th five-year National Socio-Economic Development Plan, provide support to the Investment Promotion Department and provincial authorities to strengthen investment management to maximize social benefits and minimize environmental impacts, support the Water Resource and Environment Administration to strengthen Environmental Social Impact Assessment (ESIA) processes, and strengthen the capacity of the National Assembly to actively integrate poverty-environment considerations when reviewing policies and legislation. South-South learning is a cross-cutting theme.

In Malawi, a country programme for 2008-2011 was developed with the Government of Malawi, UNDP-Malawi and PEI. In Malawi too, the Ministry of Planning and Economic Development is the lead agency with other partners including the Ministry of Lands and Natural Resources; Office of the President and Cabinet; Ministry of Finance; Ministry of Agriculture and Food Security; Ministry of Irrigation and Water Development; Ministry of Energy and Mines; and Ministry of Local Government and Rural Development. The focus is on strengthening capacities of targeted national, sector (agriculture) and local authorities to integrate poverty-environment concerns, with a focus on water, land and energy. Activities include awareness-raising, cost-benefit analysis of (non-) sustainable environmental management, budgeting and financing for poverty-environment (e.g. environmental fiscal reform, private investment) and monitoring sustainable natural resource management (e.g. Environmental Outlook Report and indicators). Box 2 provides more insights on how lessons were applied in launching the Malawi country programme.

Preparing new country programmes (in preparatory phase) – Bangladesh, Botswana, Burkina Faso, Thailand and Timor-Leste

Five new countries have successfully been assessed and are going through the preparatory phase which precedes the launch of a country-led PEI programme. Again, their development, set up and programmes have benefited from the lessons learned to date.

In Bangladesh, we are about to complete the preparatory phase and plans to enter phase 1 in the summer of 2009. A country programme for 2009-2012 was developed with the Government of Bangladesh, UNDP-Bangladesh and PEI. The programme implementation will be led by the General Economic Division, Planning Division and the Ministry of Planning in close collaboration with the Planning Commission and the Ministry of Environment and Forests. The initial focus of the programme will be on mainstreaming poverty reduction, environment sustainability and climate change adaptation. The project aims to help reversing environmental degradation and limiting climate change impacts in a way that will benefit the poor, particularly destitute women and to enable growth that is consistent with a sustainable environment. It aims to improve 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.

In Botswana, PEI is about to complete the preparatory phase and plans to enter phase 1 in the summer of 2009. In 2008, PEI participated in the development of the UNDAF for Botswana, contributing to two UNDAF outcomes and effectively integrating the PEI programme into the “Delivering as One” effort. The programme implementation will be led by the Ministry of Finance and Development Planning, in close collaboration with the Ministry of Environment, Wildlife and Tourism. The initial focus of the programme will be on strengthening national, sector and local capacities for poverty-environment mainstreaming, developing country-specific evidence to support mainstreaming and investment prioritization, reviewing the National Strategy for Poverty Reduction, fostering poverty-environment related policy harmonisation and supporting the implementation National Development Plan.
In **Burkina Faso**, we have formally started the preparatory phase. A country programme for 2009-2011 is being developed in close cooperation with the Government of Burkina Faso, and UNDP-Burkina Faso. The programme implementation will most likely be jointly led by the Ministry of Economy and Finance and the Ministry of Environment. The initial focus of the programme will be on mainstreaming into the revision of the PRSP and the Rural Development Strategy. Another element will be to strengthen institutions by creating environmental units in various ministries and public agencies.

Our country programme in Thailand is under preparation with the Government and the UNDP country office. It will be incorporated into the overall UNDP Thailand programme under the One UN programme strategy. Main national partners include the Ministry of the Interior, the National Economic and Social Development Board and the Ministry of Natural Resources and the Environment. Our initial focus is on compiling local evidence and integrating pro-poor environmental considerations into provincial planning processes.

In **Timor-Leste**, our country programme is under preparation with the Government of Timor-Leste and the UNDP country team. Its implementation will be led by the Ministry of Economy and Development. Areas for potential PEI interventions include capacity building in poverty-environment linkages, national, local and district planning and budgeting processes, and policy and institutional measures to promote sustainable energy access for the poor.

**Assessing the potential for country programmes – Ecuador, Kyrgyzstan, Nepal, Tajikistan, Uruguay**

In the Latin America and the Caribbean and Europe and the CIS regions, the development of a regional PEI programme has been underway since mid 2008. This process has involved the setting of joint UNDP-UNEP regional teams organising workshops for possible candidate countries and discussing with UN country teams and governments their interest in launching PEI country programmes.

In both regions, this process has progressed well and joint missions have been sent to priority countries in the regions. In Latin America and the Caribbean, we have embarked upon more detailed scoping work to assess and decide on the potential scope and targets for supporting country-led mainstreaming in Uruguay and Ecuador. In Europe and the CIS, we have also started scoping work in two countries: Kyrgyzstan and Tajikistan. In Kyrgyzstan, we rapidly responded to an urgent request from the government to provide mainstreaming support to the final stages of the preparation of their economic development plan – Strategy 2020.

In the Asia-Pacific region, we have initiated scoping exercises in Nepal responding to Government needs identified through PEI’s regional workshops. A team of in-country consultants is currently undertaking institutional analysis of decentralized processes and economic and policy analysis in the areas of natural resource management and livelihood development under the guidance of the regional PEI team and the UNDP Nepal country office. These in-depth analysis results will provide sound basis for clarifying poverty-environment linkages in the decentralized governance system and for assessing the potential for a PEI country programme.

PEI is also in dialogue with other countries in these three regions that have expressed an interest. Subject to donor support, country needs and commitment, PEI will consider launching additional country programmes in these regions in 2010.
3.5. Developing knowledge products

PEI has developed a number of knowledge products which include methodologies, tools, and examples, lessons learned and good-practices from countries. These products are developed to support those engaged in country-level mainstreaming. They have been prepared in partnership with the countries, UNDP, UNEP and external partners.

- **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. The handbook was developed internally and peer-reviewed. It is available in English, on-line, on CD-Rom and in hard copies, and is being translated into Spanish, French and Vietnamese by the government of Viet Nam.

- **The Economic Primer “Making the economic case: A primer on the economic arguments for mainstreaming poverty-environment linkages into national development planning”**. This primer is designed to help countries and other actors engaged in the mainstreaming challenge to succeed in “making the case”, using the argument that better environmental management contributes to poverty reduction, pro-poor growth and the achievements of the MDGs. This primer was developed with IUCN and is being tested in the countries. It is available in English, on-line and in hard copies. It will be translated into Spanish and French.

- **The Guidance Note on Mainstreaming Environment into National Development Planning**. The guidance note provides a quick overview of the PEI approach, steps and success factors for mainstreaming. The note was developed internally and is currently being revised to reflect the latest experiences and lessons. It is available in English, French and Spanish, on-line and in hard copies.

- **A Primer on “Making the Business case for environmental investments”** 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; case studies of socially and environmentally sound investments; and examples of government work on pro-poor environmental investments with the private sector. This primer will be developed internally with help of IUCN. It will be available in English, French and Spanish, on-line and in hard copies.

- **A Primer on “Environmental and natural resource sector law in the context of poverty-environment mainstreaming”** is currently under development. This primer will explain the importance of environmental law in the context of poverty reduction; outline how to assess and develop or reform environmental law in the context of poverty reduction and present examples and case studies from various natural resource sector laws. This primer will be developed internally. It will be available in English, French and Spanish, on-line and in hard copies.
3.6. Sharing knowledge and experiences

In addition to in-house work, PEI collects and disseminates through its website and newsletter knowledge products from other development partners relevant to poverty-environment mainstreaming including reviews, methodologies, tools, and examples from countries. PEI also manages an on-line global community of practice on poverty-environment mainstreaming. It is also actively reaching out to the development community through various channels and events.

- **The website** proposes a series of knowledge products. In two years, over 150 documents including reviews, methodologies, tools, and country examples were collected and disseminated through the website. They are organized and presented in line with the components and activities of the PEI programmatic approach in order to support country-level mainstreaming. The website is also used to share information on regional and country programmes, partnerships, meetings, events and news. In two years, the number of visits to the website already doubled.

- **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. Recent queries include a query from Mozambique on developing a “Strategic plan for improved financing of environmental investments” and a query from Uganda on “Communications, Advocacy and Education Strategy for Poverty-Environment Mainstreaming”. PEI also keeps the community of practice regularly informed of the programme development across regions, new knowledge products and website updates through a monthly newsletter.

- **Regional workshops:** In Asia-Pacific five regional workshops were held in Bangkok and Thimphu. The focus of the workshops were to enhance south-south cooperation and joint learning on poverty-environment mainstreaming. The workshops also highlighted the importance of the environmental economics tools for pro-poor growth. Government officials from key and sectoral agencies, regional bilateral and multilateral donors and representatives from various divisions and units of UNDP and UNEP attended the workshops. As a result we have successfully mobilized regional and national stakeholders who constitute the PEI community of practice in the region.

- **In Africa,** the 4th Annual Poverty and Environment Initiative meeting was held from 13-14 May 2008 in United Nations Gigiri, Nairobi. The objective of the annual meeting was to share experiences in implementing PEI country programmes and to explore steps for improving their delivery. Officers from PEI country programmes in Africa and Asia, as well as key government partners attended the two-day meeting.

