

Main Report

Mid Term Review of the UNDP-UNEP Poverty- Environment Initiative (PEI) Scale-Up

LIST OF ACRONYMS

CIS	The Commonwealth of Independent States
CP	Country Programme
DANIDA	Danish International Development Agency
ECIS	Europe and the Commonwealth of Independent States
GEF	Global Environment Facility
HQ	Headquarters
IDB	Inter American Development Bank
IIED	International Institute for Environment and Development
ITA	International Technical Adviser
KAP	Knowledge, Attitudes and Practices
LAC	Latin America and the Caribbean
IISD	International Institute for Sustainable Development
M&E	Monitoring & Evaluation
MDG	Millennium Development Goal
MPI	Ministry of Planning and Investment
MTR	Mid Term Review
NRM	Natural Resources Management
ODA	Overseas Development Assistance
PE	Poverty Environment
PEF	Poverty-Environment Facility
PEI	Poverty-Environment Initiative
PRODOC	Project Document
PRSP	Poverty Reduction Strategy Paper
RT	Regional Team
SELNA	Support to an Effective Lao National Assembly
SGP	Small Grants Programme
SMART	Specific, Measurable, Achievable, Realistic and Timely
TOR	Terms of Reference
UN	United Nations
UNCBD	UN Convention on Biological Diversity
UNCED	UN Conference on Environment and Development
UNCCD	UN Convention to Combat Desertification
UNDAF	UN Development Assistance Framework
UNDP	United Nations Development Programme
UNFCCC	United Nations Framework Convention for Climate Change
UNEP	United Nations Environment Programme

Note on terminology used in this report:

- PEI Programmatic approach: The theory of change, i.e. the three components (making the case, etc.) – basically a full PEI programme
- PEI methodology: Tools and methods developed by PEI, e.g. Handbook on Mainstreaming Climate Change, economic assessments, etc.

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1 Executive Summary

The Mid Term Review (MTR) of the UNDP-UNEP Poverty-Environment Initiative (PEI) Scale-Up Programme (2007-2012) has been carried out by PEMConsult of Denmark. The team consists of David Moore, team leader and institutional expert, and Kris Prasada Rao, environment and livelihoods expert. The review has been carried out in accordance with UNDP evaluation best practices from September to October 2011. The findings, conclusions, and recommendations pertaining to the PEI global programme are based on the assessment of objective criteria and objectively verifiable indicators and information that the team gathered from the review of key documents, interviews with PEI staff (Global, regional and country) and UNDP and UNEP staff, representatives of PEI partner and donor institutions, and assessments of six PEI country programmes (Bhutan, Botswana, Laos, Malawi, Tajikistan and Thailand).

1.1 The Reviewed Intervention

PEI's Scale-up Programme intended outcome is "Improved capacity of programme country government and other stakeholders to integrate environment concerns of poor and vulnerable groups into policy, planning and implementation processes for poverty reduction, pro-poor growth and achievement of the MDGs."

PEI's global programme outputs are:

- Output 1: Country led PE mainstreaming programmes where PEI programmatic approach to PE mainstreaming is implemented in target countries.
- Output 2: Joint UNDP-UNEP regional support programmes and regional communities of practice on PE mainstreaming established and functioning to enhance regional capacity to support PE mainstreaming.
- Output 3: Global advisory services and support provided by PEI and the Poverty-Environment Facility

The Joint UNDP-UNEP PEI programme started in early 2005, building on from UNEP's and UNDP's respective mainstreaming initiatives. PEI currently works in 18 country programmes located in Africa, Asia-Pacific (A-P), Europe and CIS (ECIS) and Latin America and the Caribbean (LAC). PEI operates through a joint UNDP-UNEP Board, a jointly staffed UNDP-UNEP Poverty-Environment Facility (PEF) located in Nairobi, jointly staff regional teams (RTs) and Government-UNDP countries teams. Funding for the Scale-up Phase (2007-2012) is provided by the governments of Belgium, Denmark, Norway, Spain, Sweden, US, USA and the European Commission, with core funding from UNDP and UNEP. Ireland is providing funding for a continuation of the PEI Africa Pilot phase through UNEP.

1.2 Findings

Progress

Output 1: PEI is more or less on target in terms of phase 1 (target met) and phase 2 countries (two countries below target); but far below the originally intended target for preparation of PEI programmes in new countries (five countries below target plus three countries on hold). Due to a significantly lower budget available (USD 21,074,514) than anticipated (USD 33,043,478) for the period 2007 to 2012, PEI has put three new country programmes on hold. Even if these are reactivated, PEI will not meet the target of eight new country programmes (refer table page 14).

Output 2: PEI has exceeded both targets (establishment of RTs and communities of practice in Africa, Asia, and LAC) as in addition to the fully functional RTs in these regions, PEI has also established a fully functional RT in ECIS.

Output 3: Whilst the PRODOC contains no targets, at the global level, the PEF has provided technical advice and backstopping to the RTs and CTs through the implementation of regional and country programmes, including through partnerships with other institutions (e.g. IIED, IUCN, LEAD, IDO and WRI). Support capacity has also been enhanced in relation to technical support, knowledge management and communication, with guidance documents, toolkits and primers being produced and distributed. PEF has also been able to mobilise a considerable amount of resources in addition to those originally provided by Denmark and Sweden, although the financial income from signed agreements is significantly less than expected.

A prolonged period of understaffing of the PEF since April 2010 has affected the ability of PEF to provide support to RTs and country programmes; and caused delays in other core functions.

Relevance

The relevance of PEI to poverty and environment issues lies in the fact that PEI aims to help reduce poverty by addressing environment as a cross cutting and mainstreamed concern in government planning. Additionally, PEI's relevance vis-à-vis poverty, gender, and vulnerability lies in the fact that national and sub national policies in PEI countries inadequately address the underlying environmental problems which cause poor and vulnerable groups to stay in poverty. Furthermore, the natural resources on which more than 1.3 billion people depend on for daily livelihoods are subject to severe and growing environmental depletion and degradation.

PEI is relevant to: UNDP's mandate and vision to fight poverty and vulnerability; and UNEP's mandate and vision to identify global environmental threats requiring international cooperation. PEI is relevant to international agendas – UNEP's green economy and climate change; agendas with similarities to PEI's. They are also crosscutting issues within the environment-development continuum, and the UN and other agencies have therefore launched initiatives to mainstream them into government policies. Green economy is particularly related to PEI, as both agendas focus on making the economic case for sustainable environmental management. However, unlike PEI, the UNEP green economy initiative does not have a country level operational model.

Efficiency

The technical support provided by PEF and the RTs is good quality and seen as valuable by regional teams (PEF support) and country teams (RT support). However, at the PEF/global level the prolonged understaffing and absence of senior managers have created inefficiencies which negatively affect the quality of support and guidance provided to RTs (especially the Africa team); and is causing delays. An area of particular concern – signalled by PEI staff and NORAD - is the delays caused in relation to preparing and planning for PEI beyond 2012. However, a paper¹ has recently been prepared for the PEI donor steering group meeting on future options for PEI programming. The structure of RTs and their approaches differ. But a common issue is that they have more environmental than poverty expertise available. Furthermore the RTs are expensive compared to the size of their respective country portfolios. There is some financial inefficiency in, e.g, relation to high travel expenses and high transaction costs in most regions, Asia excepted.

Effectiveness

The country programmes that the MTR team visited generally have created awareness of PE issues and ownership in planning/finance and environment ministries. But only some programmes have so far managed to engage with sector ministries. Programmes have been effective at influencing planning processes and certain policies, and building the PE mainstreaming capacity. Elements ensuring effectiveness include the consultative design process, work to understand the political economy, and the use of existing processes and structures as entry points. An important external

¹ PEI/UNDP-UNEP POVERTY-ENVIRONMENT INITIATIVE. « Future Options for Poverty-Environment Programming, Prepared for the Poverty Environment Initiative Donor Steering Group Meeting », draft, 9 pages, 1 November 2011.

factor affecting programmatic effectiveness is the degree of high-level government commitment to sustainable development. Uruguay excepted, the programmes have not yet influenced budgeting processes; and only to a limited extent implementation of policies and plans. This is not surprising as most PEI country programmes are still in Phase 1. Country programmes have effectively promoted cross-sectoral collaboration at sub-national level, but in a more limited fashion at the national level. Three different approaches to PE mainstreaming have emerged from country programmes: a) To engage broadly in governmental processes across sectors, b) to engage in specific issues of strategic importance to the country, and c) to take an area based approach starting from the sub-national level. All six country programmes visited are in line with the global results framework and it's PRODOC.

The technical advisory support and guidance provided by the PEF and RTs are widely appreciated, although there generally appears to be less expertise on poverty than environment in the teams. The RTs play a crucial role in designing effective country programmes. Country teams report appreciating technical tools, guidance notes, and knowledge management services provided; and external outreach also appears quite effective. However, the prolonged period of understaffing at PEF, especially the unfilled senior management positions, have negatively affected effectiveness at the strategic level and technical assistance and support needed by the RTs.

The joint collaboration between UNDP and UNEP on PEI is promising; and seen as a model to practically implement One UN. The UNEP-UNDP collaborative teams, the PEF and RTs, are well functioning. The rationale behind the partnership is to take advantage of UNEP's expertise on environment and UNDP's expertise on development and strong country presence. But both UNEP and UNDP have mainly provided environmental expertise at the global and regional levels. Certain important poverty aspects, such as gender and vulnerability issues, are often only reflected in country programme design and implementation to a limited extent. However, one improvement at the strategic level is the inclusion of the Poverty Practice Director of UNDP's Bureau of Development Policy in the Joint Management Board as an adviser. At the country level, collaboration between UNDP Country Office staff and PEI RT members from both UNDP and UNEP also appears to work well. In all the PEI-Scale-up countries visited by the MTR Team, the PEI is well integrated into the UNDP Country Office work programme.

UNDP-UNEP collaboration works well at the PEI programme level. At the agency level the partnership appears more problematic. Donors see the collaboration model between UNDP-UNEP as an important reason for supporting PEI. So the two agencies' inability to fill vacant staff positions – positions which are needed for efficient and effective implementation- could threaten the future fundraising ability of PEI. There are concerns among interviewed donors and staff about the delays caused by the understaffing. On the other hand, both agencies have demonstrated commitment by providing a significant amount of their own core resources and staff time to PEI.

Mainstreaming of the PEI methodology into the workflow and approaches of UNDP and UNEP is reportedly limited. UNEP has other mainstreaming initiatives in relation to green economy and climate change. But collaboration between PEI and these initiatives is limited and there is a risk of duplication.

Impact

Most of the PEI Scale-up country programmes are quite young. Only one of them is in Phase 2. It is therefore too early to expect discernible impact at the country programme level. Experience suggests that PEI programmes can relatively quickly build up governments' understanding of PE linkages, government ownership, influence development plans and planning processes, promote inclusion of PE indicators in government monitoring systems, and also promote cross-sectoral collaboration at the sub national level. PEI can also influence targeted sector policies, strengthen government planning and implementation capacity and promote inclusion of PE mainstreaming in civil servant training curricula. However, the more difficult parts are how to enhance cross-sectoral collaboration at central level and to find entry points to influence budgeting processes (Uruguay excepted). At the global level, PEI has developed several knowledge resources (tools, guidelines and best practices), and made

them available on its website. The extent to which there is awareness about these resources and their use beyond the PEI programme is unclear.

Sustainability

For PEI country programmes, sustainability entails “sustained changes in national and local Government practices and approaches, which integrate environmental concerns into pro-poor policies, development planning and budgeting”. Most PEI Scale-up countries are in Phase 1, and it is therefore difficult to talk of sustainability yet, because they have not yet had time to consolidate the results achieved and to ensure that governments have the full capacity to roll out PE mainstreaming. This generally means that more time is needed to embed changes in governments.

Strengths: The PEI concept for mainstreaming PE concerns is reported to be high value to governments and there is generally a strong national ownership, especially within planning/finance ministries; and in UNEP-UNDP collaboration and joint teams. The PEI approach is an approach which has been improved in relation to the experiences of the pilot phase. The use of existing structures and windows of opportunity is another strength of PEI. The provision of tools and methodologies for mainstreaming in practice is a significant strength.

Weaknesses: The main weaknesses are delays in implementation caused directly and indirectly by the unfilled staff positions in the PEF over approximately 18 months. Time-consuming recruitment and procurement processes represent another area of weaknesses. Large budget allocations to RTs in LAC and ECIS, compared to budget allocations for country programmes, is a weakness. Reduced capacity in poverty than environment; and the lack of systematic collection of evidence on outcomes and impact are other weaknesses.

Opportunities: There is reportedly a strong demand from countries for support for PE mainstreaming; a total of 37 countries have requested support from PEI. Donors are committed to PE mainstreaming and supporting One UN inter-agency collaboration. Furthermore, prominent global agendas and commitment to pro-poor sustainable development provide relevant opportunities for PEI and for further expanding the use of the PEI methodology: The green economy (including Payment for Environmental Services), climate change, institutional governance for sustainable development, and Rio+20.

Threats: The global economic crisis and its impact on donor budgets and donors’ ability to continue funding PEI at the current scale. Other threats include the ability and willingness of governments to continue PE mainstreaming without external support, governance issues, political changes, land conflicts, competition with other political agendas and development needs.

Overall conclusion

PEI adds value to PE mainstreaming by providing practical approaches and tools for mainstreaming and including PE in an integrated manner in policy and planning processes. This responds well to international agendas such as climate change and green economy. The technical quality of the tools and support provided is seen as high. There is a strong demand for PEI support. PEI is good at building national ownership, but poverty and vulnerability considerations should be strengthened.

Furthermore, PEI is an example of One UN interagency collaboration with joint management and pooled funding. At the programmatic level the collaboration generally works very well. The prolonged period (approximately 18 months) with unfilled senior management positions has reduced effectiveness at the strategic level; and has also meant a reduction in needed technical assistance and support for RTs, because the available technical staff in PEF has had to cover the work of others. Since donors see the interagency collaboration in PEI as an important reason for supporting it, the agencies’ inability to fill the needed staff positions in PEF could threaten PEI’s future fundraising ability.

Mainstreaming of the PEI methodology into the workflow and approaches of UNDP and UNEP is reportedly limited. Nevertheless, PEF is reportedly making efforts to mitigate this problem. At the country level, PEI has influenced UNDAFs and UNDP country programme documents to include PEI mainstreaming; and UNDP country offices often have a robust sense of ownership of PEI country programmes. The latter is evidenced by significant financial contributions (core UNDP funds represent 27% of total commitments towards PEI country programmes).

The monitoring and reporting system of PEI presents significant weaknesses. It does not sufficiently capture outcomes and impact; which implies that it is difficult to demonstrate the value added and outcomes of PEI to donors. Furthermore, national partners often push for pilot implementation projects to demonstrate tangible results. PEF is currently working on a comprehensive revision of the monitoring and reporting system.

Likelihood of achieving outputs: With the exception of the targets for phase two countries and new countries, PEI has generally already met the intended output targets 15 months before completion. However, the unmet country targets are unlikely to be fulfilled. The target for phase two countries is very unlikely to be met. Whereas the target for new countries can only be met if the development of the country programmes put on hold is reactivated and more new country programmes are added. Although it appears prudent that PEI put these programmes on hold when it was realised the funds available for PEI were much lower than anticipated, it seems somewhat paradoxical that PEI has only spent 53% of the budget 14 months before completion, and is unlikely to spend all the funds available before completion of the current Scale-up phase.

Likelihood of achieving outcome: There are no targets set for the outcome indicators and no data on the progress against the outcome indicators available. ” The MTR cannot therefore assess the likelihood of the PEI Scale-up programme achieving the intended outcome. The first outcome indicator is: *Number of countries in which pro-poor environmental concerns are incorporated into: (1) the national development/poverty reduction and growth strategy, (2) budget processes/Medium-Term Expenditure Framework, (3) key sectoral policies and plans, (4) the poverty monitoring system.* The findings in the six countries visited by the MTR team suggest that the different PEI country programmes are generally very likely to achieve (1) and (4) and likely to achieve (3), but unlikely to achieve (2) within the current Scale-up programme phase. It should be kept in mind that most Scale-up country programmes are quite young, so it is too early to expect impact and it is difficult to talk of sustainability yet, as they have not yet had time to consolidate the results achieved.

Due to the unavailability of data and the difficulty of measuring the second outcome indicator, “*Widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes*”, the MTR cannot assess the programme’s delivery against it. PEI has developed several knowledge resources and made them available on its website and elsewhere. The MTR team is aware of PEI methods and tools being used by some other UN and non-UN programmes as presented in the report. But the extent of the awareness of them and their use beyond the PEI programme is unclear.

1.3 Recommendations

The recommendations provided below are those that MTR believes must be carried out. The other recommendations (should do/ could do) are found in the body of the report. Recommendations of the type “Must do” are critical and must be implemented immediately:

The recommendations provided below are divided into three categories:

- | | |
|------------|---|
| Must do : | Recommendations that are critical to implement |
| Should do: | Recommendations that would be important to implement, e.g. to improve to address areas of weakness |
| Could do: | Recommendations that could further strengthen PEI, e.g. by providing evidence on best practices and enabling factors. |

Recommendations for the visited country programmes are provided in the MTR country reports.

MUST DO

Conclusion sub-section	Recommendation	Timeline	Target Group				
			UNEP Management	UNDP Management	PEF	RTs	Country Teams
Effectiveness	Immediately recruit UNEP and UNDP senior managers for PEI	January 2012	X	X			
Effectiveness	Improve the balance between poverty and environment expertise made available to PEI, including allocation of poverty expert staff time to all RTs and Country Teams	March 2012		X			
Efficiency	To continue ongoing work on improving the monitoring and reporting system as a high priority for all country programmes and new phases of existing programmes, and roll out into practice in the Global and country programmes by January 2012 for new countries/new phases	January 2012			X	X	X
Efficiency	Develop 4-5 Specific, Measurable, Achievable, Realistic and Timely (SMART) global indicators for the country level to capture the intended results in relation to PE mainstreaming in policies, development plans, work plans, budgets, actual implementation of policies and plans, country ownership, and likelihood of changes being sustained. Assess whether a single indicator set would be applicable, or whether broadly defined targets should be agreed upon against which each country identify appropriate indicators. All country programme should report against these overall indicators. Include in annual progress reports an at-a-glance table, where the progress of each country against these indicators is categorised/scored	January 2012			X	X	

2 Introduction

The purpose of this report is to present the overall findings, conclusions and recommendations of the Mid Term Review (MTR) of the PEI Scale-up Programme (2007-2012). The formulation of the report's findings takes account of best practices and lessons learned, focusing on internal factors (strengths, weaknesses) affecting implementation and management arrangements of the programme, areas for corrective action, areas for potential success and external factors (opportunities, threats) affecting implementation. The report provides detailed and operational recommendations. The overall objectives of the external MTR are: i) "to assess overall programme progress"; ii) "serve as a monitoring tool focusing on how the programme is operating and if any major changes are required".

