

**ENRTP STRATEGIC COOPERATION AGREEMENTS**  
**ANNEX 4 – PROGRESS PROJECT REPORT**

<b>Reporting Period</b>	<b>June-December 2012</b>
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**DESCRIPTION**

ENRTP Priority	ENRTP 3.3. Support for mainstreaming and promoting governance and transparency for natural resource management, including water.	EC Directorate General	DEVCO
Programme of Work	Ecosystem Management/Environmental Governance		
Project's Title	Scaling-up the UNDP-UNEP Poverty-Environment Initiative (PEI)		
Location	Africa, Asia-Pacific, Caribbean: Burkina Faso, Dominican Republic, Lao PDR, Malawi, Mali, Mauritania, Mozambique and Rwanda		
Total duration	18 months		

Responsible Entity	UNEP/DEPI/PEI
UNEP/MEA Project Manager	Isabell Kempf
EC Project Manager	Sophie De Coninck

Date of EC Approval:	09 March 2012(final full-fledged proposal)		
EC Allocation (EUR):	1,474,443		
Date of Allocation/Transfer:	Resources pooled into the Joint PEI in June 2012		
Amount (USD)	1,965,924	Exchange Rate:	0.75
Total Expenditures (USD)	1,072,238	Total Expenditures (EUR)	804,178

### **Abbreviations and acronyms**

AAP	UNDP African Adaptation Programme funded by Japan
CC	Climate Change (mostly refers to adaptation)
CSOs	Civil Society Organizations
CONDES	National Sustainable Development Council (Mozambique)
DANIDA	Danish International Development Agency
DESIA	Department of Environmental and Social Impact Assessment (Lao PDR)
DEPI	Division of Environmental Policy Implementation - UNEP
DFID	UK Department for International Development
EDPRS	Rwanda's Economic Development and Poverty Reduction Strategy
ENRM	Environmental and Natural Resources Management
FONERWA	National Fund for Environment and Climate Change in Rwanda
GDP	Gross Domestic Product
GEI	Green Economy Initiative - UNEP
IPBES	Intergovernmental Platform on Biodiversity and Ecosystem Services
MEPD	Ministry of Economic Planning and Development (Malawi)
MICOA	Ministry of Coordination of Environmental Affairs (Mozambique)
MOU	Memorandum of Understanding
MSOER	Malawi State of Environment Report
MPD	Ministry of Planning and Development (Mozambique)
NDP	National Development Plan
ODI	Overseas Development Institute
P-E	Poverty-Environment
PEER	Public environment expenditure review
PES	Social and Economic Plans (Mozambique)
PEC	Poverty-Environment Climate nexus/issues
PRODOC	Programme/Project Document
PRSP	Poverty reduction strategy paper
REMA	Rwanda Environment Management Authority
SIDA	Swedish International Development Agency
SWAp	Sector Wide Approach
TRAC	Target for Resource Assignment from the Core (UNDP country core funding)
TAG	PEI Technical Advisory Group
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNCT	UN Country Team

## SUMMARY PROJECT STATUS

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### Summary of the status of implementation of the project at the time of reporting (global overview on the project implementation since its start)

The Pilot (Africa) Phase of PEI (2005-2007) focused on developing the analytical foundation for more integrated and pro-poor policy approaches to addressing the poverty-environment nexus. Its evolution into a global partnership between UNDP and UNEP has continued to be supported by the EC; from its very beginnings until today. This partnership brings together the environmental capacity and networks of UNEP with UNDP's development expertise and capacity to support country-led processes via its universal country office presence. The outputs of the Africa Pilot Phase provided the conceptual underpinnings for the design of the joint PEI 'Scale up' (2008-2012), which has taken up the operational challenge of helping governments and other stakeholders develop the capacity to mainstream poverty-environment (P-E) linkages in (sub)national development and poverty reduction strategies and related implementation processes. The work of the PEI has been positively assessed by the PEI Africa evaluation (IIED, 2009) and PEI Scale-up Programme Mid-Term Review (MTR by PEM CONSULT, 2011), albeit with some recommendations to improve implementation and successes that have been addressed in the development of the PEI 2013-2017.

Building up from the scale up, this project aims to address the significant demand at country level to 'operationalize' P-E mainstreaming<sup>1</sup> and to achieve more sustained impact from the policy decisions and processes influenced so far. In line with this prodoc, the EC support has enabled the PEI to continue the start-up of country programmes whose preparatory phase had been completed (e.g. Dominican Republic), continue country activities in the African countries and Lao PDR, transition to the PEI 2013-2017 (on-going) and enable efficient staffing levels to support country, regional and global PEI initiatives (on-going). Implementation of this project is on-going, with substantive progress being made as reported in the subsequent sections. This is with the exception of country programmes in Dominican Republic and Mali. Activities in these countries have been delayed, due to a change in Government in Dominican Republic and the on-going crisis in Mali. The latter, particularly affecting implementation during the reporting period (see risk section for further information). Despite a slight delay in the transfer of funds, substantive progress has also been made towards the regional and global targets, most of which have been completed before their respective deadlines.

### Summary of progress towards achieving the project's objectives:

UNDP-UNEP PEI results during the reporting period demonstrate positive change in institutions and policies across the global programme, including country and regional levels. Successful use of P-E mainstreaming tools and approaches by national, regional and global institutions, in particular ministries of planning/finance and UNDP and UNEP programmes, are contributing to substantial progress towards achieving the project's objectives. The focus during the reporting period has been therefore on the 'operationalisation' of P-E objectives integrated during the scale up period. This means deepening and broadening that integration through the operationalization of P-E objectives in country development planning and budgeting processes. For instance the economic assessment undertaken in Malawi during the scale up contributed to the integration of P-E objectives in the NDP and subsequently to the integration of sustainability indicators in the M&E framework of the Agriculture Sector Wide Approach (SWAp). Rwanda went a step further and worked with the Rwanda Mining Association to stop some mining companies in the Muhanga District reporting lack of compliance with standards set earlier with PEI support. Other examples in relevant subsections of this report refer to the use of a range of PEI supported studies and guidelines to influence policies and budgets. In line with these achievements, an increase in resources from different sources for their implementation has been reported. For example, from the National Assembly fund in Lao PDR for green growth projects, public funds from the Government of Mauritania for climate change (CC) adaptation through a support programme by Danida in Mozambique, or from UN agencies such as UNDP, UNEP or UNCDF. Furthermore, increased capacity through comprehensive training packages supported by mainstreaming tools in a 'learning by doing' approach has also been reported in Burkina Faso; comprising of an investment programme, a sector policy database and local planning guidelines, all produced for the first time in the country. In Lao PDR the package responded to national requests for quality investments and therefore consisted of trainings on methodologies around Environmental and Social Impact Assessment (ESIA) and ecosystem valuation (also in Rwanda), to feed the recently developed investment database.

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<sup>1</sup> P-E mainstreaming integrates the concept of pro-poor environmental sustainability, which includes sustainable use of natural resources, adapting to climate change, with a focus on poverty reduction, inequality and marginalised groups (including women and indigenous peoples), and working towards inclusive green growth.

Efforts have therefore focused on ensuring the successful achievement of key milestones of designated country programmes (such as the examples highlighted above, with the exception of Mali and to a less extent Dominican Republic – refer to risk section) and to undertake analytical lesson learning and participatory stakeholder planning at country, regional and global levels to inform the continuation of PEI through 2017. As a result, the PEI prodoc 2013-2017 was prepared and endorsed in a participatory approach in a timely fashion. Country consultations fed the regional stakeholder meetings undertaken during the review period in the four PEI regions. These served as the basis for the development of regional strategies 2013-2017 and their subsequent approval by Joint Regional Steering Committees formed by UNDP and UNEP senior management in the regional centres. In turn, these strategies informed global consultations, not only between UNDP and UNDP (including the different divisions and practices), but also with think tanks and bilateral and multilateral donors to finalize a joint prodoc for PEI 2013-2017. Due to a miscommunication, the European Commission did not have the opportunity to comment.