- **Outreach.** In September 2008, “A Poverty Environment Partnership Event in support of the UN High Level Event on MDGs” was organized with PEI which was the occasion to release a series of Success Stories from the Country Level. PEI also takes advantage of other high level and technical events to share and exchange information and experiences with development partners. A flyer on the PEI is available and currently being revised. The success stories and the flyer are available in English, on-line and in hard copies. They will be translated into Spanish and French.

- **Partnerships.** Our team has established and pursued a number of strategic and technical partnerships. We are an active member of the Poverty-Environment Partnership (PEP) and regularly participate in its meetings and products. We also participate in the OECD DAC Environment Task Team on Strategic Environmental Assessment and the OECD DAC/EPOC
Task Team on Governance and Capacity Building for Natural Resources and Environmental Management. Our Asia-Pacific team has also been successful in fostering partnerships with research networks such as the Environmental Economics Program for Southeast Asia (EEPSEA) of the International Development Research Center (IDRC) and the South Asian Network for Development and Environmental Economics (SANDEE).

The PEI Manual and PEI’s interventions in PEP, Environment, etc, have a lot of real country experience to offer but are only beginning to influence the international community. Communicating lessons more widely would improve PEI’s influence in e.g. ways to achieve the Accra Agenda and multiple MEAs together.

(IIED, PEI Africa evaluation, June 2009)

3.7. Providing technical support to country programmes

As PEI expands, efforts are also made to develop economies of scale across regions, ensure efficient and timely delivery of technical assistance and quality outputs. PEI is working on various fronts in the area of technical support.

• **Country examples:** PEI has collected and reviewed programmatic and technical materials from the country programmes, including programme documents, terms of references, assessments and studies and other programme outputs. These materials are available to country practitioners, along with specific guidance on best examples and practice. This allows countries initiating new work to benefit from past experiences and lessons.

• **Templates and guidance:** Based on our past country examples, generic templates of programme documents and terms of references to be customized at country level have been developed and made available to country practitioners. These are also used to ensure some level of quality and consistency across countries and regions. The current set of these generic tools include three programme documents; workplans for the various phases of country programmes; a set of terms of reference to guide the preparatory phase; preliminary assessments of poverty-environment linkages and the governmental, institutional and policy contexts; awareness raising; institutional and capacity assessment; economic analysis; ecosystem assessment; sector analysis; mainstreaming into a policy process; developing policy measures and supporting implementation; mainstreaming into a national monitoring system; mainstreaming into a budget process and engaging stakeholders.

• **Partnerships:** We have established a number of collaborations still on-going at the country and global levels with different partners, with whom we discuss future directions and ideas regularly. These are some examples of it:

  - We have joined forces with IIED to assess possible new programmes, to learn lessons at country level (e.g. Viet Nam and Africa) and to integrate this joint experience into knowledge products and our strategic direction.

  - We also work together with LEAD International in the fields of training and technical support.

  - Our team works with the NGO SBA in the field of economic assessments at country level. SBA carried out the economic analysis of the costs of environmental degradation in Mali and is now supporting the development of policy briefs to disseminate the findings.

  - In partnership with IUCN we are developing technical knowledge products in the field of environmental economics together (See section 3.1).
• **Roster of experts:** PEI has developed a roster of experts specialized in poverty-environment mainstreaming and/or specific activities that are undertaken regularly as part of our country programmes. The roster of experts contains 100 experts from across the world and is currently being upgraded. It aims to ensure timely and efficient mobilization of experts at country level, access to state of the art expertise and to promote south-south cooperation.

• **Trainings:** In addition to in-country trainings (See section 2), we have organized various regional and global technical trainings in the field of ecosystem assessments and communication and advocacy such as:

  - In 2006, we developed training materials with SAfMA on Integrated Ecosystem Assessments (IEAs) and the Millennium Assessment Approach. Following a “Training of trainers” workshop in South Africa attended by representatives from seven countries in Africa, we decided to conduct additional workshops on IEA in Mali, Mauritania, Rwanda, Tanzania and Uganda. As a result, national teams in Mali, Rwanda, Tanzania and Uganda conducted pilot IEAs and another one was launched in Mauritania (See section 2).

  - In 2008 and 2009, LEAD International developed and facilitated the training of PEI champions in Nairobi and in Dakar. This training, especially developed for our programme and aims at enhancing and developing participants’ capacity to engage with stakeholders and influence them for greater recognition of the role of environment in pro-poor growth and poverty reduction. We received very positive feedback on the usefulness of the training from the 15 countries that participated in this exercise.

3.8. **The evolution of the approach**

Reviewing our experience of expanding the PEI in the new regions, we can see the beginning of an evolution of our country programme approach. Because of the different circumstances in different regions, we are pursuing a flexible and adaptive approach to suit the needs and capacities of countries and our UNDP partners at the country level. Some examples include:

• Integrating a mainstreaming component into existing UNDP country programmes – taking advantage of existing partnerships between UNDP and governments to provide financial and technical support effectively

• Responding to government/UNDP country office requests solely for technical advice on introducing a mainstreaming approach into existing efforts

• Finding entry points at sub-national level to strengthen delivery of existing national policies and commitments

• Exploring opportunities to provide mainstreaming support to government programmes targeted at addressing poverty among marginalized sections of the population

The PEI is maintaining its focus on our key achievement targets but we are taking the opportunity to provide mainstreaming support in a flexible mode. We shall continue to find ways to ensure we are responsive to regional and country specific conditions.
4. Contributing to the UNDP-UNEP collaboration

4.1. Joint management and teams

The PEI has evolved from being two separate programmes to a formally agreed joint UNDP-UNEP programme. In preparing the Scale-up proposal to donors, the senior management of both agencies designed and agreed joint governance arrangements, a joint management team housed in a Facility based in Nairobi, joint programming and unprecedented joint financial arrangements which involve pooling of financial resources into one budget. The implementation arrangements are based upon forming joint UNDP and UNEP regional teams who work as single units to manage each regional programme and the country programmes under their responsibility. In all cases, country work is channelled through the UN country teams.

The PEI was the first example of UNDP and UNEP working together in close collaboration under joint management and programming arrangements and is an excellent example of the sort of collaboration envisaged through the implementation of the Memorandum of Understanding between UNDP and UNEP. Both agencies are contributing core resources for key staff and are committed to improving the joint implementation arrangements based on experience of what works best. In particular, the joint regional teams are key examples of pragmatic cooperation as in each region the configuration of the teams is slightly different as a result of the specific circumstances prevailing.

4.2. The UNDP-UNEP Memorandum of Understanding

In 2004, UNDP and UNEP signed a Memorandum of Understanding on cooperation which created a new framework within which the establishment of the joint UNDP-UNEP PEI took shape. In fact, the joint management arrangements set up for the PEI Scale-up went beyond the provisions of this Memorandum of Understanding.

In 2008, a revised Memorandum of Understanding was signed and UNDP and UNEP senior management are currently developing the means for its implementation. Given the experience of PEI over the previous years, the new PEI is specifically noted as an area of collaboration.

PEI will be playing a key role in the efforts of both agencies to operationalise this Memorandum of Understanding and to strengthen the framework for their continued collaboration.

4.3. PEI within UNDP

Environmental mainstreaming is one of four pillars of the UNDP Environment Strategy. The PEI is playing a key role in providing country level experience and knowledge to contribute to the implementation of this strategic pillar. It is also building partnerships with thematic initiatives and services that can potentially be integrated with and complement PEI country level mainstreaming programmes.

UNDP has adopted a “practice” architecture that is designed to maximize excellent professional support in various areas of expertise while avoiding the tendency of many organizations to separate specialists into separate and isolated groups. UNDP places great emphasis on cross-practice approaches. The PEI is promoting and benefitting from cross-practice working at the regional and national levels. At the regional level, as an example, members of the regional Poverty Cluster are assigned to two PEI regional teams. At the country level, PEI’s engagement is contributing to cross-practice work - for example where PEI country work is being integrated into poverty or governance related UNDP programmes.

The PEI is proving to be an effective instrument for capacity building within UNDP. A recent evaluation of UNDP’s environment and energy work pointed to the need for UNDP to place more emphasis on mainstreaming and other policy matters. The PEI has introduced concepts of mainstreaming to the Regional Bureaux, especially through their regional centres. In addition, the PEI is promoting and will support the integration of environment into policy reduction and governance programmes.
preparation training and information materials such as the recent Mainstreaming Guidelines will further contribute to the scope and effectiveness of capacity development.

Finally, there is evidence that PEI is influencing UNDP country offices in some cases to embrace environmental mainstreaming as a key element of their overall programme to support environmental policy and institutions at the country level. In particular, PEI is seeking to build on GEF programmes, but also to increase the effectiveness of GEF by promoting a more programmatic approach to the environment and energy portfolio in the UNDP country offices. This has been the approach taken in Asia-Pacific with the country offices in Lao PDR, Timor-Leste and Cambodia. GEF focal points are typically located in the Ministry of Environment, which can limit the incentives and opportunities to move upstream with the Ministry of Finance, the Ministry of Planning or the Ministry of Local Government. PEI can support GEF projects by providing support for environmental outcomes from these other key Ministries.

The importance that an increasing number of UNDP country offices now give to mainstreaming is demonstrated by the continually increasing amount of country office finance being combined with PEI seed funding.