The specific objectives of this external MTR (See Annex 1) are:

1. Assess the current value added of the PEI and whether changes in the wider policy environment have implications for how PEI operates to 2012 (relevance).
2. Assess the progress to date of PEI and its implementation against the results and resources framework of the Scale-up joint programme and identify its strengths and weaknesses (effectiveness and efficiency).
3. Provide findings, conclusions and recommendations to improve implementation and delivery. These should focus on:
 - a. The global joint PEI design and arrangements (including the PEF, PEI governance and operational and technical support from UNDP and UNEP)
 - b. PEI RTs
 - c. PEI country programme design and implementation.

Regarding point c) the six CP assessments helped inform findings, conclusions, and recommendations contained in this report. Points a), b), and c) are informed by additional information acquired from interviews, and review of documentation. Detailed references to the country programmes can be found in the six country reports, summaries of which are annexed to this report (Annex 7).

2.1 Questions asked

The main questions the MTR team made for this global review refer to:

- PEI's relevance and fit with established and developing global environmental agendas, such as green economy, the climate change (CC) agenda, One UN, strengthening institutional governance for sustainability, the upcoming Rio+ 20 conference, and human development indicators, mainly the Millennium Development Goals (MDGs)
- PEI's degree of value added to the processes of One-UN, integration and mainstreaming of PE concerns globally, regionally, and nationally
- Consistency of the country programmes' project documents (PRODOCs) with the global Project Document's objectives and strategies
- Poverty and vulnerability agendas – degrees of inclusion and operationalization in global activities
- Efficiency of implementation – human resources, financial, institutional cooperation and degrees of harmonization of administrative, reporting, and budgeting systems between UNEP/UNDP, and management structures, monitoring and evaluation (M&E), realism of timeframe, execution modalities at country, regional, and global levels
- Effectiveness – PEI's contribution to One UN; relations between PEI and One UN management; and the nature of the support provided by each institution. Progress and achievement of the PEI Scale-up poverty-environment mainstreaming outputs at global, regional and country levels

- (Moving towards) impact – the extent to which PEI is influencing/likely to influence policy, planning, and budgeting processes so they become pro-poor and environment friendly/sustainable; extent to which The PEI methodology are mainstreamed into UNDP’s and UNEP’s ways of doing business
- Sustainability – Assessment of PEI’s phased and adaptive mainstreaming model, with a view to clarifying: a) the ‘exit’ criteria, i.e. conditions, pre-requisites and steps including making a transition to other stakeholders at the country level, b) the post 2012 scenario for PEI, i.e. continued arrangements or different levels of integration in the structure/work of UNDP and UNDP respective programmes of work.

2.2 Methodology

The MTR reviewed documents and carried out interviews at the three levels of PEI. The PEI focuses on higher-level policy processes and decision-makers, it has designed and executed a number of country programmes, which the MTR team was also requested to review as stated in the TOR. The methodology and findings of the CPs are found in the separate CP reports. The methodology for this MTR included: desk review at home office and at PEF in Nairobi; interviews with current and former UN staff in Nairobi, Geneva, New York, Bratislava, UK, and with bilateral donor representatives via telephone / skype / email. A short question guide was used for some interviews (Annex 4). But, given the complexity of the PEI, the areas of work and different knowledge areas of the persons to be interviewed, a standardised questionnaire that could be applicable to all interviewees was judged not to be appropriate, and hence not used. Annex 5 presents the list of persons interviewed and the MTR mission timetable. Furthermore, the MTR team reviewed PEI country programmes in Botswana, Malawi, Bhutan, Lao PDR, Tajikistan, and Uruguay.

MTR has carefully consulted the UNDP evaluation guidelines² and has adhered to the best practices described in the handbook (see Annex 8 for best practices from the UNDP evaluation guidelines).

² Handbook on Planning, Monitoring and Evaluating for Development Results. United Nations Development Programme. Copyright © UNDP 2009, all rights reserved.

3 The Reviewed Intervention

3.1 Introduction

Intended outcome: PEI's intended outcome is: "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".

Outcome indicators:

1. Number of countries in which pro-poor environmental concerns are incorporated into: 1) the national development/poverty reduction and growth strategy; 2) budget processes /medium term expenditure frameworks (MTEF); 3) key sectoral policies and plans; 4) the poverty monitoring system;
2. Widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes.

Partnership strategy: At country level, PE programmes will provide a comprehensive framework for mobilising stakeholders and catalyzing partnerships around a country-owned PE agenda, leading to improved harmonization and coordination of interventions and joint programming on priority PE issues. Regional and global analysis, advocacy and knowledge networking will engage a range of partners through formal agreements and collaborative activities – including governments, regional organizations, national and international NGOs, and other centres of excellence. The PE partnership will provide a key entry point for interaction with bilateral and multilateral development agencies and international NGOs.

The PEI strategy refers to the key strategic direction and orientations that PEI applies to implement the PEI Programmatic Approach, defined as³: three components of mainstreaming: i) Finding the entry points and making the case; ii) mainstreaming poverty-environment linkages into policy processes; iii) meeting the implementation challenge.

Joint programme outputs⁴:

1. **Output 1:** Country-led PE mainstreaming programmes. Country-led programmatic approach to PE mainstreaming implemented in target countries: a) Preparation Phase: Africa (8); Asia (10); LAC and other (7); b) Phase 1: Africa (6) Asia (8); LAC and other (4); c) Phase 2: Africa (9) Asia (4); LAC and other (4)
2. **Output 2:** Joint UNDP-UNEP regional support programmes and regional communities of practice on PE mainstreaming. [Enhanced regional capacity to support...] Targets: Joint regional support programmes for Africa and Asia (2007) and Latin America (2008); Regional communities of practice in Africa and Asia (2008) and Latin America (2009)
3. **Output 3:** Global advisory services and support

UNDP (HQ in New York) launched the first PEI activities during the late 1990s. This was a policy initiative focused on desk studies and policy recommendations. Meanwhile, UNEP (HQ in Nairobi) launched its own poverty-environment project, which concentrated on the significance of ecosystem

³ I.e. Figure 3.1 "Programmatic Approach to P-E Mainstreaming" P.15 Mainstreaming P-E Linkages into Development Planning: A Handbook for Practitioners, UNDP-UNEP PEI, March 2009.

⁴ ECIS was not included in the PRODOC and not specifically referred to in the Outputs provided in the Results Framework.

services for poor people, funded by Norway and Belgium and later Ireland. Collaboration between UNDP and UNEP on the PEI project started in early 2005 and the initial joint UNDP-UNEP PEI was formally launched at a side event – Environment for the MDGs – 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. This is referred to as the PEI Pilot Phase (2004-2009), which was funded by Norway, Belgium and later Ireland. It was formally extended until 2009. But it is continuing with the use of Belgian and Irish funds in some countries until all the money is used up. (The one PEI country programme in Asia remained a UNDP supported programme.)

PEI currently works in Africa, Asia-Pacific (PEI A-P), Europe and the CIS (PEI ECIS) and Latin America and the Caribbean (PEI LAC). There are currently (November 2011) 17 PEI country programmes under implementation. The number of active programmes has fluctuated. There were 18 in 2010, but the Uganda programme has subsequently been phased out. In addition, three new country programmes are frozen due to funding shortages, but there are plans to sign a PRODOC for the Dominican Republic by end 2011; and PEI has provided targeted technical support to seven countries. PEI operates through a joint UNDP-UNEP Board, a global UNDP-UNEP Poverty-Environment Facility (PEF), four joint RTs and the government-UNDP country teams (UNDP country offices). Funding for the Scale-up phase is provided by the governments of Belgium, Denmark, Norway, Spain, Sweden, UK, USA and by the European Commission, with core funding from UNDP and UNEP. Ireland is providing funding for a continuation of the pilot phase.

In late 2006, the pilot phase of PEI, which is ongoing until Irish and Belgian funds are utilized – was evaluated. The evaluation, which was completed in August 2009, was conditionally positive about PEI, although there was criticism concerning several issues. First, indicators, viz.: “PEI has supported some key studies on p/e links and how they are currently handled by policies and institutions and some countries, such as the analysis of the integration of the environment in public policy in Mauritania. But usually these (a) have been one-off consultancies rather than ways to engage and build up national knowledge institutions on a continuing basis, (b) have not built on – or been integrated into – a national knowledge system, (c) have not established an adequate baseline, and (d) **have not proposed the critical p/e criteria and indicators** that could be used to structure desirable changes”. (p.14⁵).

Additionally, the Norwegian evaluation signalled a lack of poverty focus, and lack of mechanisms to include the voices of the poor in overall design for national planning. (**Note:** the MTR is commenting on poverty here since the **Intended Outcome** of PEI is: “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**”.)

The evaluation concluded on the poverty issue that “the voices of specific poor groups who have specific environmental deprivations, capabilities and needs should become a routine part of national planning systems. [M]echanisms should be devised to ensure that their views, aspirations and commitments are reflected in the policy process (representation on selected working groups..., use of pilot field projects to explore issues, perceptions and opportunities.. (p. 13).” The evaluation signalled a number of additional critical areas for improvement, viz.: i) the need to improve focus on communications: “But communications and administrative difficulties have sapped energies from in-country national policy work, and have meant that PEI teams have missed key opportunities to influence ongoing mainstream processes” (p.3⁶); ii) Key ‘upstream’ issues constrain implementation of the newly integrated plans resulting from PEI’s work, such as macro-economic and tenure policy.

⁵ S. Bass & Y. Renard, Evaluation of UNDP-UNEP Poverty Environment Initiative (PEI) Partnership with Norway 2004-2008. IIED, August 2009, p. 14.

⁶ S. Bass & Y. Renard, Evaluation of UNDP-UNEP Poverty Environment Initiative (PEI) Partnership with Norway 2004-2008. IIED, August 2009, p. 3.

PEI has not yet catalysed policy debate on such ‘bigger’ issues that correspond to the underlying causes of poverty and environmental problems, and that render national plans impotent (p. 3); iii) **PEI faces many dilemmas ‘downstream’ of the national development plan**, too, such as the best ways to engage sectors and decentralised authorities [sic] roles in meeting pro-poor environment needs and potentials. PEI’s district and micro-project work is resource-intensive but not always strategic (pp 3-4); iv) **efficiency is highly variable (depending upon country)**. The national teams are a relatively cost-effective means of achieving PEI’s goals, but transaction costs within the government and UN are sometimes high. *PEI should review PEI country project management with a view to reducing transaction costs and time requirements” (p. 4)*; and v) **High-level UNDP and UNEP attention is essential to address some of the constraints to PEI progress, and there are clear roles for the PEI team and donors, too” (p.4)**.

The evaluation concluded overall that PEI’s relevance is high, effectiveness good, equity and sustainability satisfactory, but efficiency highly variable (depending on country)⁷.

Before this evaluation, in 2007, UNDP and UNEP jointly prepared a proposal to seek financial support for the UNDP-UNEP PEI Scale-up. The joint PEI Scale-up joint PRODOC 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 USD 33 million over five years. Its implementation effectively started in 2008.

The PEI programmatic approach also informs the PEI theory of change which is reflected in the PEI global or country results and resources framework. The PEI methodology comprises the “tools” and “methods” that PEI applies as part of activities under each of the three components of mainstreaming and to achieve desired outputs.

3.2 Rationale of PEI

The rationale for the PEI is that natural resources generate economic and social benefits upon which poor people depend in many developing countries. That the environmentally unsustainable use of these natural resources reduces the benefits generated; and thus over time unsustainable use makes it more difficult to achieve poverty reduction and broader development goals. This link between poverty and environment is inadequately understood by national governments and inadequately reflected in national, sector and local development planning and budgeting. Thus there is inadequate investment in pro-poor environmentally sustainable natural resource use.

PEI’s rationale is expressed by its programmatic approach: i) finding entry points and making the case; ii) mainstreaming PE linkages into policy processes; and iii) meeting the implementation challenge⁸. PEI supports country-led efforts to mainstream PE linkages into national development planning, from policymaking to budgeting, implementation and monitoring. PEI provides financial support and TA to governments to set up analytical, institutional and capacity strengthening programmes which aim to influence policy and budgets and bring about sustainable institutional change by increasing the understanding of country PE linkages. In order to achieve that, PEI works increasingly in collaboration with other relevant actors at the country level such as practitioner and knowledge organizations, civil society organizations, and the private sector. PEI is an example of implementation of UN Reform, including One UN interagency collaboration.

The intended outcome, already noted above, is: “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”. The rationale of the strategy clearly depends partly on the ability to open and sustain dialogue with the poor and vulnerable groups in the PEI countries. Although ideally

⁷ S. Bass & Y. Renard, Evaluation of UNDP-UNEP Poverty Environment Initiative (PEI) Partnership with Norway 2004-2008. IIED, August 2009, p. 4.

⁸ Mainstreaming Poverty-Environment Linkages into Development Planning: A Handbook for Practitioners. March 2009. © 2009 UNDP-UNEP, p. 14.

this dialogue would be established directly with poor and vulnerable groups, given the nature of poverty and logistical issues in poor and vulnerable communities, it is more likely that civil society and government organisations – which enjoy differential degrees of confidence and credibility with these groups in different countries- would be more likely to be the intermediaries. Additionally, the rationale of the strategy also depends – perhaps most obviously — on the PEI’s interactions with national governments. The rationale – in the MTR’s view — should as far as possible merge the lower levels of the poor and vulnerable with those of the high level government interlocutors.

3.3 Organization and stakeholders

PEI has set up the following institutions for implementation: a joint management board; the joint Poverty-Environment Facility (PEF) in Nairobi; and four joint PEI RTs. The joint management, programming, and pooled funding are reportedly a unique organizational set-up in the UN context. UNDP and UNEP contribute core staff, some full-time, some part time, at the global, and regional levels. Stakeholders are national governments, UNDP, UNEP, bilateral donors, international and national CSOs, think tanks, research institutes, and donor projects in PEI countries. A Donor Steering Group formed by donors contributing to the PEI Scale-up meets annually regarding accountability of the PEI and provides guidance and feedback to management. Reporting to donors is done through a consolidated annual progress report and a financial report. In addition to reporting on progress and results, the annual report is used for disseminating information on lessons learned in programme countries and other outreach purposes. In some countries (Bhutan) there is donor co-funding of PEI.

The PEI joint management board is co-chaired by the director of UNDP’s Environment and Energy Group (EEG), and UNEP’s director of the Division of Environmental Policy Implementation (DEPI). The Director Poverty Group (PG) Practice under of UNDP’s Bureau of Development Policy and the Director of UNEP’s Division of Regional Cooperation (DRC) are represented on the Joint Management Board as members. PEF is charged with global coordination and management of the programme, including budget management and reporting to donors on expenditure and results. PEF also offers knowledge management and technical advisory services to the regional and country programmes. While it comprises a mix of UNDP and UNEP staff, the entire team is based at the UNEP HQ in Nairobi. PEF is jointly managed by a director (appointed by UNDP) and a manager (appointed by UNEP), who report to the board. However, these two positions have until now been vacant for 18 months plus. PEI is currently managed by the PEI Africa Manager who serves as OIC PEF Manager and the UNDP Senior Environment Policy Advisor based at UNDP HQ who is designated OIC PEF Director.

The four RTs support the design and delivery of country programmes, in cooperation with the UNDP country offices and national governments. The RTs are responsible for responding to demand in their respective regions. With PEF’s guidance, the RTs use the results framework in the PEI Scale-up joint PRODOC and monitor country PEI programmes with report to the PEI’s country partners implementation teams against this results framework and associated indicators. Each country programme is developed jointly with the national government and formalized in a joint programme document (PRODOC) approved by the main government partners, the PEF, and the UNDP country office.

PEI country programmes: PEI RTs work with governments and UNDP country offices to develop PEI country programmes and to establish institutional and management arrangements that create teams that work to deliver sustainable results for poverty reduction and improved environmental management. The country programme is formalised in a PRODOC which is implemented via annual work plans. Most country programmes are implemented directly by the government under UNDP’s national execution modality, with support from UN country teams and PEI RTs. The national execution modality includes making quarterly financial advances to the government based on the approved annual work plan, based on financial and progress reports from the previous quarter. The national programme manager manages the implementation and in many countries, technical support is provided by an International Technical Adviser (ITA). In general, the ministry of planning/finance is chosen as the entry point for hosting a PEI country programme, with the overall responsibility for programme coordination and implementation in collaboration with environment and sector ministries.

In most cases PEI is integrated into an existing government-led: co-ordination mechanisms e.g.: A steering committee (typically including planning and finance ministries, high level environment institutions, sector ministries, and other actors), which provides strategic and political guidance to the poverty-environment mainstreaming process. PEI country teams vary in composition. Drawing on support from the PEI RTs and the PEF they focus on specific entry points, such as ongoing development policy processes, budgeting processes, sector or local planning processes, or similar processes to attempt to integrate environment into government development and poverty-reduction policies.

TAG: Technical Advisory Group: TAG⁹ was created in 2007, when its first meeting with donors and stakeholders took place. Donors had requested PEI to provide improved accountability, in addition to providing technical advice. During the last PEI donor steering group meeting in 2010 it was agreed to revisit the convening of a TAG to provide technical advice to the management of the joint UNDP-UNEP Poverty-Environment Facility. TAG was revived in 2010. Cost-effectiveness of TAG is reportedly good: there is one physical meeting held back-to-back with the PEI meeting. During its annual physical meeting in February 2011 the TAG agreed to discuss a detailed note on the PEI M&E system that was provided in July. It was also agreed to analyze the findings of this MTR and the paper on M&E after the MTR, and with the assistance of MTR's recommendations and findings (Annex 11 has more details of TAG).

