

**Independent Evaluation of the Scale-up Phase
(2008-2013)
of the
UNDP-UNEP Poverty – Environment Initiative**

Final Report

June 1st 2016

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Acknowledgements

The authors would like to thank all the UNEP and UNDP staff who facilitated the work of our team and the multiple respondents who kindly provided their time and insights to make this evaluation possible.

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Executive Summary

The Poverty-Environment Initiative (PEI) is a global programme, jointly implemented by the United Nations Development Programme and the United Nations Environment Programme that supports country-led efforts to mainstream the nexus between poverty and environment (PEN) into national and sub-national development planning, including policy-making, budgeting, and monitoring. The PEI provides financial and technical assistance to government partners to set up institutional and capacity-strengthening programmes and implement measures to address the poverty-environment nexus.

The overall expected outcome of PEI is:

“Improved capacity of programme country governments 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.”

This outcome is to be achieved by delivering three complementary outputs:

- *Country-led poverty-environment mainstreaming programmes;*
- *Joint UNDP-UNEP regional support programmes and regional communities of practice on environmental mainstreaming;*
- *Global knowledge products and services on environmental mainstreaming*

Although not articulated as an outcome in the programme’s Results and Resources Framework, the Project Document indicates in its second paragraph that PEI is “*a joint effort led by UNDP and UNEP to build a common operational platform for helping countries meet the challenge of poverty environment mainstreaming.*”

This report details the findings of an independent evaluation commissioned in 2014 by the Evaluation Offices of the United Nations Development Programme and the United Nations Environment Programme. The scope of the evaluation is the PEI Scale-up Phase, which was launched in mid 2007¹, started implementation in January 2008, and ended in December 2013.

The Scale-up Phase was designed to enable UNDP and UNEP extend their joint support for poverty-environment mainstreaming to countries in new regions (Asia and the Pacific, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean) and to deepen the work already initiated during the Pilot Phase in Africa.

By the end of 2013 PEI was providing support to 26 countries. Total expenditures incurred by the programme during the Scale-up Phase were USD 74,004,910. This amount includes global and in-country donor contributions, UNDP and UNEP contributions, as well as those made by national government counterparts.

The evaluation had two main purposes:

- a) To make a broad and representative assessment of the programme’s performance during the Scale up Phase, and

¹ The PEI Scale-up Phase Project Document was signed on 12 November and 4 December 2007 by UNDP and UNEP respectively.

- b) To provide forward-looking recommendations to strengthen the sustainability/exit strategy of the PEI beyond 2017 to inform the discussions of the Joint Management Board and PEI donors about the future of the programme.

The evaluation is primarily an accountability exercise and was not designed for "operational improvement". Notwithstanding, the evaluators offer recommendations for operational improvement that may be useful to strengthen the Phase currently under implementation (Phase 2) or for the design of any future joint poverty-environment mainstreaming activities. Key operational recommendations have been integrated in the presentation of findings.

The evaluation used OECD DAC criteria and definitions, followed United Nations Evaluation Group norms and standards, and applied the Review of Outcomes towards Impact approach to assess the likelihood that results achieved by the PEI will contribute to long-term impact on environmental benefits and sustainable development. It also used "benchmarking"² as a way to assess the collaboration between UNDP and UNEP in the delivery of PEI. Four country programmes representative of PEI's work in three regions (Burkina Faso, Malawi, Kyrgyzstan and Lao PDR) and the regional programme for Latin America and the Caribbean were reviewed as case studies.

The evaluation report is organized around the following topics:

Chapter 1 presents the evaluation scope, objectives and methodology. **Chapter 2** summarizes internal and external events and processes that have influenced PEI's design and implementation, and discusses environmental, economic and other global trends relevant to the future of poverty-environment mainstreaming efforts beyond 2017. Chapter two also introduces the PEI Scale-up Phase, providing key facts and figures, and examines the Initiative's 'programmatic approach'. A reconstructed theory of change for the global programme is presented. The theory of change of the Lao PDR programme, a case study country, helps illustrate how global PEI objectives are being translated into country-specific objectives and activities.

Chapter 3 examines the relevance of PEI from three main angles. First, the strategic relevance of P-E mainstreaming within the framework of the global sustainable development agenda, past and present, taking into account the key contextual issues presented in the previous chapter; second, PEI's relevance to programme countries; thirdly, the programme's relevance to the corporate strategies and delivery mechanisms of the UN partner agencies, and to other poverty-environment mainstreaming practitioners.

Chapter 4 evaluates whether PEI delivered its intended global, regional and national-level outputs, and the extent to which these are collectively contributing to meet the overall programme objective and expected results (effectiveness). Effectiveness is reviewed against the above-mentioned theory of change. The likelihood of impact and the sustainability of outcomes are also examined. With respect to impact, the evaluation assesses whether the required drivers and assumptions for outcomes to lead to intermediate states and impacts are in place, attempting to answer the following questions: In what way is PEI contributing to achieve the expected intermediate states towards impacts? What are enabling factors/conditions that improve the likelihood of impact and what are key risks? Sustainability is examined at two levels: the first is the likelihood that poverty-environment mainstreaming outcomes at country level will be sustained beyond the completion of PEI interventions and will eventually contribute to poverty reduction and environmental sustainability. The second, is the likelihood that the PEI host institutions will retain or enhance their capacity to respond to the unmet country demand for PEN mainstreaming support in the event that the Poverty-Environment Initiative ceases to exist. This section also considers likely scenarios beyond 2017 and makes recommendations concerning PEI's future.

² To benchmark is to compare performance against a standard.

Chapter 5 examines key factors affecting positively or negatively the performance of the Poverty-Environment Initiative. The review includes the programme design and structure; the implementation of PEI's programmatic approach; PEI's organization, management and administration; partnerships; and monitoring and evaluation.

Main evaluation findings

PEI's approach

PEI's programmatic approach, as documented in PEI's 'Mainstreaming Poverty-Environmental Linkages into Development Planning: A Handbook for Practitioners' (2009) is sound. While the Handbook was updated and revised in 2015 to incorporate the Scale-up Phase experience, the underlying principles, hypothesis and assumptions have remained the same overall. The programmatic approach is a flexible model that has helped guide PEI's choice of tactics, methodologies, tools and activities, adapting to particular country situations.

It would be beneficial to better define two concepts often used interchangeably: *mainstreaming the poverty environment nexus* versus *mainstreaming environmental sustainability* (often also referred to as *environmental mainstreaming* or *mainstreaming the environment*). The lack of clarity about the difference between these two concepts is at the root of misunderstandings about what PEI is all about, particularly within UNEP.

Assessing and understanding the effects of policies and processes that changed as a result of PEI is essential to achieve the knowledge management objectives of PEI. This element needs to be made explicit in PEI's programmatic approach. Policy implementation evaluation is also essential to obtain evidence to inform the iterative process of national policy formulation. During the Scale-up Phase programme countries were still at an early stage of mainstreaming the poverty-environment nexus into planning, budgeting and monitoring processes, therefore, it is logical that PEI did not devote much attention to monitoring and evaluating the effect of P-E mainstreaming. However, as countries make progress in implementing their PEI work plans, it becomes more urgent for the initiative to determine how it will conduct such assessments and to programme the financial resources and expert input it might need to carry out this task.

Strategic relevance

The evaluation confirmed that PEI is highly relevant to the poverty reduction priorities of the countries it is supporting and more broadly to national development. More than half of PEI programme countries are least developed countries, some of which are also landlocked countries, and one is a small island developing state. All have national economies strongly dependent on the primary sector and large populations highly reliant on ecosystems goods and services.

The unfinished work to meet the Millennium Development Goals globally, the widening inequality, and the continuing deterioration of the natural resource base in developing countries in all regions are unmistakable signs that more work needs to be done to support governments design and implement viable, integrated and effective national sustainable development strategies and policies that take account of the P-E nexus. Even when there is political will, there are significant information, knowledge, capacity and coordination barriers. Policy-makers do not have access to timely analysis to fully comprehend the trade-offs and impact of policy decisions on the poor and the environment. Many opportunities for pro-poor and inclusive sustainable development are missed as a result of this same failure.

The new sustainable development agenda has brought to the fore the importance of the environmental pillar. There is a renewed commitment of governments to meet the agreed global

targets by 2030. PEI, with its expert network and experience is well placed to support governments take action to meet the Sustainable Development Goals (SDGs). There is evidence that PEI is already doing so in the countries where it is present. A preliminary assessment of PEI's relevance to the SDGs in Lao PDR shows that it is substantially contributing to achieve 10 SDGs and moderately contributing to an additional four Goals.

There is unmet country demand for PEI services and support. PEI seems to be the sole initiative providing long-term in-country capacity building support for P-E mainstreaming. While new paradigms such as the 'green economy', 'green growth' and 'carbon-neutral' development emerged after PEI's inception and are now being promoted by various UN initiatives, the explicit pro-poor focus of PEI is an important reason for its continued relevance.

PEI's undisputed niche is rural poverty and natural resources management. Increasingly, PEI has been addressing climate change adaptation as a strategy to manage the risks posed by climate change to sustainable development, and in particular to vulnerable populations. PEI has also explored the linkages between urban poverty and the environment but PEI's contribution and value added in this context needs to be further investigated.

The evaluation also found that PEI's work and operational modalities are relevant to the agencies corporate strategies and work plans, as well as to the UN reform process to 'deliver-as-one'.

Last but not least, according to representatives of the Poverty-Environment Partnership institutions interviewed, PEI is considered the most important source of experience, evidence and analysis on P-E mainstreaming in developing countries' policy, planning and budgeting processes.

The evaluation rating for PEI's strategic relevance is '*highly satisfactory*'.

Results

Outputs

A Poverty-Environment Facility³ in Nairobi and joint regional support programmes in three new regions (Asia, Europe and CIS, and LAC) in addition to Africa were established during the Scale-up Phase. However, the most important output was the establishment of country-led poverty-environment mainstreaming programmes in 18 countries in addition to the seven country programmes that had been receiving support since the PEI Pilot Phase. By the end of the Scale-up Phase PEI had 20 full country programmes operational in four regions as well as targeted technical assistance activities in another six countries. Establishing successful national poverty mainstreaming programmes is a complex task that demands significant inputs and time from the PEI joint regional teams and support from the UNDP Country Offices during a period of typically one year or more before a project document is signed. This preparatory phase is critical to the success of country programmes. The analytical and scoping work to establish a portfolio of new country programmes was conducted more effectively in Asia than in the other two new regions.

PEI country teams have performed very well overall in delivering their respective outputs, albeit with some delay. Most country programmes had ambitious and demanding work programmes with multiple components and a very large number of activities, each contributing to deliver a service (e.g., training, technical advice, communications) or a product (study reports, guidelines, policy briefs, videos, etc.). PEI regional teams have provided technical advice and financial support to national institutions for the application of innovative tools such as Public Environment Expenditure Reviews and Climate Public Expenditure and Institutional Reviews. Economic valuation, cost-benefit analysis, public sector revenue, and PEN analysis in different sectors and for various industries have been found to be very powerful tools to get the attention of finance, planning and

³ The operationalization of the joint UNDP-UNEP Poverty-Environment Facility was done through a UNDP internal project document signed on 15 November 2007.

sector ministries, and raise the awareness of parliamentarians, senior government officials and the media. Economic analysis is also essential for developing sound argumentation for increased public and private investments that would yield pro-poor and inclusive sustainable development outcomes. State of the environment reports and ecosystem assessments are also part of the array of tools employed by PEI. These help demonstrating the links between ecosystems and the services they provide to people's livelihoods and to national economies.

Results of the above studies have been communicated through mass media, workshops, and also via policy briefs covering individual topics. Other PEI outputs from in-country work include policy reviews, draft policies and legislation, investment strategies, guidelines for various purposes, courses on many topics, templates, software to manage data and processes, articles, videos, presentations, to name but the most common. PEI imparted hundreds of trainings during the Scale-up Phase at the national and local levels. Specialized training materials, sometimes in multiple languages, were developed for each topic.

While the evaluation rating for PEI output delivery at the national level is '*highly satisfactory*', the evaluators recommend that PEI invests additional resources to assess the uptake of outputs, the degree to which the outputs are serving their intended purpose, and the results of training activities. While PEI is a catalytic programme and cannot take full responsibility for the eventual use of tools developed with its support, the lack of feedback on the uptake, application and quality of PEI-supported products and services is a barrier to the fulfilment of PEI's knowledge management objectives, and limits PEI's own understanding of the most effective means by which to achieve catalytic effects. Moreover, it is important for PEI to encourage national practitioners and country teams to routinely assess the results of their activities as a capacity development strategy.

The range of topics relevant to P-E mainstreaming covered by PEI is very wide as the programme strives to meet individual countries' realities and priorities. There are, however, a few thematic gaps that may be addressed in subsequent phases in view of their increased relevance and prevalence in certain regions or sub-regions. The first is land tenure and resource access rights, including gender-related rights issues. While the topic is sensitive and may be difficult to address in certain national circumstances, PEI is well positioned to gather facts and produce sound and balanced argumentation for policy/legislation change where appropriate. A second topic is the impact of trade opening on the environment, including on climate change, and on the poor, as well as the impact of trade regulatory harmonization. Market-based instruments to reduce environmental degradation and promote innovation have been increasingly applied in developed countries but there are few examples of successful environmental fiscal reform in developing countries worldwide. PEI has recognized the importance of such instruments and has carried out a few in-country training events but there is much room for experimentation and learning, which PEI could promote. The Scale-up Phase did not focus much on social and environmental safeguards and on governmental social safety net programmes such as conditional cash transfers (except for the work in Lao PDR on the first topic and in the Dominican Republic for the latter); these are areas of work worth expanding.

The ProDoc expectation that regional knowledge products would be produced in partnership with UNDP and UNEP Regional Centres and Offices and thematic/technical units, and with external partners including other members of the Poverty-Environment Partnership has been realized only to a limited extent. On the other hand most PEI regional teams have been very active in communicating the programme's experiences, results and lessons on P-E mainstreaming to various audiences. They have also organized South-South exchanges and documented and shared experiences in different ways. Study tours with well-defined objectives and agendas have been found to be one of the best approaches to transfer PEI experiences to other countries.

The global PEI website is a rich source of analysis, best practices and resources linked to the country-level work. This is a very important asset that needs to be more actively promoted outside the circle of PEI supported countries and key partners, particularly within the agencies and in the

regions. In addition to the PEI Handbook, the PEF led the production of several useful technical guidance materials during the Scale-up years, including guidance notes for the regional teams on stakeholder participation, gender mainstreaming and rights-based approaches.

Addressing the very wide range of issues covered by PEI country programmes requires ease of access to cutting-edge global expertise in various fields by the regional and country programmes beyond the consultants currently hired to assist country teams with certain studies and outputs. The role of the PEF should be to identify and facilitate access to such expertise. A strategy in this regard should be developed.

Coordinating and packaging PEI's inputs to global environmental and development policy processes have been a PEF responsibility. A priority during the past few years has been to contribute PEI's experience to the process defining the post-2015 development agenda. Among others, PEI made significant contributions to the UNEP-UNDP led Global Thematic Consultation on Environmental Sustainability in the post-2015 agenda that culminated with the production of the 'Breaking Down the Silos: Integrating Environmental Sustainability in the Post-2015 Agenda' in September 2013, which was an input to the UN General Assembly and the Open Working group on Sustainable Development Goals in 2013. PEI country experiences on addressing poverty-environment issues are frequently featured in this report.

The performance rating for delivery of outputs is '*highly satisfactory*'.

Effectiveness

The PEI 2007 ProDoc specified two indicators for its overall outcome, one quantitative and the other qualitative:

- 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;
- Widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes

With respect to the first indicator, by the end of the Scale-up Phase, three in every 4 programme countries had integrated P-E objectives into strategies, plans and sectors; 61 per cent of country programmes had integrated P-E indicators into national and subnational monitoring and evaluation systems; the same percentage of countries had a central ministry leading multi-sector coordination mechanisms for P-E mainstreaming and had applied financial instruments for pro-poor growth and environmental sustainability; and half or more programme countries had integrated P-E objectives into budgeting and expenditure processes and reported on P-E outcomes in national/sub-national/sector plans. These are impressive results even if they encompass the work done since the beginning of the Pilot phase. These results are even more remarkable considering that by the end of the Scale-up Phase 10 out of 26 countries had received support for 3 years or less and that mainstreaming P-E linkages in policies, strategies, plans, budgets and country monitoring systems usually requires lengthy institutional processes to reach consensus and obtain the necessary clearances and approvals.

It is accepted among practitioners that P-E mainstreaming is a multi-stakeholder, iterative and long term process that cannot be fast-tracked. If sustainability is to be achieved, the programme needs to embed itself fully within national institutions to effect changes to the policies, systems, processes and mechanisms used to govern the country, and not least to be embedded in the minds of the people responsible for them as PEI's endeavour is to change the very nature of a country's decision-making culture and practices. PEI's long-term presence in the countries is thus essential.

The differences in the scope of country programmes make generalizations about overall effectiveness difficult. Some country programmes, tackled issues limited in scope (thematically and geographically), while other countries are using a very wide range of P-E mainstreaming

approaches at the national and sub-national levels. The difference in scope per se does not make individual country programmes less or more effective. The evaluators rated the effectiveness of three case study country programmes as ‘*satisfactory*’ and the other one as ‘*moderately satisfactory*’.

Effectiveness at the country level is strongly correlated with the performance of the joint Regional Teams. The PEI regional programmes in Africa and Asia have large and interesting portfolios that vary in scope and focus, reflecting regional specificities and national differences but allowing for cross-fertilization and learning. Feedback from national stakeholders attests to the quality of backstopping and technical assistance provided by the regional teams to the country partners and their versatility to be able to cover so many topics and keep abreast of new methods and tools related to P-E mainstreaming. The project documents, publications and reports produced by these two teams reflect a very good understanding of the political economy of the regions and sub-regions as well as the trends, priorities and challenges of development, poverty reduction and environmental management. The decisions about incorporation of new programme countries and the choice of topics and tactics reflect strategic thinking and careful consideration of national priorities and opportunities to make a difference.

The LAC and Europe and the CIS regions have smaller and less mature P-E mainstreaming portfolios, however, there are examples of good results in individual countries. Portfolio development in these two regions has been partly constrained by PEI’s budgetary situation, by a more challenging political environment for P-E mainstreaming particularly in CIS countries, and by other factors such as the vision and approach for P-E mainstreaming of the joint regional team leader(s). The LAC programme was selected for review because there were indications that it was not performing to the same standard as the other regional programmes. The case study identified several weaknesses in the selection, design and implementation of the projects that compose the LAC portfolio affecting overall regional programme effectiveness. The closure of 2 country programmes at the completion of their first and only phase was premature and affected PEI’s ability to learn from these initiatives and to achieve P-E mainstreaming objectives. Taking into consideration intrinsic limitations faced by the regional team, the case study concluded that the deployment approach for the regional portfolio has not been strategic. Nevertheless, PE mainstreaming is highly relevant to the LAC region; therefore, the evaluation recommends its continuation.

The performance rating against outcome indicator 1 is ‘*satisfactory*’, with the Africa and Asia portfolios rated as ‘*highly satisfactory*’ and the ECIS and LAC portfolios rated as ‘*moderately satisfactory*’.

The second global PEI indicator ‘Widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes’ lacks specific and measurable targets making it difficult to judge progress. Upon review of a large number of documents and communication materials in various languages that condense PEI’s know-how and experiences, as well as the results of PEI’s targeted technical assistance activities, the performance rating against outcome indicator 2 is *satisfactory* considering the staffing workloads and available resources both at the regional and global levels. There is, however, much potential to enhance the knowledge management effectiveness of PEI if modest additional resources would be invested for this purpose.

PEI gained prominence at the end of the Africa Pilot Phase as a very promising example of UNDP-UNEP cooperation and as a means to demonstrate that the UN reform could be implemented with good results. This is an important reason why donors rallied behind the initiative. The MOU between UNDP and UNEP signed at the end of 2008 was a confirmation of the political will at the top of both organizations for more strategic, effective and systematic collaboration. PEI was singled out as one of three areas of cooperation in the MOU. According to interviewees, improved

UNDP and UNEP cooperation through the PEI was expected to significantly contribute to the following outcomes:

- A more holistic approach to UNDP's support to national governments in which environmental sustainability would be better integrated into poverty reduction and governance initiatives;
- More effective integration of P-E mainstreaming in the strategic planning and programme of work of both organizations as well as improved understanding of PEN's contribution to achieving the MDGs;
- A model for how UNEP could deliver more strategic and effective technical assistance at the country level, and the wide adoption of this model within the organization;
- A model of how UN agencies can work together building on their comparative advantage and expertise to provide effective and efficient technical assistance to countries on complex multidimensional development issues; and this model increasingly used in joint programmes and projects.

The evaluation found that by the end of the Scale-up Phase there had only been partial progress towards realizing the above 4 expected outcomes, although some improvement from 2012 onwards is apparent. For example, the good practices from PEI did not inform the design of other joint agency programmes.

There still is considerable room for the agencies to capitalize on PEI's work, experiences and platform, thus the *moderately unsatisfactory* performance rating for realizing PEI's potential in the UN host agencies. On the other hand, it should be stressed that the responsibility to mainstream the P-E nexus and PEI approaches in the agencies cannot be left to the PEI team alone, therefore, the weight of this factor in determining the overall effectiveness rating for PEI is less than the weight of the other two factors which are under the control of the PEI team.

The overall performance rating for effectiveness is thus '*satisfactory*'

Likelihood of impact

PEI is one among a large number of actors and factors influencing sustainable development outcomes in the countries; therefore, impact or lack thereof cannot be attributed solely to PEI's intervention. On the other hand, the evidence gathered by the evaluators indicates that PEI is indeed making a unique contribution to help set the conditions to achieve the intended impacts. Previous country evaluations and the case studies performed for this evaluation rate the likelihood of impact as '*moderately likely*' or '*likely*' for all country programmes. This augurs well for the phase currently under implementation.

The evaluators found evidence that PEI is helping to change the mind-set of decision-makers and other influential people in programme countries, including development assistance partners and, in a few cases, that of the private sector. The strong role played by planning and finance ministries in PEI gives credibility to PEN mainstreaming and opens many doors that were closed before. Economic sectors' work by PEI should be strengthened in the current phase because without the participation of the various sectors, the poverty reduction benefits of P-E mainstreaming may not be realized. Tangible results at a significant scale need to be achieved and made known if the momentum and interest are to be sustained leading to lasting behavioural changes and impact.

Rating for likelihood of impact is '*moderately likely*'.

The reason for this cautious evaluation rating is the risk posed by government changes and other internal and external disruptive situations such as economic crises, insecurity, major natural disasters, and political economy factors. The probability of occurrence and the magnitude of impacts are different for each country. Risk monitoring and risk mitigation should be given increased attention by PEI teams. Among other measures to mitigate risk, PEI teams could prepare "transition" strategies when predictable government changes are to take place.

Sustainability

Sustainability is at the heart of PEI's programmatic approach. The most important elements of PEI's approach to help achieve sustainability at the country level are programme ownership, institutionalization, and capacity development. Step-by-step PEI is creating the conditions for outcome sustainability in programme countries. The case studies found that outcome sustainability is '*likely*' or '*moderately likely*' in all countries reviewed. This confirms the findings of previous evaluations. The likelihood of sustainability is often proportionate to the length of time PEI has been providing support to a given country. Unless a major risk materializes, the likelihood of sustainability increases as the implementation of the work plan progresses and programme countries complete their activities to mainstream P-E into planning, policy, budgeting and monitoring and start moving towards 'implementation'. There is evidence that as implementation progresses, ownership of the programme increases and so does the confidence of staff in putting into practice the new systems and tools.

In some countries there has been impressive progress in institutionalizing PEN considerations into national and sub-national development planning and budget processes (e.g., Rwanda, Malawi, Bhutan) or in addressing specific national development issues such as creating the enabling conditions to increase the social and economic benefits of foreign direct investment while reducing its environmental impacts (e.g., Lao PDR and the Philippines), to name a few. Programme countries have started to increase their national budget allocations to address environmental and climate change issues important for poverty reduction and sustainable development. If these budgets are used effectively, the likelihood of PEN mainstreaming sustainability will be greater.

An important outcome of PEI's work and an essential driver for impact is strong national leadership for PEN mainstreaming at the highest levels. There is robust evidence that institutional and individual capacities have been enhanced significantly in every programme country. This is no small feat when the variety of topics and the number of institutions and individuals benefiting from PEI capacity development are considered. Creating systemic capacities has been a key PEI approach to sustainability. PEI should do more to assess on-going progress in this particular area. What institutional capacities have been developed and how likely are these to be sustained? Are individual capacities being retained? Has every important topic been covered? Is there a critical mass of individuals with sufficient capacity to carry on with P-E mainstreaming work in the absence of PEI?

As discussed earlier there are substantial risks to sustainability beyond PEI's control. Because P-E mainstreaming processes are embedded in national political and institutional systems, regular government turnover or abrupt change is an ever-present risk. Draft policies and laws can take a very long time to be approved and a change in the elected representatives of the legislature may constitute a serious drawback. If the financial means to implement the priority measures identified through national and sub-national planning processes do not materialize, the interest in P-E mainstreaming among high-level policy-makers and local governments may quickly vanish. Indeed, the biggest risk to outcome sustainability is "mainstreaming fatigue" if the benefits of P-E mainstreaming do not start becoming apparent. Thus the importance of identifying promising sectors or issues where opportunities for quick wins are present, and to assist the governments identifying domestic and foreign, private and public financial resources to implement the agreed actions.

There is a significant time lapse between the moment at which policies come into force and their effects become apparent. Decision-makers need to obtain evidence-based information on the results of the implementation of measures adopted. PEI's support to help governments set adequate indicators to monitor P-E conditions in the countries is the right approach but it will take several years before national counterparts fully test and integrate the indicators into national statistics systems, and create the capacities for systematically collect the data and for producing integrated

analysis that would be useful to policy-makers. PEI needs to partner with specialized entities to provide support to the standards required, as in-house expertise on this issue has not been readily available to PEI. Feedback on results is politically important, particularly for those high-ranking officials backing PEI. It is also important to help policy-makers identify persistent barriers, gaps and further action to achieve P-E objectives and long-term development goals. PEI should not withdraw prematurely from the countries because this may jeopardize PEI's impact potential. Understanding the effects of policy changes is also necessary to verify the assumptions on which PEI's theory of change is based.

The rating for sustainability of country outcomes is '*moderately likely*'

Concerning the sustainability of UNDP and UNEP's capacity to support national-level PEN mainstreaming, the evaluation found that PEI has made significant strides to internalize P-E mainstreaming knowledge and approaches within UNEP and UNDP. From a relatively ad-hoc, little-known programme, it is increasingly being recognized as a best practice of UN agency collaboration and an effective mechanism to deliver long-term capacity development support to national governments. As a result of PEI's work, the agencies' staff understand better the poverty and environment nexus and its role in sustainable development.

Over time a group of P-E mainstreaming specialists has been formed in the agencies encompassing the PEI global team and the UNDP CO staff overseeing PEI's work in the countries. This group of specialists has been exposed to the application of a variety of tools such as public expenditure reviews, environmental accounting, valuation of environmental goods and services, environmental fiscal review, for which there was not much prior experience in the agencies. This group is an important asset for UNDP and UNEP and should be maintained in the organizations independently of whether or not the programme continues beyond 2017. The likelihood that at least a core group of specialists will be retained is good, given that the agencies have progressively incorporated these positions in the agencies' regular budget.

While mainstreaming PEN approaches in UNDP and UNEP's work is very important, the evaluation team believes that this will not be sufficient to achieve sustainability of the agencies' capacity to support PEN mainstreaming at national level. The latter is highly dependent on the existence of a dedicated programme strongly backed by donor support. In particular, the cooperation between the agencies for P-E mainstreaming at the regional and country levels, which is so important politically and operationally, may come to a halt if such a dedicated programme ceases to exist.

The agencies increased the amount of core resources allocated to PEI during the Scale-up Phase but further significant increases are unlikely. The UNDP CO and in-country counterparts and donors have also increased their contributions during the Scale-up Phase; however, UNDP RRs and country based staff interviewed were unanimous in saying that in the absence of the human resources and funds contributed by PEI, P-E mainstreaming work would not have been possible. The expectation that P-E mainstreaming work can be carried out through other existing agencies' programmes and projects seems unfounded. It has been suggested that future P-E mainstreaming could take the form of targeted technical assistance only in the absence or substantial donor support. The evaluators are of the view that although targeted technical assistance is useful to upscale and replicate PEI's experience in other countries, it cannot replace the more comprehensive and long-term support PEI is currently giving to country programmes.

The rating for likelihood of sustainability of the agencies' capacity for continued PEN mainstreaming support is '*low*'

Upscaling and replication

The evaluation found evidence in all countries reviewed that P-E mainstreaming is being expanded to cover more sectors and issues on the basis of national priorities and as information and analysis becomes available. This expansion usually occurs as new PEI phases are approved or new in-country partners come on board. Available human and financial resources limit upscaling and replication. This is particularly the case when trying to expand PEI support to more provinces and districts, which is only possible through partnerships with other initiatives. National governments should take the lead in helping mobilize those additional resources for upscaling and replication within the countries.

Lessons learned and best practices from PEI's work are increasingly finding their way into international policy debates. The Poverty and Environment Partnership and the Technical Advisory Group are important elements of PEI's knowledge management and replication approach.

The support of UNDP and UNEP senior managers, particularly the members of the Joint Working Group under the UNDP-UNEP MOU, is key to create the conditions for further upscaling and replication of PEN mainstreaming work. The Working Group members could also be a vehicle for transmitting PEI experiences to and obtaining support from other UN agencies, among others via the UNDG or the Environmental Management Group.

The evaluation rating for upscaling is '*moderately likely*'.

Factors affecting performance

Programme design and structure

PEI's programme design as a 'joint' UNDP and UNEP programme is its biggest strength and a very important factor for success. The decision to use the "pooled fund" modality provided in the UN Development Group Guidance on Joint Programming proved strategic. This enabled an efficient and effective delivery of technical assistance and financial resources to partner countries while maintaining transaction costs relatively low. The structure in place is adequate for PEI's joint planning and management, and for quality assurance throughout the programme cycle at the country, regional and global levels.

The anchoring of PEI within the Environment and Energy Group in UNDP and the fact that UNEP hired economists as PEI Regional Team Leaders was not conducive to more collaboration with the Poverty Group and other relevant groups in UNDP. The lack of more substantive involvement of the UNDP Regional Bureaux in determining the entry points and priority areas to be addressed in each region was another aspect affecting PEI's integration and visibility within UNDP. Another structural issue affecting to some extent the composition of the PEI regional teams and the effective use of the agencies' comparative advantage is the geographic location of the Regional Offices and Service Centres. Other institutional constraints such as the lack of human and financial resources in certain Regional Service Centres such as in Africa also hampered the contribution of UNDP poverty reduction specialists to PEI's work.

The quality of PEI's project documents was adequate overall. A main weakness was the absence of an explicit Theory of Change in the individual country project documents. A weakness of the global ProDoc was that the short-term outcomes to be achieved beyond and 'above' the participating countries were not spelt out. The 2012 Business Review had already recommended that PEI develop a road map to guide its actions towards improved mainstreaming of PEN in both organizations.