4.4. PEI within UNEP

Under UNEP’s Medium Term Strategy (2010-2013), three of the six cross-cutting priorities aim to address environmental mainstreaming into national development processes, with the following objectives:

- That national development processes and United Nations common country programming processes increasingly mainstream environmental sustainability in their implementation
- That countries and regions increasingly integrate an ecosystem management approach into development and planning processes
- To strengthen the ability of countries to integrate climate change responses into national development processes

In line with these three objectives, the PEI has initiated collaboration within UNEP in a number of areas, including:

- Climate change adaptation (with the Division of Technology, Industry and Economics, UNEP-Risoe and UNDP)
- Ecosystem assessment (with the Division of Environmental Policy and Implementation and UNEP-World Conservation Monitoring Centre)
- Environmental data management (with the Division of Early Warning and Assessment)
- Green economy analysis (with the Division of Technology, Industry and Economics)
- Resource efficiency and sustainable consumption and production (with the Division of Technology, Industry and Economics)
- Sound chemicals management (with the Division of Technology, Industry and Economics and UNDP)

Second, PEI has played a 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. In this context, the lessons learned from PEI country experience on the vital importance of positioning UNEP’s country work within UN country teams processes and strategies is contributing to follow best practice for country engagement and developing country level work.

Finally, PEI is providing operational and knowledge based guidance in how a number of UNEP-led initiatives can be effectively “mainstreamed” at the country level. It is acknowledged that deeper mainstreaming of PEI lessons will need to take place and steps will be taken to ensure this.
4.5. PEI within the UN and “Delivering as One”

The High-level Panel on United Nations System-wide Coherence in the areas of development, humanitarian assistance and the environment made a number of recommendations to make sure that the United Nations helps countries mainstream environment in their strategies and actions including that UNDP would continue its support to mainstreaming environmental issues into national development strategies at the country level, in cooperation with UNEP and other relevant UN organizations.

PEI is exactly trying to address this challenge and remains a core contributor to the “Delivering as One” efforts both in the “One UN” pilot countries and in other countries it operates in (See section 2.4).

PEI has been a ‘One UN’ pioneer, demonstrating the benefits of and the requirements for a joint programming approach between UNDP and UNEP for environmental mainstreaming.

(IIED, PEI Africa evaluation, June 2009)

A good example of PEI contributing to the overall UN “Delivering as One” agenda is the current UNDP initiative - a contribution to the UN Development Group - to produce guidance on integrating environmental sustainability into UNDAFs. This work has drawn heavily on PEI experience and knowledge products. It has been particularly valuable for the UNDP work to validate the guidance being prepared against the current operational experience of PEI in contributing to UNDAF preparation in several countries in Africa and Asia.

5. Challenges ahead

5.1. Continuous learning – what works best

The principles of poverty-environment mainstreaming are essentially simple: environment must be allocated a role in government decision-making and must receive most of its national support on the basis of evidence that improved environmental management will contribute to the achievement of national goals and targets. These principles must be applied at the national strategic level, within sector programmes and at local levels. However, despite the simplicity of the concept, the practical application of the concept proves to be challenging. Fortunately, a number of principles have emerged and a considerable body of knowledge is being built up.

The PEI places emphasis on continuous learning through feedback from its country level programmes. A number of means of collating experience have been put in place. The regional teams come together annually in a meeting that is specifically designed to exchange information. After the first year of Scale-up implementation, the Poverty-Environment Facility employed a knowledge management specialist to bring modern approaches to learning and knowledge into the implementation of the PEI. A community of practice on mainstreaming has been established and the PEI website is undergoing constant transformation. Guidance materials have been published, including an important publication on making the economic case for mainstreaming and a set of mainstreaming guidelines. Learning and dissemination of information is now an important element of the PEI. A major challenge for the future will be to ensure that the PEI’s body of knowledge is used extensively and strongly influences approaches to environmental management around the world.
5.2. Delivering on transformative targets and donor coordination

The PEI is designed to help countries to change the way they approach the challenges of the environment. Whereas many development programmes seek to add to existing approaches, the PEI is truly transformative. This raises a number of immediate and long-term challenges.

The immediate challenges include convincing people of the importance of mainstreaming. Environmental agencies themselves often balk at the prospect of ceding leadership of mainstreaming to finance or planning authorities. Decades of special funding for environment have left environment agencies highly dependent on projects to support their institutions. Similarly, development agencies have not been successful in mainstreaming into their own programmes and still operate quite separately from each other at the national level.

Fortunately, UNDAF, UN “Delivering as One” initiatives and much improved donor coordination are beginning to provide the conditions under which mainstreaming programmes can provide benefit to all partners. The PEI is proving to be a valuable instrument to improve coordination at the country level, within governments and among partners (See section 3.3).

A longer-term challenge is the danger that country-level financing will be seen as a “zero sum game” and that the PEI simply sets environment ministries in competition with others. It will be necessary to demonstrate that mainstreaming will lead to an increased flow of funding.

5.3. Evolution of the PEI country approach – from joint programme to platform for mainstreaming

The PEI is transforming the way that UNDP and UNEP promote environmental management in developing countries. The PEI is currently managed through a Scale-up project which has a determined budget and fixed time for implementation. It is not only demonstrating the principles of mainstreaming but also putting them into practice in a growing number of countries. Both UNDP and UNEP will wish that the experience of the PEI is institutionalized into the organizations and that a longer-term platform will be established to support mainstreaming around the world.

Progress is being made towards this goal. UNDP’s core environmental policy is centered around mainstreaming. However, implementation at the country level will require further effort and resources. We intend that the experience being garnered through the PEI knowledge management system and from other sources will provide a basis for the creation of a long-term capacity to support mainstreaming.

However, the outputs of the PEI will be of value to actors outside of UNDP and UNEP. Over the next two years, it will be important for UNDP and UNEP to engage in discussions with its partners, including our donors on the global demand for future support of mainstreaming efforts.
5.4. The challenge of mainstreaming climate change adaptation

Climate change has quickly become recognized as one of humanity’s most serious challenges, and the development agenda is quickly becoming dominated by issues related to climate change.

There are many similarities between the poverty-environment mainstreaming agenda and the climate change agenda. PEI is seeking to support UN wide efforts to build capacity on climate issues, with a particular focus on climate change adaptation mainstreaming.

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.

In the countries where PEI is active, we are seeking to share lessons from environmental mainstreaming and avoid multiple mainstreaming efforts from taking place. We are also seeking to highlight natural resource management as a key intervention to adapt to climate change as well as the poverty dimension of responding to climate change and the institutional change processes which need to take place for effective mainstreaming.

The challenge for PEI will be to demonstrate relevance within a framework for climate change support that is mainly project-based. There will also be a challenge of meeting a potentially huge demand.

5.5. Measuring the longer-term impact of PEI

The PEI helps countries to make decisions on investment in environmentally sustainable natural resource management on the basis of evidence on the poverty reduction potential of improved environmental husbandry. There is therefore good initial a priori evidence that the PEI will contribute to poverty alleviation. Unfortunately, there will be a considerable challenge in demonstrating how much the PEI will have contributed to levels of poverty reduction recorded in any country. This is because attribution of specific activities to aggregate poverty reduction results is notoriously difficult. This applies to all aspects of poverty reduction and not just environment. However, it will be necessary in the near future to develop an understanding of the quantitative contribution of the PEI to achieving poverty targets. It is probable that research into the issue will be needed, and the PEI will itself provide a wealth of evidence for researchers.

5.6. Mobilising resources

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, actual income to the PEI has been badly affected by exchange rate volatility, with some financial transfers taking place at a time when the donor currency was weak against the US dollar. Also, the current global recession has already led to donors being much less able to make future funding commitments. Finally, there are considerable challenges in accessing contributions made by donors to UNEP’s Environment Fund which need to be resolved. The PEI will continue to work with donors to ensure that the full budget for scaling-up is achieved. Meanwhile, there are good signs that resource mobilization at the country level is increasing.
6. Annexes – country fact sheets for ongoing programmes

6.1. 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. It aims to improve 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 preparatory phase (2008-June 2009), a Joint Programme Document was developed by the Government of Bangladesh, UNDP- Bangladesh and PEI and should be signed shortly.

- The project will be coordinated by the General Economic Division, Planning Division and Ministry of Planning with other partners from the Planning Commission and the Ministry of Environment and Forests.

- The implementation is expected to start in July 2009 and end in December 2012. The budget for this programme is USD 1 million, half funded by the UNDP-Bangladesh and half funded by UNDP-UNEP PEI.

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.

6.2. Bhutan

Basic facts of the PEI in Bhutan

• The focus of PEI in Bhutan is on strengthening capacities of targeted central and local authorities to integrate poverty-environment concerns. Activities include assessments of poverty-environment linkages, demonstration projects (through the Rural Economy Advancement Programme), awareness-raising and mainstreaming into national and local planning and budgeting processes (e.g. public environmental expenditure review).

• Following a preparatory phase (October 2007-April 2008), a Joint Programme Document was developed and approved by the Royal Government of Bhutan and UNDP-Bhutan in July 2008.

• The project is coordinated by the Gross National Happiness Commission (GNHC) with other partners from the Ministry of Agriculture, the Ministry of Finance, the National Environment Commission, local governments and civil society involved in poverty initiatives.

• The implementation started in August 2008 and will end on 31 December 2009. The budget for this first phase is USD 387,975.