Financing modalities: Since PEI is a jointly managed initiative with pooled funds, contributions from PEI Scale-up donors are pooled and jointly managed by the PEF under the UNDP Atlas system. Funds have also been mobilized at country level for several country programmes, primarily from UNDP Country Offices, but also in some cases from national government and bilateral donors.

4 Findings

4.1 Progress on results

The PEI Scale-up PRODOC was signed in December 2007 and the programme effectively started in January 2008. The current phase will be completed by December 2012. A second phase is anticipated in the Scale-up proposal document. When the PRODOC was signed, the budget for the scale-up was USD 3,300,000, provided by Denmark and Sweden as an initial financial contribution. Subsequently, further funds were raised from other donors. So the total budget mobilised is USD 21,074,514. In addition, UNDP and UNEP provide core funds of USD 9,840,149 for staffing and operational costs for PEF and RTs. However, the total amount provided by donors is considerably lower than the amount originally committed/anticipated from donors (USD 33,043,478), partly as a result of the global economic crisis, partly as result of internal budget choices in UNEP, where donor funds intended for PEI but provided as core funds for UNEP's Environment Fund were used for other purposes. As a result PEI has been unable to establish country programmes in all 37 countries requesting support and fewer country programmes have been initiated than originally intended. In some countries full programmes have been postponed/put in stand-by, while others have instead received technical assistance from PEI, but not full country programmes. The PEI scale-up country programmes are presented in the table below, PEI is more or less on target in terms of phase 1 (targets met) and phase 2 (two countries below target) countries, but far below the originally intended target for preparation of PEI programmes in new countries (five countries below target plus three countries on hold). The regional distribution of phase 1 and phase 2 countries is very different from the PRODOC targets, with significantly fewer countries outside Africa and only one phase 2 country outside Africa (Bhutan):

⁹ Annex I UNDP-UNEP Poverty-Environment Initiative. Terms of reference for the technical advisory group. N.d.

Countries supported through the PEI Scale-up Programme						
Region	Country	Full programme	Preparation	Phase 1	Phase 2	Technical assistance
Africa ¹⁰	Botswana	X		X		
	Burkina Faso	X		X		
	<i>Burundi</i>					X
	<i>Liberia</i>					X
	Malawi	X		X		
	<i>Mali</i> ¹¹	X			X	
	<i>Mauritania</i> ¹²	X			X	
Asia	Bangladesh	X		X		
	Bhutan	X			X	
	Lao PDR	X		X		
	Nepal	X		X		
	<i>Papua New Guinea</i>					X
	<i>Sri Lanka</i>					X
	<i>The Philippines</i>					X
	Thailand	X		X		
	<i>Timor Leste</i> ¹³		(x)			
<i>Viet Nam</i>					X	
Europe & the Commonwealth of Independent States (ECIS)	<i>Armenia</i>					X
	Kyrgyzstan	X		X		
	Tajikistan	X		X		
Latin America & Caribbean (LAC)	<i>Dominican Republic</i> ¹⁴	(x)	(x)			
	<i>Guatemala</i> ¹⁵		(x)			
	Uruguay	X		X		
Total number of countries	Scale-up phase	11	(3)	10	1	7
	<i>Pilot phase</i> ¹⁶	6 (7)	-	-	6 (7)	-
	Total PEI	17	(3)	10	7	7
PRODOC targets, number of countries ¹⁷	2008-9	19	8	6	5	-
	2009-12	27	8	10	9	-
	<i>Africa</i>	8	2	3	3	-
	<i>Asia</i>	12	4	5	3	-
	<i>ECIS & LAC</i>	7	2	2	3	-
Deviation from 2009-2012 target		-10	-5	0	-2	+7

At the regional level (Output 2), both PRODOC targets have generally been met, although for LAC the second target (regional community of practice) at this stage appear of somewhat limited relevance with only one country programme currently under implementation:

- Joint Regional Support Programmes for Africa and Asia and Latin America
- Regional Communities of Practice in Africa and Asia and Latin America

¹⁰ Most countries supported by PEI in Africa are from the pilot phase: Kenya, Mali, Mauritania, Mozambique, Rwanda, Tanzania, and Uganda (the Uganda Country Programme closed after completion of Phase 1).

¹¹ Country from Pilot Programme receiving funds from the Scale-up Programme.

¹² Country from Pilot Programme receiving funds from the Scale-up Programme.

¹³ Implementation postponed/on stand-by due to lack of funding.

¹⁴ PRODOC developed, but implementation postponed/on stand-by due to lack of funding.

¹⁵ Implementation postponed/on stand-by due to lack of funding but ecosystem and human well-being assessment is taking place in 2010-2012 to inform eventual PRODOC.

¹⁶ Including Mali, Mauritania and ongoing pilot countries not receiving funds from the Scale-up Programmes. Figures in bracket also include Uganda.

¹⁷ Source: PRODC, Table 1, page 9.

RTs have been established for Africa, Asia and LAC. In addition to the two target RTs, a Team has also been established for the ECIS region. The RTs have led the scoping and development of Scale-up country programmes, provide ongoing support to the country programmes and have established and led / facilitated community of practices activities (i.e. cross-country experience exchange and learning), e.g. through arranging regional workshops, exchange visits and participation in international events. Community of practice activities are in particular being implemented by the Africa and Asia RTs. With only two country programmes, ECIS community of practice endeavours are often linked to the other regions, e.g. through participation in their workshops.

At the global level (Output 3), the PRODOC contains no targets, but has three indicators:

- Enhanced capacity to provide global advisory services to RTs and UN Country Teams/UNDP Country Offices
- Resources mobilized to support PEI scale-up
- Increased access by countries to good practice guidance and tools on poverty-environment mainstreaming

A prolonged period of understaffing of the PEF since April 2010 has affected the capacity of PEF to provide technical support to RTs and country programmes; impacted the supervision of the Africa team (due to the Africa RT manager doubling as officer-in-charge for PEF), and caused delays in other core functions such as donor reporting, and reportedly also in the post 2012 planning. But support capacity has been reportedly enhanced in relation to technical support, knowledge management and communication, with guidance documents, toolkits (e.g. on development of communication strategies) and primers having been provided. Technical advice and backstopping have been provided in the set up and through the implementation of regional and country programmes, including through partnerships with other institutions (e.g. IIED, IUCN, LEAD, ODI, WRI). PEF has been able to mobilise a considerable amount of resources in addition to those originally provided by Denmark and Sweden, although the final income from signed agreements with donors is significantly less than expected.

Annex 2 provides an overview of activities implemented and achievements vis-à-vis the activities, outputs, indicators and targets outlined in the PRODOC and annual work plans.

Realism of timeframe of PEI

All CPs have been designed with a second phase in mind at country level. Some CPs require an extension of one year to complete the activities described in the individual PRODOCs. At the CP level, it was not realistic to assume progress measured against expected outputs could be achieved in the foreseen two years. Three-four years would have been relevant for the CPs. In the **ECIS** and **Asia** programmes visited, the PEIs, despite some initial delays (e.g. due to time consuming recruitment procedures and difficulties in identifying qualified candidates), are largely on time. Furthermore, Tajikistan runs till end 2012. **Africa** region countries visited are behind schedule (Malawi, Botswana); mainly due to delays in formal signing of PRODOCs and staff recruitment (for the same reasons as the above mentioned in ECIS and Asia). **LAC** region is behind schedule, one main reason being an unexpected withdrawal of Spanish funding to the PEI due to the financial crisis, and ii) particular circumstances in some potential LAC countries where scoping studies had been done, but where – according to PEF - the highest level of support in national government's finance ministries could not be achieved in time to implement as part of the regional PRODOC timeframe¹⁸.

4.2 Relevance

Assessment of relevance of PEI vis-à-vis poverty and environment issues

The relevance of PEI to PE issues lies in the fact that PEI aims to help reduce poverty by addressing environment as a cross cutting and mainstreamed concern in government planning. The main overall

¹⁸ Countries foreseen for possible inclusion in the LAC over a five-year period were Guatemala, Nicaragua, Haiti, Dominican Republic, Guyana, Ecuador, Peru, Paraguay, Panama and Uruguay.

relevance points are: a) environmental degradation is a major issue having a significant impact on poor; b) poverty forces people into doing environmentally unsustainable practices; c) environmental degradation has a significant economic cost for a country; d) policies, plans and budgets need to take the above into account; e) these issues are multisectoral and need to be addressed as crosscutting issues, otherwise (sector) policies can contradict each other.

PEI's **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") promises to indirectly help the poor and vulnerable groups who rely on (and often have to compete for) natural resources in order to sustain their livelihoods through building government capacity to integrate their concerns. Hence, PEI's relevance vis-à-vis poverty, gender, and vulnerability lies in the fact that national and subnational policies in PEI countries inadequately address the underlying environmental problems which cause poor and vulnerable groups and their livelihoods to spiral down into deeper poverty. Furthermore, the natural resources on which more than 1.3 billion people depend on for daily livelihoods are subject to severe and growing environmental depletion and degradation.

In addition to environmental degradation and pollution of the soils and water sources on which the poor depend for growing food, environmental stressors that PEI is focused on concern **depletion** of natural resources through overuse. E.g., soil erosion, overfishing, and deforestation that reduce the potential net benefit streams of natural resources. In countries like Malawi and Uruguay, the role of the State in providing perverse subsidies, giving low priority to the environment, funding environmentally damaging infrastructure are also factors that PEI is trying to address. The actions of the poor themselves also cause environmental degradation: E.g., informal mining for precious metals in countries with precious rain forests and unique fauna, flora, and endangered species.

Assessment of relevance to One UN, UNDP-UNEP MOU, UNEP, and UNDP mandates

One UN was conceived to overcome the fragmentation of the United Nations so that the system could deliver as one and rectify a "lack of focus on results, thereby failing, more than anyone else, the poorest and most vulnerable"¹⁹. PEI is relevant and adds value to the spirit of One UN globally, and in the reviewed countries, because PEI has aimed since 2005 to achieve a programmatic working alliance between UNEP and UNDP. PEI has joint budgeting and reporting mechanisms. UNEP and UNDP staff work collaboratively on PEI at all levels. PEI is relevant to the One-UN spirit because its structures – joint programming, joint management, pooled funding – replicated at global, regional and country levels serve as a way of actually creating One-UN and forging a better alliance between UNDP and UNEP. PEI also contributes to the UNEP normative role and UNDP country presence. For example, PEI Africa has made a substantive contribution in One UN and Joint programming processes in Botswana and Malawi.

UNDP: PEI is relevant to UNDP's mandate and vision to fight poverty and vulnerability. The UNDP strategic plan supports programme countries in strengthening their capacity to regulate markets for goods and services in ways that ensure equity and access for poor women as well as for other vulnerable groups. Likewise, work in crisis prevention and recovery, and environment and sustainable development, aims to include more explicit strategies for promoting gender equality, promoting women's security and empowerment, and protecting vulnerable groups²⁰. World leaders have pledged to achieve the Millennium Development Goals, including the overarching goal of cutting poverty in half by 2015. UNDP's network links and coordinates global and national efforts to reach these Goals. UNDP's focus is helping countries build and share solutions to the challenges of: Democratic Governance; Poverty Reduction; Crisis Prevention & Recovery; Environment & Energy; HIV/AIDS.

¹⁹ Delivering as One. Report of the Secretary-General's High-Level Panel. United Nations, New York. 2006, p.1.

²⁰ UNDP Strategic Plan, 2008-2011. Accelerating Global Progress on Human Development, pp 13-14.

The Administrator of the UNDP chairs the United Nations Development Group. The UNDG Chair reports to the Secretary-General and the Chief Executives Board on progress in implementing the group's work plan, and on the management of the Resident Coordinator system at the country level.

UNEP: PEI is also relevant to UNEP's mandate and vision to identify global environmental threats requiring international cooperation. PEI is integrated into UNEP's programme of work under the Environmental Governance Sub-programme and reportedly also contributes to the delivery of the programme of work through collaboration with the Climate Change and Ecosystem Management sub-programmes. UNEP's role is monitoring, catalysing, and coordinating global environmental assessment. UNEP's mandate was confirmed at the key UN Conference on Environment and Development (UNCED) in 1992 and its Agenda 21 which makes references to UNEP's assessment mandate, to the role of the international system, and UNEP-led programmes in information for decision-making. UNEP's priority areas are congruent with PEI's overall objectives²¹.

PEI's expected outcome to champion the incorporation of environmental sustainability in country development processes and to attempt to operationalise the integration of pro-poor environmental sustainability into national development processes and budgets – using a country-led approach based upon experience and lessons learned – tallies with UNDP's and UNEP's mandates and visions reviewed above. There are five overall, inter-related areas of the **mandate of UNEP**: i) Keeping the world environmental situation under review; ii) Catalyzing and promoting international cooperation and action; iii) Providing policy advice and early warning information, based upon sound science and assessments; iv) Facilitating the development, implementation and evolution of norms and standards and developing coherent inter-linkages amongst international environmental conventions; and v) Strengthening technology support and capacity in line with country needs and priorities.

UNEP vision: The work of UNEP will be underpinned by the fundamental values identified through the Millennium Declaration¹⁸ of freedom, equality, solidarity, tolerance, respect for nature and shared responsibility and recognizing, inter alia, the principle of common but differentiated responsibilities as contained in the Rio Principles.¹⁹ The work of UNEP will also continue to focus on contributing to the achievement of the relevant MDGs and enhancing the understanding of agreed international environmental goals and targets²². The potential of PEI is to combine UNEP's environmental expertise with UNDP's poverty and country programme implementation expertise in advising governments to improve poverty and environmental governance in a truly coordinated way.

Relevance to International Agendas – Green Economy and Climate Change

Globally, the climate change and green economy agendas receive a lot of international attention. Significant funding is being made available, especially to climate change related work. Both agendas share similarities to PEI's agenda. They are also crosscutting issues within the environment-development continuum, and the UN and other agencies have therefore launched initiatives to mainstream them into government policies. The green economy concept is particularly related to PEI, as both concepts focus on making the economic case for sustainable environmental management. Although the UNEP's green economy initiative does not have a country level operational model. The prominence of these agendas can both be an opportunity and a threat to PEI:

- An opportunity, as they can be used to enhance the interest in mainstreaming environmental issues into the development agenda and as a lever for attracting higher attention and funding. The mainstreaming approach and tools developed by PEI can also be applied to other mainstreaming efforts, including as climate change and green economy. PEI can be (and in some countries already is) used as a vehicle for country level engagement and holistic mainstreaming for both the climate change and green economy agendas. The relevance of the

²¹ Final draft. UNEP Medium-term Strategy. 2010–2013. Environment for Development. UNEP Medium-term Strategy 2010–2013. Environment for Development.

²² UNEP Medium-term Strategy 2010–2013. Environment for Development.

PEI methodology for these agendas is illustrated by the Global Climate Change Alliance programme (EU-funded). The latter builds on the PEI programmatic approach for training of government counterparts. Reportedly, the same applies to the design and implementation of the UNEP initiative “Regional Gateway for Technology Transfer and Climate Change Action in Latin America and the Caribbean (REGATTA)” in the Dominican Republic, which draws on the PEI methodology.

- And potentially a threat, as the global prominence of these agendas can reduce the attention given to (and funding available for) other PE related agendas, such as land degradation and biodiversity. There is also a potential risk of both duplication of efforts and competition with the UNEP Green Economy Initiative for UNEP resources and buy-in.

At the global level, green economy and climate change are not currently included specifically in the PEI programmatic approach, although the “Mainstreaming Climate Change Adaptation into Development Planning: A Guide for Practitioners” has been prepared by PEI, and the PEI primer “Making the Economic Case” is centred on economic assessment tools, which are also building blocks for a green economy. Cross fertilisation between PEI and UNDP and UNEP initiatives on green economy and climate change appears very limited currently. New mainstreaming tools are reportedly being developed under the green economy initiative instead of utilising the experiences and proven methodologies of PEI. Donors would like the PEI methodology applied systematically by UNDP and UNEP on other issues, e.g. in climate change and green economy mainstreaming efforts and provision of technical advice at national level.

At the country level climate change (mainly adaptation) and green economy are reflected in a number of PEI programmes, for example:

- Use of economic assessment and analysis tools by most country programmes as per the PEI programmatic approach
- Bhutan – climate change is integrated in the mainstreaming effort, which focuses on environment-climate-poverty. Green economy is included in the activities related to green job creation and promotion of energy efficiency stoves. A grant for climate change adaptation will be provided by UNCDF (UN Community Development Fund)
- Lao PDR – with the focus on environmentally sustainable private sector investments in the agriculture and forestry sectors, PEI Lao PDR is contributing the green economy
- Tajikistan – climate change is integrated in the mainstreaming effort
- Botswana CC – plans to provide economic evidence of the impacts, costs and benefits of both environmental degradation and climate change. Furthermore, helping to build the country’s capacity in understanding and applying the concept of green economy. PEI is also supporting the Government of Botswana with Rio+20 preparations
- Malawi – PEI and National Response to Climate Change Programme are integrated. Both are under the same cluster of the UNDP country office, hosted by the Ministry of Finance and Development Planning, and overseen by the same Steering Committee
- Bangladesh – climate change is integrated in the mainstreaming effort, which focuses on environment-climate-poverty
- Guatemala and Thailand – the ecosystem and human well-being assessment is drawing on economic assessment tools to inform land use strategies that maximise pro-poor economic growth while maintaining ecosystem services and incorporate adaptation to climate change

Assessment of PEI’s value added, including areas of strength and competitive advantage and areas for improvement

PEI’s potential value added is:

- 1) Bringing P and E together and making the economic case for environmentally sustainable development
- 2) Providing practical approaches and tools for mainstreaming, which is otherwise an intangible concept
- 3) PEI’s model of sustained engagement at the country level, model for joint UNDP-UNEP co-operation, for addressing the PE agenda more broadly

- 4) At national level, working through Ministries of Planning and Finance and strengthening coordination between Ministries of Planning and Finance and the Environment sector
- 5) Assisting Government in mainstreaming PE into policies, and plans, and to build capacity to implement these policies/plans
- 6) Contributing to One UN and the UNDP-UNEP MOU through engagement in elaboration, implementation and monitoring of UNDAFs, and providing on-going support for PE issues through UNDP Country Offices through 2-3 year project implementation phases

This is where PEI is different from other programmes. (Whether the PEI approach works or not is dealt with under effectiveness.)