The introduction of Regional Strategies was a good idea. However, the strategies could have been more specific about what each regional programme was expected to achieve beyond country-level results. For example, a more detailed analysis of common development issues and opportunities at

the regional or sub-regional level to help guide portfolio development as well as identification of strategic opportunities for cross-learning at the regional level. PEI's strategy and actions for creating an enabling environment among international institutions present in the region to help make progress in implementing the P-E agenda could have also been spelt out.

The performance rating for programme design and structure is '*satisfactory*'.

Implementation of PEI's programmatic approach

PEI's programmatic approach evolved on the basis of the Pilot experience in Africa. It has been applied in a flexible manner to respond to regional and national circumstances and opportunities, which is a programme's strength. In a nutshell, the Africa regional programme endeavoured to ensure the P-E nexus would be first mainstreamed into the national development strategy and action plan (originally the PRSP) across all priority sectors, then influence priority policies and the national budgeting process as a way to ensure implementation of agreed actions, and finally identify key P-E indicators to monitor changes in P-E conditions. Addressing sub-national planning came later in response to the process of devolution of power from the central government to local governments occurring in many African countries. The Asia/Pacific programme, while consistent with PEI's programmatic approach brought an emphasis on climate change and investment policies given the importance of these two factors for the development of the region and as a way of better integrating PEI's work with other UNDP initiatives in Asia. In Europe and the CIS the small PEI portfolio has been mostly driven by strategic opportunities. In LAC, PEI took a pilot-based approach on narrow sectors and geographies (solid waste in Montevideo and Lake Enriquillo in the Dominican Republic) rather than attempting to mainstream P-E into the broader national planning and budgeting processes. Some former and current members of the PEF are of the view that the LAC regional team's reluctance to apply PEI's approach to country programme design had a negative effect on the performance of the regional programme and the evaluators concur with that view.

An important lesson emerging from this evaluation is that understanding the major development trends and challenges of a region or sub-region by the PEI regional teams is essential for the development of effective P-E mainstreaming portfolios. Without this knowledge and a prior analysis of where PEI could make a useful contribution it is not possible to conduct meaningful dialogue with central ministries during the inception phase. PEI Regional Programmes should have the means and manpower to gather the necessary information and carry out analytical work building on prior UNDP and UNEP initiatives, and to commission additional analysis to specialized organizations and individuals as needed. Any deviations concerning the application of PEI's programmatic approach need to be well justified and documented. It is the role of the PEF to guarantee that PEI's programmatic approach is applied consistently across the portfolio. The evaluation team does not advocate for a one-size-fits-all approach but rather for informed and documented decisions.

The evaluation team found that in several programme countries in all regions, governments have insisted that PEI allocates funds to finance small field interventions. While some of these small projects have generated direct livelihood benefits for the communities involved and the results of a few may have been used to inform policies, the evaluators are of the opinion that these initiatives add little value to PEI's work, divert PEI resources from other potentially more effective uses, and are a reputational risk in case of failure.

PEI governance

PEI's governance at the inception of the Scale-up Phase was composed of a Joint Management Board (JMB) at the global level and National Steering Committees in each programme country. Regional Steering Committees were established later to provide adequate representation of the agencies' regional offices/centres in the governance structure. A Donor Steering Group and a

Technical Advisory Group perform accountability and advisory roles respectively at the global level. Overall these bodies are playing an effective and constructive role. The changes made over time to the composition of the Joint Management Board have been generally positive, although, some institutional memory has been lost in the process.

The recommendations of the 2012 PEI Business Review with respect to PEI's governance are still relevant. While it may not be practical or even possible to have the attendance of all UNDP Regional Bureaux at Joint Management Board meetings, the participation of the Africa or Asia Bureau will contribute to a better understanding of how to engage the Bureaux strategically, in particular, when the regional PEI strategies are being developed. The Director of the UNEP Division of Environmental Law and Conventions responsible for leading the Governance Sub-programme where most of P-E mainstreaming activities are anchored should attend PEI's Joint Management Board meetings regularly. The terms of reference for the JMB do not assign a PEN mainstreaming advocacy responsibility to this body and its members. As a result, discussions and decisions of the JMB and progress concerning P-E mainstreaming are not systematically shared with other parts/offices of the two organizations. The Business Review had recommended that the JMB report periodically on PEI and P-E nexus mainstreaming to the UNEP Senior Management Team and the UNDP Executive Group. It had also suggested including as a "standing" item in the JMB meeting agenda discussion on progress in PEN mainstreaming within UNEP and UNDP. The Board could also more systematically communicate PEI progress and experiences to the UNDP-UNEP MOU Joint Working Group⁴.

Programme oversight and human resources management

PEI's management structure is generally adequate. On the other hand, PEI faced serious challenges during the Scale-up Phase due to changes in senior management positions in both agencies and prolonged vacancies at the helm of the PEF. This, of course, was beyond the PEI team to address.

The PEF and the regional teams also had significant turnover of professional staff during the Scale-up Phase, due to the reliance on Junior Professional positions and also as a result of the lack of job security caused by financial uncertainty. This affected programme delivery given the constant need to train new staff and the loss of institutional memory. A logical response to the lack of funding predictability is to cut programme costs as much as possible. This was achieved by sharing several posts with other programmes, downgrading two posts, and freezing at least one vacant post. However, all these cost-saving measures had an effect on programme performance.

Notwithstanding the above, the PEI Regional Team Leaders, – especially the Africa Team Leader, were able to provide programme continuity, with support from other members of the global PEI team. The good performance of PEI reflects the positive team response to these challenges.

The evaluators are of the view that human resources management at the institutional and at the programme level could be improved. It should be noted that staff and consultant recruitment delays have also been common at the country level slowing down programme implementation.

The overall performance of the PEF with regards to its coordinating, managing, resource mobilization, quality assurance, and knowledge management roles is considered *satisfactory* although in the view of some regional staff and country teams the PEF technical input as well as its liaison and facilitation functions with the host agencies could be enhanced.

UNDP Centres and UNEP Regional Offices, PEI Country Teams and UNDP COs value the technical assistance provided by the PEI regional teams. Oversight by UNDP Country Offices to country programme implementation has been adequate and proactive overall.

⁴ The Joint Working Group of the UNDP-UNEP MOU has not met since 2013, probably because the term of the MOU has expired. This recommendation, of course would only be relevant if the MOU is renewed/revised and an equivalent body is established.

The performance rating for oversight and human resources management is ‘*moderately satisfactory*’.

Cooperation and Partnerships

The UNDP-UNEP partnership: The benchmarking exercise carried out for this evaluation confirms that PEI is arguably a paradigm of UNDP-UNEP collaboration. PEI is truly a joint programme with pooled funds, joint staff, joint planning, budgeting, management, implementation and reporting, at headquarters, in the regions and at the country level. The assertion that PEI is the best UNDP-UNEP collaboration is also founded on the views expressed by a majority of interviewees, in particular government counterparts, former and current Resident Representatives, PEP members, and country-based agency staff. Previous evaluations of the Pilot Phase and the Scale-up Phase reached a similar conclusion.

In spite of the very positive conclusions with respect to collaboration, the evaluation found three issues that have caused friction between the partner agencies in relation to PEI’s implementation: a) unilateral decisions; b) resources mobilization; and c) recognition and visibility. These need to be addressed to maintain trust and cooperation.

Partnership with donor countries: Donor representatives have demonstrated strong interest in PEI’s work over the years and have been supportive in many ways. Among others, donors have advocated for PEI objectives and modus operandi with the agencies’ governing bodies and with the agencies’ senior management; they have secured financial resources for PEI implementation; they have participated actively in PEI’s Donor Steering Group and in the Technical Advisory Group, making the P-E mainstreaming experience of developed countries available to PEI. While donors interviewed expressed satisfaction with PEI’s performance and accountability, they have also called for improved reporting concerning outcomes and impacts. They view this as essential if they are to make the case for continued financial support in their capitals.

While in-country donor decisions are decentralized, there seems to be room for the Donor Steering Group members to help bridge between their capitals and their respective representations in PEI programme countries, making the case for the important role that P-E mainstreaming plays in national development.

In-country collaboration with other UN entities and with multilateral banks: PEI has consistently reached out to other UN agencies and the multilateral development banks represented in PEI partner countries. With strong backing from UN Resident Coordinators P-E priorities have been reflected in the United Nations Development Assistance Frameworks. However, PEI has experienced serious challenges in securing technical and financial contributions from other UN resident and non-resident agencies for the national P-E agenda. A reason given for this situation is that the programming process of several UN agencies is headquarters-driven with little flexibility for adjusting their in-country operations and use of funds to join other UN initiatives. Often the programmes and projects in a given country are managed from headquarters via expert missions rather than country programmes. This confirms the need to advocate for P-E mainstreaming at UN agencies’ headquarters and not just within the PEI partner countries. Cooperation agreements between PEI and the multilateral banks at country level are also uncommon. For these to materialize, national governments would need to take a more proactive role.

Partnerships with other international organizations

PEI has successfully cooperated with many international organizations at the global and country level for different purposes and around a variety of topics in addition to its broad partnership with the Poverty Environment Partnership.

The evaluation performance rating for cooperation and partnerships is ‘*satisfactory*’.

Monitoring, Reporting and Evaluation

As is common in global programmes with multi-country portfolios, PEI has faced challenges in determining the most effective way of monitoring and reporting on country-programme outputs and outcomes, and presenting progress and results succinctly and compellingly in global reports. This is partly due to weaknesses of the Results and Resources Framework in the 2007 ProDoc. During the Scale-up Phase, PEI experimented with various approaches for global monitoring and reporting. The new system is more comprehensive and will encourage candour in reporting. Reporting during the current phase should consistently adhere to the agreed indicators.

The current reporting system needs to be complemented by other means that will help tell a coherent story of how P-E mainstreaming is helping programme countries achieve pro-poor sustainable development. This is particularly critical for the new phase in which several country programmes will reach a decade or more of continuous PEI support. At present, the documents available generally present a fragmented picture.

While country reporting has been streamlined, PEI global and regional teams still have to bear the burden of multiple reporting requirements to comply with the internal requirements of the agencies.

PEI financial reporting has used the same format over the years facilitating aggregation as well as comparison year by year. Financial monitoring is done through the ATLAS system both at the country level and for the global programme.

PEI has fully complied with UNDP and UNEP evaluation requirements. During the Scale-up Phase several independent evaluations took place, two for the global programme (in addition to this final evaluation of the Scale-up Phase), and several for individual country-programmes.

There is evidence of adaptive management resulting from the independent evaluations, but there are also exceptions. An example of PEI responsiveness to evaluation recommendations is the increased emphasis on gender and vulnerable groups' issues, as well as the focus on improving programme M&E and planning. The compliance mechanism with respect to evaluation recommendations is not clear. The management responses to evaluations should be improved as a tool for monitoring follow-up action with respect to evaluation recommendations.

The evaluation performance rating for monitoring, reporting and evaluation is '*moderately satisfactory*'.

OVERALL PROGRAMME PERFORMANCE RATING: SATISFACTORY

Conclusions

The most important conclusions of the evaluation are the following:

- Mainstreaming the poverty-environment nexus in development planning, budgeting and monitoring is as relevant as ever, more so in the context of the recently agreed Sustainable Development Goals; PEN mainstreaming is relevant to all four regions;
- There is unmet global demand for PEN mainstreaming support;
- The UNDP and UNEP collaboration for PEN mainstreaming brings value-added, ensuring integrated and cost-effective support to countries;
- No other existing programme is currently fit to perform this country support role as effectively as PEI;
- Country-level outcomes are being achieved and the conditions for sustainability and impact are falling into place as programme implementation progresses;

- There is a high risk of ‘mainstreaming fatigue’ if the environmental and poverty reduction benefits of P-E mainstreaming fail to materialize, thus the importance of strengthening the economic work with the sectors and secure domestic and external sources of funds to implement agreed actions;
- The portfolio is reaching maturity and in-depth assessments of the effects of policy changes are now warranted.
- Some theories being tested by PEI are yet to be fully explored and evaluated; interrupting programme activities at this stage would be counterproductive;
- Mainstreaming PEI’s approaches and modus operandi in the agencies has progressed and is important but is not sufficient to ensure the continued provision of adequate PEN mainstreaming support to developing countries in the absence of a dedicated programme. The ‘joint’ nature of PEN mainstreaming support is also likely to vanish in the absence of a dedicated programme with strong donor support;
- The potential of the collaboration within the agencies was not fully realized during the Scale-up Phase. Recent institutional changes in UNDP in which poverty reduction and environment were brought together under a Sustainable Development practice, far from making PEI redundant provide an opportunity for expanded and more in-depth cooperation concerning PEN mainstreaming. The progress made by UNEP in integrating pro-poor and inclusive sustainable development in its strategic documents is also a positive development. PEI definitively played a part in the transformation of the agencies approach to poverty reduction and environmental sustainability.

Scenarios post 2017

The evaluation terms of reference request the evaluators to “assess the sustainability strategy of the PEI⁵ by providing findings, and making recommendations on the progress and level of P-E mainstreaming in UNDP and UNEP, and provide forward looking recommendations to strengthen the sustainability/exit strategy of the PEI programme.” The terms of reference further state: “it is envisaged that the PEI as a discrete programme will terminate in 2017, but that work will continue as a part of the ‘core’ work programmes of UNDP and UNEP.” Interviews with donors, senior managers in the agencies, experts, PEF managers and other PEI staff, showed that the interpretation of the above statement and the expectations concerning the future of PEI and PEN mainstreaming are multiple. While there are nuances, the following were the prevailing interpretations among interviewees:

Interpretation A - Given the upcoming SDGs and the international development context post 2015, as well as the emergence of new paradigms such as the Green Economy, there is a need to re-think PEI’s role and contribution to support developing countries to mainstream poverty-environment linkages. Consequently, a new programme, building on PEI’s structure, experience and lessons, could be established to respond to the evolving sustainable development vision and country demand for support beyond 2017.

Interpretation B - PEI as a discrete programme has fulfilled its expected contribution by pioneering an approach and developing tools for supporting countries to mainstream P-E into development planning, decision-making, budgeting and monitoring. The agencies, having internalized the approach, methods and tools, should be in a position to support countries on demand without the need of a dedicated project.

⁵ PEI did not have an explicit and documented sustainability/exit strategy when the evaluation began. Such sustainability/exit strategy was being articulated in 2015.

Interpretation C - New programmes and projects are being designed and implemented by the agencies to promote inclusive green growth, carbon neutral development, and sustainable production and consumption. These programmes and projects will take forward the work initiated by PEI and mobilize the necessary financial resources in accordance with their individual objectives and work plans.

A crucial issue is whether or not PEI donors are willing and in a position to continue contributing funds for poverty-environment mainstreaming. On the other hand, some interviewees are of the view that the possibility of obtaining new contributions will be determined by how compelling and well articulated is the proposal to be presented to donors for consideration.

Given the centrality of the financial aspect to decide on a course of action, the evaluation team proposes three possible scenarios around distinct financial envelopes.

Scenario 1: Donor funding increases considerably to: a) expanding the joint PEN mainstreaming work of the agencies geographically and thematically to incorporate relevant elements of the SDGs into the menu of support; b) strengthening important thematic areas in which substantial progress is yet to be achieved (e.g., environmental fiscal reform); sustaining existing PEI operations until countries have the required drivers for outcomes to lead to intermediate states and impact in place; and monitoring and assessing the results of PEN mainstreaming in the countries. Individual countries will develop sustainability and exit strategies consistent with their TOC.

Scenario 1 meets the expectations of those who interpreted the future of PEI as a more ambitious, larger joint programme that responds to the challenges brought about by the SDGs. Possible re-branding will be necessary to facilitate resource mobilization. Clarification of value added with respect to other agencies' initiatives in response to the SDGs would be essential to ensure collaboration and avoid competition for funds.

Scenario 2: Donor funding and agencies' contributions remain at the same level of the Scale-up Phase. The priorities would be to ensure there is no premature phase out of PEI's support in current countries, continue providing targeted technical support in response to demand, and assess the longer-term effects of PEI interventions. A key difference between the current PEI phase and a post 2017 phase under this scenario is that many PEI country interventions will be mature enough to warrant a well-structured evaluation of the effects/impacts of P-E mainstreaming. As argued in this report, understanding the effects of PEI interventions is essential to confirm that the hypothesis behind the design of PEI hold true. Scenarios 1 and 2 would offer that opportunity.

Scenario 3: Global donor funding for PEI is discontinued. P-E mainstreaming work would be fully dependent on the agencies allocations for P-E mainstreaming and on in-country donor resource mobilization and national counterpart contributions. Under this scenario PEI's work is likely to be primarily 'targeted technical assistance'.

Scenarios 1 & 2 would see the agencies partnership around P-E mainstreaming continue while scenario 3 may see the joint work of the agencies discontinued. The Atlas Award in which PEI resources are pooled for joint implementation will not be required under the latter scenario. This would have a major effect on the modus operandi for delivering country-level support. While coordination and collaboration between the two agencies for P-E mainstreaming may continue, it is likely to lose momentum as the current governance and coordination mechanisms will be too heavy/expensive to sustain in the absence of a major joint initiative.

Independently of which scenario is adopted, the agencies will have to develop a coherent and synergistic set of programmes to meet the SDG capacity development requirements of developing countries. The more logical option is to build on PEI rather than move in the direction of multiple programmes that may be difficult to coordinate and finance, or that may not be conducive to effective inter-agency cooperation.

Main recommendation

The evaluation team recommends Scenario 1 as the best course of action if senior management in the agencies and donors are prepared to back the proposal.

The objective is to expand PEI geographically and thematically and upgrade the initiative as a main, but not exclusive, joint delivery mechanism of capacity development support and technical assistance to help achieve the SDGs with a focus on inclusive, equitable, pro-poor, climate-proofed sustainable development, building on PEI's PEN mainstreaming approach and modus operandi.

Given the 'joint' and strategic nature of the programme, PEI's future needs to be considered in the context of the UNDP-UNEP MOU.

Abbreviations and Acronyms

ADB	Asia Development Bank
ASG	Assistant Secretary General
AWP	Annual Work Plans
BDP	Bureau for Development Policy, UNDP
BPPS	Bureau for Policy and Programme Support, UNDP
BRICS	Brazil, Russia, India, China & South Africa
CC	Climate Change
CCA	UN Common Country Assessment
CIS	Commonwealth of Independent States
CO	Country Office
CPEIR	Climate Public Expenditure and Institutional Review
CSR	Corporate Social Responsibility
DaO	Delivering as One
DELCD	Division of Environmental Law and Conventions
DEPI	Division of Environmental Policy Implementation
DEX	Direct Execution
DFID	Department for International Development - UK
DIM	Direct Implementation Modality
DRC	Division for Regional Cooperation, UNEP
DSG	PEI Donor Steering Group
EEG	Environment and Energy Group, UNDP
EMG	Evaluation Management Group
FDI	Foreign Direct Investment
GEF	Global Environment Facility
GEI	Green Economy Initiative
GDP	Gross Domestic Product
GGGI	Global Green Growth Institute
GGKP	Green Growth Knowledge Platform
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH</i> - German International Development Cooperation Agency
GMS	General Management Support costs (UNDP)
GNI	Gross National Income
HDI	Human Development Index
HQ	Headquarters
IIED	International Institute for Environment and Development
ILO	International Labour Organization
INDC	Intended Nationally Determined Contributions
JMB	Joint Management Board
LAC	Latin America and the Caribbean
LDC	Least Developed Country
LDCF	Least Developed Countries Fund
LIC	Low Income Country
MBI	Market-based Instruments
MDGs	Millennium Development Goals
MIC	Middle Income Country
MoU	Memorandum of Understanding
MTE	Mid-term Evaluation
MTEF	Medium term Expenditure Frameworks
NEX	National Execution
NIM	National Implementation Modality
NGO	Non-governmental Organization
ODI	Overseas Development Institute
OECD	Organisation for Economic Co-operation and Development
OECD-DAC	OECD's Development Assistance Committee

ODA	Official Development Assistance
PAGE	Partnership for Action on Green Economy
P-E	Poverty-Environment
PEI	UNDP-UNEP Poverty Environment Initiative
PEER	Public Environment Expenditure Review
PEF	Poverty Environment Facility
PEN	Poverty-Environment Nexus
PEP	Poverty Environment Partnership
PPP	Purchasing Power Parity
ProDoc	Project Document
PSC	Programme Support Costs (UNEP)
RC	UN Resident Coordinator
RR	UNDP Resident Representative
RRF	Results and Resources Framework
ROtI	Review of Outcomes towards Impact
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SEI	Stockholm Environment Institute
SGP	GEF Small Grants Programme
TAG	Technical Advisory Group
TOC	Theory of Change
TOR	Terms of Reference
UNCDF	United Nations Capital Development Fund
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNEP	United Nations Environment Programme
UNITAR	United Nations Institute for Training and Research
UN-REDD	UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
WAVES	Wealth Accounting and the Valuation of Ecosystem Services
WB	The World Bank
WRI	World Resources Institute
WTO	World Trade Organization

Table of Contents

Executive Summary	1
Abbreviations and Acronyms	19
1. Introduction	23
1.1 Background, purpose, objective and scope of the evaluation	23
1.2 Methodology of the evaluation	24
2. Programme and Context	26
2.1 Programme context	26
2.2 Programme description	33
3. Strategic relevance	43
4. Results	50
4.1 Delivery of outputs	50
4.2 Effectiveness	64
4.3 Likelihood of impact	84
4.4 Sustainability and up-scaling	88
Scenarios post 2017	97
4.5 Efficiency	99
4.6 Cross-cutting issues: Gender, capacity development, norms, guidelines and safeguards	103
5. Factors affecting performance	106
5.1 Programme design and structure	106
5.2 Implementation of PEI's Programmatic Approach	109
5.3 Programme organization, management and administration	110
5.4 Cooperation and partnerships	118
5.5 Monitoring, reporting and evaluation	122
6. Programme performance ratings	129
7. Conclusions and recommendations	133
7.1 Conclusions	133
7.2 Strategic recommendations	135
7.3 Recommendations for operational improvement	137
Annexes	141
A- List of people interviewed	141
B- List of key documents reviewed and sources of information	143
C- Programme results framework	145
D- PEI contribution to SDGs in Lao PDR	150
E- Programme expenditure report 2008 – 2013 by funding source	153
F- Lao PDR Phase II: Status of expected outputs as of December 2014	154
G- PEI reporting requirements	159
Appendices	161
<i>Appendix A – Evaluation Terms of Reference</i>	<i>161</i>
<i>Appendix B – Evaluation Inception Report</i>	<i>162</i>
<i>Appendix C – Case Study Reports</i>	<i>163</i>

1. Introduction

1.1 Background, purpose, objective and scope of the evaluation

1. The Poverty-Environment Initiative (PEI) is a global programme, jointly implemented by the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) that supports country-led efforts to mainstream poverty-environment (P-E) linkages into national and sub-national development planning, including policy-making, budgeting, and monitoring. The PEI provides financial and technical assistance to government partners to set up institutional and capacity-strengthening programmes and implement measures to address the poverty-environment nexus (PEN).

2. The PEI has its roots in the growing appreciation of how the environment contributes to poverty reduction and pro-poor growth that emerged in the late 1990s and was endorsed at the World Summit on Sustainable Development in 2002 and at subsequent multilateral summits.

3. A Pilot Phase (2005 – 2008) to support 7 African countries⁶ preceded the Scale-up Phase. Such Pilot Phase emerged from the combination of two previously independently implemented poverty-environment initiatives by UNDP and UNEP.

4. The PEI Scale-up Phase was launched in mid 2007, started implementation in January 2008 and ended in December 2013.

5. This final evaluation of the PEI Scale-up Phase was commissioned by UNDP and UNEP in conformity with the provisions of the project document and was managed by an Evaluation Management Group (EMG) comprising of the Evaluation Offices of both organizations to guarantee the independence of the process. The evaluation Terms of Reference (TOR) are found in Appendix A.

6. The evaluation had two main purposes:

- a. To make a broad and representative assessment of the programme performance during this phase, and
- b. To provide forward-looking recommendations to strengthen the sustainability/exit strategy of the PEI beyond 2017 to inform the discussions of the Joint Management Board (JMB) and PEI donors about the future of the programme.

7. At the inception meeting it was clarified that the evaluation was primarily an accountability exercise rather than designed for "operational improvement". PEI managers remarked that the global project document as well as the regional strategies and country-level project documents for a PEI Phase 2 (2014-2017) had already been approved and were under implementation. They further indicated that identifying lessons was not a priority for this evaluation since PEI had already conducted a lessons learning exercise in 2013 during the design of Phase 2. Notwithstanding, this report offers some recommendations for operational improvement that may be useful to strengthen the implementation of the current Phase or any future joint poverty-environment mainstreaming activities (see Evaluation Inception Report in Appendix B).

8. The evaluation encompassed the activities and geographical scope of the PEI programme as a whole, at country, regional and global levels and covered the entire Scale-up period (2008 – 2013). It also involved a review of key Phase 2 documents (e.g., the Phase 2 Project Document and Regional Strategies) and relevant external developments during the 2014-15 period (e.g., the Post

⁶ An additional country in Asia was supported by UNDP in parallel with the PEI Pilot Phase.

2015 process) to help address the forward looking component of the assignment which involved identifying possible future scenarios and making recommendations for the programme beyond 2017.

9. The evaluation was carried out between August 2014 and December 2015 by a team of three international consultants selected through a competitive bidding process managed by the EMG.

1.2 Methodology of the evaluation

10. The methodology involved the use of commonly applied evaluation tools such as document review⁷, interviews, information triangulation, analysis and synthesis. In addition the evaluation used “benchmarking”⁸ as a way to assess the performance of the collaboration between UNDP and UNEP in the delivery of PEI. This is discussed in more detail below. As per the TOR for this assignment, the evaluation applied OECD DAC evaluation criteria and definitions when assessing the overall performance of the PEI. The evaluation followed United Nations Evaluation Group (UNEG) Norms and Standards and applied the Review of Outcomes towards Impact (ROtI)⁹ approach to assess the likelihood that results achieved by the PEI will contribute to long-term impact on environmental benefits and sustainable development.

11. The evaluation team reconstructed the Theory of Change (TOC) underlying the project design¹⁰ on the basis of documentation received from the PEI team, in particular the Project Document (ProDoc) and its Results and Resources Framework (RRF), and the PEI Handbook¹¹. The reconstructed TOC was shared with the project team during the evaluation inception phase to validate the evaluators’ understanding of the intervention logic (see figures 2 and 3 for the TOC in section 2.2). Reconstructed TOC were also prepared for select country case studies and discussed with key national stakeholders. The purpose of reconstructing the country programme TOC was to assess the extent to which the design of country-level activities followed the overall PEI intervention logic and to help understand the differences.

12. The evaluation sought the involvement of internal and external stakeholders at national, regional and global levels to ensure transparency and broad participation. Interviewees included, among others, agency officials and PEI staff, donors, practitioners of other organizations, participating national and local government representatives, legislators, civil society, and journalists. Open-ended-questions were asked to individuals or in small groups to enable interviewees express their views freely and raise the issues they considered most important. A questionnaire¹² was designed to guide the semi-structured interviews and used to ensure that questions would be investigated consistently across the case studies. Information obtained through the interview process was triangulated against available documented sources, and then synthesized using analytical judgement.

13. Four country programmes representative of PEI’s work in three regions (Burkina Faso, Malawi, Kyrgyzstan and Lao PDR) and the regional programme for Latin America and the Caribbean were selected as case studies. The regional study examined the entire PEI portfolio in

⁷ At the onset of the study, the evaluation team was able to access, via a shared Dropbox, documentation relevant to the programme’s history, decision-making processes, technical advice, analyses, and outputs. The national teams later provided additional information on their individual programmes.

⁸ To benchmark is to compare performance against a standard.

⁹ Towards Enhancing the Impacts of Environmental Projects: The ROtI Handbook, 2009, GEF Evaluation Office and the Conservation Development Centre.

¹⁰ The ProDoc for the Scale-up Phase did not include an explicit Theory of Change but the key elements and assumptions can be inferred from the approach described in the PEI Handbook.

¹¹ Mainstreaming Poverty-Environmental Linkages into Development Planning: A Handbook for Practitioners - UNDP-UNEP PEI, 2009

¹² The questionnaire can be found in the evaluation Inception Report.

LAC. The selection of country case studies was based on agreed criteria and consultations with the regional teams. The UNEP Evaluation Office on behalf of the EMG made the final decision (see Inception Report for additional details on the selection process). It was decided that the effectiveness of using a “targeted technical assistance”¹³ versus a “country programme” approach would be assessed through interviews with PEI Regional Teams in view of funding limitations. The usefulness of a survey as a means of collecting additional evidence was assessed but found of little additional value to direct interviews and review of documentation.

14. Five-day country visits took place between August and November 2014. Face-to-face interviews with UNDP and UNEP managers, the PEF and the regional teams took place at the agencies’ Headquarters (HQ) in New York and Nairobi¹⁴ as well as at the Regional Offices/Centres¹⁵ in Panama and Bangkok. Staff and stakeholders in locations not visited were interviewed via Skype. The list of people interviewed and their affiliation is found in Annex A and in the Case Study Reports, three of which are included in Appendix C.

15. It should be noted that the scope of the Lao PDR case study was expanded at the request of the UNDP Country Office to become a Mid-term Evaluation of the country programme covering the period 2009 – 2014.

16. Previous PEI global and country programme evaluations and a business review provided the baseline to assess programme direction and progress. Global reviews include: An evaluation of the PEI Pilot Phase done in 2009, an independent Mid-term Evaluation of the Scale-up Phase in 2011, and a business review in 2012. The management response to the Scale-up Phase Mid-term evaluation was also taken into consideration. Documents reviewed and sources of information are presented in Annex B.

17. The participatory evaluation process also involved: a) brief restitution meetings at the end of country missions to share preliminary findings with high ranking government officials of national counterpart organizations and the UNDP CO; b) consideration of comments received from PEI staff and in-country parties before finalizing the three case study reports completed; c) preparation of a paper and discussion with PEI managers of possible scenarios post 2017 and recommendations concerning PEI’s Sustainability Strategy (February 2015); d) presentation and discussion of evaluation findings with PEI staff at a global PEI retreat (April 2015); and d) presentation of findings to the Joint Management Board (December 2015) in preparation for the submission of the final report to PEI’s donors.

18. Why benchmarking? To benchmark is to compare performance against a standard¹⁶. This method is particularly useful to place the quality of a process or an outcome in context. Among other questions it helps establish whether a particular achievement is good, bad, or indifferent; it helps assess the reasonableness of expected performance standards or targets; and, thirdly, benchmarking may help identify what factors drive performance by comparing not so good performance cases with very good performance. While this is not an evaluation of the host UN agencies or of their collaborative work it is not possible to assess their joint performance in delivering PEI without understanding the broader institutional context in which the PEI partnership is taking place.

19. The evaluation team first reviewed a compilation and analysis of the agencies’ joint initiatives commissioned by UNDP and UNEP in 2010. It also used third party analysis about UN

¹³ During the Scale-up Phase PEI’s support was provided to 26 countries of which 20 had country programmes and 6 received targeted technical assistance, for example Armenia (ecosystem valuation) and the Philippines (mining sector). Such technical assistance addresses specific issues and is provided by the PEI Regional Teams and other UNEP and UNDP staff.