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 also 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 9th Five Year Plan and has suggested that environmental issues are mainstreamed at the planning stage of the strategic plans, programmes and policies in the 10th Plan. The 10th Five Year Plan (2008-2013) guidelines demonstrate the commitment to mainstreaming and consider environment as a cross-cutting issue intimately intertwined with poverty reduction.

• The key strategies of the 10th 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 activities of the PEI

- Raise awareness on poverty-environment linkages through national, district and sub-district level workshops.
- Identify major poverty-environment linkages through assessments and consultations.
- Review planning processes of the 10th FYP from a poverty-environment perspective (e.g. policies governing rural production and livelihoods) and recommend improvements.
- Prepare poverty-environment mainstreaming guidelines based on existing environmental mainstreaming guidelines and through consultations. Organize training workshops on how to use such guidelines for relevant stakeholders in the line ministries and agencies.
- Analyze status and use of poverty-environmental indicators to report conditions and trends related to pro-poor environmental outcomes.
- Analyze status and trends of environment related public expenditures.
- Assess resource availability, livelihood options and the poverty-environment linkages in 10 targeted areas.
- Integrate poverty-environment considerations into the strategic framework of the Rural Economy Advancement Programme, develop participatory village planning guidelines to initiate interventions on the ground to address extreme poverty in the 10 targeted villages and beyond and define and implement pilot activities with selected partners and enhance communities’ capacities to manage such interventions.
- Integrate poverty-environment considerations into the Local Development Planning Manual - through consultations at the sub-district and national level and enhance local capacities to use the manual.

What has been achieved to date?

- Following a series of workshops to engage government officials in the mainstreaming effort, the GNHC became an active proponent of mainstreaming. It has now embraced the task of ensuring the integration of environmental considerations into all sector development plans and aims to incorporate in the Planning Manual a requirement that sector development plans must take into consideration poverty-environment concerns, as a condition for inclusion in future national development plans. The GNHC is the key implementing partner of the programme.
- 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 analyse 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 10th Five Year Plan.
- The preparation of mainstreaming guidelines 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.
• The local development planning manual that GNHC is preparing with PEI support will be used to implement block grants provided by DANIDA’s environment programme on local investments to achieve pro-poor environmental outcomes.

**Lessons learned**

• Seeking to engage agencies that have a key role in development planning processes in early stages of the project is critical.

• PEI’s approach can catalyse mainstreaming efforts from national to local levels. National mainstreaming efforts can benefit from local mainstreaming work.

**Way forward**

• PEI-Bhutan will help further strengthening partnerships to successfully implement the current programme.

• The findings from the local assessments will be used to formulate recommendations for policy, institutional, fiscal and legislative reforms that aim to integrate pro-poor environmental measures in development processes.

• PEI-Bhutan will support the integration of poverty-environment linkages into sectors’ long-term strategic plans, policies and programmes.

• PEI-Bhutan will explore financing sources and mechanisms for poverty-environment measures from UNDP-Bhutan, in country donors and national governmental resources, with a view to ensure the sustainability of the effort.

**6.3. Botswana**

**Basic facts of the PEI in Botswana**

• The focus of the PEI in Botswana will be on strengthening national, sector and local capacities for poverty-environment mainstreaming, developing country-specific evidence to support mainstreaming and investment prioritization, reviewing the National Strategy for Poverty Reduction, fostering poverty-environment related policy harmonisation and supporting the implementation National Development Plan.

• PEI is about to complete the preparatory phase and plans to enter phase 1 in the summer 2009.

• Consistent with the lessons learned, the programme implementation will be led by the Ministry of Finance and Development Planning, in close collaboration with the Ministry of Environment, Wildlife and Tourism.

• Funding from the programme will include the Government of Botswana, UNDP-Botswana and PEI

• Programme implementation will be supported by a PEI Secretariat based in the Ministry of Finance and Development Planning comprising of a national project manager, an adviser, and a finance/administrative assistant reporting through Multi-Sectoral Committee on Poverty Reduction and the Rural Development Council.
The context of mainstreaming in Botswana

- Botswana’s Vision 2010 and National Development Plan 10 (2010 - 2016) recognize the importance of environment and natural resources within the context of 10 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 UN and the Government of Botswana have articulated an UNDAF that responds to the National Development Plan with goals and outcomes in five clusters: 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 Plan of Operations.

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 the National Development Plan -10 and other relevant planning documents to identify entry points for mainstreaming into national, sector 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 effective implementation arrangements, e.g. establishment of an inter-departmental task team, a steering committee and working group that include representatives from environment, planning/finance and key sector ministries

What has been achieved to date?

- In 2008, PEI participated in the development of the United Nations Development Assistance Framework (UNDAF) for Botswana in 2008, contributing to two UNDAF Outcomes:
  1. Economic Diversification and Poverty Reduction: A diversified economy whose growth is rapid, inclusive, sustainable and generates decent employment opportunities by 2016
  2. Environment and Climate Change: By 2016, the rural poor, especially women, enjoy greater benefits from the environment and natural ecosystems.
- A poverty-environment brief is under development.
- The institutional analysis has commenced and is expected to be completed by end of June 2009.

Way forward

- The Government of Botswana, UNDP-Botswana and PEI will develop a Joint Programme on to feed into the UNDP Country Programme and the UN Plan of Operations
6.4. Burkina Faso

Basic facts of the PEI in Burkina Faso

- Preparatory phase is underway (started in July 2008)
- PEI-Burkina will be a joint initiative between UNEP, UNDP and the Government of Burkina Faso.
- PEI-Burkina will be executed by the Government of Burkina Faso (NEX) through national partner institutions, led by the Ministry of Environment (MECV/CONEDD) and the Ministry of Economy and Finance (MEF/CSLP).
- PEI-Burkina will be implemented by a National PEI Unit to be based in the Environment Unit of MEF.
- Donors: Sweden and Denmark - through UNEP-UNDP PEI Fund - additional funding expected from UNDP-Burkina (TRAC) and in-country donors.
- The total budget is as follows:
  - Preparatory phase: approximately 90,000 USD (including PEI-Africa missions)
  - Projected budget for 2009-2011: approximately 2 Million USD (1.2 million from UNDP-UNEP PEI and additional funds mobilized at the country level)

The context of mainstreaming in Burkina Faso

- 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. Regional PRSP (CSRLP) were developed for all the 13 regions
- In 2008, a peer review of the CSLP 2004-2008 (eq. to Burkina Faso’s Sustainable Development Strategy) was conducted which concluded that “environment should be strengthened together with the economic and social pillars of sustainable development”
- In 2009, a new revision of the PRSP is planned (revision process was delayed for 2 years due to related implementation delays). The new PRSP will be entitled ‘Document Stratégique de Croissance Accélérée et de Développement durable pour la période 2010-2015’
- The government’s objective for this revision is to ‘encourage the acceleration of productivity and growth, and launch a process of sustainable development’.

Main activities of the preparatory phase

- Preliminary analyses (baseline information) on the country specific poverty - environment situation and links, the institutional and political context (and related mechanisms) and the capacity-building needs
- Awareness raising on the importance of P-E mainstreaming amongst all key stakeholders
- Participative development of a strategic environmental mainstreaming programme tailored to the context and needs of Burkina Faso (detailed workplan and institutional arrangements)
• Urgent activities to be implemented for the success of PEI-Burkina Faso (e.g. economic assessment, engagement in key processes)

**What has been achieved to date?**

• Draft reports of the preliminary analyses were submitted and are being reviewed

• A national multi-sectoral PEI Task Team (Comité Technique de Suivi - CTS) was officially put in place in February 2009. The CTS is co-chaired by the Secretary General of the Ministry of Environment (MECV) and the Secretary General of the Ministry of Finance and Planning (MEF). It includes members from MECV (3), MEF (3), Ministry in charge of livestock / MRA (1), Ministry of Agriculture, Water and Fisheries / MAHRH (1), Ministry of local Governance / MDCT (2), civil society (2) and donors (UNDP as lead of the environment donor group, Denmark as lead of the agriculture donor group and PEI-Africa). The CTS has been put in place to ensure:
  - Participative analysis, consultation and dialogue to inform and guide the development and of the national PEI programme, and
  - Sensitization, awareness and support from key ministries and other stakeholders to PEI’s mainstreaming process.

• The first Comité Technique de Suivi meeting took place on May 22th 2009 to mobilize the PEI stakeholders for the PEI preparatory phase, discuss the work achieved so far and decide on the way forward (strategy, roadmap and budget)

**Lessons learned**

• Difficult to obtain the needed support from Government as technical staff/focal points in government are overwhelmed by their initial duties

• Changes in the government can lead to significant delays (since the preparatory phase started: Minister of Environment, SG/MECV and PS/CONEDD have changed as a result in took more than five months to have the Comité Technique de Suivi created)

• Mobilizing stakeholders is a long process

• Ensure collaboration with UNDP’s Economic Unit at the earliest stages to better engage with the Ministry of Finance and Planning

**Way forward**

• Submission final preliminary analyses reports by June 30th

• First draft of workplan by July 15th

• Next meeting of the Comité Technique de Suivi to validate reports and discuss the draft workplan early August

• National PEI-workplan validation meeting end of August

• In terms of urgent activities to be launched during the preparatory phase, the following was agreed on:
  - Economic assessment with extra focus on the productive side of the environment and natural resources (PEI/GEI assessment including SCP aspects) to advocate for environmental mainstreaming into the new PRSP (Stratégie de Croissance Accélérée et de Developpement Durable)
- A study on Poverty and Environment indicators for the new PRSP including economic data (through 2 case studies)
- Poverty-environment mapping exercise to clearly show the links between poverty and environmental degradation (in depth study on poverty-environment linkages)
- Support the establishment of the Environment Unit in MEF (which is proposed to become the location of the future PMU for PEI) to strengthen the links and collaboration between MECV and MEF
- Support the revision of MEF’s guidelines for sector strategies and policies in collaboration with UNDP’s Economic Unit. PEI’s support will focus on environment and climate change as a cross-cutting issue.
- The audit of the CONEDD (mainly funded by UNDP) in order to see how to improve its efficiency and remove barriers in playing its role as national commission for environment and sustainable development
- Collaboration with UNEP-DTIE for Sustainable Consumption and Production / Resource Efficiency component and the Green Economy Initiative

6.5. 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.
- Approximately $2.2 million are committed to the project until 2008. Donors include DFID, the Government of Luxembourg, Government of Norway (through UNEP) and UNDP-Kenya. All funds are distributed through UNDP-Kenya.
- 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 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).