#### Summary of performance remarks and highlights:

In the table below, we provide an overview of progress towards achieving the project’s objectives in line with project milestones and expected delivery dates. To avoid repetition, more detail on highlights is provided in the outcome summary section and relevant subsections:

Project Milestones indicated in the prodoc logframe:	Expected Milestone Delivery Date
<b>M1: PEI Lessons learned and Best practice report</b> Completed later in 2012 upon receipt of pooled funds. Published in early 2013. (Click on <a href="#">PEI Stories of Change</a> )	30 June 2012
<b>M2: PEI 2013-2017 Programme Document prepared and endorsed</b> Completed on 03 October 2012. Source: PEI Joint Management Board minutes 03 October 2012.	31 October 2012
<b>M3: At least four PEI countries have PE linkages mainstreamed in sector plans and budgets</b> Completed: Malawi, Mauritania, Mozambique and Rwanda. See outcome level for detailed information.	31 December 2012
<b>M4: At least eight PEI countries have PE linkages mainstreamed in national development plans and monitoring systems</b> Partially completed: Burkina Faso, Lao PDR, Malawi, Mali, Mauritania, Mozambique and Rwanda. See outcome level and output indicator A) 5 for detailed information.	30 June 2013
<b>M5: At least eight PEI countries have endorsed PE mainstreaming sustainability strategies [and these are] being implemented</b> Partially completed: Burkina Faso, Lao PDR, Malawi, Mauritania, Mozambique and Rwanda. See outcome level for detailed information.	31 December 2013

#### CHALLENGES, MANAGEMENT ACTIONS, RISK MITIGATION PLAN:

##### Main implementing challenges and strategy/actions which have been adopted to address them:

Given the innovative work of PEI, aimed at changing government structures and processes to effectively address the complex linkages between environmental sustainability and poverty reduction, we are faced with a varied range of challenges. As PEI focuses on the operationalization of P-E mainstreaming and adapts to specific national and subnational contexts, different country programmes at different stages of implementation provide a source of best practice that help address most of those challenges. Below, we provide some examples:

- Insufficient cross sector coordination in Burkina Faso: the PEI team addressed the challenge by supporting the institutionalization of environment cells in key ministries, particularly the Ministry of Economy and Finance. As a result, PEI is perceived as a lead example of successful cross-sector coordination and support.
- Refer to related risk section for Dominican Republic.
- Technical capacity and accountability of government staff to deliver on programme’s workplan given the innovative approach of PEI: PEI Lao PDR has provided continued support through intensive ‘learning by doing’ to close institutional knowledge gaps and promoted cross-sector collaboration.

- Refer to related risk section for Mali.
- During the second half of 2012 the Government of Mauritania requested a shift in PEI priorities to respond to increased concerns of the effects of CC to the population. Following PEI's support during the scale up that successfully integrated PEC in the PRSP 2011-2015, the Government identified one of the main implementation challenge in the insufficiency of resources from the national and aid budgets. As reflected in the subsequent sections of this report, PEI responded to the Government request to support mainstreaming CC into planning and policy processes in the country through a series of strategic actions.
- PEI countries continue to demand support to demonstration projects to showcase the benefits of P-E mainstreaming in practical terms. It is however challenging to ensure further impact and replication of demonstration projects which is out of PEI control. This will largely depend on available funding and effective follow-up and dissemination activities related to the projects. To address this challenge, PEI Mozambique will support the Ministry of Environment during the second quarter of 2013 to evaluate demonstration projects and analyse the social return on investments and the stakeholder level of satisfaction. Findings and recommendations will be used to make the case for/against such projects in support of policy making and related budgeting processes, also for the global programme.

**Potential risks (internal and external) that may jeopardize the implementation of activities and/or the achievement of outputs and outcomes and related actions planned to mitigate the identified risks:**

The project risk log (section 4 of the prodoc) indicated a medium organization risk. This risk is inherent to the work of the PEI and is also directly linked to political risk. Below we provide the most relevant examples of risks identified during the reporting period and related actions planned to mitigate:

- The political risk in Dominican Republic was identified in the PEI country prodoc given expectations of change in Government as result of presidential elections that took place in May. The programme had put in place a series of actions to mitigate the identified risk, given the expected changes in Government priorities and counterparts for its successful implementation. The PEI team ensured continued dialogue during the lengthy process for the new Government staff to take office from August. At this stage the team focused on awareness raising support to improve Government's understanding of the linkages between PEC and the expected outcome of PEI in the country.
- After the military coup d'Etat in Mali in 2012, the country started facing a socio-political crisis that has continued into 2013. In view of the seriousness of the crisis and the impact in the achievement of expected outputs (particularly the PEER and gender studies underway), the PEI carried out an assessment mission end of June 2012 to determine the most urgent actions to mitigate the risks identified during the first months of 2012. Mali authorities and development partners demonstrated a strong commitment to the continuation of PEI work despite the serious challenges. In particular, the Ministry of Economy and Finance have highlighted their concern about the potential failure in the implementation of the new 'green' PRSP supported by PEI during the scale up. The mission discussed the potential improvement of conditions in 2013 with the liberation of occupied zones and reinstallation of local authorities. There will be however, other urgent priorities to address, i.e. peace consolidation, political stability, territorial security, economic development, human rights and reconciliation. Given this commitment and requests for continued support, PEI agreed with partners to support a series of actions in line with the coordinated response of the UNCT to the people of Mali. This focuses on immediate capacity-building support to key institutions for early recovery and a comprehensive post-crisis reconstruction programme. In this context and based on past successful work, PEI has been requested to support a study to assess the impact of the crisis on P-E issues. Findings and recommendations from this study will be used as an advocacy tool to bring different stakeholders together to accelerate the reconstruction of the country as it counts with the support of most country donors (refer to workplan section for detail on next steps in Mali). At the same time, the mission identified a series of changes in ministry departments that could facilitate future PEI activities, such as the merging of the Ministry of Economy and Finance with the Ministry of Budget and the reorganization of the Ministry in charge of Environment, now also in charge of Energy and Water.

**OUTCOME SUMMARY**

**Outcome description: 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 sustainable development.**

Good progress has been made towards achievement of the PEI outcome. The main overall achievement during the reporting period has been the further deepening and broadening of the integration and operationalization of P-E objectives in country development planning processes at national (includes subnational in many cases) and sector

level. In addition to the continued support provided to ensure the further integration of P-E issues in current local and NDPs and into the formulation of upcoming plans, there was substantive progress in most countries to mainstreaming in sectors. Please refer to the examples of Malawi or Mozambique below.

In this context, it is important to note that PEI country programmes last a number of years and that some have been running since the Africa Pilot (Mali, Mauritania, Mozambique and Rwanda). There is therefore a continuum of achievements, with variation between countries reflecting, *inter alia*, on this continuum and on the different levels of capacity. For example, in Lao PDR investment decisions are starting to be better informed by targeted economic and environmental research on ecosystem valuation and different agricultural concession models. Research information was disseminated to various government and non-government actors to improve knowledge on the value of ecosystems and the losses incurred by unsustainable management of the environment and natural resources. This is also the case in some African countries such as Malawi, Mali, Burkina Faso and Mauritania. The approval of the UNDP Mozambique Green Human Development Programme (GHD) represents a significant milestone related to one of the objectives supported by the ENRTP project, in line with the PEI "sustainability strategy" mentioned in the prod. The GHD programme has a strong poverty-environment and climate change mainstreaming component and it follows up on the PEI achievements (such as economic studies and sector engagement).

#### **Outcome indicators and reported achievement under each indicator:**

At least 8 countries where the inclusion of poverty-environment linked objectives in national (includes subnational level) development plans (NDP/PRSP) and sectoral plans has increased by Dec 2013.

Good progress has been made in most of the eight countries. Below, we summarize progress and achievements in the six countries that were not affected by changes in Government explained in the risk section (i.e. Dominican Republic and Mali):

In Burkina Faso, local communities validated the development plan of the Po region, which integrates P-E issues. PEI also supported the development of the national policy on sustainable development and related law.

In Lao PDR, PEI supported the finalization of the 7<sup>th</sup> NSEDP (equivalent to NDP) that integrated P-E concerns and includes a section on "Natural Resources and Environmental Protection". The previous plan had no specific objectives addressing environmental issues.

In Malawi, PEI consolidated the integration of P-E objectives and indicators in the agricultural sector and used findings from the study on the costs of unsustainable management of natural resources supported during the scale up to integrate a chapter on climate change and natural resource management in its upcoming Growth and Development Strategy II. The Minister for Agriculture and Food Security expressed gratitude to the support provided by PEI during his speech to the national stakeholder validation workshop on the revised 2<sup>nd</sup> edition of the national fisheries policy 2012-2017. The Minister highlighted PEI's role to make this a worthwhile and useful document for sustainable management of the fisheries resources and development aquaculture in Malawi.

In Mauritania, PEI supported the development of a National Strategy on CC and a specific Agenda 21 for Nouakchott, the most affected by CC impacts.