¹⁴ The UNEP Regional Office for Africa where the PEI Africa Team is based is also located in Nairobi, Kenya

¹⁵ UNEP Regional Offices and UNDP Regional Centres

¹⁶ Benchmarking: A tool to improve the effectiveness of monitoring and evaluation in the policy cycle. Azevedo, João Pedro; Newman, John L. and Pungiluppi, Juliana. World Bank, March 2010.

agencies collaboration to form an opinion about partnership performance. Among other relevant documents¹⁷, the evaluation team considered the Independent Evaluation of Delivering as One (2012), which was conducted to identify lessons learnt regarding joint programme practices employed by various UN agencies at global level; the evaluation of the UNREDD programme implemented by FAO, UNDP and UNEP (2014) covering the same period than the PEI Scale-up Phase; the terminal evaluation of the UNEP-UNDP CC-DARE project (2013); and two global evaluations that reviewed UNDP's role and contribution in environment and energy (2008) and its contribution to environmental management for poverty reduction (2010). Two evaluations of Global Environment Facility projects implemented by two or more UN agencies were randomly selected for review¹⁸ but were not found particularly relevant to the benchmarking exercise. None-the-less they informed this evaluation on other operational and project management aspects.

20. In assessing PEI's possible contribution to poverty reduction and environmental sustainability (the programme's expected long-term impact) the evaluation team tried to establish what would have been the situation in each of the programme countries in the absence of PEI's intervention, i.e., the counterfactual. This was done primarily through the interviews with national stakeholders.

21. Limitations of the evaluation are mainly related to a relatively low budget that resulted in short country visits, which did not allow for more in-depth discussions with national and provincial stakeholders. Also, opportune access to certain documentation on the global programme was hampered by the departure in December 2014 of the PEF Regional Coordinator who had been appointed focal point for the evaluation. Time limitations did not allow for an exhaustive review of the massive number of products produced by country programmes. The significant delay in the start of the evaluation affected the individual team members' availability and therefore the timely delivery of the evaluation outputs. The reports for the two African case studies were not completed before the finalization of this report.

2. Programme and Context

2.1 Programme context

22. This section summarizes internal and external events and processes that helped shape PEI's design and implementation, particularly the PEI Scale-up Phase. It also discusses environmental, economic and other global trends that should be considered in identifying possible scenarios for PEI beyond 2017. The list, by no means exhaustive, represents a selection of important influences.

The UN reform and Delivering-as-One.

23. Various UN Policy Review resolutions (2001, 2004 and 2005) and the 2005 World Summit Outcome Document called for a strengthening of the UN development system. The main issue for Member States was that the UN system was making sub-optimal contributions to helping countries meet their national development objectives, including commitments associated with the Millennium Development Goals (MDGs) and other internationally agreed development goals. In response, the Secretary General appointed a High-Level Panel on UN System-Wide Coherence in

¹⁷ For a complete list of documents see Annex B

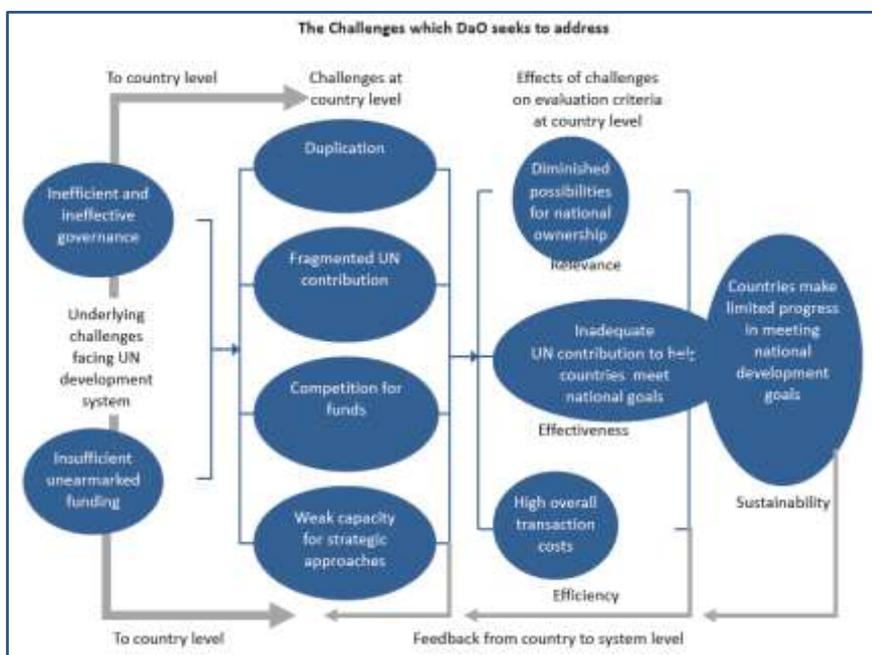
¹⁸ Final Evaluation of the GEF/UNDP/UNEP/UNIDO/WB MEDIUM-SIZED PROJECT: Preparing for HCFC Phase-out in CEITs: Needs, Benefits and Potential Synergies with other MEAs (Azerbaijan, Belarus, Bulgaria, Kazakhstan, Russian Federation, Tajikistan, Ukraine and Uzbekistan), Richard Abrokwa-Ampadu, June 2013. Terminal Evaluation of the UNDP-UNEP GEF Project: Combating Living Resources Depletion and Coastal Area Degradation in the Guinea Current LME through Ecosystem-based Regional Actions (GCLME) (GFL-2328-2731-4809; 1188). 2012.

the Areas of Development, Humanitarian Assistance and the Environment, which finalized its report in November 2006. One of the key recommendations of the panel was that the UN system should “deliver as one” at country level.¹⁹ The Chair of the United Nations Development Group (UNDG) with the executive heads of the UNDG was to lead this effort.

24. Two core underlying issues had been highlighted by the Panel: the first concerned the inefficient and ineffective governance systems of the UN and the second the predominance of “earmarked” funding restricted to specific projects and programmes which did not always meet country priorities. According to the 2012 “*Delivering as One Evaluation*”, at the country level, these issues translated into four challenges:

- a. Various types of **duplication and overlap**, with different organizations in a given country performing similar roles, providing the same services, and addressing the same issues, often without consultation with each other, and with varying concepts or approaches. This was compounded by substantial inconsistency in procedures, compelling national institutions to adapt to different operational modalities. The perception of inefficiency, little value for money and high transaction costs, discouraged resource flows from other development partners. National stakeholders often felt that the transaction costs were disproportionate to the relatively modest contribution of the UN system in terms of official development assistance (ODA) in most countries.
- b. The second is referred to as “**fragmentation**”. UN Programmes, Funds and Specialized Agencies function within organization-specific accountability frameworks in response to evolving mandates from their respective governing bodies. The UN entities evolved through a historic process of creating separate but overlapping mandates, or “fragments”, which had yet to be brought together in a coherent manner. Inter-agency mechanisms at headquarters level have not always been effective in achieving coordination or coherence, owing to, among others, differences in business models and levels of delegated authority. This created fragmentation of single issues into several parts that would be treated in an isolated manner. Furthermore, the UN system in any country appeared to have as many leaders as there were organizations present, and non-resident agencies were not sufficiently integrated. Even though the UNDAF was designed to promote coherence, it had not proved fully effective.

Figure 1: The challenges that DaO seeks to address



c. Related to the first two challenges is **competition for funds**. The combination of decentralization of funding responsibilities of some bilateral donors and stagnating UN core resources placed pressure on organizations to mobilize much of the resources for country programmes locally. Organizations often compete with each other to gain funding for their programmes. This process led to what outside stakeholders saw as “mandate creep”, as some organizations actively sought funding for programmes that appeared somewhat loosely connected to their core mandate.

d. **Loss of capacity to develop and implement strategic approaches** as a consequence

¹⁹ In 2006 eight countries volunteered to pilot the Delivering as One approach: Albania, Cape Verde, Mozambique, Pakistan, Rwanda, the United Republic of Tanzania, Uruguay and Viet Nam. The purpose of the pilots was to allow the UN system, in cooperation with host governments, to develop approaches that would enhance its coherence, efficiency and effectiveness at country level; reduce transaction costs for national partners; and provide an opportunity to test different approaches to see what works best in various country situations.

of the three above.

25. Figure 1²⁰ shows the main challenges, as identified by the High-Level Panel, and their consequences for UN country-level operations.

26. The design of PEI was a deliberate attempt to overcome as much as possible these challenges and to demonstrate that it is possible for two or more UN organizations to combine their resources and comparative advantages to support member states address the linkages between poverty and environment – a complex and multi-faceted issue – in a country-driven, coherent, effective and efficient manner. Several PEI country programmes operate in One UN pilot countries (e.g., Rwanda, Tanzania and Uruguay) supporting and taking advantage of the inter-agency efforts to meet the Delivering-as-One objectives. PEI used the tools developed by UNDG in 2003²¹ to facilitate inter-agency collaboration (e.g., pooled funding) to structure the implementation of the joint programme.

The UNDP UNEP MOU.

27. In the spirit of “One UN”, UNDP and UNEP signed a revised Memorandum of Understanding (MOU) in December 2008. The main purpose was to facilitate, on a non-exclusive basis, cooperation and collaboration between the two organizations. The stated aim of the MOU was to ensure Governments’ access to United Nations expertise in areas of common interest based on national priorities and development plans, and resulting in UNDAF outcomes²². The MOU identified PEI as one of three areas of cooperation. The other two were Climate change and other environmental endeavours²³ to assist countries achieving the MDGs. The role of PEI in the implementation of the MOU is further discussed in section 5.4 of this report.

Aid Effectiveness

28. In order to help achieve the MDGs, in 2002 the international community pledged to significantly increase funding²⁴ for development assistance but with the understanding that a new paradigm of the relationship between donors and recipients had to evolve based on the principles of partnership. In 2005 the international community gathered in Paris to discuss aid

Box 1 - Five mutually reinforcing principles of the Paris Declaration on Aid Effectiveness

Ownership: Developing countries must lead their own development policies and strategies, and manage their own development work on the ground. This is essential if aid is to contribute to truly sustainable development. Donors must support developing countries in building up their capacity to exercise this kind of leadership by strengthening local expertise, institutions and management systems.

Alignment: Donors must line up their aid firmly behind the priorities outlined in developing countries’ national development strategies. Wherever possible, they must use local institutions and procedures (public financial management, accounting, auditing, procurement and monitoring) for managing aid in order to build sustainable structures. Where these systems are not strong enough to manage aid effectively, donors promised to help strengthen them. They promised to improve the predictability of aid, and to continue to “untie” aid from any obligation that it be spent on donor-country goods and services.

Harmonization: Donors committed to coordinate their development work better amongst themselves to avoid duplication and high transaction costs for poor countries, for example by reducing the large numbers of duplicate field missions. They agreed on a target of providing two-thirds of all their aid via so-called “programme-based approaches” by 2010. This means aid is pooled in support of a particular strategy led by a recipient country, rather than fragmented into multiple individual projects.

Managing for results: All parties in the aid relationship must place more focus on the result of aid, the tangible difference it makes in poor people’s lives. They must develop better tools and systems to measure this impact.

Mutual accountability: Donors and developing countries must account more transparently to each other for their use of aid funds, and to their citizens and parliaments for the impact of their aid.

²⁰ Source: Independent Evaluation of Delivering as One. UN 2012

²¹ Standard Operating Procedures for Countries Adopting the Delivering as One Approach- UNDP 2003

²² UNEP 2013 - Update on the status of implementation of the Memorandum of Understanding between the United Nations Environment Programme and the United Nations Development Programme

²³ The MOU lists the implementation of Agenda 21, the Plan of Implementation of the World Summit on Sustainable Development, the Bali Strategic Plan for Technology Support and Capacity-building, multilateral environmental agreements, and other international agreements.

²⁴ See Monterrey Consensus that emerged from the 2002 International Conference on Financing for Development

effectiveness. The resulting Declaration²⁵ endorsed by 100 parties including donor and developing country governments, multi-lateral development banks and UN agencies established 56 partnership commitments, identified 12 indicators to track progress, and set targets for 11 indicators to be met by 2010. Overall the Declaration was a commitment to help developing-country governments formulate and implement their own national development plans, according to their own national priorities, using, wherever possible, their own planning and implementation systems. Box 1 shows the agreed principles on aid effectiveness. At the end of the PEI Pilot Phase it was clear to donors that PEI was an exciting joint programme of great potential as it had been designed and implemented firmly within the Aid Effectiveness principles. As such donors were ready to pledge funds for a scale-up phase in 2007. Donors had the expectation that the experience and lessons from PEI could inform other UNDP and UNEP activities. At the time, UN organizations and donors were also exploring ways in which donor discretionary funding could be allocated without earmarking to the agencies but with the assurance that funds would be used to meet both the priorities of beneficiary countries and donors' development cooperation policies and priorities.

29. In a climate of reduced confidence in the capacity of the UN system to effectively address key development issues donors placed high expectations on PEI, not only with respect to the substantive issues to be addressed but also concerning the agencies' cooperation and the delivery mechanism.

What has changed since the start of the PEI scale-up phase?

30. The following is a selection of relevant global issues and trends that may help understand, on the one hand, PEI's relevance at the time of inception and at the end of the Scale-up Phase (possibly also in the future), and on the other, implementation challenges. As mentioned in the introduction, PEI emerged in response to a growing appreciation of how the environment contributes to poverty reduction and pro-poor growth. What have been global changes in poverty reduction and environmental sustainability?

Box 2 - MDGs select figures

- Rate of people living in extreme poverty dropped from 50% in 1990 to 14 % in 2015 and the number of people living in extreme poverty declined from 1.9 billion to 836 million.
- Proportion of undernourished people in the developing regions fell from 23.3% in 1990–1992 to 12.9 % in 2014–2016.
- Primary school net enrolment rate has reached 91 per cent in 2015, up from 83 per cent in 2000.
- Literacy rate improved from 83% to 91% between 1990 and 2015 among youth aged 15 to 24 and the gap between women and men narrowed.
- Average proportion of women in parliament nearly doubled during the last 20 years, but only one in five members is a woman.
- Globally under-five mortality rate dropped from 90 to 43 deaths per 1,000 live births between 1990 and 2015. Despite population growth in the developing regions, the number of deaths of children under five declined from 12.7 million in 1990 to almost 6 million in 2015.
- In Southern Asia, the maternal mortality ratio declined by 64 % between 1990 and 2013, and in sub-Saharan Africa it fell by almost half.
- Over 6.2 million malaria deaths have been averted between 2000 and 2015, primarily of children under five years of age in sub-Saharan Africa.
- About 2.6 billion people have gained access to improved drinking water since 1990.
- The proportion of urban population living in slums fell from 39.4 % in 2000 to 29.7 % in 2014.
- In 2014, almost four-fifths of imports from developing to developed countries were admitted duty free, up from 65 % in 2000.

Source: Millennium Development Goals Report – UN, July 2015

31. According to the UN 2015 MDGs Report²⁶, in 1990 nearly half of the population in developing regions lived on less than \$1.25 a day. This rate dropped to 14 per cent in 2015 which means that the number of people living in extreme poverty has declined by more than half, from 1.9 billion in 1990 to 836 million in 2015. While the drop in the poverty rate is significant, the absolute number of poor is still very high and inequality is rising. Progress has been uneven across regions and countries and significant gaps persist. According to the same report, each day, about 16,000 children die before celebrating their fifth birthday. Women continue to experience significant gaps in terms of poverty, labour market and wages, as well as participation in private and public decision-making. There are significant economic gaps between the poorest and richest households, and between rural and urban areas. Remarkably, the majority of the world's remaining poor live not in low-income countries, but in countries with middle levels of per capita income²⁷.

32. Progress was also made with respect to the targets of MDG 7 on environmental sustainability, for example on access to clean water. However, there is an unabated trend of environmental degradation compounded by climate change. As recognized by the UN report poor people's livelihoods are more directly tied to natural resources, and as they often live in the most vulnerable areas, they suffer the most. Box 3 shows some environmental changes occurred during the last 10 to 15 years. This negative trend certainly affect the prospect of sustaining MDG results, especially in countries whose economies depend on the performance of the primary sector (agriculture, forestry, fishing and mining).

33. Increased urbanization is a significant global trend. The year 2007 marked a shift towards a dominantly urban world with 50 per cent of the global population living in cities. According to UN Habitat²⁸, today, of every 10 urban residents in the world more than seven are found in developing countries, which also host 82 per cent of the world's population. Of the 187,066 new city dwellers added to the world's urban population every day between 2012 and 2015, 91.5 per cent were born in a developing country. However, the urban poor in LDCs and other developing countries depend significantly on the ecosystems, natural resources and productivity of rural areas. It should be noted that while urbanization rates are high, the majority of the world's poor live in rural areas.

Box 3 - Some global environmental changes and trends

- Total global GHG emissions *

Year	2005	2010	2011	2012
GtCO ₂ -eq	47.2	50.9	53.2	53.9

* Emissions Database for Global Atmospheric Research

- Based on satellite-based measurements, the annual rate of gross tree cover loss appears to have remained steady from 2005 to 2011, and has increased 9% in 2011-2014 compared to the 2001-2010 baseline
**Hansen et al. data 2013a, updated by Global Forest Watch
- According to WWF Australia 24% of fish species are overexploited, depleted, or recovering from depletion; 52% of the world's fisheries are fully exploited and have no ability to produce greater harvests; several important commercial fish populations have declined to the point that their survival is threatened.
- The WWF Living Planet Index (LPI) of 2014 showed a global decline of about of 52 % between 1970 and 2010. This is based on trends in 10,380 populations of 3,038 mammal, bird, reptile, amphibian and fish species. The LPI for freshwater species shows an average decline of 76 % in the size of the monitored populations during the same period, more than either the global marine or terrestrial LPIs.
- According to the above report humanity's demand for renewable ecological resources and the goods and services they provide is now equivalent to more than 1.5 Earths. We demand more renewable resources and CO₂ sequestration than the planet can provide in an entire year.

Other factors: Other contextual factors influencing PEI have been recent changes in the global economy and financial flows, including ODA, foreign direct investment (FDI) and remittances towards developing countries. The following are worth noting:

²⁶ The Millennium Development Goals Report – UN July 2015

²⁷ <http://blogs.worldbank.org/growth/south-asia-and-geography-poverty>

²⁸ Sustainable Urbanization, Thematic Think Piece by UN Habitat. UN System Task Team on the Post-2015 UN Development Agenda.

34. PEI's Scale-up Phase was implemented during the 2009-12 global economic recession that followed the world financial crisis. The recession slowed down the middle and low-income countries' GDP upward trajectory, which had been steady and significant between 2000 and 2007²⁹. The impact on individual countries was largely dependent on their integration to the global economy, among others, the importance of exports (oil and other commodities) to developed countries and of capital inflows to their economies. For some countries there were significant negative effects, such as reduced demand for their exports with consequences for employment and incomes, and the increase in food prices resulting from a combination of low food stocks, high commodity prices and a drop of agriculture production in sub-Saharan Africa. The growth of remittances from migrant workers was also reduced. The significant reduction of FDI towards developed countries translated into increased flows towards middle-income (MIC) and low-income countries (LIC), including FDI from BRICS³⁰, which helped support national economies but had mixed results in terms of poverty reduction and also negative environmental outcomes when FDI was in land and extractive industries.

35. ODA flows were also affected by the economic recession. According to the OECD³¹ major donors' aid to developing countries fell by nearly 3% in 2011, breaking a long trend of annual increases³². The group of Least Developed Countries (LDCs) saw a fall in net bilateral ODA flows of -8.9% in real terms and bilateral aid to sub-Saharan Africa fell by -0.9% in real terms compared to 2010. There was also a steady decline of ODA towards MICs, which affected PEI opportunities to leverage in-country donor funding. Continuing tight budgets in OECD countries put pressure on aid levels in subsequent years. Seven donor countries continued to exceed the United Nations' ODA target of 0.7% of GNI but in contrast ODA fell considerably in sixteen DAC countries, two of which were donors to PEI. The partial fulfilment of a donor pledge was a contributing factor for the less than ideal performance of PEI in the LAC region.

36. Another interesting trend is that ODA has increasingly shifted towards trade-related assistance or "Aid for Trade" as part of a long-term strategy for global poverty reduction complementing debt relief and more traditional development cooperation. The rationale for this cooperation modality is that many developing countries face internal constraints to use the opportunities brought about by international trade. Barriers include a lack of productive capacity, poor infrastructure, inefficient customs procedures, excessive red tape and difficulties to meet technical standards in high value export markets. Aid for Trade is facilitating policy reforms, improving the business environment, trade diversification, supporting regional integration and providing opportunities for developing countries to integrate into global value chains.

37. What institutions are interested in P-E mainstreaming? International institutions such as the Stockholm Environment Institute (SEI), the International Institute for Environment and Development (IIED), the World Resources Institute (WRI), the OECD, the multilateral banks and several bilateral donor agencies such as the UK Department for International Development (DFID), to name a few, have done conceptual and practical work on P-E mainstreaming. Interested organizations and programmes are members of the Poverty Environment Partnership (PEP) which was established in 2002 as an informal network of institutions involved in mainstreaming environment in development aid, in support of national and sector development planning in

²⁹ Marone, Helois - Economic Growth in the Transition from the 20th to the 21st Century - A UNDP/ODS Working Paper, UNDP 2009

³⁰ According to the Wall Street Journal, FDI to Africa reached a record height in 2014 of 80 billion. The so-called BRICS countries—Brazil, Russia, India, China and South Africa—collectively held investments valued at \$67.7 billion, of which \$27.7 billion were Chinese.

³¹ <http://www.oecd.org/newsroom/developmentaidtodevelopingcountriesfallsbecauseofglobalrecession.htm>

³² According to the OECD until 2011, aid had been steadily increasing for more than a decade. Net ODA rose by 63% between 2000 and 2010, the year it reached its peak.

developing countries³³. The PEI has participated in the PEP for many years and contributed its experience to the debate.

38. It should be noted that since UNDP and UNEP first started working on P-E mainstreaming, new concepts and terminology addressing the link between environment, social development and economic growth such as “green economy”, “green growth³⁴ and low carbon development” have emerged, some of these spearheaded by UNEP. There are no agreed definitions for these concepts³⁵ nor is there a general political consensus about them; however, several initiatives are now underway to better understand the concepts’ potential and to promote their adoption and implementation, including the creation of dedicated institutions such as the Global Green Growth Institute (GGGI) based in the Republic of Korea. UNEP and UNDP are implementing related programmes such as UNEP’s Green Economy Initiative (GEI) launched in 2008 and the Partnership for Action on Green Economy (PAGE) involving other UN agencies such as ILO and UNITAR. UNDP, UNEP and the UN Department of Economic and Social Affairs initiated in 2012 the ‘Supporting a Green Economy Transition in Developing Countries and LDCs: Building towards Rio+20 and Beyond’ programme. Other partnerships such as the Green Economy Coalition and the Green Growth Knowledge Platform (GGKP) emerged after the Rio+20 Summit³⁶. PEI’s interaction with and contribution to the above initiatives is further discussed in other sections of this evaluation report.

The 2030 Agenda for Sustainable Development

39. The Third International Conference on Financing for Development took place in Addis Ababa in July 2015 to discuss the means of implementation of the Post 2015 agenda in preparation for the UN Summit on Sustainable Development. The Addis Ababa Action Agenda includes a ‘global framework’ and lays out 7 Action Areas, which constitute the road map for financing development. Among the many issues covered in the Action Agenda, we highlight the affirmation that *‘Cohesive nationally owned sustainable development strategies, supported by integrated national financing frameworks, will be at the heart of our efforts. We reiterate that each country has primary responsibility for its own economic and social development and that the role of national policies and development strategies cannot be over-emphasized.’* PEI’s activities in the many countries are fully aligned with these principles.

Box 4: Addis Ababa Action Agenda of the Third International Conference on Financing for Development. July 2015 (Outcome Document)

“We, the Heads of State and Government and High Representatives, gathered in Addis Ababa from 13 to 16 July 2015, affirm our strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity. We reaffirm and build on the 2002 Monterrey Consensus and the 2008 Doha Declaration. Our goal is to end poverty and hunger, and to achieve sustainable development in its three dimensions through promoting inclusive economic growth, protecting the environment, and promoting social inclusion. We commit to respecting all human rights, including the right to development. We will ensure gender equality and women and girls’ empowerment. We will promote peaceful and inclusive societies and advance fully towards an equitable global economic system in which no country or person is left behind, enabling decent work and productive livelihoods for all, while preserving the planet for our children and future generations.”

³³ For more information and a full list of partners see <http://www.povertyenvironment.net/pep/>

³⁴ Other terminology used lately: “inclusive green growth” or “inclusive, climate resilient green economy”.

³⁵ For example, Sheng Fulai of UNEP defines ‘Inclusive Green Economy’ as *a tool for delivering sustainable development and a response to three sets of challenges facing humanity: overstepped planetary boundaries, persistent poverty, and inequitable sharing of the growing prosperity.* We place a particular emphasis on those [policies] that can mobilize finance for building the new generation of assets or re-shaping the patterns of consumption, investment, public spending, and trade, or both.

<http://www.unep.org/greeneconomy/GreenEconomyBlog/AnemergingtheoryofanInclusiveGreenEconomy/tabid/1060974/Default.aspx>

³⁶ The OECD, UNEP and the World Bank established the GGKP in 2012 to identify and address knowledge gaps in green growth theory and practice. It offers practitioners and policy-makers the policy guidance, good practices, tools, and data necessary to support the transition to a green economy.

40. In September 2015 UN Members States concluded 2 years of intensive consultations regarding the future of sustainable development and adopted an Outcome Document that sets the agenda for the next 15 years. The 17 Sustainable Development Goals (SDGs) and 169 targets build on the MDGs and seek to complete what these did not achieve. These ambitious and more integrated goals and targets are a sign of the growing global recognition that poverty environmental linkages are essential to sustainable development. PEI's P-E mainstreaming work during the Scale-up Phase endeavoured to contribute to the realization of the MDGs. Any possible scenarios to carry P-E mainstreaming work into the future have to be framed in the context of SDGs implementation.

2.2 Programme description

41. The Scale-up Phase was designed to enable UNDP and UNEP to extend their joint support for poverty-environment mainstreaming to countries in new regions (Asia and the Pacific, the Commonwealth of Independent States, and Latin America and the Caribbean) and to deepen the work already initiated during the Pilot Phase in Africa³⁷. PEI's support was expected to reach 27 countries during the new phase.

42. The Project Document for the PEI Scale-up Phase was signed by the agencies in November 2007 but implementation started in January 2008. The initial budget of USD 3.3 million contributed by Denmark (USD 2 million) and Sweden (USD 1.3 million) was later increased with additional donor contributions, agency allocations and participating country funds. By the end of 2013 PEI had made expenditures for a total of USD 74,004,910³⁸. The Scale-up Phase saw the consolidation of a joint Poverty-Environment Facility (PEF) responsible for managing the programme globally. It should be noted that for PEI, "joint implementation" of a country programme means: "fully integrated work plans, pooled resources and shared staffing".³⁹

43. The planned duration of the Scale-up Phase was five years but it was later extended until the end of 2013.

44. The ProDoc formulated its intended outcome⁴⁰ as follows (see Results Framework in Annex C):

Improved capacity of programme country governments and other stakeholders to integrate environment concerns of poor and vulnerable groups into policy,

Box 5: PEI at a glance

Before 2005: UNDP and UNEP implemented separate poverty-environment initiatives

Pilot Phase: 2005 – 2008: UNDP and UNEP combined their initiatives to support 7 African countries.

Scale-up Phase: December 2007 – December 2013 (original completion date was June 2012) PEI provided support to 26 countries in Africa, Asia, Europe & the CIS, and Latin America and the Caribbean regions of which 20 were full country programmes and six involved targeted technical assistance only.

Geographical distribution of PEI country programmes:

- Africa: 10 countries
- Asia/Pacific: 9 countries
- Europe & CIS: 3 countries
- Latin America & Caribbean: 4 countries

PEI has closed operations in 3 countries:

- Uruguay & Dominican Republic – ProDoc activities completed
- Uganda – Lack of government commitment

Phase Two 2013 – 2017: ProDoc signed in June 2013. Atlas Award operational in January 2014. Implementation on going

³⁷ UNDP assisted Vietnam during the same period but this was not integrated as an activity of the PEI Pilot Phase.

³⁸ Source: PEI Annual Financial Report 2013, page 5. Sum of PEI expenditures for the period 2008 – 2013. Includes pooled funds under the ATLAS award + other funding sources.

³⁹ Project Document: Scaling up the UNDP-UNEP Poverty-Environment Initiative (PEI) for the period July 2007 to June 2012- Scale-up Phase ProDoc, page 6.

⁴⁰ As explained in the methodology section, this evaluation uses OECD DAC definitions. According to the OECD "Glossary of Key Terms in Evaluation and Results Based Management" an Outcome is "the likely or achieved short-term and medium-term effects of an intervention's outputs". Outputs are "the products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes".

planning and implementation processes for poverty reduction, pro-poor growth and achievement of the MDGs.

45. This outcome was to be achieved by delivering three outputs:
- a. *Country-led poverty-environment mainstreaming programmes;*
 - b. *Joint UNDP-UNEP regional support programmes and regional communities of practice on environmental mainstreaming;*
 - c. *Global knowledge products and services on environmental mainstreaming*

46. Although not articulated as an outcome in the Results Framework, the ProDoc indicates in its second paragraph that the Initiative is “*a joint effort led by UNDP and UNEP to build a common operational platform for helping countries meet the challenge of poverty environment mainstreaming.*” Several interviewees consulted during the course of this evaluation (donors, partners, and agencies’ staff, including former PEI staff) placed great importance to this “outcome”. In their opinion the establishment of a common operational platform involved “mainstreaming” PEI’s knowledge and experience into the broader modus operandi of the host agencies and influencing the programmatic contents of the agencies’ work. Among others, PEI was expected to be a vehicle for achieving better integration of poverty reduction and environmental management in UNDP’s activities, as well as for improving the understanding of the linkages between poverty and environment in UNEP. There were also expectations that PEI would help develop a model that could be applied beyond this particular initiative to help UNEP as a non-resident agency improve and expand its country-level support in the framework of the ‘One UN’. This will be discussed in more detail in other sections of the report.

47. The ProDoc describes PEI’s “*common programmatic approach and major areas of activity*” to respond to country needs and demands as follows⁴¹:

- a. *Poverty-environment analysis and capacity assessment*
- b. *Poverty-environment integration in policy, planning and budget processes*
- c. *Poverty-environment indicators and monitoring*

48. These major areas of activity are *generic* outputs and intermediate outcomes at country level, which are adjusted and more specific in country programme project documents in response to country priorities and specific opportunities for P-E mainstreaming. PEI’s programmatic approach is described in detail in the next section of this report.

49. In 2008 PEI was supporting seven African countries (Kenya, Mali, Mauritania, Mozambique, Rwanda, Tanzania and Uganda) in which it had established national programmes. Progressively new countries came on board, reaching 25 country programmes simultaneously active⁴² by 2013. In total 26 countries⁴³ received support during the Scale-up Phase. Of these 14 were Least Developed Countries (LDCs)⁴⁴, 9 in Africa and 5 in Asia. Mozambique, Rwanda, Tanzania and Uruguay are One UN Pilots. Since 2006, several other countries in which PEI is operational have requested the UN development system to adopt the ‘Delivering as One’ approach in their countries: Botswana (2009), Bhutan (2007), Indonesia (2009), Kenya (2010), Kyrgyzstan (2009), Lao PDR (2010), Malawi (2009), Mali (2010), and Uganda (2010).

50. The Uganda country programme was closed in 2011 because of lack of commitment by the environment agency to work with the Ministry of Finance and also due to funding issues. The

⁴¹ ProDoc, page 11.