6.6. 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 1 started in May 2009 and will run until December 2011 (31 months).

Current budget for Phase 1 is US$ 3,300,363 (2009-2011). UNDP Lao PDR, UNEP and UNDP-UNEP PEI have allocated resources. Contributing donors include Japan through the Japan-UNDP Partnership Fund (US$ 30,000).

The programme is implemented by the Government of Lao PDR through its national institutions, coordinated by the Ministry of Planning and Investment (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.

Main national partners include Ministry of Agriculture and Forestry, Ministry of Finance, National Land Management Authority, National Committee on Rural Development and Poverty Eradication, Governor’s office of selected pilot provinces, Women’s Union and selected development partners such as the Asian Development Bank and IFAD.

### The context of mainstreaming 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, ensuring environmental sustainability, limited access to cultivation land, education and employment.

- Key environmental issues affecting the poor include deforestation, illegal logging, conversion of land for agriculture and plantations, decline in non-timber forest products, loss of biodiversity and water resources, depleting 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, while 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 poverty reduction processes that actively consider poverty-environment linkages are essential for sustainable livelihoods developments.

- Lao PDR’s principal development master plan, the 7th National Socio-Economic Development Plan (2011-2015), will be 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 the country’s leading 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 Fisheries Law, draft Investment Law, draft Law on Land and Natural resources, revision of the Environment Protection Law, and more, all of which would strongly benefit from improved integration of poverty-environment concerns and indicators.

**Main activities of the PEI Phase I**

• The Lao PDR PEI programme aims to strengthen the capacity of central and provincial authorities to integrate poverty-environment concerns and opportunities in key development planning processes. The PEI framework outlines four major outputs:

  • Strengthening and integrating poverty-environment linkages into the 7th National Socio-Economic Development Plan (NSEDP) through evidence-based and policy relevant research and advocacy targeting involved policy-makers. This includes, inter alia, technical briefs, development of indicators and country-specific research on economic valuation of ecosystem services.

  • Supporting the Investment Promotion Department and selected provincial authorities to plan and manage investments in a manner that seeks to maximize social benefits and minimize environmental impacts. The support will encompass, inter alia, legal and policy advisory services targeting new investment legislation, monitoring and compliance, inter-sector coordination and community consultation mechanisms.

  • Providing support to the Water Resources and Environment Administration to build capacity for and improve Environmental Social Impact Assessment (ESIA) processes. This includes the development of technical guidelines, the establishment of an ESIA information centre and technical experts network and training measures.

  • Advocating and advising the National Assembly to enhance awareness of poverty-environment issues and to strengthen the capacities of National Assembly members to actively integrate poverty-environment considerations when reviewing policies and legislation.

**What has been achieved to date?**

• Framework programme document signed in May 2009.

• Provision of support to the bi-annual training of National Assembly members on “Natural resources for pro-poor growth and the role of the National Assembly”.

• Publication of several analytical assessment reports related to poverty-environment-natural resources linkages which successfully informed the preparatory phase outcomes.

• Increased awareness of poverty-environment linkages due to regular coverage of and reporting in major Lao newspapers about the consultation process.

**Way forward**

• Set up a Poverty-Environment Coordinating to ensure sound coordination between the four components. The Board will be chaired by MPI and members include representatives from other key Ministries and Agencies, (e.g. Ministry of Finance, Agriculture & Forestry, National Committee on Rural Development and Poverty Eradication, Governor’s office of selected pilot provinces, Women’s Union) UNDP and principal development partners, such as representatives from the Asian Development Bank, IFAD, FAO.
• Start implementing the country programme
• Pursue collaboration with the joint Asian Development Bank - IFAD programme on Sustainable Natural Resource Management and Productivity Enhancement Project.
• Pursue collaboration with UNEP to link an on-going UNEP ecosystem valuation programme with PEI support.

6.7. 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, 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.
• The Ministry of Planning and Economic Development is the lead agency for PEI implementation and the PEI Team will be based there.
• Other Government partners are: Ministry of Lands and Natural Resources; Office of the President and Cabinet; Ministry of Finance; Ministry of Agriculture and Food Security; Ministry of Irrigation and Water Development; Ministry of Energy and Mines; and Ministry of Local Government and Rural Development.
• Total budget for Phase 1 is US$ 2.7m.
• 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.
• Environment is included in the main national development planning document, the Malawi Growth and Development Strategy (MGDS, 2006-11), under the theme Sustainable Economic Growth, as Sub-theme 4 - Conservation of the Natural Resource Base.
• 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 environmental management.
- Strengthening coordination mechanisms and improving capacity within the Government and other stakeholders for integration of sustainable natural resources management into policies and plans. These include in the Office of the President and Ministry of Finance.
- Integrating sustainable natural resource management into the implementation of the Agricultural Development Programme and other relevant sector and district level programmes related to land, water and energy.
- Increasing budget allocations, donor funding, private investment and exploring other financing mechanisms, including environmental fiscal reform, for sustainable natural resource management.
- 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 and 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 Minister of Finance who was the guest of honour, Deputy Minister of Economic Planning and Development, senior Government and UNDP staff.
- The PEI team based in the Minister of Economic Planning and Development is in place and includes a project manager, an administrative assistant. An international technical advisor will be recruited shortly.
- An environment addendum to the Malawi Growth and Development Strategy was drafted and accepted by the Ministry of Planning and Economic Development as part of the Malawi Growth and Development Strategy review process.
- Work on developing sustainability indicators for the Agricultural Development Programme was initiated - jointly with the World Bank Malawi office.
- An economic study on the costs of sustainable or unsustainable use of natural resources underway and a draft due mid year
- PEI is integrated in a PEI-Climate Change-Disaster Risk Reduction work programme in UNDP-Malawi. A programme analyst, focal point for these issues, was recruited by UNDP and an international assistant resident representative will oversee this portfolio. This will enhance UNDP-Malawi’s capacity to support PEI and climate change co-ordination efforts

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.
- 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.
• It is important to focus on the PEI objectives and supporting poverty-environment issues.
• 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 programme document was approved.
• Capacity constraints in UNDP offices must be jointly addressed, including for administrative and financial processes.

Way forward

• Completing and strategically communicating the results of the economics study to key stakeholders including parliamentarians
• Accelerating implementation once the PEI Malawi team are fully operational
• Ensuring co-ordinated PEI-climate change work programmes within Ministry of Economic Planning and Development once the climate change co-ordinator in the Ministry is in place (DFID funding)
• Taking part in the mid term review of the Malawi UNDAF to ensure that environmental sustainability and PEI are incorporated
• Taking pro-active steps to ensure administrative and financial processes do not significantly delay PEI-Malawi implementation

6.8. 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 total budget is as follows:
  - 2005-2006: USD 200,000 (UNEP-Norway)
  - 2007-2008: USD 875,480 (UNEP-Norway: USD 625,480, UNDP-Mali: USD 150,000 and Government of Mali: USD 100,000)
  - 2009: USD 212,000 (balance 2008 UNEP-Norway funds: USD 137,000, UNDP-Mali: USD 75,000 and Government of Mali: USD 100,000)
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 20/12/06. 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.

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 the mainstreaming environment 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.
• Strengthening to PEI-Mali’s implementation bodies (steering committee, technical experts committee, project management unit) to strengthen its institutional position and ownership.

6.9. 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 through national partner institutions, led by the Ministry of Environment (Ministère Délégué auprès du Premier Ministre pour l’Environnement) and the Ministry of Economics and Finance (Ministère des Affaires Économiques et du Développement).
• The project is implemented through a National Project Management Unit under the supervision of the Ministry of Environment who leads the process and liaises closely with the other national partners.
• Donors include Norway (through UNEP), PEI, UNDP-Mauritania (TRAC) and Spain (MDG-Fund). The funds distributed through UNDP-Mauritania.
• The total budget is as follows:
  - 2005-2006: USD 240,000 (UNEP-Norway: USD 200,000, UNDP-Mauritania: USD 40,000)

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 two priority cross cutting-issues and the implementation of the National Environmental Action Plan (NEAP) as an important step in to fully take into account the cross-cutting dimension of the environment.
• Due to the ongoing institutional instability the national PRSP unit has not been operational since the formulation of the second PRSP in 2006. However, since early 2009, the PRSP process
is being re-dynamised and a PRSP revision is planned to start after the new elections expected for June 2009.