In Mozambique, the support provided to enhance the role of Environment Units and focal points covering 17 sectors during the scale up has led to strengthened synergies and shared outcomes in the sector plans for 2013. A brief review of the Economic and Social Plan (PES) 2013 undertaken during the review period indicates that sectors are incorporating P-E issues in their plans in various ways. For example, as part of the Government's Investment Attraction Programme, the Government is planning to support the local Natural Resource Committees in order to promote partnerships between local communities and investors. The Ministry of Energy is planning to empower its environment unit and design a National Action Plan to replace charcoal use with alternative sources of energy.

In Rwanda, PEI supported the evaluation and self-assessment of the implementation of EDPRS I (equivalent to NDP). The EDPRS I integrated P-E and CC issues with the support from the PEI scale up. Findings and recommendations from this evaluation are influencing the formulation of the draft EDPRS II during 2012. Sector priorities have been agreed upon to serve as the basis for development of their respective strategic plans with support of PEI: infrastructure, agriculture, NR, finance, local government, health, trade and industry and education.

- At least 8 countries where poverty-environment objectives receive increased funding from public budgets or other sources by Dec 2013.

Good progress has been made in most of the eight countries. Below, we distinguish between countries receiving increased funding from public budgets: Mauritania and Mozambique, and those where institutional changes were implemented towards increased (and sustained) funding from public budgets during the reporting period: Burkina Faso, Lao PDR, Malawi and Rwanda.

#### Countries where poverty-environment objectives receive increased funding from public budgets or other sources by December 2012:

In line with the prioritization of CC mainstreaming, the Government of Mauritania started implementation of the Green Belt movement with public funds to protect the capital city from the advancement of dunes as well as a rise in the sea level.

PEI Mozambique supported the Ministries of Mining, Women and Social Affairs, Energy, Public Works, Health, Tourism, and Fisheries to prepare proposals for Social and Economic Plans (PES) 2013 in their respective sectors. There were finalized in the second half of 2012 and integrated P-E issues. As a result various ministries have secured additional funds for activities for implementation of environmental objectives particularly from the Environment Support Programme (ESPS II) funded by Danida.

#### Countries where institutional changes were implemented towards increased (and sustained) funding from public budgets or other sources by December 2012:

In Burkina Faso, PEI supported the development of the Investment Programme for 2012-2016 that will serve as budget guideline for the environment and sustainable development sectors. The document is being used also to raise funds towards the implementation of the PRSP 2011-2015, which prioritizes these issues as result of PEI work undertaken during the scale up phase. The Programme includes a chapter on green growth scenarios responding to investment options that was developed in collaboration with the UNEP GEI.

District level consultations supported by PEI Lao PDR in pilot provinces improved the understanding of local policy makers of the need to improve rural livelihoods for poverty alleviation. As a result, some green growth projects were identified and presented to the district authority for approval. One project from each province was selected for further development and funding. The satisfaction of participating communities is reflected in their strong engagement and the request for continued support to develop further proposals for submission to the National Assembly Fund (ca. 5billion Kip per proposal). The Green Growth aspect of the support provided by PEI demonstrated the importance of participatory approaches for community driven solutions that can effectively contribute to their sustainable development.

There is increased Government commitment to ensure increased funding towards P-E issues, in line with the integration of these issues in the Guide to Executive Decision Making Processes in Malawi. A CC and ENRM SWAp is being explored as financing and funding mechanism for these issues based on results from a study on a Conceptual Framework for a CC ENRM SWAp.

In line with the commitment by the Government of Rwanda in 2011 to upscale the integrated demonstration development project supported by PEI during the scale up, the Ministry of Local Government instructed all districts of Rwanda to plan and budget for at least one green village per district. This requirement has been included in their performance contracts for the fiscal year 2013/2014.

- At least 8 countries with increased application of a consolidated package of economic tools and approaches by Dec 2013.

Most of the PEI countries count by now with a consolidated package of economic tools and approaches. Examples relevant to the reporting period include the following:

For Burkina Faso, kindly refer to the example provided in the earlier section as it is related to this indicator too.

The Ministry of Public Investments of Lao PDR now counts on a coordinated approach to attracting quality investments. This results from work supported by PEI during the scale up to develop national and provincial investment promotion strategies, supported by a provincial investment database, and joint monitoring exercises by the Departments of Environmental and Social Impact Assessments and Investment Promotion. During the reporting period this progress has continued. For example, government agencies, together with private sector and international development partners proceeded to review the Draft National Strategy for Private Investment

Promotion and Management and agreed to a series of steps to finalize it. Furthermore, inter-ministerial coordination mechanisms were included in the Strategy that runs up to 2020.

As part of the economic tools package supported by PEI during the scale up, the Budgets Division of the Ministry of Finance in Malawi instructed the Ministry of Economic Planning and Development (MEPD) to ensure that all projects being submitted for Public Sector Investment Programme are Environmental Impact Assessment (EIA) guidelines compliant.

The Minister of Environment of Mauritania (former Minister of Finance) is using the package of budgeting tools supported by PEI during the scale up to advocate for more resources towards P-E issues during meetings of the Council of Ministers.

The Mozambique PEER report was finalized in July and disseminated by MICOA and sectors that participated in PEER training (29 officials including 19 women). The PEER study further contributed towards building national capacities for regular PEERs and utilization of findings in the national planning, budgeting, execution and M&E cycles. It is therefore expected to lead to increased funding for pro-poor environmental sustainability objectives and pave the way to increase the revenues stemming from environment and natural resources.

## OUTPUT PERFORMANCE

### Output descriptions (A-C), output indicators (bullet points) and reported achievement under each indicator<sup>2</sup>:

#### A) **Poverty-environment mainstreamed at country level** (Countries: Burkina Faso, Dominican Republic, Lao PDR, Malawi, Mali, Mauritania, Mozambique and Rwanda)

The examples of progress/achievements provided under the following subsections result from the further implementation of the country programmes mentioned in the outcome summary section, thanks to the continued support provided by the EC in the framework of the ENRTP. Through national and local studies, reports, workshops, trainings and policy briefs among other awareness raising and mainstreaming tools, PEI has been able to embed more substantially the understanding of how investment in sustainable natural resource use and the reduction of negative environmental externalities can contribute to the achievement of national development goals. These outputs –broken down by indicators and country examples in the subsequent subsections- have led to a deepened integration of P-E objectives in national and sector plans (e.g. Burkina Faso, Lao PDR, Malawi and Mozambique), and in some cases provincial and district development plans (e.g. Malawi, Mauritania, Mozambique and Rwanda).

These achievements also reflect an enhanced level of country leadership, ownership and coherent engagement towards the promotion of P-E mainstreaming in institutions. Economic evidence and mainstreaming tools combined with communication strategies have been instrumental to the progress and achievements indicated below. For example, in Malawi and Mozambique. Increasingly, stakeholders are organizing and demonstrating active involvement in national dialogue processes concerning sustainable development. Cross-sector co-ordination mechanisms relevant to P-E mainstreaming were effectively supported in several countries resulting in improved cross-sector consideration of P-E issues (e.g. Burkina Faso, Lao PDR, Malawi, Mauritania, Mozambique and Rwanda). All of these countries have requested further support from PEI in 2013 and during the next phase of PEI 2013-2017 to deepen and consolidate P-E mainstreaming to ensure sustainable impact of the encouraging progress and results achieved so far. The support provided by the EC in this respect on a continued basis has been instrumental to ensure the commitment of PEI to deepen and sustain the P-E mainstreaming agenda.

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<sup>2</sup> Please refer to the logical framework (page 15 of the PEI project document) for indications of main activity components under each output.

- [Studies and policy briefs on poverty-environment linkages to pro-poor growth, livelihoods and sustainable environment management by Dec 2013](#)

The following represent some examples of studies and policy briefs (excluding guidelines) published and disseminated during the reporting period (Francophone countries' kept in the original language):

Burkina Faso:

- Plan d'investissement dans le secteur de l'Environnement au Burkina
- Etude du cout de l'inaction dans la gestion des produits chimiques dans le secteur minier et agricole
- Etude sur le Plan National d'Investissement en matière d'Environnement pour le Développement Durable (lancée en février - validé par un atelier national en décembre 2012)

Dominican Republic:

- Exploratory study on the impact of extreme climate events to poor households wellbeing

Malawi:

- Joint National Environment and Climate Change Communication Strategy
- As part of Malawi's communication strategy, policy briefs for the Economic Valuation on Sustainable Use of Natural Resources in Malawi supported by the PEI scale up were disseminated. Policy briefs and video clips for each of the chapters of the MSEOR (produced during the scale up) were disseminated for wide awareness raising and lobbying for implementation of recommendations. For example, the Minister of Environment and Climate Change Management as well as Minister of Agriculture and Food Security highlighted the findings in the ministerial statement to Malawi Parliament on World Environment Day and the launch of the FAO supported Climate Smart Agriculture Programme.