⁴² Botswana, Burkina Faso, Kenya, Malawi, Mali, Mauritania, Mozambique, Rwanda and Tanzania in Africa; Armenia, Kyrgyzstan and Tajikistan in the CIS; Bangladesh, Bhutan, Indonesia, Lao PDR, Mongolia, Myanmar, Nepal, Philippines and Thailand in Asia; Dominican Republic, Guatemala, Peru and Uruguay in Latin America and the Caribbean.

⁴³ In 2010 PEI also reported having worked on P-E mainstreaming in Timor Leste using UNDP TRAC resources.

⁴⁴ Least Developed Countries supported by PEI’s Scale-up: Burkina Faso, Malawi, Mali, Mauritania, Mozambique, Rwanda, Tanzania and Uganda in Africa (Botswana graduated from LDC status in 2014); and Bangladesh, Bhutan, Lao PDR, Myanmar and Nepal in Asia.

Dominican Republic and Uruguay country programmes closed upon completion of project activities. Mongolia, Myanmar and Peru joined PEI in 2013.

51. It is important to note that P-E mainstreaming is a long-term iterative process. As such, PEI’s engagement with the various countries is expected to last several years planned in phases⁴⁵ (see more detail on this issue in next section). Box 6 above shows the number of years PEI has provided support to individual countries since the Pilot Phase. At the end of the Scale-up Phase the majority of countries (17) had received support during 5 years or less with only 4 countries having received support during more than 8 years.

Box 6 Country Programme Duration

Duration as of end of 2013	No. of Countries
8-9 years	4
6-7 years	5
4-5 years	7
2-3 years	7
<1 year	3

PEI’s Programmatic Approach and reconstructed Theory of Change

52. The purpose of this section is to briefly introduce PEI’s ‘programmatic approach’ and present the evaluators’ understanding of PEI’s intervention logic. The PEI **theory of change**⁴⁶ had not been explicitly articulated in the Scale-up Phase ProDoc because, at the time, this was not a requirement in either of the agencies. Therefore, to understand the intervention logic the evaluators reconstructed the implicit theory of change on the basis of a review of relevant documents⁴⁷ and consultations with key PEI staff. For this purpose, and as indicated in the terms of reference, the evaluators used the methodology described in the paper ‘Towards Enhancing the Impacts of Environmental Projects: The ROtI Handbook’⁴⁸. Thus, definitions used in this section are those provided in the Review of Outcomes towards Impact (ROtI) Handbook. Footnotes provide definitions for all ROtI terminology the first time a term appears in the text.

53. The initiative’s programmatic approach during the Scale-up Phase is described in the PEI Handbook⁴⁹, which codified the Pilot Phase experience and clarified the programme’s approach to poverty environment mainstreaming. The programmatic approach is a flexible model to help guide the choice of tactics, methodologies, tools and activities in a particular country situation. The Handbook was revised in 2015 to incorporate the analysis of new experiences, however for consistency, this evaluation based its analysis on the 2009 version.

54. The PEI Handbook defines **poverty-environment mainstreaming** as:

The iterative process of integrating poverty-environment linkages into policy-making, budgeting and implementation processes at national, sector and subnational levels.

55. PEI is grounded on the following hypotheses:

Primary hypothesis:

Pro-poor, more equitable sustainable development is likely to be achieved if:

- Development policies, strategies and plans adequately consider and integrate the poverty-environment nexus;
- Effective public interventions are implemented in response to the above policies and strategies;

⁴⁵ It should be noted that “phases” of the global PEI, i.e., the Pilot Phase, Scale-up Phase, and Phase 2 do not coincide with the programme phases at the country level, which are determined by the timelines of the national ProDocs.

⁴⁶ Definition of Theory of Change: A theory-based evaluation tool that maps out the logical sequence of means-ends linkages underlying a project and thereby makes explicit both the expected results of the project and the actions or strategies that will lead to the achievement of results.

⁴⁷ In particular the Scale-up Phase ProDoc, the PEI Handbook, regional strategies and progress reports.

⁴⁸ Towards Enhancing the Impacts of Environmental Projects: The ROtI Handbook, 2009, GEF Evaluation Office and the Conservation Development Centre.

⁴⁹ Mainstreaming Poverty-Environment Linkages into Development Planning: A Handbook for Practitioners- UNEP/UNDP, March 2009.

- Public budgets allocate adequate resources for environmental management; and
- Private and public investments are socially and environmentally sound.

Sub-hypotheses:

- Decision-makers' inadequate understanding of the contribution natural resources and the environment make to the livelihoods of the poor and to national economies (including understanding the contribution of the environment to public finances) is the cause of inadequate P-E integration into policies and development plans (e.g., the P-E nexus is outside of their radar screen, cannot link it to pressing economic issues or opportunities such as job creation, improved productivity, etc.);
- Developing countries lack the capacities (or ability to access the required expertise) to carry out economic analysis on the P-E nexus to inform policy development and to integrate P-E linkages in the government's policies and planning, budgeting and implementation processes nationally, sub-nationally and in sectors;
- Policy, planning and budgetary changes are unlikely to happen without the full support of central ministries such as planning and finance, which invariably have more power than environment ministries;
- Better understanding of P-E linkages at the highest level of government and the legislative branch would pave the way for:
 - a. Improved policies, strategies, plans and norms;
 - b. Increased budgetary allocations for environmental sustainability; and
 - c. Improved use of investment opportunities for pro-poor and more equitable sustainable development;
- Governments would be able to monitor and evaluate the effectiveness of policies that integrate P-E considerations if sufficient and good quality data as well as adequate tools and indicators were available to them;
- Gains in pro-poor, equitable sustainable development may be lost in the absence of adequate climate change adaptation action (therefore PEI's incursion into climate change);
- P-E mainstreaming expected results will not materialize in the absence of strong coordination between the executive, the legislative and the judiciary branches, between government institutions (centrally and between the centre and the regions), and between and within sectors;
- P-E mainstreaming is important to achieve the Millennium Development Goals and, more importantly, to sustain current gains.

56. Consequently, and taking into account national circumstances, PEI supports national policy-makers, institutions and other stakeholders:

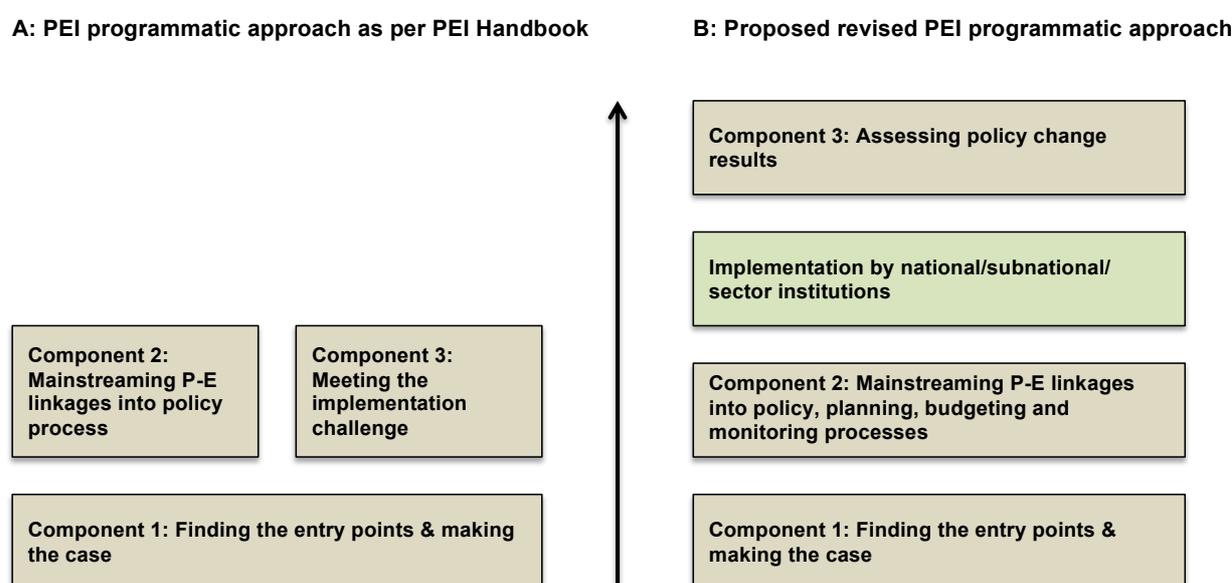
- Gather data to measure the contribution of natural resources and the environment to people's livelihoods and to national economies;
- Access relevant expertise and tools to conduct economic, social and environmental assessments and develop national capacities for such analysis;
- Analyse the extent to which the national budget addresses environmental priorities and climate change;
- Package the results in a format that would facilitate understanding and uptake by decision-makers (e.g., policy briefs);
- Develop and implement communications and advocacy strategies to make the case for improved policies and increased budgets targeting high-level government officials, legislators, and staff in the planning, finance and environment ministries (at national and sub-national level), as well as in key sectors;
- Help disseminate the findings of the above analysis among the general public to create awareness and support for policy change;
- Help direct the contribution of development partners (UN, multilateral financial institutions, donors, etc.) towards P-E priorities and harness private investment for pro-poor sustainable development;

- Develop tools and guidelines, and provide technical assistance and training to facilitate the development of national, sector and sub-national sustainable development plans and budgets that integrate P-E linkages;
- Help establish coordination mechanisms at all levels, as necessary and relevant;
- Revise existing policies (e.g. sectors and fiscal policies) and legislation to mainstream P-E considerations and to create an enabling environment for pro-poor sustainable development;
- Identify indicators to monitor progress in meeting the targets set in the policies⁵⁰;
- Improve the capacities to assess climate change impacts and implement climate change adaptation measures;
- PEI also contributes to global knowledge generation and to establish regional and global communities of practice for P-E mainstreaming. This aspect is further discussed later in this section.

57. In summary, PEI’s **strategy**⁵¹ consists of multiple interventions aimed at 1) increased institutional and individual capacities in key ministries, especially central ministries, and at the sub-national level; and 2) establishing adequate policy frameworks, systems, norms, processes and investments that reinforce each other to create the conditions in which economic growth benefits the poor without depleting the natural resource base or affecting the country’s environment. Importantly, PEI avoids creating parallel teams, processes or systems – as often done by development interventions – ensuring that new skills and procedures become embedded into existing institutions and governance systems. This is essential for sustainability but poses programme implementation challenges.

58. The ‘programmatic approach’ in the PEI Handbook consists of **3 components** (see Figure 2-A below).

Figure 2: PEI’s Programmatic Approach



59. Each component requires inputs from a variety of stakeholders to deliver tailor-made outputs that collectively achieve a number of **intermediate outcomes**⁵². PEI Regional Teams

⁵⁰In the opinion of the evaluation team, it would also be important to use the monitoring system to gather data to evaluate the effects of development policy implementation on the poor and on natural resources and the environment.

⁵¹A strategy consists of the major types of interventions employed by a project in order to deliver the intended impacts.

⁵²The ROTI approach refers to ‘**intermediate states**’ and defines these as the transitional conditions between the project’s outcomes and impacts that must be achieved in order to deliver the intended impacts. Given that PEI’s programmatic approach includes 3 components, the outcomes of each component are considered the ‘intermediate states’. We call them ‘intermediate outcomes’ in diagrams 2 & 3.

directly manage Component 1⁵³, considered an *inception phase*, while Components 2 and 3 are implemented on the basis of a ProDoc signed with national government counterparts. It should be noted that during the PEI Pilot Phase Components 1, 2 and 3 were considered steps in a phased approach. It was since clarified that P-E mainstreaming is a non-linear process.

60. Figure 3 provides more detail on the inputs, outputs and intermediate outcomes of each component (intermediate outcomes are aggregated and the list is not exhaustive). The diagram includes the menu of possible outputs in a given country, however, actual activities and outputs may vary significantly from country to country as they are adjusted both to country needs and opportunities. Figure 3 illustrates the complexity of PEI's task. Reaching the intermediate outcomes of each component may require several years.

61. In the opinion of the evaluators the title for PEI Component 3 '*Meeting the implementation challenge*' is somehow misleading. According to the PEI Handbook, Component 3 is aimed at ensuring integration of poverty-environmental linkages into budgeting, implementation and monitoring processes. In practice PEI does not have a direct role in implementing national policies and there are no activities conceived for that purpose in the Results Framework, except for PEI's support to integrating P-E concerns in government annual work plans⁵⁴ or for establishing sustainable finance mechanisms such as in the case of Rwanda and Burkina Faso. Component 3 generally focuses on P-E mainstreaming in budget processes, (e.g., tools and guidelines for national, sub-national and sector-based budgets), fiscal policy, and on the development of monitoring systems. Policy implementation is the responsibility of government institutions and their partners, although PEI's support to help identify sources of funding is very important.

62. The evaluation team did not find evidence of PEI's involvement in supporting national governments evaluate policy implementation results beyond identifying indicators. A plausible reason is that few countries were at a stage for which this would be required. None-the-less, this seems a major gap that needs to be addressed in PEI's new Phase (2014 – 2017). Understanding the effects of policies and processes is essential to achieve the knowledge management objectives of PEI. Policy implementation evaluation is also essential to obtain evidence to inform the iterative process of national policy formulation and to assess the extent to which the capacity of national governments and stakeholders for poverty-environment mainstreaming has been enhanced. Figure 2-B above shows the evaluation team proposal for changes to PEI's programmatic approach.

63. PEI's **impact drivers**⁵⁵ vary from country to country but are generally dependent on achieving the intermediate outcomes of Component 2 as described in Figure 3.

64. PEI's main **assumption**⁵⁶ is that policy changes and improved capacities⁵⁷ will lead to effective interventions of a sufficient scale for making a significant **impact**⁵⁸. Few countries were at the policy implementation stage at the end of the Scale-up Phase, however, for some countries it was possible to assess the likelihood of programme impact by examining the significance of policy

⁵³ This observation is important because the expected outcomes, outputs and activities of 'Component 1' in individual countries are not well documented in the absence of a project document articulating these in a results framework. Direct implementation means that the regional teams determine and manage the activities during this phase, including the budget allocations.

⁵⁴ In some cases PEI has funded small pilot projects on the ground, which are not expected to have a major impact on policy implementation. The case for these pilot projects is not well established. In general they respond to pressures from government partners to have a demonstration on the ground.

⁵⁵ Impact driver: The significant factors that, if present, are expected to contribute to the ultimate realization of project impacts and that are within the ability of the project to influence.

⁵⁶ Assumption: The significant factors that, if present, are expected to contribute to the ultimate realization of project impacts, but that are beyond the power of the project to influence or address.

⁵⁷ The attributes of 'improved capacities' of country programmes in PEI's long-term outcome statement have not been specified in PEI documents. Some elements are, however, implicit in the PEI Handbook, which describes the institutional and individual knowledge, skills and systems that need to be put in place to achieve the desired impacts.

⁵⁸ Impact: A fundamental and durable change in the condition of people and their environment brought about by the programme.

changes and the means to implement these (e.g., whether enforcement systems are in place and existing budget allocations).

65. Another assumption is political stability. P-E mainstreaming is a long-term endeavour that requires strong leadership at the highest possible level of the executive and the legislative branches. Political economy issues, including those brought about by government turnover and other forms of political instability set back programme gains.

66. It should be noted that PEI has considered the trade-offs of targeting national policy change (generally the approach adopted by PEI’s Africa regional team) *versus* targeting the ‘low-hanging fruit’, for example, effecting policy change for one sector or sub-sector, or at sub-national level (e.g., Uruguay) first as a demonstration. There is, however, no conclusion as to what is the most effective approach, however, it seems that a combination of the two may be the most effective.

Figure 3 - Reconstructed Theory of Change (3 pages, to be read bottom up)

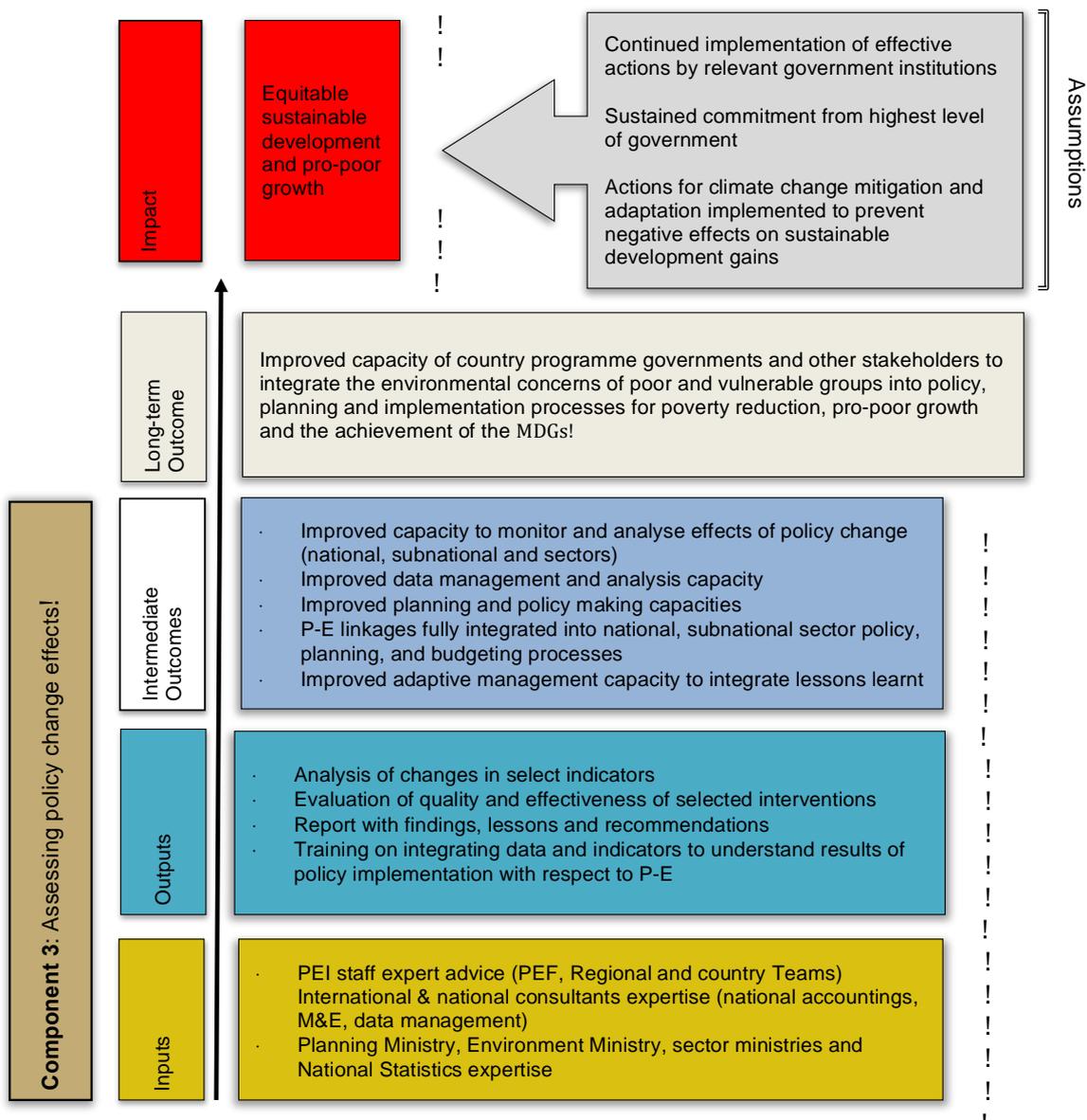


Figure 3(2) - Reconstructed Theory of Change (3 pages, to be read bottom up)

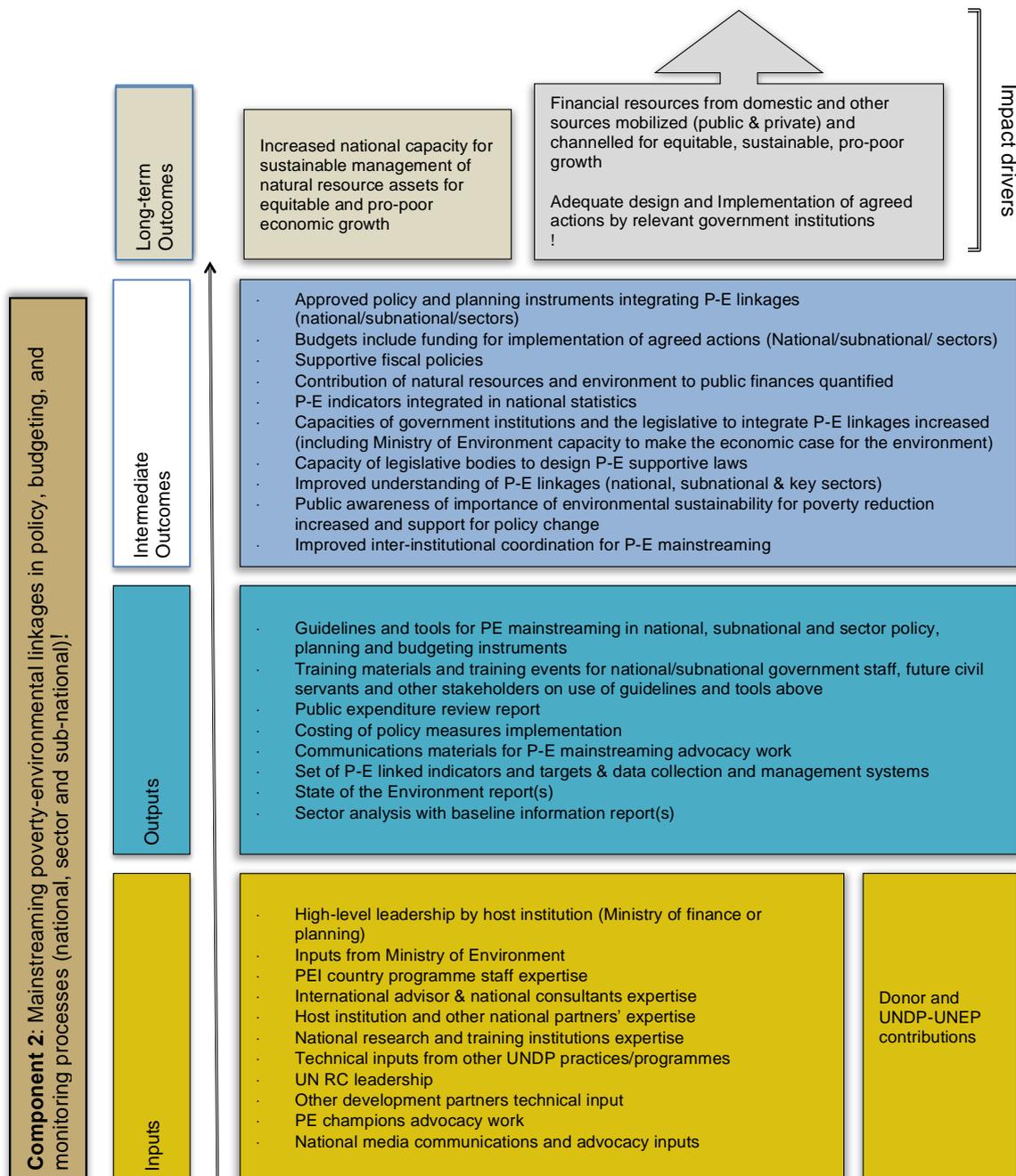
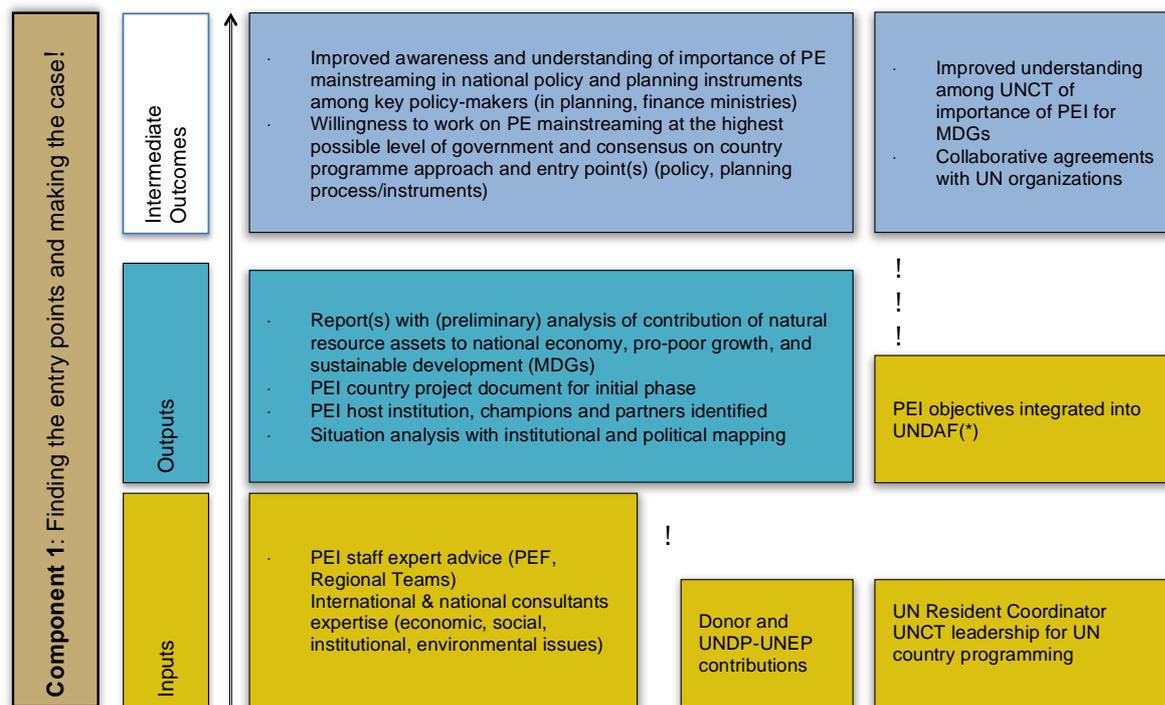


Figure 3(1) - Reconstructed Theory of Change (3 pages, to be read bottom up)



! (*) UNDAF cycles may not be aligned with PEI.

67. Figure 4 (next page) shows the reconstructed TOC for the Lao PDR programme to illustrate the diversity of approaches taken by PEI regional teams⁵⁹ in response to country priorities and opportunities. For example, the Malawi TOC is fairly aligned with PEI’s overall approach as presented in Figure 3. The Lao PDR programme, on the other hand, involves two parallel but complementary lines of work, the first to mainstream P-E linkages into national and sub-national planning in order to influence public expenditure and donor development aid, and the second, to create enabling conditions and systems for attracting and managing ‘quality’⁶⁰ foreign direct investments, therefore, also influencing private funds flows in support of poverty reduction and environmental stewardship.

68. In the opinion of the evaluators PEI’s approach is sound. However, it would be beneficial to better define two concepts often used interchangeably: *mainstreaming the poverty environment nexus* vs *mainstreaming environmental sustainability* (often also referred to as *environmental mainstreaming* or *mainstreaming the environment*)⁶¹. The lack of clarity about the difference between these two concepts is at the root of misinterpretations about what PEI is all about, particularly within UNEP.

69. The evaluators are aware that the analysis of PEI’s more recent experience has been reflected in a revised Handbook⁶².

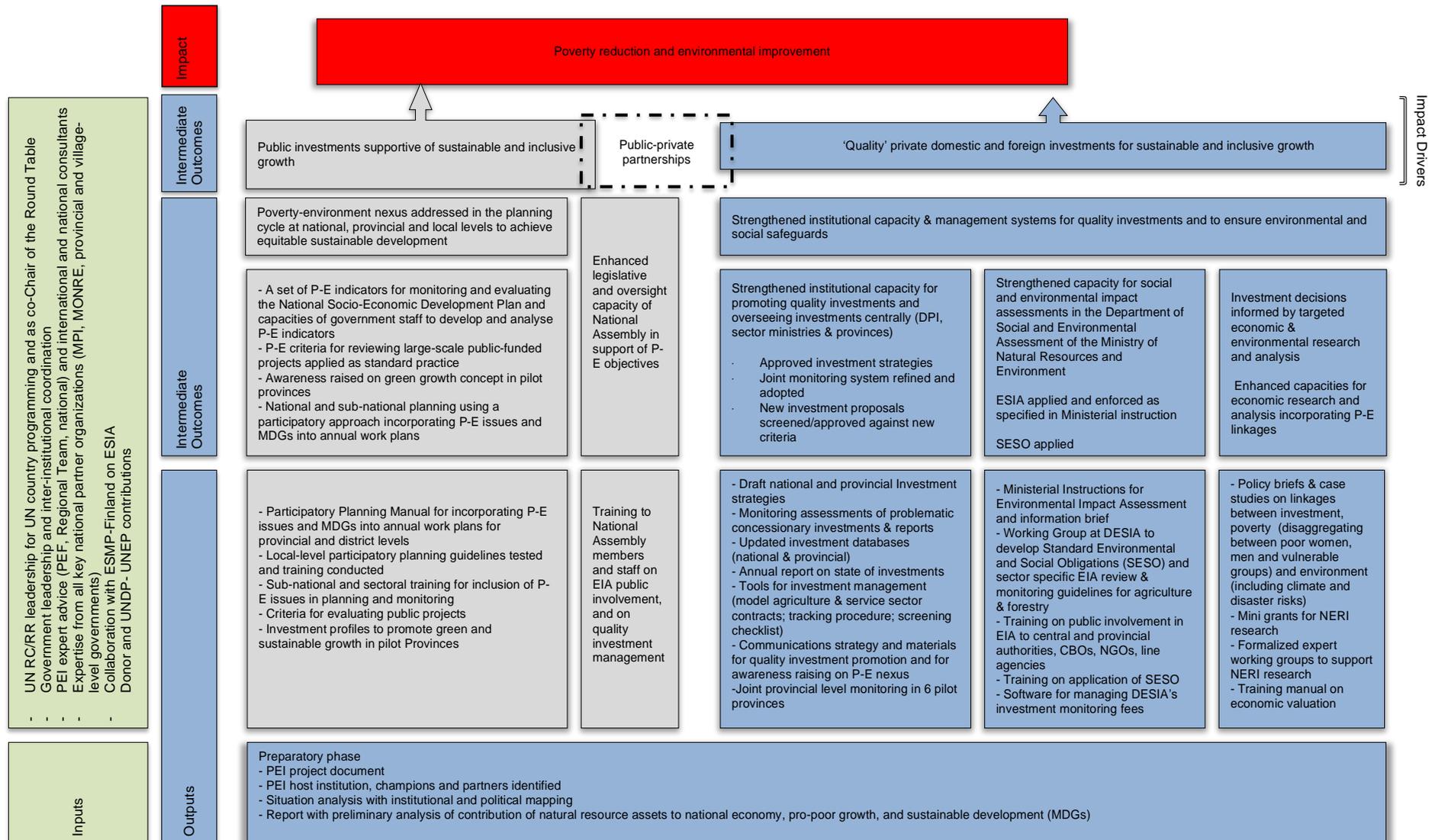
⁵⁹ More information on the PEI Lao PDR programme is found in the Case Study Report in Appendix C

⁶⁰ PEI defined ‘quality investments’ as those investments that reduce poverty, enhance development of human capital, have the least impact on the environment, support a diversified economy and are fully sustainable over the long term. A PEI Brief proposes the following characteristics for quality investments: generate local jobs and skill development; allow for transfer of technologies; create linkages with domestic industries; employ clean technologies and internationally recognized corporate social responsibility codes of practice.