Main activities of PEI-Mauritania

- Engagement in the PRSP process by participating in various workshops and consultations, supporting the Environment Thematic Group and other thematic groups for the integration of poverty-environment issues.
- Training of academics, policy makers, economists and civil society organizations to techniques of integrated ecosystem assessment (IEA), which will lead to a pilot IEA and a better understanding of the links between poverty and the environment in Mauritania.
- Identification of the national geographical areas where the poverty-environment linkages are the most critical. In 2008, as a follow-up to this study, poverty-environment profiles were developed for 4 districts situated in the most poverty-environment vulnerable regions and poverty-environment micro-projects are currently under development for these 4 districts.
- In depth analysis of the level of integration of environment into the main national development strategies, sector strategies, decentralized development strategies/plans and national projects/programmes. The report also provides a clear description of the institutional mechanisms in place for the environment sector and provides specific recommendations to strengthen mainstreaming in Mauritania.
- Development of environmental indicators for Mauritania (at the request from the Ministry of Environment and in line with priority interventions identified in the National Environmental Action Plan - NEAP) as an initial step for the development of poverty-environment indicators (currently ongoing).
- Economic analysis of the costs of environmental degradation and unsustainable management of natural resources in Mauritania with a key focus on water resources, forests, soil resources and fish resources.
- Support to the sectors of Water, Energy and fisheries for the production of environmental and sustainable development indicators related to their activities.

What has been achieved to date?

- Recognition by the Government of Mauritania 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 poverty-environment linkages.
- PEI’s engagement with the Ministry of Economics and Finance/PRSP led to the development of a matrix for monitoring environmental activities planned in the PRSP 2 (2006-2010) and 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.
- The development of the national environmental action plan (PANE) has been strongly supported by PEI.
• PEI has played a key role in mobilizing MDG-F funding related to the ‘environment and climate change’ thematic window in Mauritania (MDGF-1724: Mainstreaming Local Environmental Management in the Planning Process). In 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.

• An exchange visit to Cotonou was organized to learn from Benin’s greening PRSP experience. Over 2006-2007, Benin conducted a greening of the PRSP exercise using the 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 of the PRSP exercise and the use of Strategic Environmental Assessments.

Lessons learned

• Institutional instability makes it very difficult to achieve mainstreaming. There has not been adequate national ownership of the programme largely because of the political instability including frequent changes in the government structures and personnel.

• It is important to develop and implement community based demonstration projects (for sustainable environmental management and the improvement living conditions) to support the decentralization of natural resource management and strengthen advocacy for mainstreaming into national and local development plans.

• It is critical to involve all relevant stakeholders to achieve better results by turning our objectives into the main priorities of the different government bodies.

• Having a strong communication strategy to disseminate the results of PEI activities and strengthen national ownership of the programme is very important.

• There is a need for constant follow-up at country level to insure a fair implementation rate and keep support from the relevant decision makers.

Way forward

• Support mainstreaming into sector strategies by conducting Strategic Environmental Assessments in four key sectors.

• Support capacity building activities on sustainable environmental management targeted at decision makers and national planners.

• Conduct further studies to highlight poverty and environment linkages (e.g. planned IEA and Scale-up of economic assessment) and implement small community based pilot projects at district level to influence and advocate for environmental mainstreaming into national and local development planning processes.

• Develop mainstreaming tools (poverty-environment indicators, poverty-environment database, and mainstreaming guidelines)

• Scale-up the mainstreaming effort (PEI-Mauritania) through the Joint MDG-Fund Programme in collaboration with UNDP, FAO, WFP, UNICEF, UNESCO and UNDESA
6.10. 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 include the Government of Belgium and the Government of Norway (through UNEP) funded PEI I. The Government of Ireland (through UNEP) is providing all the funds for the second phase.

- The total budget is close to USD 3 million: USD 566,145 (2005-2008) and USD 2,428,000 (2008-2011).

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 2003, a civil society group supported by UNDP and other partners completed Agenda 2025, a strategic exercise reflecting over the future of Mozambique. Agenda 2025 includes a chapter on rural development as well as a chapter on environment, urban development and quality of life.

- 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.

- Mozambique does not have a separate MDG implementation plan but considers PARPA 2 to be the country’s MDG implementation plan.

- 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**

• Develop a communication strategy to raise awareness about the links between poverty and environment.

• 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.

• Conduct formal reviews to track progress with respect to MDG 1 and 7 targets at district level

• 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.

• Support the integration of environment into education progress 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 environment priorities across sectors.

• Strengthen institutional arrangements for mainstreaming.

**What has been achieved to date?**

• Workshops for governments, civil society and journalists, combined with studies on poverty-environment linkages, led to an improved understanding of the linkages and improved national capacities for mainstreaming. Training of schools teachers have also been undertaken to raise their awareness on poverty-environment linkages.

• Capacity building workshops were held in Inhambane, Nampula, Zambezia, Sofala, Cabo Delgado, Gaza, Tete and Maputo and a common understanding of environmental aspects to be included in their Economic and Social Plans was developed.

• 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.
• Indicators were developed with the support of PEI and will help to monitor progress on the environmental targets of PARPA 2

• A greater level of coordination has been achieved between the relevant institutions involved in environmental mainstreaming.

• The next phase of PEI was formulated through a consultative process and funding secured. This next phase is fully staffed and operational.

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 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 critical. 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.

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.

• Provide additional support to and building capacity of the Government of Mozambique on environment and economic development.

• 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.

• 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.

• Collaborate with other partners on environment indicators and poverty-environment indicators development.

• Support the implementation of the UNDAF ‘Plus’ and actively participate in the One UN process.

6.11. Papua New Guinea

Basic Facts of PEI in Papua New Guinea

• PEI provides technical support to the UNDP funded capacity building programme for the Department for Environment and Conservation (DEC). This capacity building programme
of approximately $0.5 million per year has been ongoing for three years with TRAC funds. A
review is planned at the end of 2009 to determine a possible next phase. PEI is likely to be
involved in this review which will determine what future support may be required from PEI.

- This UNDP support assists DEC with the MDG 7 technical Task Force on Environmentally
  Sustainably Economic Growth. The PEI support started during the second half of 2008.
- Key national partners include the Department for Environment and Conservation, the
  Treasury, the National Planning and Monitoring (DNPM), the Forestry Authority, the
  Mineral Resources Authority, the Office of Climate Change and Environmental Sustainability
  and the Department of Agriculture and Livestock.
- The budget is provided by the Government of Papua New Guinea and UNDP- Papua New Guinea
  while PEI provides technical support.
- DEC also receives support from AUSAID and in 2008 two large GEF projects were approved on
  Coastal management and Sustainable Forest Management. DEC is also involved in the cross
  government work on Reduced Emissions from Deforestation and Degradation (REDD) which is
  supported by the UN-REDD programme, AUSAID and others. One of the objectives of the PEI
  support is donor harmonization on the environment and on support for DEC.
- PEI has also provided funding for the government of PNG - DEC, Treasury and Planning - to
  engage in south-south regional lesson learning on environment mainstreaming for pro-poor
  growth and other topics of relevance.

**The context of mainstreaming in Papua New Guinea**

- The country has rich natural resources - both renewable and non-renewable. These include
  some of the world’s richest mineral and petroleum deposits ($750 million in revenues per
  year), forests, fisheries, and land. These resources can provide direct goods and services for
  consumption (e.g. fish, timber), for non consumptive use (e.g. forests for carbon trade) and
  inputs to other goods and services (e.g. tourism sites or watersheds for freshwater supply).
- Small scale miners are numerous and mining waste remains a challenge. Forest cover is still
  high (71%) but forest loss and degradation is rapid. Managing small scale logging, addressing
  the threat of oil palm and making large scale logging is another challenge for the country.
  In this context, “reduced emissions from deforestation” is receiving much attention. Water,
  fishery management and tourism are other important areas to be managed sustainably.
- The country faces many choices in natural resource use between economic development,
  poverty reduction and sustaining the resource base, including on the scale of operations and
  balancing employment and revenues for example in the fishery sector.
- Many key policy documents (e.g. the Medium Term Development Strategy) highlight the
  centrality of natural resource management in the country. However legislation for several key
  natural resource agencies needs revision. Provincial government need to have a much bigger
  role in sustainable economic growth.
- PNG is preparing a 40 Year National Strategic Plan to convert the profits from exploitation
  of non-renewable resources into development of sustainable and renewable resources and
  achievement of the MDGs.
- The Department for Environment and Conservation (DEC) has a vital role to play to regulate
  effectively for sustainable economic growth and is reforming to give itself a stronger policy
  focus. In particular the Department for Environment and Conservation has approached
environmental mainstreaming into national processes through a focus on sustainable economic growth.

**Main activities of PEI in Papua New Guinea**

- Supporting the institutional changes of the Department for Environment and Conservation (DEC) to promote environmentally sustainable economic growth. The next step is a Cabinet Submission by DEC with the Department of National Planning and Monitoring to define the key aspects of such an approach.

- Revising the MDG7 indicators as part of the Medium Term Development Strategy Review (MDTS) and ensuring that Environmentally Sustainable Economic Growth is incorporated into the Long Term Development Strategy (LdTTS) and other sector strategies (e.g. electricity and public private partnerships).