4.2.1 Relevance of PEI strategy

The basic strategy of the global PRODOC is:

Partnership approach: Widen the UNEP-UNDP partnership to mobilise UN agencies' services to help countries mainstream PE in national planning. The partnership approach strategy is coherent and logical because it recognises that other UN agencies already have programmes in anti-poverty and pro-environmental activities, and tries to use what capacity is available, build on it use these coalitions to gain entry at high level to mainstream PE concerns. This is also the basic strategy of the reviewed CPs. Lacking from the PRODOC results framework for this part of the strategy is an analysis of assumptions and risks. E.g., in certain PEI countries it is difficult for civil society to hold government responsible for their decisions, either because CSOs are weak or thin on the ground, or because governments are not open to CSOs.

Country-led PE mainstreaming: The country-led PE mainstreaming strategy refers to the CPs. The strategy is coherent because it is at the county level that PE mainstreaming has to take place in practice; the attempt to mainstream PE indicators/concerns into national policies for poverty reduction and sustainable NRM will allow the global level to see if the policy is working on the ground. Despite a correct emphasis on a need for M&E indicators that reflect gender, health, and vulnerability, these indicators are not developed either in the global PRODOC (indicatively or generically as inspiration for country levels), nor in the individual CPs (with the exception of Tajikistan and Kyrgyzstan PRODOCs, which include some gender indicators). PEI and the CPs are taking steps to improve the M&E system to reflect the urgent need to include the basic indicators that indicate disaggregation by gender and vulnerability in the reporting and M&E process. The PEI Handbook²³ - which informs the PEI programmatic approach and its methodology- reiterates the importance of including PE issues in the National Monitoring System.

The UNDP handbook – quoted earlier on in this report – requires disaggregated data on gender and vulnerable groups for monitoring and evaluation, as do the TOR for this MTR. Data need to be disaggregated by gender, ethnicity / indigenous peoples, because these are the most vulnerable groups that are target groups and beneficiaries of PEI. UNDP also has well developed indicators on poverty, vulnerability, ethnicity/indigenous peoples, child poverty, and gender and gender violence, which PEI could well benefit from, and which could complement those given as examples above taken from the PEI Handbook.

Regional and global advisory services, networking and knowledge management

Whilst this strategy is coherent (knowledge dissemination enables civil servants to learn more about PE issues and theoretically can improve their policy making), it would have been advisable to test it by putting up assumptions and risks in the global PRODOC. This might have allowed better predictability of efficiency of implementation of this strategy by region. The reason for this statement is, additionally, that LAC has not managed to get more than one country operational (Uruguay); although Dominican Republic will reportedly soon start up.

²³ Mainstreaming Poverty-Environment Linkages into Development Planning: A Handbook for Practitioners. Published March 2009. 2009 UNDP-UNEP, pp 88-89.

The global PRODOC strategy is coherent and relevant to PE realities on the ground. But lack of robust indicators in the PRODOC have led to a situation where it is difficult to do M&E and to measure potential impacts of PE mainstreaming on poor, vulnerable and ethnic groups, thus weakening the intended outcome of the PRODOC: (“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”). Note that the PEI Handbook²⁴ mentions the need to develop PE indicators by working closely with national governments, viz.: “The approach to this activity consists of monitoring poverty-environment issues within the framework of the existing national system, developing poverty-environment indicators and working closely with the national statistics office and other institutions involved in monitoring” (p. 76). In the visited CP, PEI staff are working with national governments’ national statistics bodies or with the statistics sections of sector ministries (e.g., Agriculture, Malawi) to develop these PE indicators.

Assessment of whether the three programme outputs, as formulated in the Scale-up joint PRODOC, still represent the best strategy for achieving PEI objectives

Joint programme outputs:

Output 1: Country-led PE mainstreaming programmes. Country-led programmatic approach to PE mainstreaming implemented in target countries: a) Preparation Phase: Africa (8); Asia (10); LAC and other (7); b) Phase 1: Africa (6) Asia (8); LAC and other (4); c) Phase 2: Africa (9) Asia (4); LAC and other (4).

The strategy is pertinent to the PEI’s objective to mainstream PE concerns in government, high levels spheres. Examples may be read in detail in the six CPs reviewed by the MTR team.

Output 2: Joint UNDP-UNEP regional support programmes and regional communities of practice on PE mainstreaming. [Enhanced regional capacity to support...] Targets: Joint regional support programmes for Africa and Asia (2007) and Latin America (2008); Regional communities of practice in Africa and Asia (2008) and Latin America (2009).

Joint UNDP-UNEP regional support programmes and regional communities of practice on environmental mainstreaming: Support from regional staff to CP staff is appreciated and hence relevant to the strategy.

Output 3: Global advisory services and support

Global knowledge products and services on environmental mainstreaming: The strategy is pertinent to PEI’s objective of creating knowledge on which to base decision making for PE mainstreaming. Products under this output include primers, handbooks (e.g. on climate change mainstreaming, economic assessment) and the PEI Communication & Advocacy Toolkit; again, it is difficult for the reasons stated above for the MTR to assess relevance/ potential impact.

MTR is unable to conclude definitively whether these three programme outputs represent the best strategy for achieving PEI objectives, mainly because it is very difficult to surmise impact (an empirical measure of relevance) at this relatively early mid term stage (and as pointed out in the TOR). Nevertheless, MTR believes that the three outputs are targeted at addressing the problems, and this gives hope for relevance and impact.

²⁴ *Mainstreaming Poverty-Environment Linkages into Development Planning: A handbook for Practitioners*, UNDP-PEI PEI, Nairobi, March 2009, p. 76.

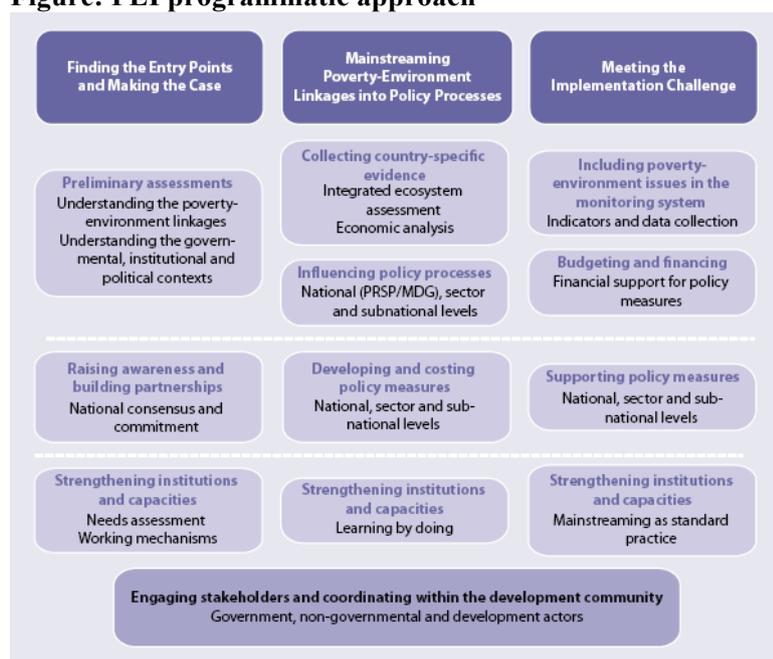
4.2.2 PEI Programmatic Approach

The PEI programmatic approach comprises of three components²⁵:

- The Finding the entry points and making the case, which sets the state for mainstreaming;
- Mainstreaming poverty-environment linkages into policy processes; which is focused on integrating P-E 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 P-E linkages into budgeting, implementation and monitoring processes.

As stated in the Handbook, the programmatic approach aims to be flexible model to help guide the choice of activities, tactics, methodologies and tools in a particular country situation. The figure below of the PEI programmatic approach indicates the elements of each of the three components.

Figure: PEI programmatic approach



The PEI programmatic approach is premised on firstly, the need for improved information, awareness raising, establishment of partnership and institutional assessments about PE linkages in developing countries, and the requirement to package the data in a convincing way to high-level policy-makers. Via lobbying, persuading, influencing, and assistance with policy development in national development plans and in sectors where NRM is a concern or where NRM is intrinsic to the sector in question (e.g., Agriculture, Fisheries, Forestry), the logic of the PEI strategy is that once the economic benefits of PE mainstreaming are demonstrated, those in power will be more open to changing policies to mainstream PE in all development planning and budgets in such a way that future plans promote poverty reduction and through the more sustainable management of NR;

Secondly it is premised on PEI's ability to successfully support the government to integrate and operationalise pro-poor environmental sustainability objectives in national and sector plans – which is a demanding task in itself. Thirdly, it is premised on PEI being a catalyst to meet the implementation challenge, which will require substantive ongoing support from government and in-country donors for long term budget increases and capacity building programmes. These premises hinge on a number of factors and assumptions including whether the potential economic return of an investment in PE

²⁵ *Mainstreaming Poverty-Environment Linkages into Development Planning: A handbook for Practitioners*, UNDP-PEI PEI, Nairobi, March 2009.

programmes can be shown in sufficient detail to justify such investment, as reflected in the PRSP and sector planning.

The premises – to be successful – also require that fundamental assumptions are in place or met in the short and medium term. Some of the assumptions include good governance, open government, freedom of expression, informed CSOs that are permitted to enter into debate with governments, and civil servants committed to implementing the PEI country programmes.

A series of broader, underlying factors also have implications for the likely success of PEI, including political instability, overall country indebtedness and foreign exchange shortages. Political economy issues and cultural patterns many also pose significant challenges. In summary, a number of issues may combine to make achievement of PEI outcomes difficult. These factors need to be assessed before PEI country programmes are agreed.

Although interviewed UN staff and national government staff express great interest in learning more about PE linkages in development planning, interviewees also recognise that PEI’s objectives and expected outcomes are ambitious, and will require a long term commitment: The latter is foreseen in PEI documents, expressed by the two phase, possibly three phase, basic model for the country PEIs. Nevertheless, the hard economic reality of the individual countries means that the PE mainstreaming rationale is very ambitious.

4.2.3 Consistency of country programmes with the PEI Scale-up joint PRODOC

The assessment is based on the findings from the six country programmes visited by the MTR team and focuses on where and whether there are significant differences between the country PRODOCs and the global PRODOC. In essence, there is harmony of objectives and strategies between the CP PRODOCs and the global PRODOC. The following table indicates the overall consistency of CP PRODOCs with the global PRODOC in terms of expected outcomes and outputs. Annex 1 presents the alignment with the indicators specified for CPs in phase 1 and 2 under Output 1 of the global Results Framework.

Table: Basic harmony of objectives between Global PRODOC and individual country programmes visited by MTR Team						
Global PRODOC	Individual country programmes					
	Bhutan	Botswana	Malawi	Uruguay	Lao PDR	Tajikistan
Expected 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.	✓	✓	✓	✓	✓	✓
Expected Output 1: Country-led poverty-environment mainstreaming programmes;	✓	✓	✓	✓	✓	✓

Although the table above indicates broad harmony of expected outcomes and outputs, there are also some substantive differences, most notably that in many countries pilot project interventions on the ground are being supported (e.g. in Uruguay, Tajikistan and Bhutan).

The 17 ongoing CPs all aim to promote PE mainstreaming in government policy development by a combination of studies, information-creation and sharing; communication and advocacy activities; and lobbying at high levels of governments. In this light, there is consistency between the CP and the Scale-up joint PRODOC levels. In the CPs visited, the rationale behind production of knowledge is ammunition for lobbying and influencing policy dialogues on the economic benefits of greening the developing economies.

4.3 Efficiency

PEF and overall management:

The support provided by PEF is generally appreciated by RTs and country programmes, who report that PEF has a role in relation to overall programme management, technical guidance, resource mobilisation, donor liaison and reporting. Another role of PEF is to create awareness of PEI within UNDP and UNEP. The technical support, guidelines and tools provided by PEF (e.g. in relation to development of country programmes and communication strategies) are seen as useful and of good quality. The knowledge management services provided, e.g. the website and documents library, are appreciated. PEF is also seen as creating cohesion and ensuring things are kept in line with provisions of the global PRODOC in a flexible programme with distinct country programmes. However, it is also perceived by some that there is some overlapping in PEF staff responsibilities, so it can be unclear whom to approach on a specific issue. It is also found by some staff that the PEF team composition does not fully reflect the programme needs, for example, the lack of an in-house financial staff member with access to Atlas is seen to have created delays.

PEF has been impacted by understaffing, with three staff positions (UNDP Director – D1, UNEP Deputy Director/Manager – D1/P6, UNEP Technical Adviser – P3) remaining unfilled for a prolonged period. The most significant issue is the lack of senior managers, with the UNDP Director and UNEP Deputy Director positions being vacant for approximately 18 months.

This problem has affected PEI significantly in a number of areas:

- High-level representation and clout of PEI within UNDP and UNEP, and the wider PE mainstreaming agenda within UNEP and UNDP at agency level, has been weakened
- The manager of the Africa RT has been acting head of PEF/PEI, which has significantly reduced the level of guidance provided to PEI Africa programme officers
- PEF capacity to respond to RTs' requests has been reduced by the staff shortages
- Late submissions of progress reports

As an interim measure to address the above-mentioned issues, UNDP has appointed the Resident Coordinator of the Kenya Office to act as Liaison to UNEP on PEI and to UN-Habitat and a UNDP HQ based Officer-in-Charge for PEI programme and financial management. The UNEP Deputy Director position has been advertised three times but is now reportedly nearing completion (as of October 2011). According to PEF staff, UNEP recruitment is now moving forward; and there are now expectations that the UNEP Deputy Director and UNEP Technical Adviser positions will be filled within the next 3-6 months.

Overall, PEF appears quite cost-efficient with an annual budget below USD 300,000²⁶, although this figure does not include staff salaries, which are covered by UNDP and UNEP core funds, and other donor contributions. Travel costs may seem high in 2010 at USD 157,973 or more than 50% of the total expenditures that year. However, it should be noted that travel costs reportedly include travel costs for government counterparts and stakeholder in relation to various PEI workshops and events, and regular travel costs of PEF staff in 2010 reportedly were USD 55,633.

RTs

In most countries visited by the MTR, PEI programme staff reported the support provided by the RTs as very valuable. UNDP country offices acknowledge the instrumental role of the RTs on programme design. The Africa and Asia teams are comparatively large, whereas the ECIS and LAC teams are smaller. The team composition and work approach of the four RTs differs:

- The Asia Team currently comprises one senior full-time UNDP staff member and an equivalent of 50% finance support. Furthermore, one full time UNEP position is currently unfilled. During the period of time that this position has been vacant, the UNEP Regional

²⁶ Source: PEI draft 2010 Financial Report.

Deputy Director has worked part time on PEI with the support of a part-time JPO from Finland.

- The Africa team has a part time manager (currently also PEI UNEP officer in charge) and currently six country focal points with the responsibility for 1-3 countries each. Four of the latter work full time on the Africa ET, while two work 70-80% of their time on PEI Africa and otherwise on PEF and non-PEI issues. The focal points are generally relatively junior staff, e.g. three are junior professional officers. They work in pairs with one the focal point and the other backing up covering a couple of countries together with junior professional officers working together with more senior team members.
- The ECIS Team comprises two UNEP staff in Geneva and two UNDP staff in Bratislava who work part-time on PEI. They have a thematic focus, but have in practice agreed that one staff member is the main focal point for each country. Most staff are senior (except for a UNEP JPO funded by Spain) and only the poverty adviser in Bratislava UNDP works part time on PEI (25%)
- After changes in its composition, reflecting a considerable reduction in funds available to the programme, the Latin American team currently comprises the equivalent of less than one part-time staff person: 15% of the time allocation of a Senior Programme Officer at UNEP and part time (on-demand basis) of the Environment Team Leader at the UNDP Regional Center in Panama. Additional technical and administrative support is provided on a demand basis by UNEP and UNDP staff²⁷.

All RTs appear to have more environmental than poverty expertise. The ECIS team has a designated poverty expert from UNDP (but this expert only works 25% on PEI, and the Africa team has two economists, but otherwise staff have an environment background).

Table 1 below depicts the financial efficiency of the four teams. However, care should be taken when interpreting the figures:

- The figures do not reflect the total budget of country programmes including additional non-PEI funding sources for country programmes, such as UNDP funding, government counterpart funding, and bilateral donor contributions. So in reality the cost ratio between RTs and country programmes will be more favourable than depicted in the table (except for ECIS). As depicted in table 2, at the global level the total costs of RTs are 22% of the total budget available for the regions (including country programmes), compared to 31% of the PEI budget for the regions. It should be noted that the non-PEI funding figure does not include bilateral donor funds provided directly to country programmes (e.g. Danida funding for PEI Bhutan, upcoming DFID funding for Tajikistan)
- RT costs include expenses related to programme preparation (e.g. scoping and design), technical support for non-programme countries, and programmes in non-programme countries (e.g. Guatemala, the Philippines)
- The figures do not fully reflect staff costs, as a number of positions are financed through UNDP and UNEP core funds, so the RTs are in reality more expensive than indicated in the table

Nonetheless, there appear to be some inefficiencies:

- The total RT budget allocated for ECIS and LAC in 2008-2012 is high compared to the budgets for country programmes, with almost half the PEI regional budget allocated for the RTs. It should be noted however, that in 2008-2010 the average RT costs per country was similar for all regions
- Considering there was only one active country programme and one planned country programme in the region, overall costs in Latin America in 2010 were high (almost as high as

²⁷ The LAC team comprises 15% of the time allocation of a senior programme officer at UNEP and part time (on-demand basis) of the environment team leader at the UNDP regional center in Panama. Additional technical and administrative support is provided on a demand basis by UNEP and UNDP staff. All sources taken together, the time allocation is about 0.5 staff equivalent.

in Asia). This included high travel (USD 64,676) and consultant (USD 155,471) costs, when compared to the other regions. Expenditures of the RT in 2010 were higher than the total PEI expenses by the country programme in Uruguay (USD 121,408)

- The travel costs for the Africa Team are high, although all air travel is by economy class. The Africa RT has explained that due to reported capacity constraints in Africa, a high level of ongoing TA support is necessary. It is also stated that the Junior Professional Officers are training positions and they cannot be expected to handle management issues and therefore have to travel together with more senior colleagues. Furthermore, the Africa team reports that it is necessary for the country focal points to travel regularly to provide TA, monitor progress and attend key meetings, to minimise risk, which is seen as higher in Africa due to, inter alia, capacity. The travel costs in 2010 reportedly include airfares and DSA for participants and participation in the PEI regional economics forum, and also country participation in other workshops. Nonetheless, travel costs are much higher than for all the other regions combined.