⁶¹ For example, IIED’s website includes the following line: “Environmental Mainstreaming - Integrating environment into development institutions and decisions.”

⁶² Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development: A Handbook for strengthening planning and budgeting processes- UNDP-UNEP PEI, 2015

Figure 4: Lao PDR: Reconstructed Theory of Change



3. Strategic relevance

70. This chapter examines the relevance of PEI from various angles. First, the relevance of P-E mainstreaming within the framework of the global sustainable development agenda, past and present, taking into account the key contextual issues presented in section 2.1. Second, the evaluation findings concerning PEI's relevance to the countries it is supporting. Thirdly, PEI's relevance to the UN agencies' corporate strategies and delivery mechanisms, and to other P-E mainstreaming practitioners.

71. After the Rio Summit in 1992 many governments developed national and sub-national Agenda 21 and Sustainable Development Strategies as well as national issue-based strategies to meet their obligations as parties to the multilateral environmental agreements⁶³. While such strategies usually touch upon social and economic issues associated with environmental concerns, they generally remain within the purview of environment ministries with very limited buy-in in central ministries and sectors. Consequently, there is little policy coherence and limited implementation of such instruments.

72. Policy-makers continue making choices that seriously compromise the future in exchange for short-term economic or political gain. The unfinished work to meet the MDGs, the widening inequality, and the continuing deterioration of the natural resource base in developing countries are unequivocal signs that more work needs to be done to support governments design and implement viable, integrated and effective national sustainable development strategies and policies. Even when there is political will, there are significant knowledge, information, capacity and coordination barriers. Policy-makers do not have access to timely relevant analysis to fully comprehend the trade-offs and impact of policy decisions on the poor and the environment. Many opportunities for pro-poor and inclusive sustainable development are missed as a result of this same failure. Civil society in developing countries also often lacks the means to conduct in-depth analysis of development options and make the case for a sustainable path, in particular to make the economic case for policy change.

73. This situation prevails in middle and low-income countries alike. For example, in Colombia (a middle income country where PEI is not present), the Constitutional Court recently ruled that the provisions in the National Development Plan that allowed for mining in critically important ecosystems for water services was unconstitutional. The ruling came several years after mining permits had been granted and environmental and social impacts were significant. Mining rights to international firms had been conceded in the context of the government's FDI policies for taking advantage of the boom in commodity prices. While such investments generated revenues to the government and economic benefits to certain segments of the population (e.g., some employment and local businesses around mining operations), the longer-term negative impacts may be greater, not least because water resources indispensable for millions of people were affected, but also because soil productivity loss, health issues resulting from pollution, and population displacement in the mining areas, among others, will offset any short-term economic benefits. Decisions such as the mining concessions in Colombia often result from a lack of knowledge and understanding of environmental matters in central and sector ministries compounded by weak environment ministries⁶⁴. Coordination mechanisms in middle and low-income countries to discuss policy and investment options often do not exist or do not work effectively. Weaknesses are also often present

⁶³ For example, National Biodiversity Strategies and Action Plans (NBSAPs); Climate Change National Communications; National Adaptation Plans of Action (NAPAS); National Action Plans (NAP) to combat land degradation and desertification;

⁶⁴ Pressure from powerful economic interests and corruption are very often part of the problem.

in the legislative and national audit institutions responsible for passing legislation and overseeing law enforcement.

74. National stakeholders increasingly acknowledge such weaknesses and request assistance. PEI's geographic expansion in the Scale-up Phase was in response to country demand. The G77 at the Governing Council Special Session in Dubai in 2006 requested UNEP to increase the number of countries it was supporting on poverty environment mainstreaming. In 2012 PEI reported having received 54 country requests to participate in PEI. Clearly, while several international conservation NGOs and foundations have recently refocused their efforts to address the root causes of environmental degradation linked to poverty, the multilateral system, the UN in particular, is better placed to assist governments meeting these long-term objectives, although in collaboration with civil society and the private sector.

75. Several UN programmes are responding to requests for specialized assistance on green growth and green economy issues. However, PEI seems to be the sole initiative that is providing long-term in-country capacity building to national counterparts. For example, UNEP's GEI is engaging with 20+ countries to undertake macroeconomic assessments of their national economies or specific economic sectors in an effort to help them transition to a green economy; however, such assessments are short-term and limited in scope⁶⁵. PAGE, a multi-agency partnership, aims to support 20 countries over seven years to 2020 in building national green economy strategies that will generate new jobs and skills, promote clean technologies, and reduce environmental risks and poverty. PAGE is relying on PEI's regional teams and national set up to provide advisory services to national counterparts in two countries.

76. According to interviewees from international think tanks the green growth concept has had traction among finance ministries and the private sector, which is positive, but its narrow interpretation, mostly linked to climate change mitigation and climate finance, limits its effect to address the broader P-E nexus. The pro-poor focus of PEI is an important reason for its continued relevance. National stakeholders interviewed consistently affirmed that PEI support is not only helping them achieve MDGs 1 and 7, but also several other MDGs. An early PEI-related publication by the Rwandan government⁶⁶ states that "The Rwandan experience has demonstrated that P-E issues cut across all the seven MDGs and their

Box 7 PEI contributions towards achieving the Millennium Development Goals' targets most frequently quoted

MDG1 Eradicate extreme poverty and hunger: targets 1A (reducing extreme poverty by half), 1B (full and productive employment and decent work for all, including women and young people), and 1C (halving the proportion of people who suffer from hunger), particularly in countries highly dependent on agriculture and natural resources.

MDG7 Ensure environmental sustainability: in particular target 7A aiming at integrating the principles of sustainable development into country policies and programmes and reversing the loss of environmental resources.

MDG3 Improve gender equality and empower women. PEI is helping countries to better understand the differentiated impact of policies and actions on men and women, among others, those related to land rights and resource access. It is also helping to promote the participation of women in the design of national development strategies and plans.

MDG4 Reduce child mortality and MDG5 Improve maternal health: Environmental related diseases such as malaria, diarrhoea, malnutrition, and respiratory tract infections are a major cause of child mortality and critical maternal mortality and morbidity causes. PEI work contributes to better understand and raise awareness about these linkages and to address them.

⁶⁵ In Armenia, for example, GEI worked with the government in a study titled "Organic Agriculture in Armenia for Transitioning to a Green Economy" to inform policy development of its agricultural sector. It was found that the organic farming sector has growth potential that can boost exports, provide business opportunities for individuals, local institutions, and small and medium enterprises along the production value chain, while reducing poverty levels, improving soil and water quality, conserving valuable ecosystems and national biodiversity, and increasing the volume of used arable land.

⁶⁶ Poverty-Environment Indicators and Strategy for Monitoring them within the Framework of the EDPRS – REMA 2007.

specific targets”.

77. The new sustainable development agenda has brought to the fore the importance of the environmental pillar. There is a renewed commitment of governments to meet the agreed global targets by 2030. PEI, with its localized work and experience is certainly well placed to help expedite meeting the SDGs. Indeed, there is evidence that it is already doing so in the countries where it is present: A preliminary assessment of PEI’s relevance to the SDGs in Lao PDR conducted by the evaluators with the local PEI team (see Annex D) shows that it is substantially contributing to achieving 10 SDGs (Goals 1, 2, 4, 5, 8, 10, 12, 15, 16 and 17) and moderately contributing to an additional four (Goals 3, 6, 9 and 13). Moreover, attaining certain SDG goals in Lao PDR such as Goal 4 on education is contingent upon increased FDI, which in turn would increase government revenue and household income. Overall PEI is contributing to meet 49 SDG targets in Lao PDR.

Relevance to the needs and priorities of participating countries

78. More than half of PEI programme countries (14 countries) are LDCs including several landlocked countries. One country programme was implemented in a Small Island Developing State, the Dominican Republic. All PEI-supported countries have national economies strongly dependent on the primary sector and although some are more diversified than others they continue to be reliant on ecosystems goods and services (e.g., Kenya in which nature tourism accounts for a large proportion of the service sector revenues).

79. The regional and country case studies confirmed PEI’s relevance to national development priorities and poverty reduction efforts. The feedback received by the evaluation team from national stakeholders, including government officials, NGOs and research institutions participating in PEI-supported activities, donors, and UNDP Country Office staff was universally positive. In all cases it was stated that PEI was fulfilling a unique role among development partners, in particular, providing analytical evidence on the importance of natural assets for sustained economic growth, poverty alleviation and equity, helping improve inter-sectoral coordination, and effecting the

necessary policy changes to transform the prevailing situation in each country. The Regional Case Study for LAC reached the conclusion that “PEI’s objectives were incontrovertibly relevant to the sustainable development of the LAC region throughout the Scale-up period. Addressing the link between poverty and environment remains a key issue today, especially as poverty reduction gains achieved during the last decade are being eroded⁶⁷, inequality persists, and environmental degradation, and climate change continue to escalate.”

80. PEI’s inception phase (see PEI’s Programmatic Approach) in which the political, structural, institutional and development challenges of the countries are reviewed is an important instrument to secure the relevance of the programme and to tailor its activities to the needs of

Box 8 - PEI’s Strategic Relevance in Kyrgyzstan

“The majority of stakeholders interviewed have emphasized that PEI appeared *“in the right place at the right time”*. This notion is based on the fact that PEI has been instrumental in supporting Kyrgyzstan’s government in planning the country’s sustainable development path until 2017. PEI responded in a timely and flexible manner to accommodate the evolving SD policy making, which was pushed forward by the strong Minister of Economy. The decision to go ahead with full involvement into SD development agenda was strategically justified and relevant to PEI goals - to integrate the P-E nexus into national, sub-national and sectoral development policy processes and documents. In this way PEI ensured its consistent relevance with the country’s policy objectives. The sustainable development platform was PEI’s initial entry point to mainstream P-E links into Kyrgyzstan policies and future. As noted by respondents, PEI was instrumental in bringing environment and social issues to the same level of importance as economic development of the country.”

Source: Kyrgyzstan PEI Country Case Study Report

⁶⁷ With the recent economic downturn, UNDP estimates that about 1.5 million more men and women will fall into poverty by the end of this year. They will join the 1.7 million people in the region who already fell into poverty in 2014—the first time in a decade. <http://www.latinamerica.undp.org/content/rblac/en/home/idh-regional/hdr-2015-2016/>

stakeholders. The fact-finding and analytical process to identify key entry points and the most relevant national partners has been effective in ensuring relevance and building national ownership.

81. The experience from PEI activities in specific countries is certainly relevant to other countries within the same region and across regions. For example PEI's work in Lao PDR on improving the quality of foreign direct investment is relevant to other countries in the Asia Pacific region and beyond. Lao PDR's experience has already informed PEI's work in other countries such as in Myanmar, Mongolia and the Philippines in which FDI is also central to the government's economic development strategies. While the Lao PDR experience has not yet been utilized in other regions, the evaluators are of the opinion that the lessons on P-E mainstreaming for "quality/effective" FDI are relevant to global efforts to promote more inclusive and greener economic growth (see example about Colombia's FDI mining investment above).

82. PEI is also relevant to the national processes of mainstreaming climate change (CC) into national development policies, in particular CC adaptation which is key to risk management and poverty reduction. Among others PEI has pioneered Climate Public Expenditure and Institutional Reviews (CPEIR) in a number of countries. While the CC arena is more crowded in terms of active development partners, PEI has a relevant role to play given its integrated and pro-poor approach. It is recommended that PEI explores the possibility to link up with the process of Intended Nationally Determined Contributions (INDC) which, according to UNEP has incentivized the exploration of linkages between development and climate⁶⁸.

83. Concerning P-E mainstreaming related to urban settlements, while the issue is certainly relevant, PEI's contribution needs to be further investigated.

Relevance to UNDP & UNEP's global corporate strategies & means of implementation

84. The UNDP Strategic Plan for the period 2008 – 2013 recognizes that the preservation of the environment is an essential dimension of human development and well-being⁶⁹. The implementation of the Strategic Plan was to use "inclusive and sustainable growth as its connecting theme to place particular attention on those that are being left farthest behind in a world of expanding affluence but exploding inequality."

85. The introduction to the Strategic Plan points out that "UNDP roles [for programme country support] in line with its mandate defined through the inter-governmental process [are]: (i) To support the coordination and enhancement of United Nations system efficiency and effectiveness at the country level and; (ii) To provide knowledge, policy advice, advocacy, and technical support in four focus areas on the basis of good practice and comparative advantage: poverty reduction, democratic governance, crisis prevention and recovery, and environment and sustainable development."

86. The section on *Building on lessons learned* called for, among other areas for review, "Coordinating environmental management capacity with the United Nations Environment Programme (UNEP) and other organizations while integrating environmental concerns into the broader development agenda, such as the dialogue on poverty reduction strategies." Paragraph 111 of the Plan states that in response "UNDP and UNEP are strengthening their global, regional and country-level cooperation to help countries accelerate progress toward sustainable development."

87. The *Mainstreaming environment and energy* section articulates the need for UNDP to "continue to support capacity development for countries to ensure that environment and energy are taken into account in drawing up and implementing national policies, strategies and programmes, also considering the inclusion of multilateral environmental agreements." It further states: "A central initiative to support environmental mainstreaming is the Poverty and Environment Facility, a Nairobi-based unit that will build on UNDP and UNEP collaboration on the Poverty and

⁶⁸ Emissions Gap Report, UNEP 2015

⁶⁹ UNDP Strategic Plan, 2008-2011, DP/2007/43/Rev1

Environment Initiative. The facility will provide technical products and services to regional offices to mainstream environment into national development planning, and will extend services in the substantive areas mentioned above.”

88. The quotes above confirm that PEI’s Scale-up was fully aligned with the UNDP Strategic Plan and that it was acknowledged as an important means to implement it.

89. UNEP went through a process of self-reflection and organizational learning during the period 2006–2007 on how to become a more effective, efficient and results-focused entity. The lessons identified (see Box 9) informed the implementation modalities and institutional mechanisms for its Medium-term Strategy for 2010 – 13.

90. The title of the UNEP Medium-term Strategy for 2010 - 13 is *Environment for Development*.⁷⁰ The Strategy recognizes that “environmental change affects human development options, with women, children and other disadvantaged groups being the most vulnerable.” The work of UNEP, therefore, aimed at, among others, contributing to the achievement of the Millennium Development Goals and enhancing the understanding of agreed international environmental goals and targets.

91. Six crosscutting thematic priorities were established:

- Climate change;
- Disasters and conflicts;
- Ecosystem management;
- Environmental governance;
- Harmful substances and hazardous waste;
- Resource efficiency – sustainable consumption and production

92. Several UNEP objectives involved strengthening the ability of countries to integrate environmental concerns into national development processes. For example, in *Climate change* UNEP’s objective was “to strengthen the ability of countries to integrate climate change responses into national development processes.” In *Ecosystems management*, UNEP’s objective was for countries to utilize the ecosystem approach to enhance human well-being, including the aspects of poverty and health. In *Environmental governance*, UNEP was to work with UN entities, international institutions, regional and national bodies, multilateral environmental agreements, governments, civil society and the private sector to increase the *mainstreaming of environment* into other sectoral processes and policies, including at the country level.

Box 9: Lessons learnt informing UNEP’s Medium-term Strategy 2010 – 13 (Emphasis added)

- The need for an *increased focus on the inter-linkages between the environmental pillar of sustainable development and the economic and social pillars*;
- The *need to be more responsive to regional and country needs and priorities*;
- The importance of having a strong, credible scientific base;
- The need to engage even deeper with multilateral environmental agreement secretariats in coherently addressing substantive environmental issues, as appropriate;
- The need to *enhance work with other United Nations entities, including working through and with United Nations country teams*;
- The benefits of working with civil society, the private sector and the whole range of major groups in implementing the UNEP programme of work;
- The importance of articulating and demonstrating results and building a workforce able to meet programmatic needs;
- The need to provide incentives in the programme of work and budget for cross-divisional work and working through the UNEP regional offices;
- The need to mobilize resources around a strategy and results-based programmes;
- The need to improve administrative and business processes.

⁷⁰ UNEP Medium-term Strategy for 2010 – 13, Environment for Development - UNEP/GCSS.X/8

93. Among others, UNEP set to:

- Actively engage in the United Nations country programming and implementation processes as one of the best ways of ensuring that environmental issues are addressed across United Nations operations at the country level;
- Focus on strengthening the role of national environmental authorities in the United Nations and country development and economic planning processes;
- Engage at the country level based upon its mandate and comparative advantage and the areas in which it can add real value to addressing country priorities and needs in the context of the United Nations efforts and within the framework of the Bali Strategic Plan⁷¹;
- Develop and implement with its partners practical programmes and projects which respond to identified country needs and priorities to deliver tangible results.

94. As a measure for “enhanced implementation” UNEP aimed at “Enhancing the partnership with the United Nations Development Programme (UNDP) and ensuring closer cooperation between the UNEP regional offices, UNDP resource centres and UNDP country offices, including through the joint UNDP-UNEP Poverty and Environment Facility.”

95. A footnote in the Strategy clarifies that “The UNDP-UNEP Poverty and Environment Initiative is an important strategic partnership between UNDP and UNEP. The Initiative enables operational links to be established between the normative and analytical capacities of UNEP and country programmes, in partnership with a range of United Nations and external partners. The Poverty-Environment Facility will support a significant up scaling of the Initiative and *will represent the interface of a growing partnership with UNDP.*” [Emphasis added].

96. The *Cooperation, coordination and partnerships* section further refers to the importance of “Partnering with United Nations agencies and international institutions on priority issues, such as with UNDP in the Poverty and Environment Facility.” The above paragraphs unequivocally establish the relevance of PEI to the objectives and means of implementation of the UNEP Medium-term Strategy.

97. The continued relevance of PEI to UNDP and UNEP after 2013 and beyond 2017 is discussed in the Sustainability section.

Relevance to the UN Delivering as One

98. UNDP and UNEP corporate strategies stressed the need for enhanced coordination and collaboration with UN entities at the global, regional and national levels. PEI’s integrated approach and joint delivery mechanism encompassing global, regional and national structures were and still are relevant to these efforts. Indeed during the Scale-up Phase PEI engaged with global, regional and country-based UN structures (e.g., various UNDG working groups, UN Regional Coordination Mechanisms, and UN Country Teams) to provide inputs based on its experience on P-E mainstreaming and in support of their work in pursuit of strengthening policy coherence within the United Nations system and promoting cooperation and collaboration among United Nations entities and their development partners. For example, in 2009 PEI provided substantive inputs to the UNDG team working on guidelines for Mainstreaming Environmental Sustainability in Country Analysis and the UNDAFs⁷² and to develop training materials on the same topic for the UN Staff College. Two PEI documents are consistently quoted throughout the UNDG Guidance Note: Mainstreaming Poverty-environment linkages into development Planning, PEI 2009, and Making the Case: A Primer on the economic Arguments for Mainstreaming Poverty- environment linkages into National development Planning, PEI 2008. Many examples in the UNDG Guidance Note are

⁷¹ 2005 Bali Strategic Plan for Technology Support and Capacity-building. The Plan aims at a more coherent, coordinated and effective delivery of environmental capacity building and technical support at all levels and by all actors, including UNEP, in response to country priorities and needs.

⁷² <https://undg.org/wp-content/uploads/2014/06/Mainstreaming-Environmental-Sustainability-in-Country-Analysis-and-UNDAF.pdf>

taken from PEI experience, as well as the arguments of the importance of environment for achieving the MDGs. Inputs to the Regional Coordination Mechanisms has been via de UNEP Regional Directors.

99. In the countries where it is present PEI has been instrumental in mainstreaming environmental sustainability and the P-E nexus into UNDAFs. As a non-resident UN agency, it has often been difficult for UNEP to meaningfully participate in UNDAF formulation and to cooperate efficiently and effectively with national governments and the rest of the UN system in-country. Many interviewees confirmed that PEI has a strong cooperation with the UNEP team tasked with providing the organization's inputs to UNDAF processes both at headquarters and in the regions.

Relevance to other international institutions:

Box 10

“PEI is becoming a leading player in influencing international development policy and practice. PEI's experience, lessons and principles are being shared through the active engagement of senior PEI staff with the multi-donor Poverty Environment Partnership (which recognises PEI as a pioneer in environmental mainstreaming) and the Environmental Capacity and Governance Task team of the OECD. PEI has also facilitated people from African PEI pilot countries to contribute to international lesson learning. IIED has found that many of the most useful lessons concerning ways to make progress in poverty-environment issues arise from the PEI experience”.

Source: Independent Evaluation of the PEI Africa Pilot Programme – Steve Bass and Yves Renard, 2009

100. As discussed in section 2.1 of this report there are a number of international and bilateral development organizations, public and private, interested in the poverty-environment nexus. Most of these institutions are members of the PEP. Interviews and statements by third parties in various reports attest to the value placed by those development partners in the work of PEI. Boxes 10 and 11 illustrate the point. These views were conveyed at separated intervals, the first in 2009 and the second as recently as 2015.

101. In the view of many PEI is the only programme that is creating long-term institutional and individual capacities to operationalize the green economy and green growth concepts in low-income countries with a focus on poverty,

inclusiveness and equality. It remains a central player in knowledge management concerning P-E mainstreaming. According to PEP partners interviewed, PEI is perhaps the most important source of experience, evidence and analysis on P-E mainstreaming in developing countries' policy, planning and budgeting processes.

102. PEI is one of two PEP members featured in the Partnership's website. The other one is the Poverty Environment Program of the Asia Development Bank (ADB) implemented by its Environment and Safeguards Division. Although the ADB programme supports activities that strengthen the analytical base for policy dialogue and capacity building on P-E linkages as well as mainstreaming of environment objectives in ADB operations and business processes, its main purpose is to identify and fund innovative pilot on-the-ground interventions in partner countries.

103. During the Scale up Phase PEI presented and discussed its experience and lessons at PEP meetings and received useful feedback. It also hosted one meeting in Malawi in 2010 and involved national

Box 11 PEI and the Poverty Environment Partnership

“In the late 2000s the PEP was chosen as the launch pad for three flagship initiatives: the United Nations-led Poverty Environment Initiative (PEI), the World Bank's Wealth Accounting for the Valuation of Ecosystem Services (WAVES) and the ADB's Poverty Environment Programme (which still hosts the Poverty Environment Partnership website). The PEI upscale programme was formally launched by the heads of UNDP and UNEP at a PEP meeting in Nairobi, which also saw the first large-scale engagement of developing country governments, which has now become a feature of the PEP membership. The PEI has sought to continue on a broader canvas the initial efforts of PEP members to mainstream environment issues that matter to poor people – first into national plans through the Ministry of Planning and now into budgets through the Ministry of Finance and into subnational and sectoral strategies.”

Source: Poverty, environment and climate in developing countries: Stock-take and a Future Agenda. Background Paper for the 20th Meeting of the Poverty Environment Partnership, May 2015

government stakeholders in PEP discussions.

104. PEI was also a partner in the Environmental Mainstreaming in Development Initiative (2009 – 2012) coordinated by IIED in collaboration with UNDP-EEG and AusAID.

105. Overall, this evaluation concurs with the conclusions of all previous independent evaluations with respect to the high strategic relevance of the programme.

Evaluation rating for ‘relevance’: Highly Satisfactory

4. Results

106. PEI’s stated outcome *‘Improved capacity of programme country governments 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’* was to be achieved through three global outputs: 1) country-led poverty-environment mainstreaming programmes; 2) joint UNDP-UNEP regional support programmes and regional communities of practice on environmental mainstreaming; and 3) global knowledge products and services on environmental mainstreaming (see RRF in Annex C).

107. This chapter evaluates whether PEI delivered the intended outputs and the extent to which these are collectively contributing to meet the overall programme objective and expected results (effectiveness). The likelihood of impact and the sustainability of outcomes are also examined.

4.1 Delivery of outputs

108. This section examines the status of PEI’s global project deliverables at the end of the Scale-up Phase and, most importantly, reviews the extent to which the outputs identified in individual country programme ProDocs are being met.

Output 1: Country-led poverty environment mainstreaming programmes

109. The most important output of the Scale-up Phase was the establishment of country-led poverty-environment mainstreaming programmes. The ProDoc envisaged a target of 25 to 30 countries over five years, starting in 2008. By the end of 2008 PEI was active in eight new countries in addition to the seven Africa Pilot Phase countries, of which 2 in Africa and 6 Asia, and had started dialogue with several other countries, including in LAC and the CIS, with a view to start operations in more countries in 2009 and 2010. By the end of the Scale-up Phase PEI had 20 full country programmes operational in four regions as well as targeted technical assistance activities in another six countries. This is in addition to the 2 country programmes in LAC that had completed their programmes and closed. This means that PEI achieved the target for this output.

110. Establishing country-led poverty mainstreaming programmes is a complex task that demands significant inputs and time from the PEI joint regional teams and support from the UNDP CO over a period typically of one year or more. Critical activities for the establishment of a successful PEI country programme are: an institutional analysis to understand the national policy and institutional context as well as the political economy of the country; identification of champions at the highest possible level of government or individuals who can influence high-level policy-makers to advocate for the need of P-E mainstreaming; economic analysis to understand the importance of natural assets to the country’s national economy and to the poverty reduction agenda as key advocacy and awareness raising tools to attract the interest of planning and finance ministries as well as that of strategic sectors; identification of potential entry points for P-E mainstreaming; identification of capacity needs; and establishment of contact and collaboration

arrangements with other relevant development institutions, government entities and national stakeholders. In Asia, ECIS and LAC where PEI did not have prior interventions or large portfolios the process for determining interest from countries and to build a learning portfolio of country-led programmes involved additional scoping and analytical work. Such analytical and scoping work was conducted more effectively in Asia than in the other two new regions.

111. During the inception phase regional team members travel frequently to the countries for consultations with national stakeholders and coordination with the UNDP COs and other members of the UN Country Teams. Regional Coordinators manage the funds allocated for country programme inception in the PEI regional budget, provide leadership and intellectual input, participate in the dialogue with the government that is usually led by the UN Resident Coordinator (RC) / UNDP Resident Representative (RR), and identify, contract and monitor experts to implement any necessary technical studies. The inception period concludes with a project document that guides the implementation of a subsequent phase. Once a ProDoc is in place a national structure for programme implementation is established and the necessary resources and their administration are transferred to the country. Regional Coordinators and other team members continue providing advice and technical inputs in addition to monitoring project implementation performance.

112. The PEI ProDoc stipulates that one of the objectives of the scaled-up PEI was the improved integration of environment in key UN country programming processes such as the Common Country Assessment (CCA) and the UN Development Assistance Framework (UNDAF). In addition, that PEI implementation required better coordination between UN country teams and in-country donor offices. The evaluation found that while PEI has been successful at integrating P-E considerations in the UNDAF and PEI project documents are consistent with the priorities of the UNDAF of each country, the hypothesis that this would help harness the support from other UN agencies towards PEI country objectives has generally proved to be false. Whereas there are some examples of cooperation and synergies between PEI and the work of other UN agencies (for example, between PEI and UNCDF in some Asia country programmes) this is not necessarily the result of the systematic integration of P-E concerns into the UNDAF (see section on Cooperation and Partnerships). On the other hand, PEI has successfully attracted in-country donor support in various countries and this is reflected in the increased financial contributions being allocated to PEI country programmes (see section on efficiency).

113. The importance of the thoroughness of the inception phase and the quality of the resulting project document for the success of the programme cannot be overemphasized. The evaluation team found that both are satisfactory overall, although, as is the case in global programmes with multiple national interventions the quality varies between regions and countries. These aspects are further discussed in the chapter about factors affecting performance.

114. PEI country programmes generally go through multiple phases (a one to 2 years planning/inception phase and one, two or more phases of variable duration in which the national team leads the implementation of the proposed mainstreaming actions) with a review and analysis of progress, challenges and lessons at the end of each phase to adjust the programme to evolving circumstances and opportunities. It has been common that the first phase focuses on the entry point(s) identified during the preparatory phase. In subsequent phases the country programmes often expand to include other priority issues, sectors or geographic areas relevant to the P-E mainstreaming agenda. For example, the government's preparations for the Rio + 20 summit provided an entry point for PEI Phase I in the Kyrgyz Republic. PEI focused on supporting the government to formulate a National Strategy for Sustainable Development and a Programme of Transition to Sustainable Development building on the growing political will to promote green growth and sustainable development. In Phase II (2014 – 17) the Kyrgyz country programme will, among others, join an "Aid for Trade" project funded by Finland to pilot "green" businesses with a

view to come up with recommendations on the development of environmental standards for trade policy in the country⁷³.

115. It is accepted among practitioners that P-E mainstreaming is an iterative and long term process that cannot be fast-tracked. If sustainability is to be achieved, the programme needs to embed itself fully within national institutions to effect changes to the policies, systems, processes and mechanisms used to govern the country, and not least to be embedded in the minds of people responsible for them as PEI's endeavour is to change the very nature of a country's decision-making culture and practices.

116. Central ministries (planning or finance) generally take responsibility for and host the operational structure of PEI country programmes⁷⁴ although there are a few instances in which the coordination of PEI's implementation is based in the environment ministry. PEI's programme director (or equivalent) is always a senior government official. Some programme countries chose to have small teams in the institutions or departments leading the implementation of individual country programme components (e.g., Lao PDR). This approach often poses coordination challenges but has positive effects on capacity development because it allows for active participation of a larger number of staff from the institutions concerned and better coordination and cooperation with other relevant projects and activities within that same institution. PEI has also been successful in promoting the establishment of multi-sector coordinating bodies for PEN mainstreaming. For example, in Kyrgyzstan, the work is overseen by the *PEI Programme Board*— a high-level multi-stakeholder coordination mechanism consisting of the leaders of key ministries and agencies responsible for the economy, social protection, health, agriculture, environment, mining and civil society and chaired by the Minister of Economy. Between Board meetings an *Inter-Agency Working Group* serves as the working mechanism for P-E mainstreaming. This is an unofficial group of middle-level representatives and technical experts from the Ministries of Economy, Finance, Social Development, Health, Agriculture, Emergency Situations, Energy, and the State Agency on Reconstruction and Regional Development, National Statistics Committee, State Agency on Geology, and State Agency for Environment Protection.

117. PEI country programmes involve large numbers of national stakeholders not just as beneficiaries but also as active participants in the delivery of outputs. To illustrate stakeholder involvement Box 12 shows the institutions participating in the Bhutan country programme and their roles. This broad participation that builds on the mandates and comparative advantages of each organization helps ensure ownership of the programme and extends the benefits of PEI capacity development activities to a large group of institutions and individuals. On the other hand, this demands a considerable coordination and monitoring effort.

Box 12 PEI national stakeholders in Bhutan	
Institution	Role and relevance to PEI
Gross National Happiness Commission (GNHS)	Responsible for coordinating all policy formulation and planning, including Five-Year Plans and 20 year Gross National Happiness (GNH) Strategies. Ensures GNH is mainstreamed into all sectors. Endorses sector plans and budgets. Key partner with overall implementation and coordination responsibility for PEI Bhutan, development of Environment Climate Poverty (ECP) mainstreaming guidelines, and inclusion of ECP indicators in GNH.
National Environment Commission (NEC)	Monitors the impact of development on the environment, responsible for environmental policy implementation and environmental regulation, including water resource management. Hosts the Environmental Mainstreaming Reference Group and involved in Public Expenditure Review (PEER), guidelines and other PEI activities
National Statistical Bureau	Responsible for establishing indicators monitoring implementation of national strategies

⁷³ Poverty-environment initiative in the Kyrgyz Republic, Outcomes of phase 1 (2011 – 2014)

⁷⁴ The importance of securing the leadership of central ministries for PEI programme implementation is a key lesson of the Pilot Phase.