Mauritania:

- Proposition d'un système de taxes environnementales et mesures d'incitation potentielles, aux échelles locale et nationale, pour une meilleure intégration de l'environnement dans les politiques de développement
- Revue des dépenses publiques dans le secteur de l'environnement en Mauritanie

Mozambique:

- The PEER study of Mozambique finalized in July is being used to advocate for the development of a strategy to bridge the environmental expenditure gap. The study highlighted that expenditure on environmental sustainability averaged 1.4% of GDP and how it falls below what is required to significantly reduce losses from environmental degradation.
- [Briefing notes, guidelines, training and technical assistance support to Ministry of Planning/Finance by Dec 2013](#)

In Burkina Faso, PEI supported the finalization of the sector policy database managed by the Ministry of Economy and Finance. This work was complemented with comprehensive trainings to Ministry officials and staff from the environment cells institutionalized in the Ministry during the scale up.

During the reporting period Lao PDR's draft financial and accounting management manual was finalized. Though the provision of guidance materials and targeted training programmes at national and provincial level, PEI has contributed to improved capacity of government officials to implement the amended Investment Promotion Law and Decree, ESIA related investment regulations, establish monitoring checklists and maintain and operate provincial investment databases (supported through the scale up). Inception workshops were held in four provinces of Lao PDR to develop the Investment Calling List (ICL) based on the new Investment Promotion Law and Decree. Participants included line ministries and provincial departments across the country. To support this work Investment Promotion Toolkits were developed and are being used across the country.

PEI Mozambique finalized the PEER study in July. This was followed by training on PEER for 29 officials from key sectors, including 19 women, as a tool to promote improved financing to P-E priorities and environmentally sustainable investments. Participants indicated increased capacity to conduct PEERs and interest to complement the training in the future.

- [At least 8 countries apply guidelines and capacity to increase poverty-environment budgeting by Dec 2013.](#)

Please refer to the two last outcome indicators to complete the examples highlighted below from five countries:

In Burkina Faso, PEI supported the Ministries of Agriculture and Livestock and Environment to develop their programme based budgeting (PBB). PEI also made good progress in the provision of capacity development in mining and cotton sectors to engage in Corporate Social Responsibility activities as future source of funding for sustainable development. Key actors participated in an exchange visit to Senegal and agreed to integrate recommendations in the next phase of the country programme. Furthermore, Parliamentarians have improved their capacity to support increased funding for sustainable green growth measures through strategic training sessions on mining, cotton and environmental economics.

The expected outcome of the Phase I of PEI in the Dominican Republic is to support the development and application of tools and mechanisms to effectively mainstream PEC links (with focus on CC) in the National System of Risk Management and the Social Protection System. The first output delivered by the programme through support to the Single System of Beneficiaries (SIUBEN), was an exploratory study on the impact of extreme climate events to poor households wellbeing that provided evidence to mobilize support for PEI. Findings highlight Government's responsibilities to support poor communities to adapt to CC and environmental hazards and make the case for integrated policies to effectively address this priority of the NDP that require strengthened institutional legal frameworks and capacities.

In Lao PDR PEI contributed to strengthen the capacity of DESIA staff through the development of a financial and accounting management system, three technical guidelines and participation in various capacity building programmes.

During the scale up, PEI partnered with the Overseas Development Institute (ODI) to support the Ministry of Finance in Malawi to develop guidelines for the integration of sustainable environment and natural resource management (ENRM) in the national budgeting processes. After endorsement, the Ministry's Budget Division has committed to quarterly meetings together with stakeholders to review progress in their application and in the implementation of recommendations.

PEI Rwanda developed a comprehensive guidance package for the integration of P-E and CC issues in local development and resettlement plans, based on best practices from the PEI supported integral development project in Rubaya.

- [At least 8 countries undertake studies, briefing notes, guidelines, training and TA covering economic, ecological and social assessment by Dec 2013.](#)

The information provided under the first output indicator complements the country examples highlighted below from five PEI countries:

Burkina Faso produced policy briefs on various studies, such as the contribution of natural resources to the national economy, the economic studies on cotton and mining, or the national report on sustainable development. Mainstreaming guidelines for sectors were developed and are being applied. PEI also contributed to increase the capacity of 50 local decision makers through provision of comprehensive packages of training on climate change, local planning, and youth and green jobs in Bobo Dioulasso.

PEI supported the Dominican Republic's General Directorate for Planning and Territorial Development (DGODT) to develop a capacity building action plan for local authorities to address recommendations from the capacity gap analysis undertaken during the Preparatory Phase as part of the PEI scale up. The plan also addresses the need for increased coordination to effectively articulate PEC issues in policy planning and budgeting. Despite delays caused by the change in Government, good progress has been made in the development of guidelines for land use/territorial planning that integrate the PEC linkages. PEI supported the DGODT in their development and first dissemination activities.

PEI Lao PDR contributed to increase the capacity of the National Economic Research Institute to provide services to improve policy makers' understanding of ecosystem valuation approaches and economic implications of different agricultural concessions models that highlight differentiated impacts for farmers and communities. A technical report on findings from this work was prepared during the reporting period. Lao also included P-E criteria in the Participatory Planning Manual that guides village consultations as part of the provincial planning process that aligns to the National Social Economic Development Plan.

PEI Mozambique supported the training of more than 50 planners at the Ministry of Women and Social Affairs (MMAS) at national and provincial level on mainstreaming gender and pro-poor environmental sustainability

perspectives in their planning processes. During the training, the following relevant issues were identified and discussed: Positive actions to minimize environment and gender ratio; Identification of strategies for women's empowerment by reducing natural resource dependency through income diversification and access to credit; How the links between gender equality, vulnerable groups, poverty and the environment can be better integrated into the Economic and Social Plans (PES) for 2014. As a follow up to the training, MMAS identified equitable distribution of natural resources with greater focus on vulnerable groups with a view to reducing poverty as one of its strategic objectives and presented their draft strategy of gender and climate change. This work was initiated under the scale up but the training took place during the reporting period.

PEI is supporting REMA to undertake an Economic Evaluation of the Nyandungu wetlands (with important touristic potential) to support Rwanda's efforts to raise funds for the operationalization of FONERWA (Rwanda's National Fund for Environment and Climate Change). PEI supported its development and approval by Parliament and the Cabinet of the President during the scale up.

- At least 8 countries have increased national reporting on environment and livelihood (in particular gender, vulnerable groups and equity) outcomes for mainstreaming in national, sub-national and sector plans by Dec 2013

During the reporting period, three countries reported different levels of progress made in national/sector reporting on environment and livelihood outcomes. The progress/results reported below reflect the differentiated levels of advancement in the implementation of these different country programmes:

For example, Lao PDR has developed several P-E indicators for integration in the M&E framework of the 7th NDP and successfully integrated P-E indicators in the village groups' participatory planning manuals.

The Ministry of Agriculture and Food Security of Malawi conducted monitoring visits and noted an improvement in the use of sustainability indicators (integrated in the NDP and agriculture plan during the scale up period) as social and environmental safeguards. The economic assessment undertaken in Malawi has contributed to the integration of sustainability indicators in the M&E framework of the Agriculture Sector Wide Programme (SWAp). The resulting framework has already contributed to enhance monitoring of environmental sustainability and facilitated the allocation of funding for updating baseline information for soil loss and nutrient use efficiency to be undertaken in 2013.

As result from successful integration of environmental sustainability in the strategic plan of the Rwanda Mining Association, some mining companies reporting lack of compliance with these standards had to stop operating in the Muhanga District. It is also worth noting that Rwanda nominated a State Minister in charge of mining for the first time.

- At least 8 countries institutionalise poverty-environment mainstreaming approaches and tools in national and sub-national institutions by Dec 2013.

All countries except Mali reported progress/achievements against this indicator:

Burkina Faso started the process of revision of existing legislation related to chemicals following findings and recommendations from the PEI scale up supported studies in cotton and mining sectors. As a follow up, a manual on environmental safeguards was developed to support the work of public officers to protect the environment.

PEI Dominican Republic convened round tables to raise awareness on the benefits of linking PEC issues in the policy making and related budget plans as one of the first activities implemented to set the stage for PEI work and to promote cross-sector coordination and stakeholder participation.

The inter-sectoral coordination mechanism for provincial investments has been integrated into the provincial investment strategies in Lao PDR as a first step towards enhanced inter-sectoral coordination at province level.