Travel costs are kept at a low level in Asia. This is probably in part explained by low airfares from Bangkok to most programme countries. With the frequent travels and very frequent communication between RTs and Country Teams, the support provided may be overly detailed. The MTR team finds that in some countries, RTs do not only provide technical advice but also get very engaged in the day-to-day management of country programmes and national meetings. The reasons for this are reported by the Africa team to be major capacity challenges and vacancies at the country level.

Table 1: Cost efficiency of RT support, USD (source: PEI draft 2010 Financial Report)

	Africa	Asia	ECIS ²⁸	LAC	Total
PEI Total regional budget (2008-2012)	9,359,489	5,193,860	3,217,122	1,733,022	19,503,493
Total RT budget (2008-2012)	2,359,187	1,461,412	1,417,122	856,886	6,094,607
PEI country programme budget (2008-2012)	7,000,302	3,732,448	1,800,000	876,136	13,408,886
RT share of total Regional Budget	25%	28%	44%	49%	31%
RT/country prog. budget ratio	1/3	2/5	4/5	1/1	4/9
Total RT costs (2008-2010)	1,168,573	841,412	322,764	297,286	2,630,035
No. of full country programmes	9	5	2	1 (2 ²⁹)	17
Average costs per country (2008-2010)	129,841	168,282	161,382	297,286 (148,643)	756,791
Total costs (2010)	588,338	197,193	99,306	155,471	1,040,308
Travel costs (2010)	227,765	36,045	38,649	64,676	367,135
Staff costs (2010)	311,902	67,153	-	-	379,055
Consultants costs (2010)	29,755	2,729	42,185	69,723	144,392
Workshops/events costs (2010)	130	76,005	-	2,000	78,135

Table 2: Global cost efficiency of RT support, when considering non-PEI funds for country programmes, USD (source: PEI draft 2010 Financial Report)

	PEI	Non-PEI ³⁰	Total
Total regional budget (2008-2012)	19,503,493	8,787,233	28,290,726
Total RT budget (2008-2012)	6,094,607	0	6,094,607
PEI country programme budget (2008-2012)	13,408,886	8,787,233	22,196,119
RT share of total Regional Budget	31%	-	22%
RT/country programme budget ratio	4/9	-	2/7

Country programmes

²⁸ The total budget for ECIS is for 2008-2013

²⁹ The figures in brackets include the planned Dominican Republic as a PEI LAC programme country

³⁰ This figure comprises UNDP and national government funding, but not direct bilateral donor funding for country programmes

As reflected in the six country case reviews, PEI's portfolio of country programmes is very diverse, and it is difficult to make generalised statements on the efficiency of these, due to the different management setups and different foci of the various programmes. However, with the exception of the programmes in ECIS, which are implemented directly by the UNDP Country Offices, PEI programmes follow the National Execution Modality of UNDP where governments are responsible for overall management and implementation. To ensure national ownership, the National Execution Modality is the preferred model of PEI, but in Tajikistan, a new country, government capacity is generally viewed as insufficient for national implementation and therefore most programmes are implemented directly by UNDP through the Direct Execution Modality (DEX). However, governments' implementation capacity varies considerably among PEI countries. Furthermore, the extent to which the government has full financial disbursement control of the programmes varies. In Bhutan, funds are disbursed in advance tranches to Government, which has the full responsibility for financial management and procurement; this works quite efficiently and does not cause major delays. In other countries, government can only handle procurement of goods and services costing less than USD 5,000; above this threshold UNDP Country Office handles procurement up till USD 30,000 above which UNDP HQ approves procurement. Similarly, recruitment of international staff for PEI country programmes is by UNDP, through the UNDP country office and with UNDP contracts.

Generally, UNDP procedures related to recruitment and procurement are seen as very lengthy by most PEI Country Team members, and several countries report that slow staff- and consultant-recruitment is a major factor causing implementation delays. In some countries this is partly due to difficulties in finding qualified experts. Similarly, in some countries, slow procurement through both UNDP and Government processes are seen as causing delays; however, in other countries UNDP procurement seems to work better, so the issue appears to be linked to the awareness of how to use the system and the extent to which procurement requests are actively followed-up upon by programme staff through the various stages. However, there is uniform agreement that approval by UNDP HQ takes a long time to get. The ongoing UNDP agenda for change is reportedly expected to address some of these efficiency issues.

In some countries, PEI uses other UNDP supported programmes for delivery. In Tajikistan, PEI is administered by the Communities Programme, which has enhanced implementation efficiency, e.g. by providing administrative support, access to vehicles and offices and implementation synergies with the Rural Growth Programme. However, in other cases, the integration with other programmes has worked less well, for example in Lao PDR, where the two CP outputs implemented through other UNDP supported programmes have displayed slower implementation and lower levels of activities than Outputs implemented separately, the reason behind this has been the implementation modalities set up.

Depending on the national expertise available, some countries have employed full-time ITAs (e.g. Botswana, Lao PDR). While others depend entirely on national programme managers or technical advisers (e.g. Uruguay). The latter approach is obviously less expensive, but in countries with ITAs, there are technical justifications for using this approach, e.g. due to a low level of national capacity. In Tajikistan, an ITA has been brought in for the medium term at strategic points in time (e.g. during the inception phase), but otherwise programme implementation and management are handled by national experts and managers.

The balance between the availability of poverty and environment expertise varies between country programmes. This balance is determined by the composition of the CT (staff profiles), and the implementation modalities established, e.g. within the UNDP country structures. In some countries, PEI CPs are implemented through the Poverty Practice teams (e.g. Nepal). In Tajikistan, PEI reports to the Environment and Energy Cluster, but is delivered through the Poverty and MDG Cluster's Communities Programme. In Kyrgyzstan, both the Poverty and Environment Clusters have been involved in programme design. In Lao PDR, while the programme falls under the Environment Unit, two components are implemented through the Poverty and Governance Unit. But progress under these components has been limited.

In terms of financial efficiency, there is significant variation among the CPs. Most Scale-up CPs are in their first or second year of implementation so the financial report for 2010 mostly captures programme expenses at the early stages of implementation; expenditures are often quite low in the beginning, e.g. until the programme staff is in place. Except for Burkina Faso, Malawi and Lao PDR, expenditure levels of the CPs in 2010 were well below USD 200,000, including for more mature programmes such as Bhutan. Considering that the typical budget provided by PEI (excluding co-funding) for a CP phase is around USD 1,000,000 (except Malawi with a USD 2,700,000 PEI budget) over a 2-3 year period, it is clear that many CPs have low expenditure rates. Of the Scale-up countries, Bangladesh, Nepal and Thailand have low PEI budgets of USD 200,000-500,000, but Bangladesh and Nepal experienced low expenditure rates in 2010 of around USD 35,000, whereas Thailand had an expenditure rate of approximately USD 130,000. However, note that low expenditure is not always a result of low activity levels. E.g. in Tajikistan and Uruguay, progress is generally according to work plan targets, but expenses have been kept lower than anticipated. However, in other countries, such as Botswana, there have been significant delays and low expenditure linked to both the delays and a low level of activity.

Total expenditures

In 2008-2010 only USD 6,970,560 had been spent (draft 2010 Financial Report). Thus, by end 2010 USD 14,103,954 remained to be spent in 2011-2012. In 2010 USD 3,968,875 were spent, and as of 8 November 2011, the expenditures recorded in the ATLAS system for 2011 are USD 4,157,003, and the total remaining funds to be in the remaining 14 months are USD 9,946,951. Thus, although the annual spending has increased significantly and the annual expenditures of the young PEI CPs is likely to increase, PEI is unlikely to be able to spend the remaining resources by December 2012.

UNDP and UNEP systems

The use of different administrative systems by UNEP and UNDP has some practical implications for PEI. E.g., the reporting requirements and the financial management systems are perceived by several PEI staff as incompatible. Furthermore, the two organisations have different budget cycles. UNEP plans its Programme of Work plans on a two-year budget cycle, whereas UNDP operates on a four-year cycle³¹. To minimise problems caused by having different systems, PEI funding is pooled and managed under the UNDP Atlas system. However, UNEP employed PEI staff do not have access to the UNDP Atlas system used for PEI financial management and progress reporting, although the PRODOC specifies they would be given access.

M&E and reporting: A major challenge for PEI at global, regional and country level is to document the outcomes and impact of PEI programmes. While the current monitoring system (which was put in place at the onset of the Scale-up programme) and regional and country level progress reporting adhere to UNDP requirements outlined in the UNDP Handbook and UNDP Country Office operations, and, where applicable, government requirements, the focus is on activity implementation, but with only scattered and very limited information of outcomes. E.g., the number of training workshops and people trained are reported, but the actual uptake and use of the training are not monitored/captured. This has a number of implications:

- It is very challenging to demonstrate and communicate the value added and outcomes of PEI
- National partners often push for pilot implementation projects to demonstrate tangible results, as the tangible outcomes resulting from influencing policy processes are unclear
- While country progress reports comply with UNDP results based management reporting requirements, the monitoring system is mainly used to report upwards, and is currently not used systematically as a management tool by CPs and RTs, i.e. for results based management

³¹ UNDP country programmes have a 3-5 year cycle, depending on national planning cycles.

The shortcoming of the monitoring systems is also closely related to the quality and inconsistent application of outcome oriented targets, indicators and baselines provided in the results frameworks in both the global Scale-up PRODOC and country PRODOCs. E.g., the global results framework does not have any targets set for the indicators at outcome level, and while the first indicator is measurable (*Number of countries in which pro-poor environmental concerns are incorporated into: the national development/poverty reduction and growth strategy, budget processes/Medium-Term Expenditure Framework, key sectoral policies and plans, the poverty monitoring system*), the indicator appears difficult to measure (*widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes*). Where such targets and indicators exist, they are not reported against in neither the global Scale-up annual progress reports nor in the CP progress reports in the countries visited by the MTR team. Similarly, the work plans in the Atlas system prepared by the RTs and PEF are generic lists of budgeted activity types without targets or priorities set for the year.

The problems with the monitoring system were described in the final evaluation of the pilot programme in 2009; and has been raised by donors. PEF is aware of these weaknesses and initiated in 2010 and 2011 efforts to improve the monitoring system, although this has been delayed by staff shortages. Furthermore, the ongoing work on improving the monitoring and reporting system is forward looking and will not be applied retroactively. PEF staff state that the current number of indicators is too high. They are now working to define fewer, outcome oriented indicators, which at the same time are measurable. An improved reporting format (in line with UNDP requirements specified in the 2009 revision of the “UNDP Handbook on Designing, Monitoring for Development Results”) and monitoring and evaluation guidance note for PEI Scale-up CPs is reportedly at an advanced stage. PEI is working with the Capacity Development Group of UNDP’s Bureau for Development Policy and the monitoring and evaluation (M&E) team in UNDP HQ to improve the indicators; IIED will peer review and advise on the updated M&E framework.

However, for a programme focusing on influencing policies, changing processes and creating an enabling environment, it is very difficult to establish SMART outcome and impact oriented indicators, in particular to establish quantitative indicators. It can be very difficult to measure/verify the contribution of PEI to changes and outcomes. The challenges are evident for the country level, but for the regional and global level programme monitoring, this becomes even more complex with the need to identify some broad indicators that can be applied across all CPs. Nonetheless, PEI has established a set of indicators, such as the inclusion of PE objectives in PRSPs and sector plans, and increased government budget allocations for PE concerns.

The Tajikistan programme stands out in M&E terms. It benefits from support from the monitoring and evaluation unit of the Communities Programme. This unit has gone through the indicators and targets for outcomes and outputs from the result frameworks from the PEI Tajikistan PRODOC, the global PEI Scale-up PRODOC, the Communities Programme and the UNDP CP and prepared monitoring forms to ensure that necessary data is collected for all these. This experience may provide some lessons for PEI in general.

4.4 Effectiveness

CPs and national stakeholders

Due to different national contexts, there are significant differences in the effectiveness of the various CPs. However, as revealed in the six country cases, there are some general trends. The programmes have generally been good at creating awareness of PE issues and ownership in planning/finance and environment ministries, but only some programmes (Bhutan, Uruguay, and Malawi) have so far engaged with other sector ministries. This is mainly due to the focus in their design. Furthermore, although most of the six programmes are quite young, they have been effective at influencing planning processes at both national and sub-national levels and certain policies. Good results have also already been achieved in building the PE mainstreaming capacity of government institutions at both national and sub-national level, e.g. in Lao PDR, Tajikistan, Bhutan, and Uruguay, whereas in Botswana work is just beginning in this area.

Elements to ensure effectiveness in the above areas include the consultative programme design process and work to understand the political economy before implementation starts. However, in Botswana, grassroots CSOs representing vulnerable groups from outside Gaborone were not involved in this process, as they should have been (according to the design of the PRODOC to be inclusive of poor and vulnerable groups, and women). Another important factor is the choice of existing windows of opportunity, processes and structures as entry points. An important external factor affecting programmatic effectiveness is the degree of high-level government commitment to environmentally sustainable development. E.g., in Bhutan sustainable development is central to the country's gross national happiness paradigm for development, which enables the country to assume implementation responsibility to a greater extent than other countries. At the other end of the scale is Tajikistan, where there is currently no environment ministry, because over time it has been downgraded to the status of a commission.

Until now, Uruguay excepted, the programmes have not yet influenced budgeting processes and actual implementation of policies and plans; this is not surprising as most of the programmes are young and still in Phase 1. Reportedly, these aspects have proven the most challenging ones to influence in the more mature CPs of the PEI Pilot Programme. Furthermore, there are a few general challenges that emerge from the six country cases. Ownership is in some cases felt towards the components they are directly involved in rather than the overall CP; this is a particular challenge in Lao PDR, but also to some extent among sector ministries in Bhutan. But in Bhutan there is a strong national programme ownership among the key planning and environment agencies³². In Tajikistan, the direct UNDP implementation could also make it difficult for Government to assume full ownership and further integrate and roll out PE mainstreaming in its processes. A related challenge is that while CPs have been effective in promoting cross-sectoral and inter-agency collaboration on crosscutting issues at sub-national level (e.g. in Tajikistan, Uruguay, and Lao PDR), this has proven far more difficult between ministries at the national level, although in Malawi -according to Africa RT staff -PEI has influenced cross-government coordination on climate change.

Beyond government actors, all six CPs visited have involved both national (and sub-national) and international civil society actors and knowledge organisations (e.g. universities and training institutions), but the direct involvement of private sector actors other than consultants (and farmers in pilot projects) is generally limited, with the exception of the Lao PDR programme, and, to a small extent, in Malawi, where some limited private sector consultations have taken place. The role of civil society actors and knowledge organisations in the reviewed programmes has mainly been to provide technical inputs, e.g. to carry out studies and training/capacity building. Furthermore, the CPs have produced different communication materials, such as briefs, studies, folders, videos, and television programmes; most of CPs have prepared or scheduled the development of communication strategies. Although the advocacy and communication strategies are quite delayed (e.g. in Botswana and Malawi), media and CSO organisations have been reached as part of these strategies and also by communication products produced before the communication strategies.

Annex 1 provides an overview of ability of the six CPs to deliver against the global Results Framework's Output 1 indicators for phase 1 and 2. However, while this table does provide an indication of the extent to which the CPs have delivered against the indicators, care should be taken when interpreting the figure. It should not be used to compare the different programmes; it should be kept in mind that the programmes are very different in terms of focus, budget and age. E.g., while it may appear as the Lao PDR programme has been more effective than the Bhutan programme vis-à-vis the global PRODOC indicators although it is younger, it should be noted that 1) Bhutan programme has a far broader multi-sectoral coverage and includes several ministries, whereas the Lao PDR programme only involves two ministries, and 2) the Bhutan programme is more deeply ingrained in Government processes and therefore closer at achieving sustainability. What could be learned from this however, is that with a more narrowly defined sectoral focus, results across the full range of

³² The Gross National Happiness Commission and the National Environment Commission

elements (e.g. influencing planning, policies, indicators, budgets, implementation) in the PEI programmatic approach may be achieved in shorter time, but then the PE mainstreaming would be more narrowly confined rather than covering the full range of sectors. It seems that there are three possible approaches to PE mainstreaming:

- To engage broadly and holistically in Government processes across sectors at both national and sub-national level and engage over several years to deliver on all elements of the PEI programmatic approach (the Bhutan, Malawi and Botswana model, also the model used in pilot countries in Africa)
- To engage (at both national and sub-national level) in a more narrowly defined area of strategic importance to the country, such as managing and regulating foreign direct investments and later expand the PE mainstreaming effort to other sectors (the Lao PDR and Uruguay model)
- To take an area based approach starting from the sub-national level to create evidence, which subsequently can be lifted to national level (the Tajikistan model)

Uruguay is narrowly defined (rubbish collectors in urban areas) but it still has several partners in government. The appropriate model depends on the national context and available entry points at the time of the PEI intervention, e.g. in Tajikistan the programme started at time where the PRSP process could not be influenced but the national planning methodology could, which shaped the decision to first engage at sub-national level.

Support provided by PEF and RTs

The technical advisory and support provided by the PEF and RTs is widely appreciated by stakeholders interviewed by the MTR team. The ongoing dialogue with RT members is generally appreciated by country teams, and the quality of the technical advice provided is regarded as very good. As mentioned above, the planning process for new CPs is crucial to ensure stakeholder ownership and effective implementation; the RTs lead this process and thus play a crucial role in designing effective programmes at the country level. Similarly, RTs appreciate the support provided by the PEF, such as technical tools, guidance notes on programmatic aspects, and responses to requests. The strategic direction provided by the PEF to ensure cohesion across the global programme and adherence to the provisions of the global Scale-up PRODOC has been effective, all the six country cases were found relevant and in line with global results framework and PRODOC by the MTR team.