Box 12 PEI national stakeholders in Bhutan	
Institution	Role and relevance to PEI
(NSB)	and plans, including Five-Year Plans. Identification of environmental data and establishment of ECP indicators
Ministry of Finance	Responsible for public accounting, financial management and disbursements to ministries. Undertaking Public Environmental Expenditure Review (PEER)
Ministry of Economic Affairs	Responsible for regulating extractive industries and energy sector. Reviewing mining royalties and pro-poor benefit sharing, drafting policy for development. Study on energy-efficient stoves, plans to train villages in energy efficient stove construction
Ministry of Home and Cultural Affairs	Responsible for disaster management, and responsible for provision of guidance and support to local governments to ensure effective local government administration. Leads the implementation of the Local Government Support Programme (LGSP). Works with GNHC on coordination of Outcome 2
Ministry of Agriculture and Forests	Responsible for management of human-wildlife conflicts (HWC) and watershed management. Implements activities on payment for environmental services/benefit sharing, HWC management and insurance
Ministry of Works and Human Settlement	Responsible for public works, including road construction. Promotion of environment-friendly road construction. Capacity building on urban environmental management
Ministry of Education	Responsible for non-formal adult education. Inclusion of ECP issues in literacy programme curriculum, e.g. rural energy access
Centre for Bhutan Studies	Works on the revision of the GNHC policy screening tool, and development and refinement of GNH indicators. Involved in the inclusion of ECP indicators
Districts (dzongkhags) and municipalities (gewogs)	Outcome 2 focuses on enhancing local government capacity to address ECP issues and mainstream ECP into their work
Tarayana Foundation	NGO involved in community capacity building activities under PEI
Royal Society for Protection Nature	Environment NGO involved in undertaking sustainable financing mechanisms for HWC, climate change vulnerability assessment at the community level

Source: PEI 2011 MTE Case Study for Bhutan

118. Country programmes have performed very well overall in delivering their individual expected outputs, although with some delays. The evaluation team had the opportunity to review dozens of written outputs made available for the case studies and in the PEI website⁷⁵. It also reviewed the country progress reports that show the status of delivery of services, among others, a very large number of training events. Most country programmes have ambitious and demanding work programmes with multiple components and a very large number of activities each contributing to deliver a service (e.g., training, technical advice, communications) or a product (study reports, guidelines, policy briefs, videos, etc.). For example, the second phase of the Lao PDR country programme had committed to deliver 42 specific but complementary outputs across 5 components, with some 70 activities to be completed within the three-year timeframe of that phase. At the risk of making this report long, the evaluation team included the list of expected outputs for Lao PDR to illustrate the point (See Annex F).

119. Given time constraints and the magnitude of the task, the evaluation team could not possibly develop a comprehensive catalogue of country programme outputs. However, Boxes 13 to 17 provide examples of the different types of tools and products developed on the many topics across the global portfolio.

⁷⁵ www.unpei.org

Box 13 - Completed outputs related to Public Environment Expenditure Reviews and Climate Public Expenditure and Institutional Reviews

Africa:

- Public Expenditure Review for Environment and Climate Change in Rwanda, 2013
- Public Environmental Expenditure Review in Mali, 2013
- Scoping Study for Public Expenditure Review of Environment and Natural Resources in Botswana, Research Paper PER, Botswana, 2013
- Public Environment Expenditure Review/Revue des dépenses publiques dans le secteur de l'environnement en Mauritanie, Mauritanie, 2012
- Public Environmental Expenditure Review in Mozambique, 2012
- Public Environmental Expenditure Review, Rwanda, 2010
- Training Manual - Public Environmental Expenditure Review, Rwanda, 2010

Asia

- Climate Change Budget Code Review Application, Nepal, 2013
- Climate Public Expenditure and Institutional Review, Bangladesh, 2012
- Climate Expenditure and Institutional Review, Nepal, 2011
- Public Environment Expenditure of the Royal Government of Bhutan for the 9th plan (2009) and 10th plan (2011), Bhutan. 2009 & 2011

120. For example, Public Environment Expenditure Reviews (PEER) and Climate Public Expenditure and Institutional Reviews (CPEIR) are tools used by PEI programme countries in cooperation with Ministries of Finance to help understand how public funds are allocated across sectors and sub-nationally and assess the performance and efficiency of the institutional mechanisms governing expenditure and reporting. Such reviews identify what was spent, what was achieved as a result, and whether the results achieved meet pro-poor and environmentally sustainable development objectives. In collaboration with UNDP's Climate Finance Group and the Overseas Development Institute (ODI), PEI has supported many CPEIRs. According to the PEI website 'the focus has been on investigating climate adaptation and mitigation related expenditure across budgets – between recurrent and capital development spending, institutional frameworks related

to climate financing including between central and sub-national levels, and the results from climate related expenditure against pro-poor and environmental sustainability development objectives.

121. Another important tool used by PEI for P-E mainstreaming is economic valuation and analysis (see Box 14). Indeed, this has been found to be one of the most powerful tools to get the attention of finance, planning and sector ministries, and also of parliamentarians, senior government officials and the media. Furthermore, economic valuation is essential for developing sound argumentation for increased public and private investments that would yield pro-poor and inclusive sustainable development outcomes. Valuations are usually carried out for specific or multiple sectors of the economy or for specific industries. Some Asia/Pacific studies consist of analysis of public sector revenues from natural resources.

122. According to one of PEI's flagship publications "Making the Economic Case: A Primer on the Economic Arguments for Mainstreaming Poverty-Environment Linkages into Development Planning" environmental and natural resources valuation and economic analysis often involve:

- Treating the environment base as an economic asset where environmental resources and ecosystem services are seen as productive natural capital having economic values, and where trade-offs exist between investing in sustaining this natural capital and converting it to other uses or allowing for degradation.
- Emphasizing the economic returns from environmental investment and the economic costs of environmental degradation. This can be expressed through a number of variables including, among others, employment, returns on investment related to rehabilitation of ecosystems, human health affected by pollution and degradation, effects from climate change, improved or lost agricultural productivity and food security, etc.
- Understanding human and economic well-being outcomes and linking environmental goods and services with national economic and social indicators used to measure progress towards poverty reduction, equality and inclusive economic growth.

Box 14 – Examples of economic valuation and analysis made by PEI during the Scale-up Phase

Africa

- Etude économique de l'environnement pour le secteur du riz (Rice production sector) au Mali, 2014
- Environmental Economic Analysis of Natural Resource Management, Mozambique, 2012
- Poverty and Social Impact Analysis of the Integrated Support Programme for Arable Agriculture Development, Botswana 2012
- Contribution of Sustainable Natural Resource Management to Economic Growth and Poverty Eradication and the achievement of NDP Goal 10, Case Studies, Sector Assessments Tourism and Agriculture. Discussion Paper, Botswana 2012.
- Economic Valuation of Ihefu Wetland: Poverty and Environment Linkages, Tanzania, 2012
- Economic Analysis of Sustainable Natural Resource Use in Malawi, 2011
- Evaluation Économique de l'environnement et des ressources naturelles au Burkina Faso, 2011
- Analyse Économique du secteur du coton - liens pauvreté et environnement, Burkina Faso 2011 (Cotton sector)
- Analyse Économique du secteur du mines - liens pauvreté et environnement, Burkina Faso 2011
- Use of Economic Instruments to Promote Environmental Conservation in the United Republic of Tanzania, 2011
- Costs and benefits of addressing environmental impacts in the wet coffee processing in Rwanda, 2011
- Evaluation économique de la gestion environnementale au Mali: Coûts et Bénéfices, Mali, 2009
- Evaluation coûts de la dégradation ou de la mauvaise utilisation des ressources naturelles en Mauritanie, 2008

Asia Pacific

- Review of utilization of revenues from Natural Resources and application of best practices and media strategy, Philippines, 2011
- Review of Collection and Distribution of Revenues from Natural Resources, Philippines 2011
- Review of current practices of revenue generation from natural resources and formulation of policy options to improve the revenue generation and sharing for local bodies in Nepal, 2011
- Economic Analysis of Local Government Investments in Rural Roads, Nepal, 2011
- Investment incentives for sustainable development in Lao PDR, Lao PDR, 2011
- Economic, Social and Environmental Costs and Benefits of Investment in Saravan Province, Lao PDR, 2011
- Assessment of Economic, Social and Environmental Costs and Benefits of DakLak Rubber Plantations: Case study in Saravan Province, Lao PDR, 2011
- Assessment of Economic, Social and Environmental Costs and Benefits of Wood Processing Investments: Case study in Saravan Province, Lao PDR, 2011
- Economic, Social and Environmental Costs and Benefits of Investment in Savannakhet Province, Lao PDR, 2011
- Assessment of Economic, Social and Environmental Costs of Savan Vegas Casino & Hotel: Case study in Savannakhet, Lao PDR, 2011
- Assessment of Economic, Social and Environmental Costs and Benefits of Mitr Lao Sugar Plantation and Factory: Case study in Savannakhet Province, Lao PDR, 2011
- Economic, social and environmental impacts of investments in mining, English, Lao. Lao PDR, 2010
- Investments and sustainability in the forestry sector, English, Lao. Lao PDR, 2010
- Investments in hydropower, English, Lao. Lao PDR, 2010
- Investments in biofuels, English, Lao. Lao PDR, 2010
- Economic, social and environmental impacts of investments in plantations, English, Lao. Lao PDR, 2010
- Investment and women's economic empowerment English, Lao. Lao PDR, 2010

Box 15 – Policy briefs to communicate the most important and policy-relevant findings of the Malawi State of the Environment and Outlook Report

- Water Resources, Malawi, 2013
- Population Human Settlements, Health and Environment
- Forests and Woodlands
- Strengthening Environmental Education and Public Awareness for Sound Environmental Management, Malawi, 2013
- Environment and Economic Development, Energy Industry and Mining, Malawi, 2013
- Biodiversity, Malawi, 2013
- Atmosphere and Climate Change, Malawi, 2010

123. The use of policy briefs is another common PEI tool to convey clear messages about the importance of P-E mainstreaming for national development to policy-makers and to the media.

Programme countries have produced a very large number of such briefing notes. Often, policy briefs follow a major assessment or analysis. For example in 2010 the Environmental Affairs Department of Malawi produced a “State of Environment and Outlook Report - Environment for Sustainable Economic Growth” with technical and financial support of PEI. The main messages were translated into a number of policy briefs shown in Box 15.

124. As mentioned above other PEI outputs from in-country work include policy reviews, draft policies, investment strategies, guidelines for various purposes, courses on many topics, templates, draft legislation, software, articles, videos, presentations, to name but the most common.

125. Integrated ecosystem assessments are another tool used by PEI for P-E mainstreaming. Modelled on the Millennium Ecosystem Assessment (MA) and building on the practitioners’ guidance produced by the MA, these help demonstrating the links between ecosystems and the services they provide to people’s livelihoods and to national economies. PEI-supported integrated ecosystem assessments usually 1) review the conditions and trends of ecosystems and their services; 2) develop future scenarios resulting from plausible changes in driving forces, ecosystem services and human well-being; and 3) formulate response options for improved management of ecosystems for human well-being and pro-poor economic growth. Box 16 includes examples of PEI’s ecosystem assessments.

Box 16 – Examples of PEI Integrated Ecosystem Assessments

- Evaluation intégrée des écosystèmes. Cas de la région de Mopti du Mali. 2009
- Evaluation Intégrée de l’Environnement des Ecosystèmes de la mare de Kankossa, Mauritanie, 2010
- Evaluación del bienestar humano y ambiente en el Corredor Seco Oriental de Guatemala. 2013
- Ecosystem services and poverty alleviation: A case study of land use in Oudomxay province, Lao PDR, 2012

Box 17 – Examples of PEI training materials

- Poverty Environment (PE) Mainstreaming into Local Economic Development (LED) Strategies. A Step-by-Step Guide for Application by the Local Economic Development Working Group. PEI Tajikistan
- Training for journalists in Dushanbe to raise awareness on PE linkages
- Training Manual Strategic Environment Assessment 2011, PEI Tanzania (Kiswahili)
- Training Handbook on Poverty-Environment, Climate Change and Disaster Nexus for Planning Professionals in Bangladesh, 2012 planning-professionals in Bangladesh
- Public Environmental Expenditure Review to support poverty environment initiative in Rwanda. Training Manual 2010
- Best Practices in Small Scale Mining. Training Manual with the Ministry of Mining of Mozambique, 2012
- Regional training on Environmental Fiscal Reform for Francophone PEI Countries. 2012

126. PEI imparted hundreds of trainings during the Scale-up Phase at the national and local levels. Specialized training materials, sometimes in multiple languages, had to be developed for each topic. For example, in Lao PDR PEI prepared materials to enable the Investment and Promotion Department (IPD) to train provincial staff on the identification and development of Investment Profiles. This involved nine Power Point presentations, a sample investment profile and a template to screen project ideas. Training on identification of potential investments, collection of data, and preparation of profiles for 227 government officers (of which 38 females) from IPD took place in six pilot provinces. A small sample of PEI-developed training materials is shown in Box 17.

127. While the evaluation rating for PEI output delivery at national level is **Highly Satisfactory**, the evaluators recommend that PEI invests additional resources to assess:

- a. The uptake of outputs. For example, are institutions and their staff applying the tools and knowledge generated with PEI’s support?
- b. The degree to which the outputs are serving their intended purpose. For example, do local government staff understand the guidelines for local participatory planning, including the

guidance for addressing P-E issues, and what is the quality of the resulting planning instruments with respect to poverty reduction and environmental sustainability?

- c. The results of training activities. Are trainees at the end of the training confident enough to help train others and to use the new knowledge and skills?

128. While some country programmes have completed assessments such as these, the evaluators came across PEI country programme managers that are of the opinion that PEI is a catalytic programme and cannot take responsibility for the quality and ultimate deployment of the tools. While this is certainly true – PEI cannot take full responsibility for the eventual use of tools developed with its support⁷⁶ – the lack of feedback on the uptake, application and quality of PEI’s products and services is a barrier to the fulfilment of PEI’s knowledge management objectives and limits PEI’s own understanding of the most effective means by which to achieve catalytic effects. Moreover, it is important for PEI to encourage national practitioners and country teams to routinely assess the results of their activities as a capacity development strategy.

129. As mentioned above, the range of topics relevant to P-E mainstreaming covered by PEI is very wide as the programme strives to meet individual countries’ realities and priorities. However, there are a few thematic gaps that may be addressed in subsequent phases in view of their increased relevance and prevalence in certain regions or sub-regions. The first gap identified is land tenure and resource access rights, two essential governance issues for achieving P-E objectives; including gender-related rights issues. For example, there is growing evidence that tenure-secure community forests are associated with avoided deforestation and other ecosystem-service benefits as well as with economic and social benefits connected to communal management. The results of recent analyses suggest that the economic benefits of securing community forest tenure outweigh the costs⁷⁷. While the topic is sensitive and may be difficult to address in certain national circumstances, PEI is well positioned to gather facts and produce sound and balanced argumentation for policy/legislation change where appropriate.

130. A second topic is the impact of trade opening on the environment, including on climate change and the poor, as well as the impact of trade regulatory harmonization. According to the World Trade Organization (WTO) Secretariat⁷⁸ since 1950 world trade has grown more than twenty-seven fold in volume terms. By way of comparison, the level of world GDP rose eight-fold during the same period. Countries have opened up their trade regimes unilaterally, bilaterally, regionally, and multilaterally. Developing countries now account for 36 per cent of world exports, about double their share in the early 1960s. Given the significant growth and development opportunities brought about by trade but also its potential negative impact on certain communities and the environment it is a topic worth integrating in PEI’s work. PEI has done substantive work in Asia to mainstream P-E in FDI but has seldom tackled trade-related P-E issues. Africa, Asia and LAC are regions where this may be of increasing relevance.

131. Similarly, while PEI has recognized the importance of environmental fiscal reform and has carried out training events for some countries, PEI could do more work on environmental fiscal reform⁷⁹ in support of P-E mainstreaming. Market-based instruments (MBIs) to reduce environmental degradation and promote innovation have been increasingly applied and environmental fiscal reform is one of the more promising. The augmented government revenues could be deployed to improve environmental management as well as to reduce poverty. There are,

⁷⁶ Indeed it is evident that the quality of outputs such as analysis and studies that are under the control of PEI is generally better than those for which it has less control, for example, local development plans.

⁷⁷ Gray, Erin, et al. 2015. *The Economic Costs and Benefits of Securing Community Forest Tenure: Evidence from Brazil and Guatemala.* Washington, DC: World Resources Institute.

⁷⁸ https://www.wto.org/english/tratop_e/envir_e/climate_impact_e.htm

⁷⁹ Environmental Fiscal Reform refers to a range of taxation and pricing measures that can raise fiscal revenues while promoting environmental goals.

however, few examples of successful environmental fiscal reform in developing countries worldwide⁸⁰, although policies have succeeded elsewhere, particularly in Europe. There is much room for experimentation and learning which PEI could promote.

132. While the Scale-up phase did not focus much on social and environmental safeguards and on governmental social safety net programmes (except for the work in Lao PDR for the first topic and in the Dominican Republic for the latter) these are also areas of work worth expanding⁸¹.

Output 2: Joint UNDP-UNEP regional support programmes and communities of practice on environmental mainstreaming

133. The aim of the Scale-up Phase was to expand PEI's support beyond Africa to three other regions: Asia/Pacific, Latin America and the Caribbean, and possibly Europe and the CIS. For this purpose it was necessary to establish joint UNDP-UNEP support programmes and teams in the new regions and consolidate the Africa support programme. It was also expected that for each region PEI would establish a community of practice to share and disseminate the tools, experiences and lessons arising from country programme implementation. The joint teams were to identify at the regional level other development, research and consulting institutions and establish mechanisms for partnerships.

134. The 2007 global ProDoc identified two indicators for this output: a) Enhanced UNDP-UNEP regional cooperation and capacity to support country poverty-environment mainstreaming programmes; and b) Enhanced cross-country experience exchange and learning on poverty-environment mainstreaming. No baseline was provided in the document; however, it is safe to assume that except for Africa there was no prior cooperation between the agencies on P-E mainstreaming nor was there much experience exchange on this topic.

135. PEI regional teams were expected to combine UNEP regional offices' staff with UNDP's regional environmental advisers. The joint regional teams were to formulate Regional Support Programmes. The two main activities to establish communities of practice were to organize P-E mainstreaming regional workshops and initiate regional networking activities with specialized organizations and programme countries.

136. By the end of 2009, three new regional support programmes had been established in Asia/Pacific, LAC and ECIS and were functioning. However, the composition of the regional support teams and programmes varied significantly in size and expertise, and so did the contribution of each agency. By the end of 2010, the Asia team had two senior programme officers, one from UNEP and one from UNDP leading the programme, while the LAC regional team had a UNEP senior programme officer dedicated 50% to PEI but only a small fraction of time allocated by the UNDP regional environment practice leader. Former UNDP LAC practice leaders interviewed indicated that because of their many responsibilities (in particular managing very large GEF portfolios) they could not devote much attention to PEI. In Europe and the CIS the situation was similar to that of LAC, however, according to interviewees there was a stronger contribution from UNDP Bratislava. In Africa, a senior programme officer in UNEP led the joint team - a continuation of the Pilot Phase, with no major input from UNDP at the senior level. The low level

⁸⁰ For example, a 2005 attempt at introducing a tax for the use of plastic bags in Kenya and invest the revenue in creating waste management and recycling facilities failed.

⁸¹ An example of the linkages between public spending in the social sector and environmental and livelihood impacts can be found in a budget expenditure review of the Mexican rural development and agricultural sector conducted by the World Bank in 2009. The study showed that Mexico's rural development and agricultural policies had not contributed to reducing rural poverty and inequality particularly for the poorest households, in spite of the significant budget allocation for the sector (about 4% of national GDP). The study found that two-thirds of Mexico's rural development programmes were private goods programmes (subsidies to individuals and families, cash transfers, and so on), and less than one third of spending in public goods was directed to productive programmes (credit and other support for production). This public spending policy is having a negative effect on the community forestry sector and is a barrier to achieving environmental sustainability and poverty reduction in forest communities.

of input from UNDP to the PEI regional teams was somehow compensated by UNDP's strong involvement at the country level. However, all evaluations and reviews of the PEI Scale-up Phase remarked that a greater contribution from UNDP's poverty reduction and governance groups would have made a difference to PEI's deployment and implementation in the regions.

137. During the first two years of the Scale-up Phase the joint regional teams were strengthened to various degrees with additional professional and support staff. The number of positions in the joint regional teams has remained relatively stable since 2011 but with a slight decrease in the total number of positions by the end of the Scale-up Phase or a downgraded level of seniority for some positions (e.g., the Asia/Pacific PEI Regional Advisor formerly a P5 position). For example, the Joint Regional Team in ECIS has been scaled down from two full-time and one part-time (25%) team members until June 2012, to two part time (50% and 50%) team members (2013-2014). The results of the Business Review commissioned by PEI in 2012 that examined, among other aspects of the programme's operations, the role and composition of the PEI regional teams are further discussed in sections 5.1 and 5.3 of this report.

138. A factor affecting the past and present collaboration of the agencies is the geographic location of their regional offices. The Asia/Pacific team has the advantage of UNDP and UNEP offices' co-location in Bangkok, while in Europe and the CIS UNEP has its office in Geneva and UNDP had its Regional Service Centre in Bratislava and now in Istanbul. In Africa, the UNEP regional office is in Nairobi while UNDP had its Centre in Johannesburg and now in Addis Ababa. In LAC the UNEP Regional Office and UNDP Regional Service Centre are both located in Panama City.

139. Joint Support Programmes were developed to guide the work of regional teams complemented by regional Annual Work Plans (AWP) and budget allocations. AWP's include expected regional sub-outputs under each global output category with targets, main activities planned, responsible party, the source of funding, the inputs required and the cost. Feedback from case study country programmes on the advisory services of PEI Regional Teams varies from good to excellent. The national PEI teams value the technical inputs, networking and advocacy support from PEI regional team members. The only criticism from in-country programmes relate to staff changes in the regional teams, which affect institutional memory and bring changes in style and emphasis on different aspects of programme implementation. National teams generally appreciate frequent visits from PEI regional team members and believe this is the most effective way of trouble-shooting and contributing to their work.

140. As stipulated in the ProDoc all PEI regional teams have identified regional or sub-regional institutions with expertise on P-E mainstreaming topics and have worked towards identifying opportunities for partnerships or collaboration arrangements. For example, in Asia/Pacific PEI identified the following organizations with P-E mainstreaming expertise:

- a. Asian Development Bank 'Poverty and Environment Programme' (also supporting the PEP website) as well as its 'Core Environment Programme'
- b. South Asian Network for Development and Environmental Economics (SANDEE)
- c. Economy and Environment Programme for South East Asia (EEPSEA)
- d. Asian Centre for Biodiversity
- e. Asian Institute of Technology - School of Environment, Resources and Development

141. However, substantive regional-level collaboration has not materialized with most collaboration arrangements being country-specific. The ProDoc expectation that regional knowledge products would be produced in partnership with UNDP and UNEP Regional Centres and Offices and thematic/technical units, and with external partners including other members of the Poverty-Environment Partnership has been realized only to a very limited extent.

142. On the other hand most PEI regional teams have been very active in communicating their experiences, results and lessons on P-E mainstreaming in various regional and global institutions,

programmes and other audiences. For example, PEI Africa reported in 2013 having participated in some 14 global and regional events (round tables, fora, workshops) making substantive contributions on various P-E mainstreaming topics. Among others, PEI Africa attended the Africa Rural Development Forum organized by Africa Union/NEPAD, IFAD and the Government of Benin to influence its outcome. The forum concluded that improving opportunities for rural development in Africa require more sustainable production practices, combined with policy reforms that will consider the integration of poverty and environment linkages including budget processes to face the mounting pressure on natural resources in Africa. PEI Africa also participated in UNEP-UNDP-UN DESA Technical Workshop on Tools and Measurements to Inform Inclusive Green Economy Policies presenting PEI's experience of using the public environmental expenditure review as a tool for environmental fiscal reform in Mozambique and the positive outcomes in Malawi following the PEI supported Economic Analysis of Sustainable Natural Resource Use.

143. Concerning the establishment of communities of practice the regional programmes have organized several South-South exchanges and documented and shared experiences in different ways. Examples of study tours and other experience exchanges are:

1. PEI cross-regional study exchange visit for PEI Rwanda to learn from PEI Asian experiences (Lao PDR, Nepal, Thailand), 14-24 May 2011
2. Regional PEI Asia Lao-Thai study exchange visit, 4-10 May 2011 – The Lao PRD PEI research team from the National Economic Research Institute visited Thailand to share lessons about the study of economic benefits from land use change and their impacts on the environment.
3. The LAC regional team organized a workshop in September 2012 for information exchange and to create a regional vision for the period from 2013 to 2017. The meeting had the participation of representatives of 5 countries.
4. The Africa team organized a Regional Workshop on 12-14 November in Nairobi. Over 50 participants attended the workshop comprising national planning, finance and environment officials plus UNDP Country Office representatives from nine PEI Africa countries. In addition, representatives from civil society, the UNDP Poverty Practice and, UNEP attended the workshop. The aim of the workshop was to share PEI results and lessons learned from the on-going country programmes and to discuss the needs, priorities and approaches for the new PEI Phase 2013-2017. PEI Africa organized a South-South exchange for Malawi and Mozambique to visit Rwanda. Inspired by the exchange visit Malawi has, for example, introduced a ban on plastic.

144. The PEI website is a rich source of analysis, best practices and resources linked to the country-level work. This is a very important asset that needs to be more actively promoted outside the circle of PEI supported countries and key partners, particularly in the regions.

145. Based on the information made available to the evaluation team it is evident that the PEI joint regional teams for Africa and Asia are the most active and productive in terms of advocating for and sharing P-E mainstreaming experiences and knowledge but this was expected. The Scale-up Phase ProDoc states that regional communities of practice on poverty-environment mainstreaming would be supported initially in Africa and Asia and subsequently in Latin America and possibly other regions. Larger country programme portfolios are more conducive to knowledge sharing and codification of experience and best practices. The ECIS and LAC teams have recently increased their efforts to make available their experiences. For example, the LAC team maintains a website in Spanish (<http://www.unpeilac.org/publicaciones.php>) where PEI country programme publications are found. It would be useful for the global PEI team to hold discussions on how to create effective 'communities of practice' and what are the criteria to measure their effectiveness. It seems to the evaluators that individual regional teams have a different understanding of what the expectations in this regard are.

146. PEI's performance with respect to Output 2 is **satisfactory** overall. None-the-less, the LAC and ECIS teams need further support and guidance to improve their overall performance and to establish communities of practice.

Output 3: Global knowledge products and services on environmental mainstreaming

147. The following indicators and activities stipulated in the global ProDoc with respect to Output 3 are used to assess PEI's performance:

Indicators

- Enhanced capacity to provide global advisory services to regional teams and UNCTs/UNDP COs
- Resources mobilized to support PEI scale-up
- Increased access by countries to good practice guidance and tools on poverty-environment mainstreaming

Indicative activities

- Establish joint Facility in Nairobi with contribution of staff and resources from UNDP and UNEP; develop Facility work plan
- Mobilize global funds from key donors; mobilize funds at regional level; develop strategy for country programme funding
- Establish a Technical Advisory Group
- Delivery of advisory and technical assistance support to regional teams and, as appropriate, country programmes
- Establish partnership arrangements with practitioner organizations
- Establish Facility knowledge management systems – public website, email-based network and web-based workspace, publications strategy, etc.
- Collection, synthesis and distribution of country-level experience and good practice guidance and tools in poverty-environment mainstreaming
- Bi-annual global learning workshops

148. UNDP and UNEP's management diligently established the Poverty-Environment Facility (PEF) at UNEP HQ in Nairobi at the onset of the Scale-up Phase and set up the required administrative, financial and operational foundations of PEI's operations, including harmonized programme and fund management arrangements with pooled financial resources. The PEF was staffed by both organizations and headed by the Director of the UNDP Drylands Development Centre in Nairobi at D2 level. A dedicated Facility manager who was also the Deputy Director was appointed under a UNEP contract at D1/L6 level. In 2010 the PEF had 4 professional positions (although 2 were vacant) in addition to the Director and Deputy Director and one general service staff. In 2011 two professional posts and one general service (GS) post were added to the PEF but 3 professional positions were vacant including the Director and Deputy Director positions. Issues related to human resources administration are discussed in more detail in Chapter 5.

149. The PEF successfully mobilized the resources required to implement the agreed ProDoc activities. As shown above the PEF was able to establish PEI joint regional teams in 3 new regions, which was key to meeting PEI's main Scale-up Phase objectives. Basic knowledge management systems such as an email-based network and the PEI public website were developed. Lately the PEF created a 'space' in 'Teamworks' a UN knowledge management virtual platform, which enables e-discussions, blogs and webinars. The membership and viewings have been growing. The PEF has also facilitated PEI's presence in social media including a YouTube channel, Twitter and a Facebook page. The PEF also led the production of awareness-raising and communications materials, for example, Country Success Stories (2010) documenting achievements at country level, and Stories of Change produced by the joint regional teams and published in 2013.

150. The systems for planning, monitoring and reporting were also put in place. While UNEP staff was not given access to the UNDP ATLAS system, other means of monitoring expenditures and obtaining reports to comply with UNEP information requirements were implemented.

151. One of the most important products delivered under PEF guidance and with strong input from the Africa team in 2009 was the PEI Handbook ‘Mainstreaming Poverty-Environmental Linkages into Development Planning: A Handbook for Practitioners’, which describes in detail PEI’s programmatic approach to P-E mainstreaming and provided the main guidance to regional and in-country teams during the Scale-up Phase. A participatory revision of the Handbook commenced at the end of the Scale-up and an updated and upgraded version of the Handbook that builds on several years of experience is now available.

152. The PEF supervised or led the production of several useful technical guidance materials during the 5 Scale-up years. In 2009 it launched ‘Making the economic case: A primer on the economic arguments for mainstreaming poverty-environment linkages into national development planning’. This publication provides guidance on presenting evidence about the economic, development and poverty reduction benefits of the environment to public sector decision-makers, so as to justify and promote environmental investment. PEI also published in 2011 ‘Enabling local success: A primer on mainstreaming local ecosystem-based solutions to poverty environment challenges’. This contains knowledge and illustrative case materials on the benefits of and enabling conditions for local ecosystem-based initiatives, including how nature-focused activities and enterprises originated and executed by local actors can sustain ecosystems and improve the livelihoods and well-being of the rural poor. That same year PEI issued a primer reflecting the experience from PEI Asia concerning FDI management: ‘Managing private investment in natural resources: A primer for pro-poor growth and environmental sustainability’. The primer provides practical advice on how countries can manage FDI inflows to encourage pro-poor, environmentally sustainable development. It is aimed at public decision-makers in developing countries, particularly officials in investment boards, investment promotion agencies and relevant ministries. The focus is on FDI in the primary sector, including agriculture, forestry and extractive industries—an area of growing interest among international investors and a sector of high economic significance for many developing countries. Another important global product is the ‘Mainstreaming climate change adaptation into development planning: A guide for practitioners’ issued in 2011. Another product was ‘Environmental Law in Poverty-Environment Mainstreaming- A Primer for Legislative Assessment and Reform’ also published in 2011.

153. The PEF more recently coordinated the production of several guidance notes for the regional teams including on stakeholder participation, gender mainstreaming and rights-based approaches.