- Supporting the development of a land use policy and plan with coordination and updating of spatial data, building on the National Economic Council decision. The land use policy and plan would support environmentally sustainable economic growth through rationale selection of sites for catchment protection, logging, mining, conservation areas and oil palm development.

**What has been achieved to date?**

- A work plan and priorities have been identified and will be led by the Department for Environment and Conservation, with UNDP-Papua New Guinea and PEI support.

- The Department for Environment and Conservation’s environment economics workshop achieved its objective to engage key government, private sector and civil society groups in the Environmentally Sustainable Economic Growth approach. The workshop was a joint collaboration between government, the UN, the Environment Economics Programme for South East Asia (EEPSEA) and The University of PNG. There was strong participation from the Treasury, Forestry, Fisheries, Minerals, and Climate government bodies, as well as research institutions, NGOs, land owner groups, and the private sector (Timber Association). Discussions provided good suggestions on the need for reforms of the Department for Environment and Conservation. EEPSEA funded grants to undertake environment economics policy research were also discussed and will be developed.

- A Policy Advisor - Natural Resource Economist is being recruited with UNDP funds to support the ESEG approach within the Department for Environment and Conservation and across government.

**Lessons learned**

- There are opportunities for PEI to provide technical support focusing on technical assistance to on-going UN programmes for environmental mainstreaming.

- Environment agencies, such as DEC, can play a key role in mainstreaming particularly if they take an economic approach and link up with Ministries of Finance and Planning.

- Environment agencies such as DEC often are the focal point for uncoordinated GEF projects. Until core institutional reforms and capacity is developed, the effectiveness of these GEF projects will be undermined, yet GEF typically does not have the mandate or focus for this structural engagement. PEI can help address this gap.
Environment indicators need to be identified to help “localize” MDG7 by quantifying the economic contribution of sustainable natural resource use and the importance of the environment for poverty reduction (e.g. environment links to the health, livelihoods and vulnerability of poor people).

**Way forward**

- Further develop partnerships with Treasury and Planning for the Environmentally Sustainable Economic Growth to be mainstreamed
- Proceed with the reform of Department for Environment and Conservation with a stronger regulatory role and greater use of economic incentives.
- Support policy relevant environment economics and capacity building in this area.
- Support the development of Environment Indicators linked with the MDGs and pro-poor growth for inclusion in the Medium Term Development Paper (MTDP) and Long term Development Strategy (LTDS) with UNEP-DEWA support.

**6.12. 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 2009) 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 expected 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 include 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 total budget is over USD 3 million: USD 610,000 (2005-2007) and USD 2,470,000 (2007-2009)

**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 a cross-cutting issue and representing an independent sector as well.

- PEI was strongly engaged in the EDPRS process 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 EDPRS process.

- Extensive “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.

- Increase stakeholder participation and trainings of local civil society groups.

- Building capacity through training workshops 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 development of Sector Strategies, 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 conduct environmental fiscal reform.

- Support to the UNDAF formulation and actively participation in the One UN process.

**What has been achieved to date?**

- 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.
• Capacity development of planners, local NGOs and CBOs in 30 districts about links between poverty and environment and integrate environment into development planning undertaken.

• 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.

• Strengthening of the environment sector through the EDPRS process with clear priorities developed.

• Guidelines for mainstreaming and checklists for all sectors have facilitated the integration of environment as a cross-cutting issue in sector planning.

• A number of District Development Plans were supported to mainstream environment.

• Improved skills among government personnel and local government officials on the use of tools for environmental mainstreaming (i.e. indicator development).

• 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.

• 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 was 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 State of the Environment, 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.

• Specific and targeted support to key sectors for environmental mainstreaming activities in sector programmes.

• 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.

• Contribution to common fund in supporting 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.

6.13. Tanzania

Basic facts of the PEI in Tanzania

• The first phase of PEI-Tanzania (October 2003-December 2006) was focusing 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).

• The main national partners are: Ministry of Planning, Economy and Empowerment, National Environmental Management Council, National Bureau of Statistics, Ministry of Finance, Ministry of Natural Resources and Tourism, Ministry of Industry, Trade and Marketing, Prime Minister’s Office/Regional Administration and Local Government.

• The total budget is close to USD 7 million: USD 2,930,000 (2003-2006) and USD 4,000,000 (2007-2010).
The context of mainstreaming in Tanzania

- The 1st 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 originated on 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 2)

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?

- Knowledge of specific poverty-environment linkages. 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 Integrated Ecosystem Assessment (IEA) methodology was introduced and a pilot IEA Study was carried out for the Livingstone Mountain Ranges.
- The relationship between environmental problems and poverty has been recognized, instead of a focus on environment protection the focus in now on environmental issues as challenges to livelihoods, vulnerability, health and economic growth objectives.
• 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

• The successful integration of environment into MKUKUTA and its Monitoring System paves the way for the implementation in different sectors and at the district level, because MKUKUTA will be the overarching framework in the national budget process as well as in sectoral and district level planning for next five years.

• 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)

• The PEI programme supported drafting of new environmental legislation, the Environmental Management Act (EMA) which was enacted in 2004.

• Budgetary allocation for environment has increased including through a Public Expenditure Review on environment.

• 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.

• 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.

**Lessons learned**

• 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.

Way forward
• Moving from ‘making a general case’ to ‘committing to specific actions’ and mainstreaming environment in key sector programmes, such as natural resources, 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 Poverty Reduction Strategy (MKUKUTA) in 2009.

6.14. Thailand

Basic Facts of PEI Thailand
• The PEI programme in Thailand is currently under preparation. At the request of the Government of Thailand and in consultation with the Thailand UN Country Team, a draft concept note has been developed specifying entry points for intervention for PEI.
• The PEI programme in Thailand is expected to assist: in establishing a platform to facilitate benefit sharing arrangements from ecosystem services; in strengthening the institutional framework for public participation in environmental management under decentralization processes; and in raising awareness and engaging the private sector to support pro-poor sustainable development.
• An integrated ecosystem assessment following the MA framework will be carried out 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 main national partners include the Ministry of Natural Resources and the Environment, the National Economic and Social Development Board, The Community Development Department/Ministry of the Interior.

The context of mainstreaming in Thailand
• Strong export-led industrialization and rising consumption levels and demands for food and raw materials have led to depletion of natural resources. Unsustainable use of natural resources is the one United Nations MDG that Thailand is in danger of missing across the entire country.
• Overall distribution of income in Thailand is uneven and incidence of poverty remains high amongst certain groups. 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.
• 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.
• 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 and diminished the natural resource base and biodiversity. 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. The current one (2007-2011) is based on a 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 Ministry of Natural Resources and the Environment (MoNRE) allocates over 90% of both its budget to water resource management, natural resource conservation and participatory development. Less than 10% is allocated to additional strategies.

6.15. 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 national, district and local levels, assessing potential for in-country institutional capacity building in analyzing poverty-environment issues, 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 complement projects of other bi-lateral development partners.

• The main national partners of the future PEI programme include the Ministry of Economy and Development, the Ministry of Agriculture and Fisheries.

The context of mainstreaming 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 polices 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, Forestry 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.

6.16. Uganda

Basic facts of the PEI in Uganda

PEI-Uganda currently focuses on mainstreaming into the Poverty Eradication Action Plan (PEAP) process with the aim of including poverty-environment linkages into the new National Development Plan, which is scheduled to be ready in June 2009. PEI also supports mainstreaming in the budgeting process and in the Poverty Eradication Action Plan implementation at sector and district levels.

The first phase of the programme started in March 2005 and was completed in early 2007.

The second phase commenced in May 2007 and ran until December 2008. 2009 will be a bridging year between this phase and a joint programme between the Government of Uganda, UNDP-Uganda and PEI, starting in 2010.

The Government of Uganda, through the National Environment Management Authority (NEMA), is responsible for the implementation and coordination of the programme. A poverty-
environment officer has been recruited through UNDP-Uganda to support the implementation at the National Environment Management Authority.

- The main national partners are: NEMA and the Ministry of Finance, Planning and Economic Development (MFPED) and Local Government in the focus districts.
- Donors include Belgium and Norway (through UNEP). Funds are distributed through NEMA.

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 Poverty Eradication Action Plan (PEAP) includes environment related priority actions in all five pillars. However, the Poverty Eradication Action Plan (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 Government of Uganda embarked on a major revision process of the Poverty Eradication Action Plan (PEAP) which will lead to the adoption of a new 5-year National Development Plan for Uganda.

Main activities of the PEI (2005-2007)

- 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.
- Country report on ecosystems, their services and linkages to human well-being.
- An integrated ecosystem assessment (using the Millennium Ecosystem Assessment methodology) in Lake Kyogo catchment.
- Training of civil society organizations on poverty-environment linkages.
- Micro-projects at the local level demonstrating the importance of the poverty-environment linkages for poverty reduction and human wellbeing.

Main activities of the PEI (2008-2009)

- 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-environment concerns into sector policies and plans.
- Support to increased financial allocation for environment management and sustainable natural resource use through capacity building of economists and planners in ministries as well as policy makers.
Facilitation of formulation of district environment policies and integration of poverty-environment concerns into district development plans and related budgets in six pilot districts.

Support to local level innovative activities demonstrating poverty-environment linkages and communication of best practices to influence policy and decision making.

Public-awareness raising activities, e.g. TV and radio programmes.

Study on climate change impact on agriculture and contribution to the UNDP Human Development Report.