The communication and knowledge management services provided are also widely appreciated by Country Teams, both in relation the library and website services provided and the opportunities to share experiences between countries within and between regions. External outreach also appears to be quite effective, e.g. PEI staff have lectured at universities and the EC funded Climate Change Alliance has adopted elements of the PEI methodology.

PEF and the RTs also appear willing to modify approaches to improve effectiveness. E.g., the final evaluation of the PEI pilot programme provides recommendations to which PEI's management response was positive, agreeing to implement them all. (Subsequently, a working group was established to address the recommendations.) Some of the recommendations have already been addressed; including the introduction of a more rigorous, systematic process for selecting new PEI countries. Other recommendations are currently being addressed – but not redressed yet, such as the need for an improved outcome oriented M&E system. However, the prolonged period of understaffing at PEF has negatively affected effectiveness at the strategic level, including the strategic guidance and technical assistance and support to RTs in general, and the capacity of the Africa team to provide specific technical and strategic advise to CPs in particular.

Delivering as One/One UN – UNDP-UNEP partnership

A unique feature of PEI is the joint collaboration between UNDP and UNEP, all interviewed UN staff and donors generally saw this as a major achievement, and a very attractive feature of PEI. Indeed

PEI is widely seen as a model for interagency cooperation on how to implement the One UN concept and the UNDP-UNEP Memorandum of Understanding, which has otherwise proven a difficult concept to roll out in practice for UN agencies. Unlike other attempts to do joint implementation (where funds are simply divided between the partners who then do their own implementation, e.g., UN-REDD), with PEI UNDP and UNEP has set up a joint team with a single joint budget. Donors strongly support the present joint management, joint programming and pooled funding arrangements, which they would like to see replicated in other interagency collaborations. In PEF, both UNEP and UNDP are located at UNEP HQ and UNDP staff have been granted access to UNEP systems and support. The RTs are also joint UNEP-UNDP teams, although in ECIS the team is geographically split between Geneva and Bratislava, the respective locations of UNEP's and UNDP's regional offices. Overall, the UNEP-UNDP collaborative teams, through the PEF and RTs, are functioning well. At the country level, PEI has influenced UNDAFs and UNDP CP Documents to include PE mainstreaming.

The rationale behind the UN agency partnership is to take advantage of the complementary core competencies of the two organisations, i.e. UNEP's technical expertise on environment and natural resources and UNDP's technical expertise on development and strong country presence and implementation capacity. However, in terms of technical expertise, UNDP has at the global and regional level managed PEI as an environment programme rather than poverty programme, so in reality both UNEP and UNDP have at the global and regional levels mainly provided environmental expertise. Only in ECIS has UNDP designated a poverty expert to the RT with a 25% staff time allocation. A practical implication of this is that certain important poverty aspects, such as gender and vulnerability issues are often only reflected in CP designs and implementation to a limited extent; e.g., programme indicators are rarely gender disaggregated, and the multiple dimensions of vulnerability and how different vulnerable groups are impacted differently by environmental degradation are rarely analysed or addressed. One improvement at the strategic level in relation to this, is the inclusion of the Poverty Practice Director of UNDP's Bureau of Development Policy in the Joint Management Board as an adviser. Considering the pivotal role of RTs and Country Teams, it is noted that UNEP's Division of Regional Cooperation is represented on the Joint Management Board in an advisory role while UNDP's Regional Bureau's is not represented.

While UNDP-UNEP collaboration works well at the PEI team level, at the agency level the partnership appears more challenging. Some donors report that the UNDP-UNEP collaboration is not living up to their expectations. Considering that interviewed donors state that PEI's collaborative nature is an important reason for supporting PEI, this could pose a threat to the future ability of PEI to attract programme funding for a new phase. Of concern for donors is the approximately 18-month period in which neither organisation has filled its senior manager position within PEI; and the reportedly lower than anticipated amount of funds channelled to PEI within UNEP. Donors report being concerned about both organisations' ability to redress the staffing gaps; and improve managerial systems. On the other hand, both agencies have demonstrated commitment by providing a significant amount of their own core resources and staff time to PEI.

UNEP has provided UNDP-employed PEF staff housed at UNEP HQ access to UNEP systems and support functions. However, UNEP-employed staff from PEF and RTs do not have direct access to the Atlas system, which is used by PEI for both financial and progress reporting, but depend on UNDP colleagues for information. This situation – though not a major issue- is not conducive to team building between the agencies and can sometimes hinder the free flow of information about PEI implementation activities.

Mainstreaming/integration of PEI into UNEP and UNDP

Mainstreaming of the PEI methodology into the workflow and approaches of UNDP and UNEP is reportedly limited, even though the PEI is fully integrated into the UNEP Programme of work under the Environmental Governance Sub-programme. UNEP has other mainstreaming initiatives in relation to the green economy and climate change, but collaboration between PEI and these are reportedly limited and some interviewees (not green economy staff) have stated that the former is developing

other tools rather than adapting existing PEI tools and with the limited collaboration, there is a real risk of duplication. On the other hand, PEF staff report that PEI provides the building blocks for the green economy initiative, including public environmental expenditure reviews, economic studies (cost/benefits of sustainable use of natural resources), and fiscal reform, tools promoted in PEI primers on *Making the Economic Case* and *Managing Private Investments in Natural Resources*. Furthermore, PEI has produced guidelines on *Mainstreaming Climate Change Adaptation into Development Planning*. However, the extent to which these tools and resources are used or built upon by the above-mentioned initiatives is not clear to the MTR Team, as it was not possible to interview their staff. PEF staff also report that the UNEP initiative “Regional Gateway for Technology Transfer and Climate Change Action in Latin America and the Caribbean (REGATTA)” in the Dominican Republic draws on the PEI methodology. PEF recognises the importance of mainstreaming PEI within UNEP and UNDP and is reportedly actively engaging with other programmes of both agencies, e.g. by contributing to UNEP work planning processes, design of projects at national level (e.g. on mainstreaming climate change adaptation and ecosystem management) and collaborative events and workshops.

It is perceived by some UNEP staff as being challenging for UNEP to engage at the country level, where PEI has its focus, as UNEP does not have a country presence (other than small pilot projects in some countries). UNEP mostly works with a thematic focus at the regional level, e.g. in relation to transboundary watershed and ecosystem management, while PEI does not work on transboundary policies and plans. Some UNEP staff argue that if PEI also worked on transboundary themes with a PE relevance, UNEP could contribute more and better mainstream PEI into its agenda and work. On the other hand, there are examples of UNEP using PEI as a platform for engaging at the country level; e.g., in Lao PDR, UNEP’s Department of Environmental Policy Implementation (DEPI) has provided funds for work on Ecosystem Assessments.

Similarly, PEI is not fully mainstreamed into UNDP workflow and approaches. In late 2010 an evaluation of UNDP’s contribution to environmental management for poverty reduction, the poverty-environment nexus was completed³³. This evaluation found that in UNDP there was a substantial recognition of the importance for countries to achieve sustainable development, although the awareness was uneven across UNDP and that UNDP did not address PE issues in a coordinated institutional approach. It was also found that cross-sectoral cooperation was difficult in UNDP’s focus area structure. One recommendation made by the evaluation was “*the Poverty Environment Initiative represents good practice and should be scaled up to provide a model of how UNDP does business at the country level. It should also be used as a model for working together with UNEP and other agencies*”. The management response to this recommendation was positive and stated a commitment towards capturing and systemizing lessons from PEI and mainstreaming the findings into the 2008-2013 UNDP strategic plan, and to prepare a longer term model for PE collaboration with UNEP and other agencies. UNDP is reportedly now implementing these actions.

At the country level, the use of UNDP country offices is generally a quite effective delivery mechanism as it enables PEI to draw upon other UNDP supported programmes to enhance programme delivery and outreach (e.g. as in Tajikistan), and enhances coordination with other UN initiatives within the UNDAF framework supporting the government. Presence of the PEI has supported the decision of the Kyrgyzstan UN Country Team to bring together poverty reduction and environment in one pillar in the new UNDAF (2012-2016). Collaboration between UNDP Country Office staff and PEI RT members from both UNDP and UNEP also appears to work well. In all the PEI-Scale-up countries visited by the MTR Team, the PEI is well integrated into the UNDP Country Office work programme.

³³ UNDP, 2010, Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus. Evaluation Office, December 2010

UNDP country offices appear to have a sense of ownership towards PEI, evidenced by the financial contributions to PEI CPs from core or TRAC funds (e.g. in Botswana, Lao PDR, Bhutan, Malawi). These represent 27% of the total funds committed for the implementation of the PEI CPs. In Lao PDR the UNDP country office has already committed funding for a second phase, irrespective of the uncertainty of whether PEI will be able to do so. However, the integration of PEI into other UN supported programmes has proven a challenge. E.g., in Tajikistan joint implementation with the Rural Growth Programme has been successful. But the Rural Growth Programme is not moving into a new phase with a new focus, which leaves limited room to continue co-implementation other than in a few areas. Similarly, in Lao PDR the integration of PEI components into the UNDP MPI³⁴ and SELNA³⁵ Programmes has proven difficult.

4.5 Impact

PEI is a partnership programme aiming at influencing national policy, planning and budgeting processes to integrate PE objectives into national development planning and budgets. These changes are in turn expected to contribute to improved environmental sustainability and livelihoods of the poor. The programme does thus not engage in programme delivery on the ground. As the TOR for the MTR state: *“Impact – for the purpose of this review, impact represents changes in the degree to which pro-poor environmental sustainability is included and operationalised in national, sector and sub-national development plans and budgets, whether planned or unplanned, positive or negative, that the programme brings about”*.

This definition of PEI impact is in line with the intended Outcome of PEI: *“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”*.

Country level: The first Outcome indicator of the Results Framework reflects the country level: *“Number of countries in which pro-poor environmental concerns are incorporated into: (1) the national development/poverty reduction and growth strategy; (2) budget processes/Medium-Term Expenditure Framework (MTEF); (3) key sectoral policies and plans; (4) the poverty monitoring system”*.

The assessment of impact at the country level is based on a brief synthesis of the findings from the six case study countries. It should be kept in mind that most of the CPs are quite young and only one of them is in Phase 2, so it is too early to expect impact at the CP level. In the case of Bhutan, the only programme in Phase 2, PE considerations are well reflected in the Government’s Gross National Happiness development paradigm, so PEI is focusing on how this is can in practice be included in sector policies, development plans and budgets, and be implemented. The table below represents the extent to which the CPs have contributed to achieving Outcome indicator 1.

Achievement of Outcome indicator 1						
	X = yes/fully	x = partially/in some areas	- = no			
Influence of PEI on incorporation of pro-poor environmental concerns into:	Uruguay	Malawi	Botswana	Tajikistan	Lao PDR	Bhutan
1. National development/ poverty reduction and growth strategy	X	X	-	-	-	X
2. Budget processes/Medium-Term Expenditure Framework (MTEF)	X	x	-	-	-	-
3. Key sectoral policies and plans	X	x	x	-	x	x
4. Poverty monitoring system	-	x	X	X	X	X

The indicator does not reflect, however, the extent to which the improved policies, strategies and budget are being operationalised/implemented. Furthermore, it does not capture enhancements in

³⁴ Ministry of Planning and Investment.

³⁵ Support to an Effective Lao National Assembly.

national capacity, and it does not reflect the inclusion of stakeholders outside government. It should be noted that work at the sub-national level and local development planning processes (the main work areas of PEI Tajikistan) are not captured by the outcome indicator.

Experiences so far from the visited CPs and from the PEI Pilot Programme suggest that PEI programmes can relatively quickly build up Government's understanding of PE linkages, Government ownership, influence development plans and planning processes, promote inclusion of PE indicators on government monitoring systems, and also promote cross-sectoral collaboration at the sub-national level. It is also possible for PEI to influence targeted sector policies, strengthen government planning and implementation capacity and promote inclusion of PE mainstreaming in civil servant training curricula. However, the more difficult parts appear to be to enhance cross-sectoral collaboration at central level (although in Malawi PEI has influenced cross-government coordination on climate change) and to influence budgeting processes. A notable exception from this is Uruguay, where PEU has already had a significant impact in terms of influencing budgets; in the national budget (approved by Government) for 2011-2014, the allocation for working with urban vulnerable populations has increased six-fold.

Global level: The second Outcome indicator of the Results Framework reflects the global level: *“Widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes”*.

It is a bit complicated to assess outcomes and impact at the global level. In relation to the above indicator, PEI has developed several knowledge resources, i.e. tools, guidelines and best practices and made them available on their website. However, the extent to which there is widespread awareness about these resources and their use beyond the PEI programme is unknown to the MTR team, but PEI is communicating and advertising PEI resources through a number of channels, including internal UNEP and UNDP mailing lists, IISD mailing lists and updates, and online development databases. Their use elsewhere in UNDP and UNEP appears limited. The EC funded climate change alliance initiative use PEI capacity building approaches but the extent to which the PEI methodology is influencing other agencies and initiatives is unknown to the MTR team. It appears that the main impacts and outcomes of PEI are at the PEI CP level, which is also the current impact focus of PEI.

4.6 Sustainability

PEI CPs aim at changing perceptions, capacities and “the way of doing business” in governments. Sustainability would for PEI CPs thus entail *“sustained changes in national and local Government practices and approaches, which integrate environmental concerns into pro-poor policies, development planning and budgeting”*. PEI is a catalytic programme, which aims at mobilising resources for longer term capacity building and financing of implementation of pro-poor and environmentally sustainable plans and policies. This is in particular aimed at mobilising governments' own resources (financial and human), but also to engage other national actors and international organisations.

Most PEI Scale-up countries are in Phase 1, and it is therefore difficult to talk of sustainability yet, as they have not yet had time to consolidate the results achieved and to ensure that Government has the full capacity to roll out PE mainstreaming. This generally means that more time is needed to embed changes in governments. The priority given to environment and understanding of how it relates to poverty and contributes to the economy varies among governments in PEI countries. At one end of the spectrum there is Bhutan with a very strong commitment to pro-poor sustainable development and environmental protection, and at the other there is Tajikistan, where there is no Ministry of Environment and environment is not a high priority of the government³⁶. While a core purpose of PEI is to increase the priority given to environmental sustainability, the level of pre-existing understanding

³⁶ Tajikistan's ministry has been downgraded to an agency.

and priority already afforded to this by governments influences the ability of PEI to influence national processes and achieve sustained change.

The sustainability of PEI CPs is based on the premise of a long term engagement of up to 5-10 years: If there is insufficient time, then the changed practices and new tools cannot be sufficiently ingrained in government's and other stakeholders' Knowledge, Attitudes, and Practices and therefore sustainability is threatened. Sustainability is connected with the issue of adequacy or otherwise of timeframe, degree of realism of the strategies, and the inclusion of specific activities aimed at achieving sustainability and lasting changes in government approaches. Within a five-year time frame several new CPs have been established through a participatory and consultative process. While this is the appropriate way of establishing a new programme and enhances the likelihood of achieving sustainability, it also takes time, and in reality most PEI Scale-up CPs will only have around two years to be implemented, which is too short a timeframe to achieve sustainability. E.g., this concern applies mostly to Malawi, Botswana, Uruguay, and Tajikistan; and while a second phase is included in the methodology and plans, the actual implementation depends on the ability to raise funding for a new phase of the Scale-up Programme. In Lao PDR, where some funding has been secured for a second phase, more time is available to consolidate the changes achieved. Similarly, the CP in Bhutan is less at risk as the programme is more mature and the government is already strongly committed to PE mainstreaming. In Malawi, Botswana, and Uruguay a six-month no cost extension has already been approved before the MTR. But the implementation period is still insufficient to achieve sustainability and in Uruguay, Malawi and Botswana, the MTR has recommended a further no cost extension up till the end of 2012 to finish Phase 1 activities, but with a focus on activities working towards sustainability of the main achievements. In some countries, specific activities targeted at achieving sustainability are being implemented. E.g. in Tajikistan and Bhutan, the CPs are trying to include PE mainstreaming into the training curricula for civil servants.

While PEI's intended outcome is improved capacity of programme country governments and other stakeholders at the national level, there is arguably also a global aspect to sustainability of PEI, although it is not included in the Scale-up results framework. This aspect is the extent to which the experiences and approaches of PEI are ingrained in UNEP and UNDP, and the extent to which PE is being mainstreamed into the general work, practices and approaches of the agencies; or whether the PEI methodology would be lost if/when PEI closes. However, as found by the UNDP Poverty-Environment Nexus Evaluation, while the PEI methodology is integrated in a number of UNDP Country Offices with PEI country programmes, the integration could be developed more as a business model building on these experiences. Similarly, the integration of the PEI methodology in UNEP seems also to take place only to a somewhat limited extent.

Given the early stage of most Scale-up countries and the fact that intra-organisational PE mainstreaming has not been a focus area of PEI, at this stage sustainability of PEI is intimately linked with the a) ability to secure funding for a second phase of the Scale-up CPs, and either b) the ability to either secure further funding for PEF and RTs, or c) the ability of UNDP and UNEP to fully internalise PEI in the approaches, tools and core capacity of PEF and RTs. The following assessment is made, keeping the above in mind:

Strengths: The PEI concept for mainstreaming PE concerns is reported to be high value to governments and there is generally a strong national ownership, especially within planning/finance ministries; and in UNEP-UNDP collaboration and joint teams. The PEI approach is an approach which has been improved in relation to the experiences of the pilot phase. The use of existing structures and windows of opportunity is another strength of PEI. The provision of tools and methodologies for mainstreaming in practice is a significant strength.

Weaknesses: The main weaknesses are delays in implementation caused directly and indirectly by the unfilled staff positions in the PEF over approximately 18 months. Time-consuming recruitment and procurement processes represent another area of weaknesses. Large budget allocations to RTs in LAC and ECIS, compared to budget allocations for CPs, represent a weakness. Reduced capacity in

poverty than environment; and the lack of systematic collection of evidence on outcomes and impact are other weaknesses.