PEI Malawi made good progress towards integrating sustainable natural resources management (ENRM) into the Government decision making handbook (the Guide to Executive Decision Making Processes) during the scale up. This work has now been completed as the guidelines were approved and adopted by the Steering Committee on Climate Change and Natural Resources. The Minister of Environment and CC Management launched the National Environmental and CC Communication Strategy in August to support this work and to raise awareness among various stakeholders. The Strategy was developed in synergy with Government, the AAP and FAO. Following on the revision of the Decentralised Environmental Management Manual (DEMM) during the scale up, PEI and LEAD supported the development of guidelines that were approved through a national consultative meeting. These guidelines will be applied in the development of local plans from 2013.

PEI Mauritania supported over 50 officials from the Ministries of Finance, Economy, Environment and Rural Development (among university professors in collaboration with international experts) to develop a series of P-E mainstreaming tools. These public officials have reported increased capacity to conduct these complex studies and prepare policy briefs for their ministers thanks to the comprehensive package of support provided by PEI combining training with practical methodologies.

In Mozambique, the process of planning and monitoring sustainable development priorities has been institutionalized through the provincial collaboration platform of the National Council for Sustainable Development (CONDES). CONDES brought together Government, key sectors and civil society to ensure the integration of P-E into provincial and sector development plans, contributing to more sustainable development in Mozambique and the overall objective of PEI in Cabo Delgado province in 2012 (and 2 other provinces in 2011).

All the facilitators for the formulation of Rwanda's EDPRS II (represent the sectors and the provinces 20 people of which 8 women) participated in trainings on tools to mainstream P-E and CC in the EDPRS II. These included checklists and guidelines specific to each sector. Trainees facilitated the integration of PEC issues across their respective sector and provincial development plans and budgets.

#### **B) Enhanced regional capacity to support joint UNDP-UNEP regional support programmes and PEI Phase 2013-2017 PRODOC**

In line with respective PEI regional strategies, the PEI regional teams (RTs) in Africa, Asia-Pacific, Europe and the Commonwealth of Independent States and Latin America and Caribbean provided technical assistance to PEI country teams, guiding P-E mainstreaming approaches and tools within respective UNDP and UNEP programmes. RTs ensured that country programmes were designed (Lao PDR Phase II), implemented and monitored in line with the PEI programmatic approach and global programme document.

In addition to the four regional stakeholder planning workshops for PEI 2013-2017, RTs collaborated with regional institutions and individuals to strengthen regional communities of practice for P-E mainstreaming, undertaking regional meetings and participating and co-organizing regional knowledge learning events on key themes including local governance and CC (with UNCDF), on climate finance (with ADB and SIDA) and on green economy transitions (two workshops with ADB and GIZ). For example, PEI Asia-Pacific counts with active partnerships with two eminent regional environmental economics networks: South Asian Network for Development and Environmental Economics (SANDEE) and Environmental Economics Policy for South East Asia South (EEPSEA) – both of which have held environmental economics training courses for PEI government stakeholders. PEI Africa organized a Regional Workshop with a focus on the next phase of the PEI scale-up attended by over 50 participants comprising national planning, finance and environment officials plus UNDP Country Office representatives from the nine PEI Africa countries. In addition, representatives from civil society, the UNDP Poverty Practice and, UNEP attended the workshop. The workshop provided a great opportunity for the different country teams to exchange experiences and get inputs on best practices for the next phase of PEI. Moreover, the PEI regional team also plays an important role in supporting knowledge sharing through regional communities of practice on P-E mainstreaming. For example, by facilitating south-south cooperation exchanges on best practice across countries. Inspired by a south-south exchange visit in 2011 between Malawi, Mozambique and Rwanda that showcased Rwanda's success in banning plastic bags and related P-E benefits, Mozambique's Ministry of Environment has allocated ca. 50,000 USD to an activity aiming to prepare regulations for a ban of plastic in Mozambique in its 2013 Social and Economic Plan. Lastly, the RTs have successfully supported country teams to fundraise to support the implementation of country programmes; from a range of sources including UNDP country office core funds, bilateral country level funds and Government funds. During the reporting period regional steering committees comprising senior managers from both organisations at the regional level have been put in place and are providing strategic direction for the PEI 2013-2017 programming, budgeting and collaboration with other UNDP or UNEP programmes.

- **At least 8 PEI country teams report increased relevant, efficient and effective joint UNDP-UNEP regional programme support on PE mainstreaming in national development planning processes by Dec 2013**

Substantial progress has been made during 2012 to strengthen joint UNDP-UNEP regional programme support to PEI Country Programmes. An improved PEI monitoring and evaluation system elaborated in late 2011 was piloted during the reporting period. This has contributed to improve results-based planning and reporting by country programmes and the PEI as a whole, with particular recognition and emphasis on outcome (impact) and output

reporting grounded against improved indicators of change. At the PEI global retreat in August 2012, Regional teams reported positive feedback from PEI country teams on the guidance and support provided by regional teams, echoing similar findings from the PEI MTR (2011).

During the reporting period, the four PEI Regional Programmes organised regional P-E mainstreaming workshops bringing together national government and UNDP CO representatives to exchange experiences and best practices on P-E mainstreaming in national development policy, planning and budgeting processes. These *fora* were positively commented on by PEI country teams as a means of learning from other PEI country colleagues but also benefit from guidance and advice from PEI Regional teams and colleagues from the UNDP Practice Groups (e.g. Poverty and Governance) and UNEP programmes (e.g. DEPI, DTIE and Green Economy).

Lastly, the PEI regional teams are increasingly focusing on the progressive aspects of P-E mainstreaming and the continuous need for reassessment in light of achievements and changing dynamics at country level; namely a re-assessment of respective PEI country theory of change processes. For instance, integrating P-E linkages in national development plans as reflected in objectives and indicators is a positive milestone but which then requires evidence of their application through sector plans and budgets and national reporting against indicators.

- At least four regional teams, UNDP and UNEP report increased level of coordination and coherence with other UNDP-UNEP initiatives
- The joint UNDP-UNEP PEI regional teams have effectively supported PEI country implementation and the application of PEI lessons and approaches in the work of UNDP and UNEP. They have also played an important role to leverage funds to support country programmes through linkages with UNDP country programmes (e.g. UNDAFs, CPDs, CPAP), regional UNDP practice groups and UNEP Programme of Work common areas (e.g. ecosystem services, green economy or climate change adaptation).
- Concerning UNEP's Ecosystem Management Sub programme, PEI completed in 2012 integrated ecosystem and human well-being assessments in Guatemala and Thailand as part of the UNEP Millennium Ecosystem Assessment Follow-up programme. These have served to inform sub-national development planning processes led by local government offices in close collaboration with local stakeholder groups and national development planning offices. These assessments feature as part of the WCMC-UNEP hosted SGA Network ([www.ecosystemassessments.org](http://www.ecosystemassessments.org)) and were presented at the 2011 and 2012 Annual SGA Network meetings in Bilbao, Spain, and Stellenbosch, RSA, respectively. PEI facilitate a plenary session on assessments informing development planning which included the participation of development planners and economists; a first for the SGA Network. The recent assessments in Thailand and Guatemala were undertaken in close collaboration with development planning decision-makers and serve as an example of science and participatory based assessments informing economic development decision-makers. These assessments and others that are part of the WCMC-UNEP SGA Network constitute an important source of information and example of best practice for the forthcoming work of the Inter-Governmental Policy Platform on Biodiversity and Ecosystem Services (IPBES) and its Secretariat. PEI will continue to engage with the SGA Network with a focus on sharing best practice and respond to any possible requests from the IPBES Secretariat.
- The PEI regional teams in Africa and Europe and Central Asia now include senior staff from the UNDP Poverty Practice and are working in close collaboration with other practice areas such as governance and capacity building.
- Similarly, PEI started to cooperate in October with UNEP's Climate Change Adaptation Branch on the development of, and funding for, a new PEI strand of work on ecosystem-based climate change adaptation for the urban poor, in cooperation with UN-Habitat, and the UNDP Regional Centre and UNEP Regional Office for Asia/Pacific, and UNDP Country Offices in Bangladesh, Cambodia, Indonesia, Lao PDR, Philippines, Sri Lanka and Vietnam. Joint work on mainstreaming sound chemicals management is undertaken together with UNEP's DTIE and UNDP's EEG Chemicals, based on a successful partnership in Burkina Faso and a memorandum of understanding between PEI and the joint UNEP-UNDP Chemicals Partnership Initiative.
- PEI has continued to collaborate on respective comparative advantages and complementary approaches with UNEP-DTIE's Green Economy team towards elaborating inclusive greener economy policies in national development planning, budgeting and fiscal systems, and promote the development and application of national measurement methodologies which include pro-poor growth and environmental variables and outcomes.
- Examples of this work refer to country level collaboration with UNEP's Green Economy (DTIE, Paris) in Burkina Faso and Rwanda and other examples of coordination are integrated in different subsections. E.g. with UNDP Country programmes in Mali and Rwanda, and the Green Human Development Programme (GHD) in Mozambique..