154. While not all publications are of equal importance and quality they are often the only readily available guidance and reference materials on each of these topics.

155. Concerning the delivery of advisory and technical assistance support to regional teams and country programmes beyond the production of guidance materials, there are different opinions among PEI staff about the role of the PEF. According to some, the current staffing of the PEF, both in terms of numbers of staff and expertise is not adequate to deliver advisory and technical assistance services to the regional teams or the countries. The PEF in its current composition seems overstretched to perform its oversight, coordination, resource mobilization, financial and administrative management, monitoring and reporting, knowledge management, and information functions. If the PEF were to provide advisory services to the regional teams it would require bringing on board additional specialists in various technical fields.

156. On the other hand, it is undeniable that addressing the very wide range of issues covered by PEI country programmes requires ease of access to cutting-edge global expertise in various fields by the regional and country programmes beyond the consultants currently hired to assist country

teams with certain studies and outputs. The role of the PEF should be to facilitate access to such expertise rather than to directly provide technical advice. A strategy in this regard should be developed. The ProDoc envisaged a Technical Advisory Group (TAG). PEI donors and the PEF met to reconvene the TAG in October 2010. The meeting approved the Terms of Reference and the composition of the TAG. The role of the Group is to provide an independent source of advice on PEI strategy and implementation and focusing on technical issues and complementing the role of the PEI Donor Group. The TAG is composed of technical representatives of donor agencies⁸² and organizations with particular poverty-environment mainstreaming knowledge and experience, representatives from the PEI Regional Teams and is chaired by the PEF co-Directors. During the inception meeting it was decided that the TAG would also include recipient government representatives to enrich the discussions with a more critical view of the programme. The TAG can meet as needed by video/teleconference and usually meets back-to-back to the PEP annual meeting for cost-efficiency purposes. The TAG met at least once in 2011, 2012 and 2013 according to the information made available to the evaluation team. The minutes of meetings indicate that the TAG advised PEI on monitoring, reporting and evaluation issues (this is a recurrent topic addressed at several TAG meetings); on how to ensure coordinated input to the RIO + 20 process through the UNCTs and via the PEP partners and the host agencies; on PEI's economics work; on mainstreaming climate vulnerability and adaptation into national development plans and integration into the PEI handbook; and on the way forward for the period 2013 – 17.

157. In addition to the TAG PEI obtains technical input from PEP member institutions (see Chapter 3) on certain areas, for example, on monitoring and evaluation through collaboration with IIED. PEI's participation in initiatives such as the World Bank-led Wealth Accounting and the Valuation of Ecosystem Services (WAVES) generates useful technical information and know-how for PEI programme countries. It is the view of the evaluators that more could be done for obtaining the necessary expert knowledge required to achieving country programme results. Examples of P-E priority topics are environmental fiscal reform, identification, monitoring and analysis of P-E indicators, P-E impacts and benefits of trade-related policies, P-E effects and opportunities of conditional cash transfer programmes and other subsidies. The TAG could evolve to include technical working groups that could meet virtually with academic organizations, specialists and practitioners to discuss the various topics. It is understood that this would require at least one dedicated staff in the PEF with the responsibility to help identify the expertise and coordinate the debate and inputs in close consultation with PEI regional teams to ensure relevance and effectiveness.

158. Periodic Global Workshops convened by the PEF have taken place. These have been opportunities to discuss not just operational issues but also to exchange experiences and learn from each other's work.

159. Coordinating and packaging PEI's inputs to global environmental and development policy processes have been a PEF responsibility. An example is PEI's contribution to the Second Meeting of the CBD Expert Group on Biodiversity for Poverty Eradication and Development in December 2013 in Chennai, India.

160. A priority during the past few years has been to contribute PEI's experience to the process defining the post-2015 development agenda. Among others, PEI made significant contributions to the UNEP-UNDP led Global Thematic Consultation on Environmental Sustainability in the post-2015 agenda that culminated with the production of the 'Breaking Down the Silos: Integrating Environmental Sustainability in the Post-2015 Agenda' in September 2013, which was an input to the UN General Assembly and the Open Working group on Sustainable Development Goals in 2013. PEI country experiences on addressing poverty-environment issues were frequently featured in the report.

⁸² Belgium, Denmark, European Union, Ireland, Norway, Spain, Sweden, the United Kingdom, and USA

161. As mentioned in an earlier section of this report, in spite of expectations that PEI would mainstream P-E issues and approaches within the partner UN Agencies, no indicators or indicative activities were identified for this purpose in the ProDoc. Nevertheless, and as shown in other parts of the evaluation report, the PEF has dedicated time and effort to communicate P-E mainstreaming results and lessons within the agencies, and to reflect and integrate P-E mainstreaming into the work programmes of the agencies. The results of these activities are discussed in more detail in the ‘effectiveness’ section and in chapter 5.

162. PEI’s performance rating with respect to Output 3 is **Satisfactory**.

Overall evaluation rating for ‘delivery of outputs’: Highly Satisfactory

4.2 Effectiveness

163. This section examines the extent to which PEI’s support is helping programme countries mainstream the poverty-environment nexus and achieve the intended programme objective and outcomes.⁸³ It assesses the effectiveness of PEI global and regional teams in providing technical assistance and in establishing learning portfolios and making the experiences and lessons widely available to their regional constituencies and globally. We first examine how PEI is doing against the indicators identified in the 2007 ProDoc; secondly, we summarize the findings of the evaluation case studies with respect to effectiveness; and thirdly, we assess the extent to which PEI is meeting the intermediate outcomes for each ‘component’ of PEI’s programmatic approach using the reconstructed theory of change. It should be clarified that PEI is being held accountable for the degree to which it is contributing to create an enabling environment globally, regionally and in programme countries for addressing the P-E nexus and turn it into an opportunity for pro-poor and inclusive sustainable development, rather than for demonstrating short-term impact on poverty reduction and environmental conditions on the ground. Finally the section examines the fulfilment of PEI’s potential within the host agencies given its importance for P-E mainstreaming beyond 2017.

164. The PEI 2007 ProDoc specified two indicators for its overall outcome (which we equate to the programme’s overall objective, see footnote 79) one quantitative and the other qualitative:

- 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 (METF); 3) key sectoral policies and plans; 4) the poverty monitoring system;
- Widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes⁸⁴.

165. The 2013 PEI Annual Report provides the following figures with respect to the first indicator with an expanded set of expected intermediate outcomes:

⁸³ The ProDoc original Resources and Results Framework had one high-level Outcome that can be construed as its overall Objective and three Outputs. It was only after the programme started that PEI identified six “Expected Results” that can be understood as its “outcomes” using OECD/DAC definitions. Five were related to the implementation of country programmes and the sixth was related to PEI’s ability to learn from experience (knowledge management) and making it available to other countries and practitioners. In 2009 the expected outcomes were changed to 7. See discussion on Monitoring and Reporting in chapter 5.

⁸⁴ The PEI 2007 ProDoc includes three Outputs. The second of such outputs is “Joint UNDP-UNEP regional support programmes and regional communities of practice on environmental mainstreaming”. Given that no specific indicator was identified in the prodoc for this output our understanding is that it was subsumed in the second qualitative indicator.

Box 18 Country progress against PEI outcome indicators	
Indicator	Number of countries by end of 2013
1. Integrated P-E objectives into national policies and sub-national development plans	19
2. Integrated P-E objectives into sector policies and plans	19
3. Integrated P-E indicators into national and sub-national monitoring and evaluation systems	16
4. Have ministries of planning/finance leading multi-sector coordination mechanisms for P-E mainstreaming	16
5. Integrated P-E objectives into budgeting and expenditure processes	14
6. Applied financial instruments for pro-poor growth and environmental sustainability	16
7. Reporting on P-E outcomes in national/sub-national/sector plans	13

Source: PEI 2013 Annual Report

166. The above table presents a snapshot of the progress made by PEI in achieving its main objective if measured against the indicator provided: three in every 4 programme countries have integrated P-E objectives in strategies, plans and sectors; 61 per cent of country programmes have integrated P-E indicators into national and subnational monitoring and evaluation systems; the same percentage of countries has a central ministry leading multi-sector coordination mechanisms for P-E mainstreaming and has applied financial instruments for pro-poor growth and environmental sustainability; and half or more programme countries have integrated P-E objectives into budgeting and expenditure processes and reported on P-E outcomes in national/sub-national/sector plans. These are impressive results even if they encompass the work done since the beginning of the Pilot phase. These results are even more remarkable considering – as discussed in section 2 of this report – that by the end of the Scale-up Phase 10 out of 26 countries had received support for 3 years or less and that mainstreaming P-E linkages in policies, strategies, plans, budgets and country monitoring systems usually requires lengthy institutional processes to reach consensus and obtain the necessary clearances and approvals.

167. Reporting on the above indicator would be far more useful if the number of countries that had those expected accomplishments integrated into their individual ProDocs would be provided (for example, how many countries were expected to be working towards reporting on P-E outcomes in sector plans during the Scale-up Phase). Then it would be possible to conclude whether, for example, the 13 countries reporting P-E outcomes against indicator 2 represent one hundred per cent of the expected target or a smaller or larger proportion⁸⁵. Another useful addition to the table would be to indicate the number of countries mainstreaming P-E at the sub-national level and the sectors/subsectors being targeted. That would give a more complete picture of PEI's achievements. An annual table with the above information would show at a glance the progress made since the previous reporting period or for an entire phase. An example is provided below (Target and actual figures are hypothetical except for the 2013 figures taken from Box 18 above):

Box 19 - Evaluation team proposal to show country progress against PEI outcome indicators				
Indicator	Target for the Scale-up Phase *	No. of countries 2012	No. of countries 2013	% Achieved at the end of the Phase
1. Integrated P-E objectives into national policies and sub-national development plans	19	17	19	100
1.1 National	19	17	19	100
1.2 Sub-national	12	0	6	50
2. Integrated P-E objectives into sector policies	19	17	19	100

⁸⁵ Of course, a possible interpretation of the same indicator is that PEI's objective is to achieve P-E mainstreaming in all developing countries, sub-nationally and across all sectors, therefore, monitoring the overall number of countries that meet the indicator is adequate to show progress towards this global objective.

Box 19 - Evaluation team proposal to show country progress against PEI outcome indicators				
Indicator	Target for the Scale-up Phase *	No. of countries 2012	No. of countries 2013	% Achieved at the end of the Phase
and plans				
2.1 Agriculture	11	5	10	91
2.2 Mining	5	0	2	100
2.3 Social protection	1	1	1	100
2.4 Waste management, etc.	2	1	2	100
3. Integrated P-E indicators into national and sub-national monitoring and evaluation systems	8	10	16	200
3.1 National	7	10	16	228
3.2 Sub-national	1	0	0	0
4. Have ministries of planning/finance leading multi-sector coordination mechanisms for P-E mainstreaming			16	
4.1 Planning				
4.2 Finance				
4.3 other (e.g., President's Office)				
5. Integrated P-E objectives into budgeting and expenditure processes			14	
5.1 Budgeting				
5.2 Expenditure				
6. Applied financial instruments for pro-poor growth and environmental sustainability			16	
6.1 Instrument A				
6.2 Instrument B, etc.				
7. Reporting on P-E outcomes in national/sub-national/sector plans			13	
7.1 National				
7.2 Sub-national				
7.3 Sectors				
7.3.1 Agriculture				
7.3.2 Forestry				
7.3.3 Mining, etc.				

* The 'target' should be the total number of countries for which the specific outcome was identified in their individual ProDoc RRF during a programme phase. One country can have more than one 'phase' within the timeframe of a global PEI Phase. This means that the figures for the target may change during a PEI phase as prodocs for new participating countries or new country phases are approved. A target may have not been reflected in the Prodoc but results achieved, therefore, a percentage of achievement higher than 100% is possible.

168. The differences in the scope of country programmes make generalizations about overall effectiveness difficult. Some country programmes, for example, Uruguay and the Dominican Republic tackled issues limited in scope (thematically and geographically), while other countries such as Rwanda and Malawi are using a very wide range of P-E mainstreaming approaches at the national and sub-national levels. The difference in scope per se does not make individual country programmes less or more effective. For example, in the Dominican Republic PEI in partnership with REGATTA⁸⁶ supported the incorporation of five variables related to risk of natural disasters and environmental pollution in the questionnaire used by the Government to identify poor households which are potential beneficiaries of social assistance programs – such as conditional cash transfers, the electricity and gas subsidy, and the subsidized health insurance regime. Among other related work, PEI helped design and test a household-level Environmental Vulnerability Index (EVI). These innovative instruments have the potential to improve the effectiveness of government spending on social safety nets nationally, reaching the more disadvantaged and vulnerable communities and households and demonstrating the importance of considering environmental factors. These instruments also have a high replication potential across the entire

⁸⁶ Regional Gateway for Technology Transfer and Climate Change Action in Latin America and the Caribbean (REGATTA)

LAC region. Consequently, this initiative with limited scope and for which PEI invested a relatively small amount of funding can be considered to be very effective. None-the-less, the replication potential will only be realized if PEI continues to work with the government beyond the phase already concluded to determine the results of the application of the tools in the Dominican Republic context and shares the results with other countries within and outside the LAC region.

169. The ‘effectiveness’ performance ratings for the country studies carried out as part of this evaluation are the following:

- Burkina Faso: Satisfactory
- Malawi: Satisfactory
- Kyrgyzstan: Moderately Unsatisfactory
- Lao PDR: Satisfactory

170. Excerpts from the case studies illustrating the findings that led to these ratings are provided below.

Burkina Faso:

171. “The programme had a very effective inception phase which enabled Phase 1 to start in earnest upon signature of the ProDoc in 2010. At the end of Phase I (2013) PEI had made a strong economic case for P-E mainstreaming in the country and had rallied a large group of ‘champions’, people highly regarded in Burkina Faso’s society (e.g., parliamentarians, clergymen, political leaders, communicators, sports) to help promote the importance of P-E linkages to the country’s development at the national and subnational levels, each committed to deliver on its distinct and specific programme of work. In addition to P-E mainstreaming in the Poverty Reduction Strategy, PEI contributed to reviewing sectoral policies in 6 sectors to ensure coherence with the PRSP. Cotton production and gold mining (artisanal and industrial) are key industries for Burkina Faso’s economy but the lack of adequate chemicals management (among other challenges associated with these industries) has created significant health, social and environmental problems that offset economic gains. PEI’s contribution to understanding the effects of current practices and the cost to the country (through studies and policy briefs) is helping to identify policy options for the benefit of the population and environmental sustainability. While the popular up-rising at the end of 2014 may set back some programme achievements, PEI is well placed to influence the new government and achieve the expected outcomes during the implementation of Phase II.”

Malawi:

172. “At the end of 2014 PEI had delivered the majority of products and services (outputs) proposed in the project Results and Resources Framework for Phase 1 albeit later than planned. Two outputs produced during Malawi’s PEI Phase 1 are highlighted for their importance to achieve the programme outcomes: the Economic Study⁸⁷ and the State of the Environment and Outlook⁸⁸ report. Both have been instrumental in making the case for P-E mainstreaming, in particular among central ministries, the President and Cabinet Office, and the media, creating an enabling environment for policy change and strong ownership of the programme. Two other important products were the Public Expenditure Review on Environment and Risk Management completed in 2014 during Phase 2, and the study to determine the baseline for soil loss, a key indicator for the Agriculture Sector Wide Approach, which although not completed during the Scale-up Phase is currently being prepared in partnership with FAO. The application of the Budget guidelines and revised Decentralized Environmental Management Guidelines developed with PEI support has

⁸⁷ Economic Valuation of Sustainable Natural Resource Use in Malawi. Government of Malawi. Ministry of Finance and Development Cooperation - 2011.

⁸⁸ Malawi State of Environment and Outlook Report: Environment for Sustainable Economic Growth. Malawi Government. Ministry of Natural Resources, Energy and Environment - 2010.

good potential to improve the prioritization and integration of P-E issues in the national budget and in the development plans of the Districts.”

Kyrgyzstan:

173. “The majority of activities and products effectively contributed towards Kyrgyzstan PEI Outputs and Outcome. The major achievements are: the National Strategy for Sustainable Development, the Government’s Programme on Transition to Sustainable Development (PTSD), the Programme Board, national ownership, operational cooperation within UNDP, and institutional capacity building”. However, the evaluator further states: “the Outcome has not been fully reached: P-E mainstreaming into UN, sectors and budget has not yet been achieved.” One of the reasons is that this first phase did not include activities to develop the knowledge base and economic evidence of P-E links to inform policies and create awareness. The P-E nexus is not yet well understood in the country although the concept of sustainable development has been adopted as the overarching national development path.

Lao PDR:

174. “The project has undeniably made significant progress towards achieving PEI’s Phase II objective ‘to strengthen the capacity of targeted central and provincial authorities to integrate poverty-environment concerns in development planning for sustainable and inclusive growth’, a continuation of Phase I. All components [equitable, sustainable and climate-resilient development included in the implementation and monitoring of the National Socio-Economic Development Plans; National and Provincial Investment Strategies are implemented to strengthen investment management systems for quality and sustainable growth; Improved effectiveness of Environmental and Social Impact Assessment system, particularly for the agriculture and forestry plantation sector; and Investment decisions are better informed by targeted economic and environmental research and policy analyses] are on track to deliver the intended outcomes but Component 4 [concerning National Assembly oversight mechanisms for quality investments in natural resource related sectors] needs strengthening. Training and on-the-job skills development, particularly at the sub-national level, need scaling-up and sustained attention beyond Phase II to achieve the intermediate outcomes and to sustain these over time.”

175. The performance assessments⁸⁹ of previous country evaluations during the Scale-up Phase were also taken into consideration (see Box 20). It should be noted that these assessments were made in 2011, less than 3 years from the time when the Scale-up Phase began.

Box 20 – Performance assessments from previous PEI evaluations

Country	Effectiveness Assessment	Evaluation
Bhutan	“PEI Bhutan has been very effective in creating awareness, involving a range of sectors, and creating ownership. Likewise, PEI Bhutan has also been able to influence policy processes and the planning agenda, and created a process towards better mainstreaming of PE. However, while the wide array of activities under the Joint Support Programme are of PE relevance and often also of relevance to policy and planning processes, the focus on activities that strategically contribute to the intended outcomes and objectives could be stronger. Furthermore, Environment, Climate and Poverty (ECP) mainstreaming primarily takes place within sectors, whereas inter-sectoral collaboration has not been achieved, and PEI Bhutan has not yet influenced budgeting.”	PEI Scale-up Phase Mid-Term Evaluation Case Study 2011
Botswana	“PEI has been effective at linking UN institutions, UNDP and UNEP, in one project. PEI is effectively part of the UNDAF Botswana. Outside the UN, PEI has effectively liaised with its key partner institutions in government, and at high and decentralised levels. PEI added value includes the development of partnerships with IIED and the World Bank (WAVES), and UNEP Geneva (on Green Economy). These partnerships enhance the quality of the programme and provide an important	PEI Scale-up Phase Mid-Term Evaluation Case Study 2011

⁸⁹ The PEI 2011 Mid-term Evaluation did not use UNEP’s Evaluation Office standard performance-rating method.

Box 20 – Performance assessments from previous PEI evaluations

Country	Effectiveness Assessment	Evaluation
	aspect of global networking and benchmarking, dealing with emerging issues, pursuing programme synergies and co-financing options, and global cutting edge input into the work of PEI Botswana. In the Ministry of Finance and Development Planning, Office of the President, Ministry of Environment, Wildlife and Tourism, Ministry of Local Government and Ministry of Minerals, Energy and Water Resources, contacts have been established and activities carried out such as capacity-building for staff, and consultancies paid by PEI for production of policy papers, the Advocacy & Communication strategy, and policy workshops at central and (increasingly) at decentralized levels. Contacts need to be made stronger however between PEI and Agriculture.”	
Lao PDR	“Overall program has been very effective in raising awareness and developing tools to manage investments. Key achievements of the programme include: - Capacity building – PEI has been successful in changing how people think about the links between investment, environmental management and poverty - The successfully development of tools such as the Investment database and methodology for assessing the social and environmental impacts of assessments - The integration of PEI principles into the 7 th National Socio Economic Development Plan - The development of the draft National Investment Strategy”	Final Evaluation of Phase 1 Completion 2011
Lao PDR	“PEI Lao PDR has over a relatively short time span been able to effectively create understanding, a sense of ownership and commitment to the PE agenda and enhanced the capacity to better address these issues in relation to regulating foreign direct investments. At the provincial level, PEI Lao PDR has created a culture of interdepartmental collaboration.”	PEI Scale-up Phase Mid-Term Evaluation Case Study 2011
Malawi	“PEI has over three years effectively influenced and financed 100% the development of policy documents in several sectors: Energy, Agriculture, Forestry, Fisheries; and is in the process of bringing improved PE knowledge to district councils to enable the 28 district councils to plan in an improved way sustainable NRM and district development activities.”	PEI Scale-up Phase Mid-Term Evaluation Case Study 2011
Tajikistan	“PEI Tajikistan has over a short time span been able to effectively influence the development process for district development plans, and through the revisions of the national methodology and indicator collection the foundation is laid for national up-scaling of PE mainstreaming in district development plans. PEI has not yet engaged in advocacy and influencing policy processes in Tajikistan.”	PEI Scale-up Phase Mid-Term Evaluation Case Study 2011
Uruguay	PEI has been effective at linking UN institutions, UNDP, UNEP, UN WOMEN, together in one project. For example, UN-WOMEN has already put to good use the data from the 1,200 HH urban poverty baseline survey on rubbish collectors in its work on gender equity. Outside the UN, PEI has effectively liaised with its key partner institutions. In the Ministry of Social Development (MIDES), and in the Budget Planning Office (OPP), PEI – by means of consultants hired by PEI – is helping OPP organize the national budget in a way that better respects PE concerns, although there is a long way to go. A problem noted by PEI consultants sitting in OPP is that “ the civil servants do not know how to include the themes, Poverty and Environment, in their daily planning activities”. Nevertheless, PEI is effectively helping OPP’s three units (Land Unit); State Evaluation Agency); and iii) Development Strategies and Investment Policies) improve their PE planning, but it is unlikely the objectives for enhanced PE planning in OPP will be fully achieved before PEI ends.”	PEI Scale-up Phase Mid-Term Evaluation Case Study 2011

176. Good performance with respect to effectiveness at the country level is strongly correlated with the good performance of the joint Regional Teams. The PEI regional programmes in Africa and Asia have large and interesting portfolios that vary in scope and focus reflecting the regional and national differences but allowing for cross-fertilization and learning. Feedback from national stakeholders attests to the quality of backstopping and technical assistance provided by the regional

teams to the country partners and their versatility to be able to cover so many topics and keep abreast of new methods and tools related to P-E mainstreaming. The quality of project documents, the publications and reports produced by these two teams reflects a very good understanding of the political economy of the regions and sub-regions as well as of their development, poverty reduction and environmental trends, priorities and challenges. The decisions about programme countries and the choice of topics and tactics reflect strategic thinking and careful consideration of national priorities and opportunities to make a difference. These two regional teams are very knowledgeable about the trade-offs between development, land and resource use in key sectors, and understand the barriers to improved decision-making⁹⁰. The teams have also been effective in identifying pro-poor and inclusive development opportunities and building a case to persuade governments at all levels to promote investments on these. Effectiveness in steering the development and implementation of successful country programmes is also linked to the Regional Coordinators' ability to communicate clearly and persuasively with RRs, ministers, heads of department, development partners, members of parliament and other key decision-makers in the country and also to harness the power of the media, particularly during the inception phase when national teams are not yet in place. P-E mainstreaming has been referred to by Heads of State such as the President of Rwanda, an indication of PEI's success in communicating the relevance and importance of using ecosystem services and natural assets sustainably and effectively for poverty reduction and national development. Several countries in the two regions have progressed to the point where they will achieve their key outcomes by the end of the current PEI phase in 2017 (e.g., Lao PDR if sufficient resources are mobilized to complete all planned activities). There are great expectations that PEI will then be able to turn its attention to assess whether P-E mainstreaming is starting to make a difference in the way ecosystems and resources are used and if poor communities are benefitting from it. At that point PEI will be able to assess policy change effectiveness and impact.

177. LAC and Europe and the CIS have smaller and less mature P-E mainstreaming portfolios, however, there are examples of good results in individual countries. The size and composition of the portfolios for these two regions at the end of the Scale-up Phase is partly due to PEI's budgetary constraints (see chapter 5), partly due to a more challenging political environment for P-E mainstreaming particularly in CIS countries, and partly to other factors such as the vision and approach for P-E mainstreaming of the joint regional team leader(s). The LAC programme was selected for review in this evaluation because there were indications that it was not performing to the same standard as the other regional programmes (see the full LAC case study report in Appendix C). The regional case study assessed the effectiveness of the regional programme in identifying, designing, and supporting a portfolio of PEI national projects, and learning from their implementation.

178. The case study identified several weaknesses in the design and implementation of the projects that compose the LAC portfolio affecting overall regional programme effectiveness. The premature closure of 2 country programmes (after having completed the activities under the existing ProDocs) also affected PEI's ability to learn from these initiatives and to achieve P-E mainstreaming objectives. Taking into consideration intrinsic constraints faced by the regional team, the evaluator concluded that the deployment approach for the regional portfolio was not strategic. "LAC's PEI may have benefited by first looking at the "big picture" and identifying key issues in the region where it could most effectively target its limited funding. Notwithstanding the pressures to quickly identify candidate countries, this was a lost opportunity as rigorous background/preparatory work may have yielded different priorities and would have enhanced LAC's team ability to make a stronger case for P/E mainstreaming with high-ranking government officials."

⁹⁰ An interesting example about the challenges posed by political economies to change the use of ecosystems and natural resources in developing countries is the attempt by Norway to reduce deforestation and forest degradation in Indonesia. One billion dollars was pledged and partly disbursed to the government of Indonesia but change has proved very difficult and progress has been slow.

179. According to the case study report, “the criteria for the selection of national initiatives to include in LAC’s Scale-up Phase do not appear to have been the result of a systematic, comparative assessment of the potential interventions within and among candidate countries. Instead, according to LAC PEI staff the selection was made with the goal of constructing a portfolio with a mix of economic and political settings and difficulty of implementation due to level of institutional capacity (high in Uruguay, medium in the Dominican Republic, and low in Guatemala); plus the inclusion of rural (Dominican Republic and Guatemala) and urban sectors (Uruguay). While these variables are undoubtedly important, this approach lacks the analytical rigour of a formal and documented comparative analysis of the likelihood of each proposed intervention successfully addressing the overarching goals of the PEI.” Furthermore “the method for identifying and selecting projects to support under Phase II is even more problematic. The 2012 National Call for Expressions of Interest (EOI) did not prove to be an effective vehicle to identify suitable projects. On the other hand this approach provided an equal opportunity to interested countries to send a proposal for consideration.”

180. Concerning individual project technical support and supervision the evaluator came to the conclusion that “while project backstopping was adequate, project status reports and other documentation do not adequately communicate the programme’s tangible achievements, challenges and lessons. Moreover, the reports do not show sufficient reflection on the process of the programme. As a result, the reports reviewed did not offer a sufficiently comprehensive “institutional memory” documenting the path of the project, why certain areas of work were discontinued or modified, and how key decisions came about.”

181. The above findings point to the need to step-up the oversight and technical support of the PEF to the LAC programme and probably the Europe/CIS programme. Peer review and support from other regional team members may also help although interviews revealed that when this was attempted in the past there was a negative reaction from the LAC team, which was of the view that it was not possible to transfer PEI’s experience in Africa to LAC (the evaluators are of the opinion that there are many transferable aspects of the experience in Africa and Asia). Overall portfolio effectiveness needs, among others, follow up on the uptake of tools developed with PEI support, and on the results and possible replication of the same. While reports point to interesting effects of PEI early intervention, for example, in Uruguay, this needs to be further examined and backed by rigorous analysis.

182. The evaluation team decided to also examine PEI country programme effectiveness against the framework of the reconstructed Theory of Change, in particular, whether the intermediate outcomes expected in each of PEI’s programmatic approach ‘components’ as described in Figures 2 and 3 are being achieved and whether key impact drivers are being realized. It is important to note that by the end of the Scale-up Phase most country programmes had completed all activities related to Component 1 and were at different stages of implementing activities related to Component 2. None had yet completed all activities related to Component 2, although a few countries were quite advanced. Concerning Component 3, some steps have been taken by regional and country teams to set the foundation to enable programme countries to assess the effect of the policy changes made with PEI’s support but clearly a lot more needs to be done.

183. The progress in achieving the intermediate outcomes of Component 1 ‘*Finding the entry point(s) and making the case*’, Component 2 *Mainstreaming P-E linkages into policy, planning, budgeting and monitoring processes*, and new Component 3 *Assessing policy change effects*⁹¹ is rated 1 to 6 in the table below (Box 21), 1 being the least progress and 6 the highest achievement. Low ratings do not necessarily mean lack of performance on the part of PEI considering that some countries have only begun project implementation quite recently. The ratings are the based on the

⁹¹ The reconstructed TOC proposed a change in PEI’s programmatic approach and added a third ‘components’ which is indispensable for understanding whether P-E mainstreaming is producing the desired impacts on the country’s development path (see chapter 2)

opinion formed by the evaluators upon consideration of documented reviews such as evaluation reports and self-assessments by regional and country teams in progress reports, as well as on the views expressed by national and local stakeholders during interviews. The ratings are not based on comprehensive programme data analysis as these variables have not been consistently monitored and reported on by the programme (see Monitoring, reporting and evaluation section) during the Scale-up Phase (the evaluation team is aware that outcome monitoring has been introduced for this new PEI Phase).

Box 21: PEI's performance against TOC intermediate outcomes		
Component 1: Finding the entry point(s) and making the case		
Intermediate Outcomes	Evaluators Performance rating	Comments
Improved awareness and understanding of the importance of P-E mainstreaming into national policy and planning instruments among key policy-makers (in particular in planning, finance ministries)	6	There is no doubt that as a result of PEI the level of awareness and understanding about the P-E nexus and the need for it to be mainstreamed into national policy and planning has substantially increased in planning and finance, but also in environment ministries. There is at least one exception – Kyrgyzstan, where the evaluator found that the emphasis had been on sustainable development rather than P-E linkages. However, this is the result of the choice of entry point, which in Kyrgyzstan was determined by the opportunity to influence the overall SD agenda of the new government on the way to Rio+20.
Willingness to work on P-E mainstreaming at the highest possible level of government, and consensus on country programme approach and entry point(s) (policy, planning processes & instruments)	6	PEI has been extremely successful in mobilizing support from very high-level decision-makers in most countries. This has been instrumental for creating a positive environment among middle managers and staff in central ministries, local government and relevant sectors to contribute to the implementation of the agreed actions in PEI country ProDocs.
Improved capacities for P-E links analysis and economic valuation	4	The baseline in many LDCs was extremely low. PEI has been very successful in creating enhanced capacities for this type of analysis among government departments responsible for economic analysis and also among NGOs, academic institutions and even private consulting firms such as in Burkina Faso. It is acknowledged that more support is needed to increase the number of institutions and researchers with these capacities and to improve the quality of the research, as well as to cover the wide range of topics involved.
Improved understanding among UNCT of importance of P-E and climate mainstreaming for MDGs	5	Generally PEI has been successful in integrating P-E and climate considerations in the UNDAF and other country programming documents. Indeed, PEI has been a champion of the Delivering as One approach and devoted significant efforts during the Scale-up Phase to ensure UN country programming guidelines would consider environmental sustainability and its links to poverty reduction (this is particularly recognized by UNEP Regional Offices and UNDP Country Offices). Some RCs in PEI programme countries have been P-E mainstreaming champions. The inter-agency discussions during these processes have been an opportunity for raising awareness about the need for P-E mainstreaming.
Collaborative agreements with UN organizations	2	Better understanding of the importance of P-E linkages for poverty reduction and the MDGs has not translated in a significant enhancement of UN agency collaboration in this respect or in new programmes supporting governments address P-E linkages in sectors relevant to the individual UN agencies' mandates.