Opportunities: There is reportedly a strong demand from countries for support for PE mainstreaming; a total of 37 countries have requested support from PEI. Donors are committed to PE mainstreaming and supporting One UN inter-agency collaboration. Furthermore, prominent global agendas and commitment to pro-poor sustainable development provide relevant opportunities for PEI and for further expanding the use of the PEI methodology: The green economy (including payment for environmental services), climate change, institutional governance for sustainable development, and Rio+20.

Threats: The global economic crisis and its impact on donor budgets and donors' ability to continue funding PEI at the current scale (Some donors have already cut back funding of PEI.) Other threats include the ability and willingness of governments to continue PE mainstreaming without external support, governance issues, political changes, land conflicts, competition with other political agendas and development needs.

5 Conclusions

Conclusion on progress

Output 1: PEI is more or less on target in terms of phase 1(target met) and phase 2 countries (two countries below target), but far below the originally intended target for preparation of PEI programmes in new countries (five countries below target plus three countries on hold). The regional distribution of phase 1 and phase 2 countries is very different from the PRODOC targets, with significantly fewer countries outside Africa and only one phase 2 country outside Africa. Due to a significantly lower budget available (USD 21,074,514) than anticipated (USD 33,043,478), PEI has put three CPs on hold. Even if these are reactivated, PEI will not meet the target for new CPs (eight new countries).

Output 2: PEI has exceeded both targets (establishment of RTs and communities of practice in Africa, Asia, and LAC) as in addition to the fully functional RTs in these regions, PEI has also established a fully functional RT in ECIS.

Output 3: At the global level, the PRODOC contains no targets, but has three indicators:

- Enhanced capacity to provide global advisory services to RTs and UN Country Teams/UNDP Country Offices
- Resources mobilized to support PEI scale-up
- Increased access by countries to good practice guidance and tools on poverty-environment mainstreaming

A prolonged period of understaffing of the PEF since April 2010 has affected the ability of PEF to provide support to RTs (in particular the Africa Team) and CPs, and caused delays in other core functions. However, in some areas support capacity has been enhanced and some guidance documents and tools have been produced. As mentioned above, PEF has been able to mobilise resources, albeit less than anticipated.

Conclusion on relevance

The relevance of PEI to PE issues lies in the fact that PEI aims to help reduce poverty by addressing environment as a cross cutting and mainstreamed concern in government planning. PEI's **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") promises to indirectly help the poor and vulnerable groups who rely on (and often have to compete for) natural resources in order to sustain their livelihoods through building government capacity to integrate their concerns. Hence, PEI's relevance vis-à-vis poverty, gender, and vulnerability lies in the fact that national and subnational policies in PEI countries inadequately address the underlying environmental problems which cause poor and vulnerable groups and their livelihoods to spiral down into deeper poverty.

PEI is relevant and adds value to the spirit of One UN globally, and in the reviewed countries, because PEI has aimed since 2005 to achieve a programmatic working alliance between UNEP and UNDP. PEI has joint budgeting and reporting mechanisms. UNEP and UNDP staff work collaboratively on PEI at all levels. PEI is relevant to the One-UN spirit because its structures – joint programming and management, pooled funding – replicated at global, regional and country levels serve as a way of actually creating One-UN and forging a better alliance between UNDP and UNEP. PEI also contributes to the UNEP normative role and UNDP country presence

PEI's expected outcome to champion the incorporation of environmental sustainability in country development processes and to attempt to operationalise the integration of pro-poor environmental sustainability into national development processes and budgets – using a country-led approach based

upon experience and lessons learned – tallies with UNDP’s and UNEP’s mandates and visions reviewed above.

The climate change and green economy agendas share similarities to PEI’s agenda. The green economy concept is particularly related to PEI, as both concepts focus on making the economic case for sustainable environmental management. Although the UNEP’s green economy initiative does not have a country level operational model. The prominence of these agendas can both be an opportunity and a threat to PEI.

The partnership approach strategy is coherent and logical because it recognises that other UN agencies already have programmes in anti-poverty and pro-environmental activities, and tries to use what capacity is available, build on it use these coalitions to gain entry at high level to mainstream PE concerns. This is also the basic strategy of the reviewed CPs. Lacking from the PRODOC results framework for this part of the strategy is an analysis of assumptions and risks. E.g., in certain PEI countries it is difficult for civil society to hold government responsible for their decisions, either because CSOs are weak or thin on the ground, or because governments are not open to CSOs.

The country-led PE mainstreaming strategy refers to the CPs. The strategy is coherent because it is at the county level that PE mainstreaming has to take place in practice; the attempt to mainstream PE indicators/concerns into national policies for poverty reduction and sustainable NRM will allow the global level to see if the policy is working on the ground. Despite a correct emphasis on a need for M&E indicators that reflect gender and vulnerability, these indicators are not developed either in the global PRODOC (indicatively or generically as inspiration for country levels), nor in the individual CPs (with the exception of Tajikistan and Kyrgyzstan PRODOCs, which include some gender indicators). PEI and the CPs are taking steps to improve the M&E system to reflect the urgent need to include the basic indicators that indicate disaggregation by gender and vulnerability in the reporting and M&E process.

MTR is unable to conclude definitively whether the three programme outputs represent the best strategy for achieving PEI objectives, mainly because it is very difficult to surmise impact at this relatively early mid term stage (and as pointed out in the TOR). Nevertheless, MTR believes that the three outputs are targeted at addressing the problems, and this gives hope for relevance and impact.

The PEI programmatic approach aims to be flexible model to help guide the choice of activities, tactics, methodologies and tools in a particular country situation. The PEI programmatic approach is premised on firstly, the need for improved information, awareness raising, establishment of partnership and institutional assessments about PE linkages in developing countries, and the requirement to package the data in a convincing way to high-level policy-makers. Secondly it is premised on PEI’s ability to successful support the government to integrate and operationalise pro-poor environmental sustainability objectives in national and sector plans – which is a demanding task in itself. Thirdly, it is premised on PEI being a catalyst to meet the implementation challenge, which will require substantive ongoing support from government and in-country donors for long term budget increases and capacity building programmes.

Although interviewed UN staff and national government staff express great interest in learning more about PE linkages in development planning, interviewees also recognise that PEI’s objectives and expected outcomes are ambitious, and will require a long term commitment: The latter is foreseen in PEI documents, expressed by the two phase, possibly three phase, basic model for the country PEIs. Nevertheless, the hard economic reality of the individual countries means that the PE mainstreaming rationale is very ambitious.

The assessment of consistency of country programmes with the PEI Scale-up joint PRODOC is based on the findings from the six CPs visited by the MTR team and focuses on where and whether there are significant differences between the country PRODOCs and the global PRODOC. There is harmony of objectives and strategies between the CP PRODOCs and the global PRODOC, but there are also some

substantive differences, most notably that in many countries pilot project interventions on the ground are being supported (e.g. in Uruguay, Tajikistan and Bhutan).

Conclusion on efficiency

The technical support provided by PEF and the RTs is of a good quality and seen as very valuable by RTs (PEF support) and Country Teams (RT support). However, at the PEF/global level the prolonged understaffing and absence of senior managers are creating some inefficiencies. It is negatively affecting the support and guidance provided to RTs (especially the Africa Team) and is causing delays. An area of particular concern is the delays caused in relation to preparing and planning for PEI beyond 2012. The structure of RTs and their approaches differ, but a common issue is that they have more environmental and poverty expertise available. The proportion of the budget available for ECIS and in particular LAC, which is allocated for the RTs is high compared to the budget allocation for CPs and travel costs in Africa are high compared to other regions.

At the country level, implementation capacity, efficiency and progress display significant variations, but most CPs display low levels of spending (albeit sometimes still with a high level of activity). This may in part be due to the fact that most Scale-up CPs are still young. The most common causes of delays are reportedly due to a) difficulties in finding qualified staff and consultants, b) slow UNDP recruitment processes, and c) slow and time consuming UNDP procurement processes. In some cases, CPs benefit from integrating implementation with other UNDP programmes, but in other cases this does not work as well, reportedly due to the implementation modalities applied. Some CPs rely on fully local programme staff, while others recruit international technical advisors. The first option is less expensive, but in some countries international expertise is needed, e.g. due to a low level of national capacity.

Although the annual spending has increased significantly and the annual expenditures of the young PEI CPs is likely to increase, with 47% of the budget unspent 14 months before completion, it is unlikely that PEI will be able to spend the remaining resources by December 2012.

The different administrative and financial management systems of UNDP and UNEP are causing some practical difficulties and inefficiencies; e.g. UNEP staff do not have access to the UNDP Atlas system, which is used by PEI for financial management and progress reporting.

The monitoring and reporting system of PEI has some significant weaknesses, although it complies with UNDP procedures. Reporting focuses on progress on activities, and does not sufficiently capture outcomes and impact. Furthermore, the result frameworks in both the global Scale-up PRODOCs and country PRODOCs are inconsistent in the application of targets, indicators and baselines especially at the outcome level, the global results framework does not have any targets set for the indicators at Outcome level and the second indicator appears difficult to measure. When outcome indicators are available, they are generally not reported against. The monitoring system is currently not used as a management tool at the country and regional levels, but is merely used to report to the higher levels. The implications of the weak monitoring and reporting system is that it is difficult to demonstrate the value added and outcomes of PEI to donors, national partners often push for pilot implementation projects to demonstrate tangible results, and lessons learned and best practices are not systematically captured. However, Tajikistan attempts to provide a more outcome focused monitoring system, and there are potentially some good lessons that may arise from this. PEF is aware of these problems and is currently working on a comprehensive revision of the monitoring and reporting system, but the revised monitoring system will be forward looking and with just over a year remaining under the current PEI Scale-up phase, it will mainly benefit potential future PEI phases at the global and country levels.

Conclusion on effectiveness

The CPs visited by the MTR team have generally been very good at creating awareness of PE issues and ownership in planning/finance and environment ministries, but only some programmes have so far engaged substantively with sector ministries. Programmes have been effective at influencing

planning processes and certain policies, and building the PE mainstreaming capacity. Important elements ensuring effectiveness include the consultative design process, work to understand the political economy, and the use of existing processes and structures as entry points and mechanisms to bring about change. An important external factor that affects programmatic effectiveness is the degree of high-level Government commitment to sustainable development. With the exception of Uruguay, the programmes have not yet influenced budgeting processes and only to a limited extent implementation of policies and plans (except Uruguay); this is not surprising as most are still in Phase 1. CPs have been effective at promotion of cross-sectoral collaboration at sub-national level, but less so at the national level, which may indicate insufficient focus on this aspect in PEI CP design. Three different approaches to PE mainstreaming have emerged from CPs: a) To engage broadly in Government processes across sectors, b) to engage in specific issues of strategic importance to the country, and c) to take an area based approach starting from the sub-national level. All six CPs visited are in line with global results framework and PRODOC.

The technical advisory, support and guidance provided by the PEF and RTs are widely appreciated, although there generally appears to be less expertise on poverty than environment in the teams. The RTs play a crucial role in designing effective CPs. Technical tools, guidance notes, and knowledge management services provided are also widely appreciated by Country Teams, and external outreach also appears to be quite effective. However, the prolonged period of understaffing at PEF, especially the unfilled senior management positions, have negatively affected effectiveness at the strategic level and technical assistance and support to RTs. The joint collaboration between UNDP and UNEP on PEI is promising; and is seen as a model on how to practically implement the One UN concept. The UNEP-UNDP collaborative teams, the PEF and RTs, are generally well functioning. The rationale behind the partnership is to take advantage of UNEP's expertise on environment and UNDP's expertise on development and strong country presence, but both UNEP and UNDP have at the global and regional levels mainly provided environmental expertise. Certain important poverty aspects, such as gender and vulnerability issues are often only reflected in CP design and implementation to a limited extent. One improvement at the strategic level is the inclusion of the Poverty Practice Director of UNDP's Bureau of Development Policy in the Joint Management Board as an adviser.

A unique feature of PEI is the joint collaboration between UNDP and UNEP, with joint teams, programming, and management. PEI is reportedly the only example of the two agencies pooling funding. PEI is widely seen as a model for interagency cooperation and how to practically implement the One UN concept and the UNDP-UNEP Memorandum of Understanding. However, while UNDP-UNEP collaboration works well at the PEI programme level, at the agency level the partnership appears more problematic. Donors see inter agency collaboration between UNEP/UNDP as a vital reason for supporting PEI, so any practical, managerial, administrative, or other hiccups in inter agency collaboration could threaten the future fundraising ability of PEI. Of particular concern is the prolonged period where neither organisation has filled its senior manager position within PEI. Both agencies have provided a significant amount of their own core resources and staff time to PEI.

Mainstreaming of the PEI methodology into the workflow and approaches of UNDP and UNEP is reportedly limited. UNEP has other mainstreaming initiatives in relation to the green economy and climate change, but collaboration between PEI and these is limited and there is a risk of duplication. Some UNEP staff report it to be a challenge for UNEP to engage at the country level, where PEI has its focus. Some UNEP staff argue that if PEI also worked on transboundary themes, UNEP could better mainstream PEI into its agenda and workstream. On the other hand, there are examples of UNEP using PEI as a platform for engaging at the country level. At the country level, PEI has also influenced UNDAFs and UNDP CP Documents to include PE mainstreaming, and UNDP Country Offices often have a strong sense of ownership of PEI CPs, as evidenced by significant financial contributions.

Conclusion on impact

Most of the PEI Scale-up CPs are young. Only one of them is in Phase 2. It is too early to expect impact at the CP level. Experiences suggest that PEI programmes can relatively quickly build up

government understanding of PE linkages, government ownership, influence development plans and planning processes, promote inclusion of PE indicators on government monitoring systems, and also promote cross-sectoral collaboration at the sub-national level. It is also possible for PEI to influence targeted sector policies, strengthen government planning and implementation capacity and promote inclusion of PE mainstreaming in civil servant training curricula. However, the more difficult parts appear to be to enhance cross-sectoral collaboration at central level and to influence budgeting processes.

At the global level, PEI has developed several knowledge resources, i.e. tools, guidelines and best practices and made them available on their website. However, the extent to which there is widespread awareness about these resources and their use beyond the PEI programme is unclear. Their use elsewhere in UNDP and UNEP appears limited. The EC funded climate change alliance initiative uses PEI capacity building approaches; but the extent to which the PEI methodology is influencing other agencies and initiatives is unknown to the MTR team. It appears that the main impacts and outcomes of PEI are at the PEI CP level, which is also the current impact focus of PEI.

Conclusion on sustainability

For PEI CPs sustainability entails “sustained changes in national and local government practices and approaches, which integrate environmental concerns into pro-poor policies, development planning and budgeting”. Most PEI Scale-up countries are in Phase 1, and it is therefore difficult to talk of sustainability yet, as they have not yet had time to consolidate the results achieved and to ensure that Government has the full capacity to roll out PE mainstreaming. This generally means that more time is needed to embed changes in governments. The priority given to environment and understanding of how it relates to poverty and contributes to the economy varies among governments in PEI countries. E.g., Bhutan has a strong commitment to pro-poor sustainable development and environmental protection; but Tajikistan has no Ministry of Environment and environment is not a Government priority. The initial level of priority given to environmental sustainability has a significant influence on the degree of effort required to influence national processes and achieve sustained change.

The sustainability of PEI CPs is based on the premise of a long term engagement of up to 5-10 years and having the appropriate outputs to achieve sustainable impacts: If there is insufficient time, then the changed practices and new tools cannot be sufficiently ingrained in government’s and other stakeholders’ Knowledge, Attitudes, and Practices and therefore sustainability is threatened. Sustainability is connected with the issue of adequacy or otherwise of timeframe, and degree of realism of the strategies. Within a five-year time frame several new CPs have been established through a participatory and consultative process. While this is the appropriate way of establishing a new programme and enhances the likelihood of achieving sustainability, it also takes time, and in reality most PEI Scale-up CPs will only have around two years to be implemented, which is too short a timeframe to achieve sustainability. In some countries, specific activities targeted at achieving sustainability are being rolled out, e.g. inclusion of PE mainstreaming into the training curricula for civil servants.

While the intended outcome of PEI focuses on the improved capacity of programme country governments and other stakeholders at the national level, there is arguably also a global aspect to sustainability of PEI, although it is not included in the Scale-up results framework. This aspect is the extent to which the experiences and approaches of PEI are ingrained in UNEP and UNDP, and the extent to which PE is being mainstreamed into the general work, practices and approaches of the agencies. Or whether the PEI methodology and tools would be lost if/when PEI closes. So far, the aspired to integration of the PEI methodology in the agencies is only taking place to a limited extent, and seemingly mainly within some UNDP country offices.

Strengths: The PEI concept for mainstreaming PE concerns is reported to be high value to governments and there is generally a strong national ownership, especially within planning/finance ministries; and in UNEP-UNDP collaboration and joint teams. The PEI approach has been improved in relation to the experiences of the pilot phase. The use of existing structures and windows of

opportunity is another strength of PEI. The provision of tools and methodologies for mainstreaming in practice is a significant strength.

Weaknesses: The main weaknesses are delays in implementation caused directly and indirectly by the unfilled staff positions in the PEF over approximately 18 months. Time-consuming recruitment and procurement processes represent another area of weaknesses. Large budget allocations to RTs in LAC and ECIS, compared to budget allocations for CPs, is a weakness. Reduced capacity in poverty than environment; and the lack of systematic collection of evidence on outcomes and impact are other weaknesses.

Opportunities: There is reportedly a strong demand from countries for support for PE mainstreaming; a total of 37 countries have requested support from PEI. Donors are committed to PE mainstreaming and supporting One UN inter-agency collaboration. Furthermore, prominent global agendas and commitment to pro-poor sustainable development provide relevant opportunities for PEI and for further expanding the use of the PEI methodology: The green economy (including payment for environmental services), climate change, institutional governance for sustainable development, and Rio+20.

Threats: The global economic crisis and its impact on donor budgets and donors' ability to continue funding PEI at the current scale (Some donors have already cut back funding of PEI.) Other threats include the ability and willingness of governments to continue PE mainstreaming without external support, governance issues, political changes, land conflicts, competition with other political agendas and development needs.

Overall conclusion

PEI adds value by providing a practical approach and tangible tools for mainstreaming and including PE in an integrated manner in policy and planning processes. This responds well to international agendas; such as climate change and green economy. The technical quality of the tool and support provided is seen as high. There is a high demand for PEI support. PEI is good at building national ownership, but poverty and vulnerability considerations could be strengthened.