- At least four regional stakeholder consultations and one global consultation on PEI Phase 2013-2017 project proposal preparation undertaken by Oct 2012.

Regional stakeholder consultations were held in all four regions between July and September 2012 on the lessons learned from the scale up phase and on the PEI project proposal for 2013-17 to adequately include the experience and needs of stakeholders. As a result of these consultations, each of the four regions has generated a regional strategy and programmatic orientation to PEI reflecting regional commonalities in terms of governance systems, socio-economic characteristics, and economic and social development models. The summary of these regional strategies are attached to this report and have the following regional focus:

- The focus of the Africa Region will be put on generating increased public and private sector investment in pro-poor environmental sustainability and with more focus on budget processes with the use of cost-benefit analysis at the country level. Countries will receive technical assistance for improving cross-sectoral policy development and implementation, and the use/institutionalization of economic instruments for environmental sustainability and poverty reduction. Key sectors to be involved will be agriculture, water, mining, energy and forestry.
- In the Asia-Pacific region while the programme will respond to country specific needs, the focus will be on climate adaptation finance and P-E mainstreaming for development; foreign direct investment in natural resources for poverty reduction.
- The ECIS Region focus will be on supporting integrated cross-sectoral development planning and implementation at sub-national levels, in particular in the agriculture and mining sectors; strengthen institutional capacities for integrated cross-sectoral planning, monitoring and reporting; and increased public and private sector investment in natural resources for poverty reduction and equity.
- The LAC Region focus is on reinforcing P-E linkages in national development planning with different entry points (e.g. waste collection, green economic, equity, natural resource management and food security).

Global consultations on the next phase of PEI (2013-17) were carried out within UNDP and UNEP, with partners through the PEI's Technical Advisory Group and the Donor Steering Group and through peer reviewers from IIED and Oxfam.

### **C) Enhanced global advisory services, partnerships and knowledge exchange on poverty-environment mainstreaming and preparation of PEI Phase 2013-2017**

- At least 2 partnerships renewed per year with effective contribution to PEI programme monitoring, reporting and implementation, and at least 1 new partnership per year

The partnerships with the Overseas Development Institute (see Malawi) and the International Institute for Environment and Development (IIED) were renewed and effectively contributed to global and country activities. At the global level, IIED provided a comprehensive assessment of the first draft ProDoc for PEI Phase 3, and participated in the 2013 TAG teleconference. IIED also produced the PEI lessons learned and best practice report titled 'PEI Stories of Change' explaining the PEI contribution in five countries from grassroots to policy change, based on stakeholder interviews and literature review. At the country level IIED produced a forward-looking assessment for Mozambique. This consisted of an independent review of PEI progress and options for the future, notably for the P-E roles of key government bodies.

A new partnership was established with UNCDF for the implementation of the PEI Asia-Pacific programme 2013-2017 and a similar partnership will be explored towards the beginning of 2013 for implementation of PEI Africa 2013-2017.

- At least 2 PEI Guidance notes (tools, good practice, etc.), 4 e-newsletters, and 8 country level documents (studies, etc.) prepared and distributed per year

In addition to the good practice publication 'Stories of Change', PEI prepared two internal guidance notes on gender mainstreaming and stakeholder engagement including human rights based approach to P-E mainstreaming during the reporting period to support PEI efforts to address inequality issues more effectively. These will be reflected in the PEI Mainstreaming Handbook. Its revised version will be published in 2013.

Two e-newsletters were produced over the course of the year due to staff changes and related gaps in staffing of the knowledge management team. The newsletters were disseminated via the PEI website, PEI Network (340 members), IISD knowledgebase (20,000 subscribers), UNDP Environment & Energy Newsletter (1,500 subscribers) and the UNDP Poverty Practice Newsletter (1,700 subscribers). To complement those, news articles on PEI achievements

were regularly posted on the PEI website and bi-monthly updates were disseminated via the PEI network. News articles were also posted on the UNDP corporate website.

Furthermore, a PEI Sharepoint (intranet) space was set up in 2012 to enable PEI global and regional teams to share and access internal documents.

Please refer to the first output indicator for a consolidated list of country level documents.

- [At least a 20% increase in the use of PEI knowledge management systems – website, workspace, email based network, publications. etc. by Dec 2013](#)

In 2012 the PEI website recorded 107,895 visits with 49,505 unique visitors. Sixty-three percent of the visits occurred during the second half of the year (i.e. the reporting period) while the number of unique visitors remained roughly the same throughout the year. This indicates that the interest among the websites visitors to revisit the site significantly increased during the second half of the year. The PEI knowledge products have also registered a high number of downloads. At the global level, this is particularly the case for the Annual Reports (40,000) the PEI Handbook (17,000) and the PEI Mainstreaming Guide to Climate Change Adaptation (8,500).

Furthermore, the UNDP-UNEP PEI space on Teamworks (partner extranet) was established in late 2011. This corporate knowledge platform is helping to enhance knowledge sharing on P-E issues with PEI colleagues and partners through news articles, blogs, webinars and videos. Membership to this space has been gradually increasing (35 members in March 2012 to 290 members in December 2012).

Please find below some relevant space statistics:

Visits: 895; Unique visitors: 152; Returning visitors: 96.54%; New visitor: 3.54%; Page views: 15,449

A live webcast of the presentation on Tools for Greening Human Development: UNDP-UNEP Poverty-Environment Initiative Experiences with Ecosystem and Human Well-Being Assessments received 218 views.

PEI-Net/PEI-Team email-based networks: The email-based networks were very active in 2012 with 282 messages sent via these networks. Information on new and relevant knowledge products produced by partners, PEI success stories, and programme related activities were shared via the networks, thereby enhancing knowledge sharing between the global, regional and country teams and also within the broader PEI community.

- [A PEI Phase 2013-2017 Project Proposal finalised and endorsed by UNDP and UNEP by Oct 2012.](#)

The PEI project proposal for 2013-17 was finalised by PEF after intensive consultations with colleagues from UNDP and UNEP, with partners through the Technical Advisory Group and the Donors Steering Group and through peer reviewers from IIED and Oxfam. The Joint Management of PEI endorsed the project proposal on 2 October 2012 which was then shared with the Donors Steering Group on 3 October 2012. The project proposal was endorsed during a UNDP and UNEP joint appraisal committee (for the first time in the history of the organizations) and final approval will take place during May 2013. The PEI 2013-2017 will be officially launched during a PEI side event on 12 June during the 2013 Annual Meeting of the UNDP Executive Board.

## **RESOURCES AND BUDGET**

### **Remarks on the overall budget based on the financial report for the current reporting period and reasons for the delay in spending the funds:**

The programme recorded a 54% delivery rate against the 2012 budget, due to the decision to first exhaust the funding from an active EC agreement that was ending in June 2012. The funds under the new ENRTP agreement were pooled into the Joint PEI scale up project in June 2012 and delivery was initiated then.

### **Resources to be mobilized:**

The PEI is transitioning to the 2013-2017 phase of the programme. Attached as Annex 2 is the proposed budget for PEI prodoc 2013-2017 (5 years). Funding from different sources, including this ENRTP agreement, has been fully secured to cover the 2013 budget and partially for the subsequent years with a shortfall of USD3.5 million per year. Efforts are being made to mobilize additional funding to close the funding gap through implementation of the PEI fundraising strategy.

### Additional resources leveraged by UNEP and/or partners as a result of the project<sup>3</sup>

- Burkina Faso's Ministry of Finance introduced P-E budget guidelines, guaranteeing the participation and addressing the concerns of environmental actors in the budgetary planning process and developing an investment programme 2013-2017 that includes for the first time a chapter on green economy (USD 55,000 from UNEP GEI Paris). Canada and France have expressed interest to support the next phase of PEI Burkina Faso. UNDP's Poverty and Environment Groups have committed ca. USD150,000 towards institutional capacity development for poverty reduction.
- UNDP committed USD50,000 to the PEI supported study on the potential impact of the crisis in Mali.
- Mozambique's national and provincial sector plans include activities with budgets for P-E programmes to be implemented by eight sectors (agriculture, energy, public works, fisheries, mining, health, tourism, transport and natural disasters). These were finalized during the second half of 2012 leveraging more than USD1.4 million from the Danida supported Environment Support Programme (ESPS II). Furthermore, UNDP has allocated a total of USD1,253,000 from core funds to its Green Human Development (GHD) programme for the four years of the programme and One UN allocated more than USD150,000 for 2013.
- PEI's support to Rwanda has catalysed a series of opportunities that have leveraged additional resources. For example, Rwanda's National Fund for Environment and CC (FONERWA) was approved by parliament in June, 2012. In July, DFID supported the operationalization of the fund for the period of two years, as part of their support to Rwanda's green growth strategy. Currently the Fund management unit with the support provided by DFID has developed and submitted a business case of USD36m that will be used to fund green and climate resilient projects (both public and private). Currently a number of donors have promised potential funding to FONERWA. These include: SIDA, KFW from Germany, African Development Bank, EU, and the Netherlands. Rwanda highlighted the positive impact that their participation in the PEI Rio+20 side event had on fundraising for FONERWA. SIDA in collaboration with the Government of Rwanda drew on best practices from the Rubaya demonstration project (supported during the scale up) and up scaled this work by replicating it in the Muhanga district. Furthermore, UNDP Rwanda committed USD300,000 per year for the next phase of PEI Rwanda.
- The partnership with the UNCDF on climate change adaptation finance is expected to mobilise an additional USD1 million per pilot country for performance based climate resilience grants in Africa and Asia-Pacific between 2013-2017.