Support the facilitation of the Environment and Natural Resource Working Group meetings and contribute to strengthened institutional arrangements.

Edit and publish the various reports and studies.

Development of the Joint Programme (2010-2012)

What has been achieved to date?

Reviews helped to highlight the gap between mainstreaming in policies and the lack of implementation, especially at the sub-national level.

General awareness on poverty-environment linkages has increased.

Partnerships with civil society organizations and community-based organizations at local and national levels to raise awareness on poverty-environment linkages and implement micro-level activities.

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 the National Environment Management Authority is leading the environment sector’s engagement in the National Development Plan (NDP) formulation process. This has resulted in two main publications, “Environment, Natural Resources and Climate Change, NDP Working Paper 7” and “Support to Mainstreaming Environmental Issues in the Poverty Eradication Action Plan Revision Process.” Four sub-sector working papers have also been produced in Climate Change, Wetlands, Forests, and Wildlife.

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.

The Ministry of Finance, Planning and Economic Development has included a clause/paragraph and manual on mainstreaming environmental issues into budget framework papers in the budget call circular and members of the Parliamentary Committee on Natural Resources have committed themselves to advocate for increase in budget allocation to the environment.

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 that can be used to inform the formulation of the 5-year National Development Plan 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 is being used to
engage stakeholders in the Energy, Transport, Water and Sanitation, and Banking and Finance Sectors. A formal presentation will also be made to the parliamentary subcommittee on natural resources.

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 the Ministry of Finance, Planning and Economic Development, Sector ministries, civil society organizations, UNDP-Uganda and in-country development partners has been critical.
- Uganda has a reasonably good policy, legal and institutional framework for mainstreaming however, there are still limited budget allocations for environment at sector and local level.
- Links to on-going national, sector and local policy making processes such as the Poverty Eradication Action Plan revision, National Development Plan development, District Plans and the MDA budget process have provided useful early entry points.
- There is a need for stronger coordination and harmonisation of activities by the Government of Uganda in the environment and natural resources sector which is poorly represented in the Joint Water and Environment Sector working group.
- The activities of the program 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

- Secure programmatic involvement and active staff support from the Ministry of Finance, Planning and Economic Development and the National Planning Authority.
- Have the Ministry of Finance, Planning and Economic Development and the National Environment Management Authority (NEMA) co-lead the implementation the new phase of PEI-Uganda.
- Develop a joint programme for poverty-environment mainstreaming with UNDP, which will be included in the United Nations Development Assistance Framework (UNDAF) and UNDP’s Country Programme Action Plan (CPAP) for Uganda.
- Explore opportunities for additional financial support from other donors, possibly merging programmes.

6.17. Viet Nam

Basic Facts of PEI Viet Nam

- The focus of PEI in Viet Nam is on harmonizing poverty reduction and environmental goals in policy and planning for sustainable development. It aims at strengthening government capacities to integrate environment and poverty reduction goals into policy frameworks for sustainable development.
- The project was launched by UNDP-Viet Nam prior to the launch of the UNDP-UNEP Poverty-Environment Initiative and its Scale-up across regions. The project is jointly financed by UNDP, DFID and the Government of Viet Nam.
• The project is coordinated by the Ministry of natural Resources and Environment

• The implementation started in 2000 and will end in September 2009. The budget for the programme is USD 3.7 millions (UNDP: USD 1.4 million, DFID: USD 2 millions and Government of Viet Nam: USD 300,000

The context of mainstreaming in Viet Nam

• Environmental conditions have a significant impact on the livelihoods, health and security of poor and vulnerable groups - in particular women and children - and better environmental management is critical to poverty reduction, sustainable growth and attainment of Viet Nam’s Development Goals.

• The Government of Viet Nam has made considerable progress in establishing an overall strategic framework for sustainable development, including the National Orientation Strategy on Sustainable Development (National Agenda 21), the National Strategy for Environmental Protection and Vision until 2020 and the Comprehensive Poverty Reduction and Growth Strategy.

• Important policy and institutional gaps still remain, and significant capacity constraints at all levels of society threaten to undermine strategy implementation and the achievement of sustainable development outcomes.

• These strategic frameworks need to be fully consistent with the Socio-Economic Development Strategy 2001-2010, and linkages between sector strategies need to be strengthened, for example, in the Socio-Economic Development Plan 2006-2010.

• This requires expanded efforts to mainstream environmental and sustainable natural resource use concerns into sector strategies and sector development planning. Similarly, poverty reduction concerns need to be mainstreamed into environmental and natural resource management policies and activities.

Main activities of PEI-Viet Nam

The project has four focal areas: forestry, fisheries, renewable energy and natural resources and environment. The main activities are:

• Improving knowledge and awareness within government and civil society of barriers, capacities and opportunities for natural resource use and environmental protection to contribute to national goals, targets and strategies for poverty reduction and sustainable development.

• Strengthening institutional capacity to monitor and report on poverty-environment indicators and outcomes, and to use this data effectively.

• Strengthening institutional mechanisms and capacity to integrate poverty reduction and environmental concerns into development policy and planning frameworks.

• Strengthening capacity in MONRE to set strategic priorities and develop policy and legal instruments that encourage environmental protection and natural resource use and support poverty reduction and improved equality.

• Strengthening institutional capacity of MONRE to coordinate donor support within a programmatic framework, regarding natural resource use and environmental protection, and links to poverty reduction.
What has been achieved to date?

- Site visits to the UK and Tanzania have contributed to gain knowledge and experience of lessons learned on poverty-environment mainstreaming in other countries.

- PEI Viet Nam has conducted ten participatory case studies to improve knowledge and awareness of how natural resource and environmental management may contribute to poverty reduction. The results of these studies are now being used to develop and pilot, using participatory methods, poverty-environment policy investment models in two communes in Ha Tay and Ha Tinh Provinces. These reports are available on the project website and PEI website.
  - Understanding the voice of the poor
  - Health, Water Supply, Sanitation and The Poor
  - Environmental Policies, Legislation and The Poor
  - The Environment, Income Generation and The Poor
  - The Environment, Renewable Energy and The Poor
  - The Environment, Gender, Migration and The Poor
  - Policy Brief on Poverty and Environment Linkages in Viet Nam

- Additional country specific evidence was developed: a research on “Poverty and Climate Change in South-Central Viet Nam” was conducted for the Ha Tinh and Ninh Thuan provinces; a case study on payment for ecosystem services was developed and a study on the Natural Resource and Environment 5-year plan and poverty-environment issues was carried out. All these will further support poverty-environment mainstreaming.

- Particular progress has been made in the mainstreaming of poverty issues into environmental legal frameworks and regulations, notably the new biodiversity law which was approved by National Assembly in November 2008. A decree on compensation for damages caused by environmental pollution and degradation was also finalized and the development of a roadmap for environmental policy and legislation reform was initiated.

- Pilot activities in Hà Tây and Hà Tĩnh provinces were developed with a view to involve poor communities in developing and implementing environmental policies, legislation and regulation and accessing funds for Natural Resource Management and bio-conservation.

- Monitoring of poverty-environment indicators has improved through a review of existing indicators, developing a comprehensive list of indicators, and development of a Monitoring and Evaluation Manual. The set of indicators on poverty-environment was completed and will be used for mainstreaming poverty-environment concerns into national and provincial plans.

- Capacities to integrate poverty-environment concerns into national and provincial planning, including developing pro-poor economic instruments and building partnerships, have improved. Policy makers were trained at the national and provincial levels (Ha Nam, Ha Tinh, Ninh Thuan and Ha Noi) and a report on partnerships for environmental protection was completed. The Ministry of Natural Resources and Environment in particular has strengthened its capacity to coordinate donor support within a programmatic framework, to understand poverty issues, and to influence the development authorities to attend to environment issues. PEI has also supported the Institute of Strategy and Policy on natural Resources and Environment to formulate a development strategy.
• Communication has been strengthened through the development of the poverty-environment network, a communication network of over 100 members including Government officials from various Ministries, to provide better support to the development of partnerships between Government donors and civil society in addressing poverty-environment issues. The project also raised public awareness through the website which features documents and reports, essay writing, photo and poster contests on poverty-environment, and dissemination of messages on poverty-environment linkages using nine public billboards in Hanoi.

**Lessons learned**

• Collaboration among line Ministries is the key for successfully integrating poverty-environment concerns into policies and planning.

• Participation of line Ministries in the implementation of the project is important for mainstreaming poverty-environment issues into sector planning and implementation.

• Demonstration models are required for effective dissemination of project results.

**Way forward**

• Continue to enhance the capacity to integrate poverty-environment issues into national and provincial planning, including developing pro-poor economic instruments.

• Complete on-going studies and conduct a new one on “Building Resilience - adaptive strategies for coastal livelihoods most at-risk to climate change impacts in Central Viet Nam” in Ha Tinh and Thua Thien Hue provinces.

• Develop a manual for integrating poverty-environment issues into plans.

• Support the integration of poverty issues into the Natural Resource and Environment Strategy 2011-2020.

• Support the Ministry of Natural Resources and Environment to develop the Law on Marine and Islands

• Pilot policy and investment models in three provinces: Ha Tay, Ha Nam and Ninh Thuan.

• Carry out communication activities in line with the strategy (e.g. news and events announced on the project website, forums on poverty and environment through poverty-environment communication network, development of the Institute of Strategy and Policy on natural Resources and Environment website).