Furthermore, PEI is seen as an example of One UN interagency collaboration with joint management and pooled funding. At the programmatic level the collaboration generally works very well. Although agency recruitment and procurement procedures are creating inefficiencies. At the agency level the partnership appears more problematic. The prolonged period with unfilled senior management positions which has reduced effectiveness at the strategic level. Since donors see the interagency collaboration in PEI as an important reason for supporting it, this could threaten PEI's future fundraising ability.

Mainstreaming of the PEI methodology into the workflow and approaches of UNDP and UNEP is reportedly limited. Nevertheless, PEF is making efforts to mitigate this problem. At the country level, PEI has influenced UNDAFs and UNDP CP Documents to include PE mainstreaming; and UNDP country offices often have a strong sense of ownership of PEI CPs. The latter is evidenced by significant financial contributions (core UNDP funds represent 27% of total commitments towards PEI CPs).

The monitoring and reporting system of PEI has significant weaknesses. It does not sufficiently capture outcomes and impact; which implies that it is difficult to demonstrate the value added and outcomes of PEI to donors. Furthermore, national partners often push for pilot implementation projects to demonstrate tangible results. PEF is currently working on a comprehensive revision of the monitoring and reporting system.

Likelihood of achieving outputs: With the exception of the targets for phase two countries and new countries, PEI has generally already met the intended output targets 15 months before completion. However, the unmet country targets are unlikely to be fulfilled. The target for phase two countries is

very unlikely to be met. Whereas the target for new countries can only be met if the development of the CPs put on hold is reactivated and more new CPs are added. While it appears prudent that PEI put these programmes on hold when it was realised the funds available for PEI were much lower than anticipated, it seems somewhat paradoxical that PEI has only spent 53% of the budget 14 months before completion, and is unlikely to spend all the funds available before completion of the current Scale-up phase.

Likelihood of achieving outcome: With no targets set for the outcome indicators and no data on the progress against the outcome indicators available, it is impossible to assess the likelihood of the PEI Scale-up programme achieving the intended outcome. The first outcome indicator is: *Number of countries in which pro-poor environmental concerns are incorporated into: (1) the national development/poverty reduction and growth strategy, (2) budget processes/Medium-Term Expenditure Framework, (3) key sectoral policies and plans, (4) the poverty monitoring system.* The findings in the six countries visited by the MTR team suggest that the different PEI CPs are generally very likely to achieve (1) and (4) and likely to achieve (3), but unlikely to achieve (2) within the current Scale-up programme phase. It should be kept in mind that most Scale-up CPs are quite young, so it is too early to expect impact and it is difficult to talk of sustainability yet, as they have not yet had time to consolidate the results achieved.

Due to the unavailability of data and the difficulty of measuring the second outcome indicator, “*Widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes*”, it is impossible for the MTR team to assess the programme’s delivery against it. PEI has developed several knowledge resources and made them available on its website and elsewhere; and the MTR team is aware of PEI methods and tools being used by some other UN and non-UN programmes as presented in the report. But the extent of the awareness of them and their use beyond the PEI programme is unclear.

6 Lessons learned

Several lessons on PE mainstreaming have emerged from the PEI Scale-up. With PEI's strong focus on national processes, several of the lessons learned apply to mainstreaming at the country level, but some valuable lessons have also emerged at the global level. The following provides an overview of some key lessons:

Mainstreaming in practice

- While mainstreaming is often perceived as abstract and an abstract concept, it is possible to translate the mainstreaming principle into tangible action
- The PEI mainstreaming approach has broader applicability. The tools can also be used by others and for other mainstreaming agendas, such as climate change or green economy

Programme preparation

- Inclusion of an inception period allows the recruited Programme Implementation Team to orient itself and further refine the approach and targets and develop a more detailed work plan. If time is a constraint, it should be considered to reduce the design phase to create space for an inception phase to get the Programme Implementation Team on board quickly
- A flexible and pragmatic approach is advantageous, as it can enable the programme to continuously adapt to changes and opportunistically make use of new entry points that may arise during programme implementation

Demonstrating results

- It is important to capture and communicate both the relevance, achieved results, and outcomes of PEI programmes. Unless clear and SMART outcome oriented targets (qualitative and quantitative) are established and reported against, it can be difficult to demonstrate the outcomes and results of PEI programmes
- National partners may push for community level pilot implementation activities to be able to show results. This seems also to be driven by a tendency of thinking in projects directly delivering demonstrable benefits for communities rather than policy processes with less tangible and easily attributed results. A strong impact oriented M&E system could reduce the push for pilot activities
- There can be a tendency among national stakeholders to view PEI as mainly an environment programme. Further attention to the multiple dimensions of poverty, gender, and vulnerability and how they relate to environmental issues would greatly strengthen the "P" of PEI and enhance the message of the socio-economic importance and social dimensions of environmental sustainability

Focus

- With a more narrowly defined focus on a few sectors and ministries, results across the full range of elements in the PEI programmatic approach may be achieved in shorter time
- If Government is already strongly committed to PE mainstreaming in its development strategy, a broad focus on several sectors allows a more comprehensive impact. However, a broad focus is more challenging to manage and it takes longer to achieve results across the full range of elements in the PEI programmatic approach
- When Government awareness of, and interest in, environmental sustainability is limited, or when the timing does not provide immediate entry points at the national level, an area-based approach focusing on sub-national development plans can be an entry point to demonstrate the socio-economic value of mainstreaming PE concerns into planning processes
- Economic analysis is a vital tool to provide evidence on the economic benefits of sustainable management of the environment and natural resources
- The sub-national level plays an important role in PE mainstreaming, as a) it is at this level development plans and policies normally are implemented, and b) capacity (incl. PE mainstreaming capacity) is usually lower than at national level

- Private sector investments can be an important focus area when addressing PE issues and mainstreaming
- One of the most difficult areas to influence is budgets and budgeting processes. Support to ministries of finance and influencing budgeting processes should be focus areas from an early stage of implementation

Using local capacity

- Ongoing substantive, participatory engagement builds trust, ownership and leads to a programme well aligned with national priorities. This increases the chance of uptake of PEI recommendations and achieving sustained impact
- When Government systems work well, use of Government systems can enhance implementation of PEI programmes (but it should be acknowledged that Government systems often do not work well due to capacity constraints or other issues). In some cases UNDP procedures allow financial management and procurement to be fully handled by government
- A focus on using national capacity and Government staff as much as possible can reduce costs and enhance the national human resource base, for the benefit of future interventions and national ability to lead PE integration. However, when capacity is low, a long term ITA may be necessary and instrumental for programme delivery
- Twinning international expertise with local institution builds national capacity and ensures national ownership

Cross-sectoral collaboration

- While Government ownership can be ensured, it can be difficult at the programme level to ensure interdepartmental and cross-sectoral collaboration at the central Government level. Considering the crosscutting nature of PE issues, it is important to include specific measures to promote this in programme design and management setup
- At the sub-national level, collaboration is more easily promoted and will more readily be appreciated

Time

- Ensuring PE mainstreaming is fully and sustainably ingrained in Government's way of working and that policies and plans with PE integrated are actually being implemented and leading to real change is a process that takes time. Even with a highly conducive political environment and a large budget, five years may not be sufficient to fully achieve the intended change and ensure that Government can continue the process without external support
- If the full potential benefit of studies is to be realised by the programme, it is important that the studies are available on time, so the findings can be used in programme activities. Comprehensive large-scale studies requiring an extended period of time to prepare and implement, are thus not effective in a programme with a limited timeframe. Targeted studies are more likely to provide the need knowledge in time
- Economic evidence on how environmental sustainability is linked to poverty reduction is a very persuasive tool to convince finance/planning ministries and sector ministries about the importance of PE mainstreaming. Strategic and targeted economic-environmental studies should be undertaken at an early stages in programme implementation
- In a context where funding is often only secured for one phase at a time, specific activities focusing on long-term sustainability are important to include from an early stage, e.g. to influence civil servant training curricula

Synergies with other efforts

- To utilise synergies and reduce Government transaction costs other programmes can be used as vessels for delivering PEI outputs. Support from the UNDP Country Office and integration in larger programmes (e.g. regarding procurement, M&E, vehicle access) can help improving PEI country delivery both in terms of efficiency and effectiveness. However, the modalities, including for funding, must be clearly spelled out to ensure proper integration of PEI and that PEI activities receive sufficient priority, attention and ownership by the host programmes

- Other donors/programmes can be interested in supporting, adopting and rolling out tools and concepts developed by PEI programmes, thereby enhancing the leverage and facilitating long-term sustainability of PEI programmes. Communication and collaboration with other donors and programmes is thus important

The UN system

- Interagency collaboration in line with the One UN concept is doable (albeit complicated), but requires strong agency commitment from the highest levels and willingness to overcome practical hurdles and institutional differences
- Integration of PEI mainstreaming approaches into agency practice and other mainstreaming initiatives within the UN system requires concerted and targeted awareness creation and capacity building efforts. This applies to the global, regional and country levels
- While the use of UNDP management and procurement systems can be complicated and time consuming, training of Programme Staff and support provided by the UNDP Country Office can greatly reduce the risk of delays. However, programme staff should also be prepared to proactively follow up at all stages of the procurement/recruitment cycle

7 Recommendations

The recommendations provided below are divided into three categories:

- Must do: Recommendations that are critical to implement
- Should do: Recommendations that would be important to implement, e.g. to improve areas of weakness
- Could do: Recommendations that could further strengthen PEI, e.g. by providing evidence on best practices and enabling factors

For several of the recommendations below (e.g. in relation to assessment, studies, analyses), PEI should carefully identify the most appropriate approach among the following options:

- To implement the recommendations internally with the use of PEI's own staff
- To implement the recommendation as a participatory process with external facilitation
- To draw on expertise available within UNEP and/or UNDP
- To use external consultants/specialists

Specific recommendations for the visited CPs are provided in the MTR country reports.

MUST DO

Conclusion sub-section	Recommendation	Timeline	Target Group				
			UNEP Management	UNDP Management	PEF	RTs	Country Teams
Effectiveness	Immediately recruit UNEP and UNDP senior managers for PEI	January 2012	X	X			
Effectiveness	Improve the balance between poverty and environment expertise made available to PEI, including allocation of poverty expert staff time to all RTs and Country Teams	March 2012		X			
Efficiency	To continue ongoing work on improving the monitoring and reporting system as a high priority for all CPs and new phases of existing programmes, and roll out into practice in the Global and CPs by January 2012 for new countries/new phases	January 2012			X	X	X
Efficiency	Develop 4-5 SMART global indicators for the country level to capture the intended results in relation to PE mainstreaming in policies, development plans, work plans, budgets, actual implementation of policies and plans, country ownership, and likelihood of changes being sustained. Assess whether a single indicator set would be applicable, or whether broadly defined targets should be agreed upon against which each country identify appropriate indicators. All CP should report against these overall indicators. Include in annual progress reports an at-a-glance table, where the progress of each country against these indicators is categorised/scored	January 2012			X	X	

SHOULD DO

Conclusion subsection	Recommendation	Timeline	Target Group				
			UNEP Management	UNDP Management	PEF	RTs	Country Teams
Effectiveness	Maintain and further enhance current joint programme		X	X			

Conclusion subsection	Recommendation	Timeline	Target Group				
			UNEP Management	UNDP Management	PEF	RTs	Country Teams
	management and pooled funding modalities to ensure continued full collaboration and utilisation of the comparative advantages of both UNEP and UNDP						
Effectiveness	Include mainstreaming of PEI methodology into UNEP and UNDP as a specific output with clearly defined targets in the next PEI phase		X	X	X		
Relevance and Effectiveness	Establish modalities for PEI collaboration and coordination with relevant UNDP and UNEP's initiatives, such as initiatives on climate change and green economy, e.g. by allocating PEI staff time to these initiatives and vice versa. Build this into the design of the next PEI phase	June 2012	X	X	X		
Effectiveness	Develop strategy for enhancing awareness and capacity on PE mainstreaming and PEI tools among UNEP and UNDP staff. Identify key staff at HQ, Regional Offices and Country Offices. Provide training courses and mentoring on PE mainstreaming in their core work. Build this into the design of the next PEI phase	Strategy: December 2012	X	X	X		
Efficiency	Carry out an assessment of the strengths and weaknesses of the setup of the various RTs to capture lessons learned and best practices on provision of technical assistance and support for CPs Themes to include in the assessment: Quality of support, capacity to provide poverty-related technical advice, actual support needs of Country Teams, role of RTs vis-à-vis day-to-day CP management and national agendas, comparison of team structures (i.e. use of country focal points vs. use of thematic focal points), withdrawal strategies	June 2012			X		
Efficiency	Review cost efficiency and reduce costs as appropriate for each RT, e.g. by reducing travel costs, consultant costs, and other costs.	June 2012	X	X	X	X	
Efficiency	To the extent possible, rely on local capacity for programme management. Include only long-term ITAs, when the capacity is not available in-country. International expertise can be used strategically at key points in time, e.g. on retainer contracts					X	
Efficiency	Provide UNEP employed PEI staff access to Atlas	January 2012		X			
Efficiency	Provide specialist M&E inputs to the development of all future results frameworks, including those currently under development (e.g. Lao PDR) to ensure that monitoring is built into all programmes as an programme management and learning tool and that adequate resources and mechanisms are included for effective implementation of monitoring systems	January 2012				X	
Efficiency	Ensure that baselines are established for all new programmes/phases, e.g. as a part of socio-economic studies	January 2012				X	X
Efficiency	Support ongoing programme phases to strengthen the capture of outcome evidence. Promote simple measures to enhance outcome monitoring, e.g.: - Workshop and training courses –some time after the capacity building has taken place provide a questionnaire to participants to assess the actual uptake and utilisation of the skills provided - To undertake thematic studies to explore the extent to which intended results in key areas have been achieved	March 2012			X	X	
Sustainability	Improve poverty, vulnerability and gender indicators - will be attractive to donors and help donors argue for continued financial backing of PEI	June 2012					
Impact and Overall	Set measurable targets for the second Outcome indicator and Output 3 indicators of the current Results Framework, and	January 2012			X		

Conclusion subsection	Recommendation	Timeline	Target Group				
			UNEP Management	UNDP Management	PEF	RTs	Country Teams
	report against the indicators and targets						
Overall	Reactivate CPs on stand by, <u>provided sufficient funding is made available for a new post 2012 PEI phase</u>	(January 2012)			X	X	

COULD DO

Conclusion sub-section	Recommendation	Timeline	Target Group				
			UNEP Management	UNDP Management	PEF	RTs	Country Teams
Efficiency	Review experiences with CP delivery through other UNDP programmes to identify lessons on implementation modalities and best practices	Dec 2012			X	X	
Effectiveness	Undertake a study of the advantages and disadvantages of three different models for PEI engagement in countries, and factors determining the best model for a country, i.e. whether to: <ul style="list-style-type: none"> - Engage broadly and holistically in Government processes across sectors at national and sub-national level and engage over several years to deliver on all elements of the PEI programmatic approach - Engage in a more narrowly defined area of strategic importance to the country and later expand the PE mainstreaming effort to other sectors - Take an area based approach starting from the sub-national level to create evidence, which subsequently can be lifted to national level 	Dec 2012			X		
Effectiveness	Do in-depth studies of selected mature PEI CPs (good, medium and poor performers) to analyse the key factors (both external and internal factors to PEI) that promote or inhibit successful <u>PE mainstreaming and the contribution/attribution of PEI</u>	June 2012			X		
Impact	Analyse the lessons learned and practices from countries where PEI has influenced budgeting processes, including Uruguay	June 2012			X	X	
Impact	Analyse the lessons learned and practices from countries where PEI has successfully established cross-sectoral collaboration at national level, including Malawi	June 2012			X	X	
Effectiveness	Commission studies/assessment on the gender and vulnerability issues in relation to environmental issues, and how they relate to selected CPs, to elucidate the extent to which they are adequately considered/analysed in programme design and addressed in policy work. Based on the findings, a guidance note on addressing gender and vulnerability in CPs could be elaborated	March 2012			X		
Efficiency	Assess the monitoring system applied in Tajikistan to see if there are relevant lessons for other CPs, e.g. in relation to measure outcomes and to integrate monitoring with UN country level indicators	March 2012			X		
Effectiveness and Lessons learned	Adjust the PEI programmatic approach, based on the lessons and evidence arising from the recommended studies and assessments: <ul style="list-style-type: none"> - Include an inception phase for Country Team mobilisation 	Sept 2012			X		

	<ul style="list-style-type: none"> - and refinement of the results framework - Ensure that clearly defined, focused and strategic economic studies are completed at a very early stage. Larger and more sophisticated studies can be carried out later - Include social studies on the multiple dimensions of poverty and vulnerability at a very early stage as a tool to inform CP design - Focus on engaging in budget processes (including sector budgeting) already in phase 1 - Include the three delivery models (broad engagement, narrow focus, area based) as possible options to consider - Reliance on local capacity whenever feasible - Include specific activities to ensure cross-sectoral/inter-ministerial collaboration - Include specific activities focusing on ensuring long term sustainability from an early stage - Outcome oriented M&E, baselines, indicators, and targets as management tools - Delineation of purpose of pilots and when they are appropriate 						
<i>Efficiency</i>	Suggested recommendation by a PEF staff member: <i>"PEF staff to revisit individual TORs in light of 2012 workplan to minimise duplication and maximise effectiveness. This should ideally be undertaken once the UNEP Deputy Manager is in place but no later than 31 December 2011"</i>	<i>31 December 2011</i>			X		
	Suggested recommendation by a PEI RT staff member: <i>Get commitment of e.g. 5% of Sub-programme Coordinators time to help PEI mainstreaming into its way of doing business</i>		X				
	Suggested recommendation by a PEI RT staff member: <i>Conduct with urgency a very similar exercise to that of UNDP's own evaluation of "Poverty Environment nexus" in its work across the board, in all UNDP practices</i>		X				
	Suggested recommendation by a PEI RT staff member: <i>PEI staff and UNEP staff jointly to work and integrate lessons learnt into new Programme of Work</i>		X		X	X	

8 Annexes