### WORK PLAN FOR THE NEXT REPORTING PERIOD: 2013

#### Summary of activities scheduled – related to key milestones and lead responsibilities

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The core element of the PEI work plan for 2013 comprises the country programmes designed to achieve output 1. Each country and regional PEI programme has a work plan detailing the set of activities and outputs to be delivered towards achievement of the outcomes of the global programme. These can be made available upon request. Below, we provide some indicative (by no means exhaustive) country, regional and global activities:

- PEI Dominican Republic will support a series of workshops related to territorial planning with a focus on CC vulnerabilities to raise awareness on the issues and improve the evidence base used to influence policy planning and budgeting processes.
- Building on improved capacity of the National Economic Research Institute of Lao, to provide research on ecosystem valuation approaches and economic implications of different agricultural concessions models, by defining specific research mechanisms to the decision making process. Other planned activities include: Lao PDR Phase 2 Inception Workshop with highest government representation and operationalization of inter-sectoral coordination mechanisms for pilot provincial investment strategies and establishment of national cross-sector expert group comprising of an advisory board of five members and a research team of ten members. The MoU and PDA will be finalized and tested for implementation in pilot provinces. The agricultural concession model contracts will include social and environmental obligations based on the revised legal frameworks.
- PEI Africa to liaise with UNDP Mali to ensure adequate support in line with requests by the people of Mali and to prepare a road map for consideration in 2013 to be discussed at the next Steering Committee meeting planned for April 2013.

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<sup>3</sup> Please refer to section on second outcome indicator to complement this information.

- PEI Mozambique to support MICOA and MPD to use the findings of key studies such as the PEER to continue advocating for increased funding for P-E priorities and environmentally sustainable investments. This will include, among others, the publication of policy briefs on different issues and training Parliamentarians on P-E linkages and climate change issues to ensure that they have improved access and capacity to analyse and use technical information in their deliberations.
- Regional programmes will improve the focus on sectors, budgets and poverty reduction. For example, PEI Africa will focus on deepening P-E mainstreaming results and impact in existing countries, establishing more substantive cooperation with UNDP's Poverty Practice and the Regional Bureau for Africa and supporting UNEP's Delivering as One activities.
- Revise the *PEI Handbook on Mainstreaming* to reflect improvements in the application of the PEI programmatic approach. The PEI approach has an enhanced focus on poverty reduction through the integration of gender and human rights based approach among other issues related to inclusion and equity.

### Summary of main outputs to be achieved in the upcoming reporting period

Below, we provide some indicative (by no means exhaustive) country, regional and global planned outputs:

- Building on previous studies on mining and cotton sectors and to support the review of the legislation on chemicals, PEI Burkina has initiated an economic study on the cost of inaction for the health sector. This will be supplemented by a publication on best practice, including examples from Burkina and other countries, as relevant. There is also collaboration with the University of Ouagadougou to support specific models on environmental governance.
- PEI Dominican Republic will develop a series of policy briefs based on a series of studies and the asset model for the analysis of poverty to define specific mechanisms of transmission between climate and environmental shocks and vulnerability of the poorest households, in collaboration with the SIUBEN and the National Statistics Office (ONE).
- The Government of Lao PDR has initiated a pilot programme on Green Growth planning in Viengsay and Laongarm through consultation workshops. PEI provided technical assistance to analyse the level of integration in the Socio-Economic Development Plans 2011-2012. As a result, the plans integrated issues of environmental protection and MDGs, but do not adequately integrate P-E linkages. During the upcoming reporting period PEI will develop and support the integration of P-E indicators into the M&E plans of Green Growth projects. PEI will also work toward the integration of the P-E indicators developed in 2012 into the M&E framework for the 7th NDP.
- Discussions with the Office of the President and Cabinet are on-going concerning the development of a Phase II in Malawi. In the meantime a bridging phase has been approved with the support of the EC to continue the work of PEI during the first six months of 2013.
- PEI Mali to use study on P-E issues to conduct scenario/modelling exercises to highlight the high risks of an extended crisis on political, social and environmental issues, including a focus on the systematic plundering of natural resources.
- PEI Mozambique to continue support to the implementation of the GHD to ensure the sustainability of P-E mainstreaming in Mozambique and bridge the gap between PEI Phase II ending in June 2013 and a potential third phase of PEI starting in 2014, for which donors and partners have confirmed interest in supporting.
- PEI Rwanda to undertake the PEER with the aim of influencing funding mechanisms and incentives for increased PEC expenditure across sectors more effectively.
- Regional programmes will focus on implementation of their regional strategies 2013-2017, ensuring implementation of final activities of current PEI phases and effective support to the design of next PEI country programmes for a smooth transition to deepened engagement during the next phase.
- Looking at 2013 and forwards, ecosystem valuation work is likely to increase in the PEI countries in light of emphasis on natural wealth accounting being applied at country level within national accounting/financial management operations.
- The global programme will focus on finalization of the scale up, organizing its final evaluation and fund raising to ensure a smooth transition to the PEI 2013-2017. This entails providing support to regional and country teams in the finalization of current phases and formulation of new phases in line with the PEI 2013-2017 prodoc and budget.

## Forecast of expected expenditures.

The consolidated work plan and budget for the unutilized funds to the ENRTP prodoc for PEI is presented below in table 1. The forecast of expenditure in 2013 amounts to USD1,517,762 (approximately EUR1,138,321).

**TABLE 1: PROJECT DELIVERY PLAN AND BUDGET (2012-2013)**

ID	Project Outputs & Activities	Responsible Division/RO	Partner(s)	2012-2013		Budget (USD) <sup>1</sup>		
				Start Date	End Date	2012	2013	Total
IMIS	A) Poverty-environment mainstreamed at country level	PEI	UNDP	Mar-12	Dec-13			
	Support to transition to PEI 2013-2017 (Burkina Faso, Dominican Republic, Lao PDR, Malawi, Mali, Mauritania, Mozambique, Rwanda)		Governments, UNDP	Mar-12	Dec-13	838,844.12	1,307,787.84	2,146,631.96
IMIS	B) Enhanced regional capacity to support UNDP-UNEP regional support programmes & PEI Phase 2013-2017 development	PEI	Governments, UNDP	Mar-12	Jul-12			
	Regional consultations with stakeholders and communities of practice on PEI 2013-2017		Governments, civil society institutions, UNDP	Mar-12	Oct-12	153,368.04	-	153,368.04
IMIS	C) Project Output: Global coordination/advisory services	PEI		Mar-12	Dec-13			
	Assessments of demand and stakeholder consultations on PEI response 2013-2017		Governments, UNDP, UNCDF	Mar-12	Oct-12	80,025.79	-	80,025.79
	Knowledge products based on lessons from PEI Scale-up input to and from Rio+20		Governments, UNDP, FAO, WB	Mar-12	Dec-13		209,974.21	209,974.21
IMIS	<b>TOTAL IN USD</b>					<b>1,072,237.96</b>	<b>1,517,762.04</b>	<b>2,590,000.00</b>
	<b>TOTALS IN EUR</b>					<b>804,178.47</b>	<b>1,138,321.53</b>	<b>1,942,500.00</b>

<sup>1</sup> 2012 totals represent the actual expenditure reported during the period June - December 2012 while the 2013 totals represent the annual budget.

## VISIBILITY:

**Describe communication, visibility and outreach activities undertaken at project level, if any.**

During the implementation of the PEI programme, the PEI team developed a communication toolkit and disseminated detailed instructions in line with EC visibility guidelines of collaboration with UN agencies. PEI also ensured that donor logos were properly displayed at high level events and that recognition to donor support was also made during meetings, and major events such as the PEI Side event during Rio+20, by high level representatives of Bhutan, Rwanda, Uruguay and the UN. The communication toolkit has been applied during the implementation of country, regional and global level PEI activities in 2012. A wide range of examples are included in Annex 1 to this report.

Note: studies, reports, guidelines, etc. reported in the output section of this report include acknowledgment to donors and the EC logo in line with PEI publishing guidelines.

## FINAL REMARKS:

**Lessons learned during project design and implementation:**

- Awareness raising through specific evidence must be a continued process to effectively respond to new challenges arising from deepening P-E mainstreaming practices. Similarly, institutional and capacity assessments need to be undertaken on a regular basis to effectively respond to the focus area of support of programmes such as the PEI: capacity building.
- Given the innovative approach and the need to adapt the PEI approach and tools to specific local contexts it is important to be flexible in the development of the tools. It is equally important to support stakeholders in their application in a 'learning by doing' approach to increase chances of long-term impact of the expected changes in planning and budgeting practices for P-E mainstreaming.

**Some examples of stakeholder participation and level of engagement/satisfaction:**

- In Burkina Faso, a communication strategy was developed with the aim of providing capacity building support to government and non-government actors. In this framework representatives of CSOs participated in discussions on

eco-finance held together with government representatives in charge of the PRSP implementation during a TV programme. This included a special acknowledgment to PEI donors, including the EC. PEI also supported youth groups and CSOs to increase their knowledge and capacity to engage in youth and green employment and climate change initiatives in Bobo Dioulasso and women groups (Union Yanta) to increase their capacity to develop economic activities that integrate environmental and social issues.

- During the start-up of Phase I of PEI Dominican Republic, good progress was made in the participation of stakeholders involved in the development of the country programme. This was essential given the change of Government to support coordination efforts between the different stakeholders for a successful implementation of PEI. This also contributed to fine-tuning the application of the PEI approach to P-E and CC mainstreaming with a particular focus on vulnerability.
- Stakeholders the PEI Lao programme highlighted satisfaction with different stakeholders' involvement in events that try to close the gap between the science-policy interface. For example, PEI supported two case studies during the scale up. The results of the studies focused on environmental (pesticide) and social (farmers in debt) impacts from the investment projects reviewed. Stakeholders raised these issues at the Provincial Investment Promotion Committee meeting and are awaiting a final decision. The Committee is responsible for the approval or termination of investment projects.
- In Malawi, CSO have used findings from PEI supported reports on state of environment and GDP losses from unsustainable management of natural resources to lobby the Government to speed up the enactment of the repelled Environmental Management Act among others. PEI also engaged with the Bunda College of Agriculture to lead the update of soil loss and nutrient use efficiency baseline indicators for implementation of the NDP and the ASWAp. So far, progress has been slow. Different stakeholders also participated in the review of the 1996 National Forestry Policy for alignment with the NDP and to promote the implementation of critical areas with support from the Policy, Research, M&E Division of the OPC. PEI Malawi has also partnered up with LEAD-SEA, AICC, OXFAM, CEPA and CURE for implementation of different aspects of its work and to ensure sustainability of PEI efforts.
- In Mali, stakeholders participated in government-development partners consultations during the PEI assessment mission undertaken during the review period on the risks associated with the crisis, the impact in reduced workplan implementation and the way forward. They all thanked PEI for the continued support in Mali, reiterated their satisfaction and requested continuation of the PEI during the transitional period.
- Academics and research professors in Mauritania have reported a high level of satisfaction with the participatory approach conducted by PEI for the delivery of a comprehensive package of training and methodologies on P-E mainstreaming. Furthermore, they have updated the curricula with more accurate data and students have reported increased understanding of P-E linkages and the importance of sustainable management of NR for poverty reduction.
- PEI supported Rwanda Mining Association to integrate for the first time environmental sustainability in their strategic plan. About 90 mining companies operating in the District of Muhanga were trained on sustainable mining practices. This work was supported by the development of a documentary film to promote sustainable mining in Rwanda. The film, to be aired in national TV from 2013 focuses on emerging problems and best practices. Operations of some mining companies that were not performing to the standards set in place were stopped. It is also worth highlighting the positive impact that the participation of stakeholders had in the development of DDPs and related budgets.

#### **Links and synergies developed with other projects:**

- The EU Delegation and PEI Burkina Faso have collaborated to undertake complementary activities under specific outputs of their respective programmes. This collaboration materialized through the signature of an official MoU and exchange of corresponding letters. Furthermore, the EU Delegation has participated in several workshops and in one of the PEI short films on Burkina. Synergies were also developed between the Investment Programme supported by PEI Burkina Faso and the World Bank's Rural Sector Programme and with the Montreal Protocol to build on the positive work supported during the scale up on chemicals in the mining and cotton sectors
- In Dominican Republic, SIUBEN has made available specialized staff to undertake household surveys at national and local level, which will contribute to increased local capacities and reduce implementation costs for PEI work.
- GIZ adopted and replicated inter-sectoral investment monitoring activities, the investment database and the development of provincial strategies for private investment promotion and management supported during the PEI scale up in another three provinces in Lao PDR (Attabeu, Luangnamtha and Sayaboury).

- A number of capacity building activities were carried out to strengthen DESIA staff capacity including a study exchange on EIA between Lao PDR and China (funded by Environmental Protection Fund of Lao PDR) and Australia (sponsored by the World Bank). PEI supported a follow-up workshop on the results of these study exchanges to ensure uptake by key actors in the field.
- PEI Malawi developed a number of synergies with other government and donor projects. E.g. the EU Improved Forestry Management Programme. The EU Programme is working on community participation on the forestry policy review while PEI is supporting the district consultations and actual drafting of the policy. This minimizes duplication of activities and increases resource efficiency. PEI also ensured the integration of P-E issues in the Government-donor coordination mechanism on environment and natural resource management (the Joint National Steering Committee for Environment and CC Programmes). Furthermore, UNFPA and LEAD are using information from the PEI supported MSOER across Africa in their work to train fellow associates in the P-E Nexus. The World Bank is supporting the Government to develop a CC atlas based on the MSOER too. The Government also expressed satisfaction with the joint programming and development partner collaboration promoted by PEI, increasingly resulting in improved coordination and resource efficiency. For example, in the development of a Conceptual Framework for a CC ENRM SWAp (PEI as a model for UNDP-UNEP collaboration highlighted) and the National Environmental and CC Communication Strategy (collaboration between Government, PEI, AAP and FAO).
- The EU Delegation and PEI Mali have been collaborating during the political crisis in 2012 to explore potential synergies such as collaboration in the study about the socio-political impact of the crisis on the environment and natural resources in Mali. In country donors highlighted the strategic importance of the work of PEI and the EU Delegation, Germany, Sweden and Switzerland indicated interest in supporting its continuation. They highlighted the need to avoid total cessation of activities as it will negatively impact the population and past achievements.
- SIDA in collaboration with the Government of Rwanda have up scaled the best practice integrated development demonstration project in Rubaya supported by PEI during the scale up to the district of Muhanga.

#### **Main issues and recommendations for the attention of the EC:**

The project is being implemented according to plan and the EC support has been a vital help to bridge the transition between the PEI scale up and the next phase 2013-2017 successfully and without delays. Given that funds were only received in June, the reporting period is June to December 2012 where an important number of strategic decisions and advances in preparation of the next phase took place. While all PEI donors expressed their continued support to PEI, it is essential for PEI to receive indications of funding availability from the EC for the PEI 2013-2017 in order to be able to finalize country programmes currently under negotiation with government counterparts and other key stakeholders and the sustainability of the substantive results achieved so far. In order to narrow the current estimated funding gap of USD3.5 million per year for 2013-2017, it would be important to at least maintain the current level of contributions under the ENRTP of USD2 million per year from the EC.

#### **Overall observations on project performance and whether the project has had any unforeseen positive or negative results:**

Synergy with the United Nations Capital Development Fund (UNCDF) aiming to assist with piloting climate change adaptation finance in up to three countries in Asia-Pacific is expected to mobilise an additional USD1 million per pilot country for performance based climate resilience grants.

#### **ANNEXES:**

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Please list supporting documents included as annexes, if any:

**Annex 1: example of communication, visibility and outreach activities undertaken during the reporting period.**

**Annex 2: PEI budget 2013-2017 – summary table**

**Annex 3: Summary of UNDP-UNEP PEI Regional Strategies 2013-2017**

**UNEP/MEA Project Manager: Isabell Kempf**

**Signature: (signature on pdf attached)**

**Date of Submission: 15 March 2013**

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