Component 2: Mainstreaming P-E linkages into policy, planning, budgeting and monitoring processes		
Intermediate Outcomes	Evaluators Performance rating	Comments
Improved understanding of P-E linkages (national, subnational & key sectors)	5	Very good progress across the board but increased work in specific sectors is needed if P-E mainstreaming is to be translated into action on the ground.
Approved policy and planning instruments integrating P-E linkages (national/subnational/sectors)	6	There has been significant progress in achieving this intermediate outcome across most programme countries. P-E links have been mainstreamed in national planning strategies and plans and in many cases these have also been translated into district and other local level planning processes and instruments. The systems are often in place for this to continue in subsequent national planning cycles. Capacities to use the systems and adequately integrate P-E links into planning have been enhanced both at the central and sub-national levels, although this is a continuous challenge in view of, among others, staff turnover. More work is required at the sector level.
Budgets include funding for implementation of agreed actions (National/subnational/sectors)	3	<p>There is evidence that in some programme countries there have been increases in the budget allocations for environment including for CC. There is less evidence that such public expenditure changes are a direct result of PEI activities in the countries, although, in some countries a direct influence can be traced. In some countries PEI country teams have been very successful in obtaining substantial financial support for P-E mainstreaming from development partners such as in Lao PDR. Each country requires a specific strategy to mobilize adequate funding to meet pro-poor sustainable development objectives, usually a combination of changes in the allocation of available public funds, increased public revenues derived from EFR, FDI, domestic and foreign private quality investments, multilateral bank funds, and donor funding. Opportunities and constraints in each country are different, therefore the need to define a strategy.</p> <p>As is the case for other outcomes, PEI has delivered overall on individual country outputs towards this intermediate outcome. For example, In Malawi, P-E considerations have been mainstreamed in the budget guidelines issued by the Ministry of Finance to be followed by the sectors and local governments in preparing their budget proposals. However, there are many competing priorities and the ultimate budget allocation is influenced by many factors beyond the control of PEI.</p>
Contribution of natural resources and environment to public finances quantified	5	The number of PEI programme countries having conducted Public Environment Expenditure Reviews, Climate Public Expenditure and Institutional Reviews and other related analysis such as for specific industries has steadily increased. The process and results of these reviews are increasing the information readily available to inform decisions on public expenditures and fiscal reform, among others.
Supportive fiscal policies	3	This is a complex area, which PEI started to tackle in the Scale-up phase. There are some initial studies but more needs to be done in partnership with organizations such as the multilateral banks, which have substantive experience on fiscal policy. This topic needs increased attention if PEI's objective to increase funds available for pro-poor sustainable development is to be met.
Improved inter-institutional coordination for P-E mainstreaming	5	PEI has encouraged the use existing inter-sectoral coordinating bodies within national governments to address P-E mainstreaming. When existing bodies have not been found adequate, specific coordinating mechanisms have been established. In most cases, these mechanisms are functional and their sustainability is moderately likely.

P-E indicators integrated in national statistics	3	<p>PEI has done work in many countries to identify key indicators to monitor P-E issues. Approaches to this work vary from country to country (e.g., the work done in Kyrgyzstan to pilot the integration of green growth indicators in collaboration with the OECD is very different from the work done on P-E indicators in Malawi). Exploring various approaches is useful as long as there is a comparative review of pros and cons of each approach. The case study results have shown that challenges are significant not only to identify useful indicators but also to ensure the systems for data collection and sharing are in place or integrated into the national statistics systems. Moreover, the evaluators found that the biggest challenge is the lack of capacity for integrated analysis of individual indicators, which are usually monitored by different institutions. For example, if the fisheries department monitors water quality and fish catch, and the health department monitors child stunting and other parameters linked to nutrition, who integrates the data/analysis to identify linkages between changes in fish catch performance and child nutrition? Increased fish catch may all be exported with a negative effect on nutrition of local communities.</p> <p>PEI would benefit from external expert advice.</p>
Capacities of government institutions and the legislative to integrate P-E linkages increased (including Ministry of Environment capacity to make the economic case for the environment)	4	<p>Progress on all these areas has been significant overall but individual country performance is different. It should be noted that the evaluation team was made aware that in at least one case the ministry of environment feels it has somehow been left behind given the central role of planning and finance. A balanced approach is necessary. Local governments are benefiting significantly from PEI's capacity development support but it cannot be expected that PEI would be able to fulfil the P-E related training and capacity develop needs of all local governments in programme countries. Training of trainers is one approach used by PEI to be able to extend access to training to as many institutions and individuals as possible. However, this still falls short of needs. A strategy should be developed in each country identifying what is the critical mass of trained staff required for each topic and how to achieve these targets. Leveraging development partner support to complement PEI's small catalytic contribution, as has been already done in some countries is important.</p>
Capacity of legislative bodies to design P-E supportive laws	2	<p>Parliamentarians have been increasingly targeted for capacity development on P-E mainstreaming (e.g., Burkina Faso and Lao PDR) and also for advocacy and results were starting to become visible at the end of the pilot phase. At least in one case PEI has partnered with UNDP CO governance initiatives. This could be replicated in other countries.</p>
Public awareness of importance of environmental sustainability for poverty reduction increased and support for policy change	4	<p>National PEI teams have been effective in working with the media, including through capacity development of journalists, so that they are willing and able to report on P-E issues. PEI has often worked with journalists to develop articles/videos that present the findings of the economic valuation analysis in a way that the general public can understand and appreciate. Media attention is important for policy-makers' attention. PEI has produced a very large number of policy briefs and there is evidence that policy makers are aware of their contents and key facts.</p> <p>The evaluation team could not ascertain the extent of changes in public opinion or perception.</p>
Component 3: Assessing policy change effects		
Intermediate Outcomes	Intermediate Outcomes	Intermediate Outcomes
Improved capacity to monitor	3	Although some foundations are being created through activities in

and analyse effects of policy change (national, subnational and sectors)		Component 2 by the end of the Scale-up Phase there was no clear strategy to ensure such capacity would be in place.
Improved data management and analysis capacity	4	This rating reflects the progress made in creating institutional and individual capacities for economic valuation, identifying indicators, conducting PEERs, among others.
Improved planning and policy making capacities	4	The evaluators found that the depth at which P-E links have been integrated in, for example, national development plans, varies much among countries reviewed. It is very important for PEI to understand the reasons behind these variations to help identify ways in which the quality of P-E mainstreaming in the planning cycle can be improved over time. There is a need for the global PEI to carry out a systematic and comparative analysis of what elements of the P-E nexus have been mainstreamed into policy, budgetary, fiscal, trade and other instruments across all countries. Ideally, these should be separate assessment exercises (i.e., one for planning instruments, one for budgetary processes, etc.). This assessment process could start with planning instruments taking advantage that a large number of countries have worked on this, sometimes through more than one planning cycle (all national planning documents of PEI programme countries and perhaps random samples of sub-national planning documents in each country that could later be compared between countries)
P-E fully mainstreamed into relevant critical policies, planning, budgets and sectors	4	This is work in progress but as noted in the Outputs section PEI has yet to tackle critical policies such as those related to land tenure and resources rights. Also, substantive sector work is still lacking in many countries.
Improved adaptive management capacity within countries to integrate lessons learnt	2	This is at early stages of development.

184. The evaluation **performance rating against outcome indicator 1** is **Satisfactory**, with the Africa and Asia portfolios rated as Highly Satisfactory (these two regions have several countries performing well against the 7 indicators in Box 18 and against the intermediate outcomes shown in Box 21) and the ECIS and LAC portfolios rated as Moderately Satisfactory (programme countries are yet to show results against several indicators and make progress towards intermediate outcomes).

185. The second global PEI indicator ‘Widespread access to knowledge, tools and good practices on integrating environment into poverty reduction and growth policy and planning processes’ lacks specific and measurable targets and simply states that access to knowledge, tools and good practices should be “widespread”. This makes it difficult to judge progress. It also does not identify the target audience, but the evaluators assume it involves the UN host organizations, international and national practitioners, participating countries and other countries interested in P-E mainstreaming.

186. As shown in the Outputs section above, the global, regional and national PEI teams have documented their know-how and experiences in a large number of documents and communication materials in various languages. The PEI website is the main global repository of that information which in principle is accessible to all. The website is reasonably up to date and is easy to navigate. The information is organized by country and by topic helping viewers obtain what they are looking for. Press releases and videos are also part of the contents of the website. The site also contains useful reference materials and links to studies and publications by third parties relevant to P-E mainstreaming. If compared with other sites containing P-E relevant information, PEI’s is more complete (for example, compared to the ADB-maintained PEP site) and user friendly (for example,

the WB site has very interesting documents but the huge quantity of information on multiple issues stored makes it difficult for users to find P-E mainstreaming specific material if not previously familiar with the site or in the absence of detailed references for the materials being searched). According to PEF staff, website visits and downloads have increased steadily over the years.

187. Good quality printed materials are also available. Results of studies, guidelines and training materials have reached local public institutions and to a limited extent communities. PEI has also used other means to make its knowledge, tools and good practices available to specific audiences, for example, through study tours tailored to the needs of national stakeholders as well as workshops for South-South exchange. The feedback from interviewees is that study tours are the most effective means of sharing experiences if well prepared and this has been the case in the two examples reviewed, both in Asia. The teams in Africa and Asia have conducted more South-South exchanges and study tours than the other two regions.

188. During interviews senior managers in UNEP and UNDP expressed strong interest in PEI developing “packages” that would combine tools, methods and examples about varied P-E mainstreaming subjects and to make these available to interested countries and practitioners. The evaluation has found that indeed there are opportunities to combine in one “package” a guidance note (or a “how to” note) with the relevant policies, legislation, studies, processes, guidelines, templates, databases, training materials, etc., for individual topics. Lao PDR’s “quality investments” promotion and management system is a good example. However, there are two caveats: the first is that the government would need to give its consent for making public these materials; the second is that generally, none of these tools, templates, etc., could be deployed by other governments without significant customization. PEI could experiment with producing one such package, perhaps for a less complex topic than FDI. In the case of Lao PDR’s FDI system, PEI could as a minimum (and as already recommended in the country case study report) describe the entire system in one document. This would help practitioners and other interested people comprehend what is involved and the steps that should be taken for such system to be implemented elsewhere. This would be definitively useful for scaling-up P-E mainstreaming, enabling replication by other countries facing similar challenges.

189. The above “packaging” could be done more effectively if thematic “learning portfolios” are formed. For example, examining all the work done by PEI with respect to P-E considerations in extractive industries (or even more detailed, for example, with respect to the mining industry) to better understand the pros and cons of various approaches. Learning portfolios would also help identify the target audiences within and outside UNDP and UNEP with more accuracy. The TAG could be involved in this work through issue-based working groups as suggested above.

190. By the end of the Scale-up Phase PEI only had one urban pilot initiative in Uruguay but Peru is now building on that experience. This should stimulate reflection on whether PEI indeed has a niche on urban P-E matters and whether PEI should increase its urban P-E portfolio in LAC or in the other regions, and if so, on what specific themes. Similarly, PEI should continue refining its approach and contribution to CC issues, in particular CC adaptation. While the evaluation team is convinced that PEI’s P-E mainstreaming focus is relevant to CC adaptation this line of work would also benefit from further consideration to help determine the evolution of the portfolio. For example, PEI’s early work in Malawi provided valuable lessons about how to mainstream environmental considerations into national development planning and across multiple sectors that were taken into consideration by the government when it began the process of mainstreaming CC into national development policies and plans. Many of PEI’s tools and approaches were used for CC, including hosting CC adaptation mainstreaming efforts in the Ministry of Development Planning and Cooperation. However, in 2010 with AfDB support and GEF funding, Malawi started implementing a large CC adaptation project linked to the agricultural sector and a decision was

taken to move all CC adaptation responsibilities back to the Environmental Affairs Department⁹². While communication and cooperation between PEI Malawi and the CC adaptation portfolio exist (particularly in decentralized development plans), at the time of the case study field visit the strategy for PEI’s engagement in CC in the country was not clear. Box 22 shows the GEF CC Adaptation portfolio in Malawi since 2008, which is quite substantive and has obvious synergies with PEI’s work in the country.

Box 22: Malawi, GEF Climate Change Adaptation Portfolio 2008 - 2015				
Project Name	Agency	Project Type	GEF Grant	Cofinancing
Climate Adaptation for Rural Livelihoods and Agriculture (CARLA)	AfDB	FP	3,000,000	24,505,000
Climate Proofing Local Development Gains in Rural and Urban Areas of Machinga and Mangochi Districts	UNDP	FP	5,318,200	36,000,000
Strengthening Climate Information and Early Warning Systems in Malawi to Support Climate Resilient Development and Adaptation to Climate Change	UNDP	FP	4,000,000	17,136,749
Implementing Urgent Adaptation Priorities Through Strengthened Decentralized and National Development Plans.	UNDP	FP	4,500,000	15,500,000
Building Climate Change Resilience in the Fisheries Sector in Malawi	FAO	FP	5,460,000	4,480,000
Total			22,278,200	97,621,749

191. The evaluation team is aware that PEI participated in the design of a regional ecosystem-based adaptation project to be funded by the LDCF in cooperation with UNEP and UN-Habitat. The project “*Building Climate Resilience of Urban Systems through Ecosystem-based Adaptation (EbA) in the Asia-Pacific region*” to be implemented in Bhutan, Cambodia, Lao PDR and Myanmar will provide additional experience to PEI on P-E mainstreaming in urban areas and on climate change adaptation, and should help PEI managers assess the cost-effectiveness of participating in the implementation of GEF projects in the context of PEI’s mandate and expected objectives.

192. Another approach to facilitate P-E mainstreaming in additional countries when budgetary restrictions do not allow for the establishment of a full country programme is to provide targeted technical assistance on demand. This has taken place in 6 countries during the Scale-up Phase. Regional Team members interviewed are of the opinion that while this is useful and in some cases excellent results are being achieved such as in the Philippines (Box 23), for many

Box 23: PEI Targeted technical Assistance in the Philippines

The general experience in extractive industries in the Philippines has proven to be quite detrimental to local areas and communities, leaving behind only a degraded environment and limited development impacts. Recently, there has been a substantial increase in applications for mining licenses in many parts of the country, backed by national legislation. Mining can cause pollution, compete with biodiversity areas and undermine the rights of local populations. PEI has been providing technical assistance to the government of the Philippines since 2011 to address this problem. Among others, the Philippines is working on being included in the list of countries that comply to the Extractive Industries Transparency Initiative with the aim of promoting transparency in the mining sector led by the Department of Interior and Local Government with the Department of Environment and Natural Resources, the Department of Finance, the Department of Budget and Management, and the National Anti-Poverty Commission.

Source: PEI website

See a comprehensive video on The Philippines extractive industries and PEI’s contribution on:
<https://www.youtube.com/watch?v=r732LBwA8L4&feature=c4-overview-v1&list=PL2CCFFBF338F2DE33>

⁹² There was also an attempt at moving PEI Malawi from Planning to the Environmental Affairs Department, which PEI resisted.

countries, in particular LDCs, targeted technical assistance cannot replace the long-term and more in-depth capacity development support provided through full country programmes. Among other limitations, targeted technical assistance requires the deployment of a significant amount of time by regional team members in the absence of a dedicated in-country team and this may be in detriment of the other countries given the current staffing of regional teams.

193. Last but not least, PEI has been a very rich source of experiences that have been used by the partner host agencies to inform the post 2015 development agenda and other policy processes. While theoretical knowledge about the benefits of P-E mainstreaming may be available elsewhere in the UN host institutions, the experience acquired through PEI's direct engagement in the countries over a long period of time is unique. The participation of PEI programme country government officials in the PEP/TAG and other events organized to discuss the future of the MDGs has been particularly effective.

194. The evaluation **performance rating against outcome indicator 2 is Satisfactory** considering the staffing workload and available resources both at the regional and global levels. There is, however, much potential to enhance the knowledge management effectiveness of PEI if modest additional resources would be invested for this purpose.

Effectiveness in realizing PEI's potential within the host UN agencies

195. PEI gained prominence at the end of the Africa Pilot Phase as a very promising example of UNDP-UNEP cooperation and as a means to demonstrate that the UN reform could be implemented with good results. This is an important reason why donors rallied behind the initiative. The MOU between UNDP and UNEP signed at the end of 2008 was a confirmation of the political will at the top of both organizations for more strategic, effective and systematic collaboration. PEI was singled out as one of three areas of cooperation in the MOU. According to interviewees, improved UNDP and UNEP cooperation through the PEI was expected to significantly contribute to the following outcomes:

- A more holistic approach to UNDP's support to national governments in which environmental sustainability would be better integrated into poverty reduction and governance initiatives;
- More effective integration of P-E mainstreaming in the strategic planning and programme of work of both organizations as well as improved understanding of PEN's contribution to achieving the MDGs;
- A model for how UNEP could deliver more strategic and effective technical assistance at the country level, and the wide adoption of this model within the organization;
- A model of how UN agencies can work together building on their comparative advantage and expertise to provide effective and efficient technical assistance to countries on complex multidimensional development issues increasingly adopted in joint programmes and projects.

196. The focal points for the MOU were the Assistant Secretary General/Director of the UNDP Bureau for Development Policy (BDP) and the Assistant Secretary General/Deputy Executive Director of UNEP who was also Officer-in-Charge of the Division for Regional Cooperation (DRC). The UNEP Regional Directors and the UNDP Resident Representatives were expected to take responsibility for the cooperation and institutional arrangements at country-level. PEI welcomed these arrangements given that the Initiative was anchored in the DRC of UNEP and in the Environment and Energy Group (EEG) of UNDP, the latter attached to BDP. PEI's Joint Management Board was initially co-chaired by the heads of DRC and EEG who were also the co-chairs of the PEI Donor Steering Group (DSG) formed in 2008 at the request of PEI's donors (see more info on PEI's structure and organization in section 5.3). The role assigned in the MOU to the UNEP Regional Directors as the main interlocutors vis-à-vis the UNDP COs was a positive step in strengthening the participation of the regional offices in the implementation of UNEP's programme

of work⁹³, which in turn would facilitate PEI's regional teams dialogue with the UNDP country offices and national governments. It should be noted that in addition to overseeing UNEP's Regional Offices, DRC was responsible for coordinating UNEP's support to the UN Country Teams via its Delivering-as-One Unit. This also presented an opportunity for cross-fertilization and expanding UNEP's technical support to more countries.

197. A Joint Working Group to oversee and promote the implementation of the Memorandum and to develop substantive areas of cooperation was established, albeit two years later, in August 2010. The co-Chairs of the Working Group were the ASG/Deputy Executive Director (DED) of UNEP and the ASG/Director of the Bureau for Development Policy of UNDP.

198. In spite of the above favourable conditions and the unanimous positive feedback from UNEP Regional Directors, UNDP COs and UNRC/RRs about the value of PEI's contribution, the evaluation found that by the end of the Scale-up Phase there had been limited progress towards realizing the above 4 expected outcomes, although some improvement from 2012 onwards is apparent.

199. The One UN Evaluation noted that the headquarters and regional levels of UN organizations were slow to respond to the needs of the UNCT to improve effectiveness at the country level (see Box 24). This seems to have been the case in UNDP and UNEP with respect to the speed at which adoption of PEI's good practices and experience in programme countries was integrated into the modus operandi of both organizations. Below we briefly assess the agencies' performance against these outcomes by the end of the Scale-up Phase.

Box 24

“The Delivering as One pilot initiatives placed the responsibility for improved country-level performance firmly on the UN country teams. What they could not directly attempt was to reform the broader headquarters and regional levels of the system, and/or trigger reforms at the governance level in line with the pilots. Rather, the broader system would seek to respond to issues arising from the pilot countries as they were brought to its attention, as it was continuing with the more general UN reform agenda running in parallel to Delivering as One”.

Source: One UN Evaluation

200. Two independent evaluations in 2008 and 2010 respectively⁹⁴ concluded that the poverty environment nexus had yet to be successfully addressed in UNDP. In that respect the PEN evaluation recommended: “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.” PEI's corporate housing within the UNDP Environment and Energy Group had not been conducive to interactions on P-E mainstreaming with other parts of the organization such as the Regional Bureaux, and the Governance, Poverty, and Capacity Development Groups nor to obtaining strong HQ backing for availing UNDP's expertise to PEI country programmes. Interviewees noted that anchoring PEI in EEG was also not conducive for making effective use of the comparative advantages and skills of UNDP and UNEP as EEG had often been in competition with UNEP.

201. In response to the PEN evaluation the Directors of the UNDP Poverty Group and the Environment and Energy Group signed at the beginning of 2012 an agreement on Joint Working Arrangements to collaborate on PEN and support PEI programming. The agreement clearly spelt out the rationale for the collaboration, identified deliverables for 2012 and provided a budget allocation combining resources from the Poverty Group, EEG and PEI. Importantly, specific staff

⁹³ This was also an important step in moving forward with the implementation of UNEP's Bali Strategic Plan for Technology Support and Capacity Building (BSP). The BSP is an inter-governmentally agreed framework for strengthening the capacity of governments in developing countries and countries with economies in transition to coherently address their needs, priorities and obligations in the field of the environment. The BSP was adopted by the 23rd Session of UNEP's Governing Council in February 2005.

⁹⁴ Evaluation of the Role and Contribution of UNDP in Environment and Energy. UNDP Evaluation Office, August 2008. And Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus. UNDP Evaluation Office, December 2010.

members were assigned to the collaboration with their responsibilities to be reflected in their respective Key Results Areas and their performance assessments to ensure both incentives and accountability. Within this framework PEI collaborated with the UNDP Poverty Group in the preparation and dissemination within UNDP of a paper titled “*What drives institutions to adopt integrated development approaches? The poverty environment nexus and analysis of country evidence from the Poverty-Environment Initiative*” (June 2012) as well as other activities in preparation for Rio + 20. A representative from the Poverty Group was invited to attend the JMB meetings (a recommendation also found in the PEI Business Review). These two steps helped make progress on the first outcome mentioned above. However, according to interviewees, by the end of the Scale-up Phase there was still significant room for improvement in implementing the holistic approach recommended by the PEN evaluation in countries where PEI was not present as well as for more systematic integration of PEN concerns into the work of the Poverty and Governance Groups, among others. The PEI MTR evaluation had remarked in 2011: “only in ECIS has UNDP designated a poverty expert to the RT with a 25% staff time allocation.” This evaluation has, nonetheless, identified some good practices in which PEI activities were integrated from the beginning in, for example, UNDP Governance initiatives such as in Lao PDR where PEI activities are part of SELNA⁹⁵, a capacity development programme for the National Assembly. Another good practice was the creation in 2011 of the first ever joint Poverty-Environment Unit by UNDP Rwanda to ensure that the next generation of Rwanda’s Economic Development and Poverty Reduction Strategy and the UNDAF would benefit from PEI’s input which would be funded through UNDP core resources (30%), PEI pooled funds (20%) and donor funds mobilized through the One UN Fund.

202. The lack of engagement of UNDP’s Regional Bureaux with PEI seems to be the result of competing priorities and the difficulty of coordination. PEI should be able to identify champions among Bureau managers, such as the Deputy Director of RBLAC, who is familiar with PEI and may be able to bridge between the Bureaux and Initiative.

203. UNDP’s overall vision as presented in its Strategic Plan 2014 - 17 is to help countries simultaneously achieve the eradication of poverty, and significant reduction of inequalities and exclusion. Under this strategy, UNDP’s areas of work will focus on: a) How to adopt sustainable development pathways; b) how to build and/or strengthen inclusive and effective democratic governance; and how to build resilience. Among other changes, UNDP has reformed its corporate structure, combining its Poverty Group with its Environment and Energy Group under a Sustainable Development Group within the Bureau for Policy and Programme Support (BPPS). This brings a significant opportunity to achieve both the first and second outcomes above. The Global Policy Centre for Resilient Ecosystems and Desertification based in Nairobi has been given the responsibility for PEI within UNDP. The Centre is also responsible for advising the UNDP Resident Representative in Kenya in his/her function as a liaison with UNEP and UN-Habitat. At this point, however, it is too early to say what is the likely impact of the above changes on the joint P-E mainstreaming work of the agencies and the prospect for its sustainability.

204. Turning to UNEP, there is evidence that the concept of “P-E mainstreaming” was not sufficiently understood by many staff and managers well into the Scale-up period. The programme of work had many references to “mainstreaming” different environmental issues into national policies and plans without much coherence or synergy. Generally, there was a lack of clarity about what PEI was about and how it worked at country level. The words “poverty” and “environment” in the title of the programme were often interpreted as if it were a sustainable livelihoods initiative where communities would obtain direct economic and environmental benefits.

205. Appreciation of PEI objectives and approaches within UNEP has improved over time and this is reflected in its Medium-Term Strategy for 2014 – 17, which was built around the need to

⁹⁵ SELNA is the acronym for Support to an Effective Lao National Assembly.

gain a better understanding of how a green economy in the context of sustainable development and poverty eradication might work. The Strategy acknowledges the importance of mainstreaming poverty and environmental linkages into national development. This aspect was incorporated into UNEP's Programme of Work 2014-15, particularly in the sub-programme on Environmental Governance, where most of PEI's contributions are reflected, but also in the other six sub-programmes.

206. With respect to the third outcome, some persistent challenges remain. By the end of 2013 UNEP had yet to make a credible and significant improvement on its approach to deliver support at the country level. There were still too many ad-hoc interventions poorly coordinated internally (between HQs and the regional offices) and with the UN system at country level, and often with insufficient oversight and follow-up. This approach to country-level support often was in detriment to PEI's work and more generally to UNEP's credibility as a sustainable development partner for the countries. During the scale up phase there were complaints (verbal and in writing) by RC/RRs from PEI programme countries that other programmes of UNEP were "parachuting" in the countries without any attempt to consult or coordinate their initiatives with the work of the UNCT. Often in this situation PEI had to take the responsibility to help coordinate the work of other UNEP programmes in the concerned countries. In spite of Regional Offices and PEI's efforts, there has been reluctance from UNEP HQ staff to recognize that the uncoordinated in-country presence of agencies is not welcome. Also, that collaborating with UNDP at the country level is important for efficiency, effectiveness and sustainability. Good practices from PEI such as sharing the Environmental Advisor piloted in Malawi could be up-scaled.

207. The evaluation also found that although good examples exist, the UNEP Regional Offices have not been utilized to their full potential to make PEI's work more visible to regional processes, bodies and partners. This is a missed opportunity.

208. With respect to collaborative work with other UN organizations, the PEN evaluation had also recommended: "[PEI] should also be used as a model for working together with UNEP and other agencies." Also, DFID's Multilateral Aid Review "Ensuring maximum value for money for UK aid through multilateral organisations" of March 2011 remarked: "The joint UNEP / UNDP Poverty and Environment Partnership is one of the best used examples of how UN agencies can work positively in partnership."

209. However, the good practices from PEI did not inform the design of other joint interventions during the first few years of the Scale-up Phase. For example, the UNEP-UNDP CC DARE⁹⁶ programme was designed in 2008 by a team based at the organizations' headquarters, without consultation with the UNEP regional office or the countries selected for the pilot interventions. This project, designed to deliver technical assistance to African countries, was managed from Paris in collaboration with a specialized centre based in Denmark. It was only when DANIDA, the main donor to CC DARE, commissioned a review that a decision was made to move the project's responsibility and team to the UNEP Regional Office for Africa in Nairobi (in 2010). Since then

Box 25

"The DANIDA review, which took place in 2009, reported that the programme was experiencing management problems, and recommended various management reshufflings, suggesting that outcomes and outputs would not be achieved at the current rate. The Management Team was relocated to UNEP Regional Office for Africa (ROA), and by the time the Output Verification Inspection (OVI) review was conducted, the programme had rapidly mobilized and was on track to seeing its outcomes come to fruition within its expected timeline."

Source: CC DARE Terminal Evaluation Final Report, April 2013

⁹⁶ The Climate Change and Development: Adapting by Reducing Vulnerability (CC DARE) Programme was a joint programme implemented by UNEP, UNDP with support from the UNEP Risoe Centre on Energy, Climate and Sustainable Development, UNEP Collaborating Centre on Water and Environment and national, regional and international institutions. Initially, it was supposed to run for 36 months, from March 2008 to February 2011. However, due to an initially slow start, the programme was extended by 52 months to end in June 2013

implementation picked-up.

210. Another example is the UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD) implemented by UNDP, UNEP and FAO. Many programme design and implementation pitfalls identified by the independent evaluation of UN-REDD in 2013 could have been avoided if the agencies would have built on the experience and good practices of PEI. Box 26 includes a relevant excerpt of the independent evaluation of UN-REDD to illustrate the point.

211. According to interviewees, more recent programmes such as the Partnership for Action on Green Economy (PAGE)⁹⁷ developed in 2012 involving ILO, UNDP, UNEP, UNIDO and UNITAR and with objectives close to those of PEI would have benefited from more consultation with the joint PEI team at the design stage⁹⁸. It is hoped that the two programmes can in future work in synergy supporting and complementing each other to improve effectiveness, and avoid competition for resources and attention. Promising dialogue between PEI and PAGE had started at the end of the Scale-up Phase and cooperation in at least one country programme was underway.

Box 26

“xxvii - Though inter-agency coordination is perceived to be improving, with increasing evidence of joint planning efforts in the regions, the challenges to joint programming and implementation remain considerable, especially at the country level. Despite clear intentions to deliver as one, the three UN partners continue to rely on distinct planning, implementation, and accounting requirements that tend to increase transaction costs and reduce delivery effectiveness.”

Source: External Evaluation of the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, June 2014, Page v

212. A 2013 report to the UNEP Governing Council on the status of implementation of the UNDP-UNEP MOU⁹⁹ confirms that in the view of the agencies “PEI is a flagship example of joint UNDP-UNEP programming and represents a working example of “One UN”. However, the report also says that according to the findings of a Typology Study commissioned by the Joint Working Group on the modalities of cooperation between UNDP and UNEP (see Box 27) lessons learnt and good practices from the implementation of existing joint programmes were not being applied to new programmes.

213. Advantages of PEI’s UNDP-UNEP collaboration often mentioned during the interviews are:

- PEI gives UNEP access to finance and planning ministries in addition to environment ministries which are UNEP’s traditional country partners but that often lack convening power and capacity to work across sectors;
- It also gives UNEP the ability to develop long-term partnerships with countries. As a UN non-resident agency, UNEP’s interventions are usually short-term targeted technical support in the absence of a in-country structure and sufficient resources to sustain the effort over various years;
- While UNDP has the right national focal point for PEN mainstreaming, its Country Offices often lack the environmental expertise or human resources needed. Most of UNDP’s environment support to the countries is delivered through projects, the majority of which are GEF-related.

⁹⁷ According to the website, the PAGE Partnership supports nations and regions in reframing economic policies and practices around sustainability to foster economic growth, create income and jobs, reduce poverty and inequality, and strengthen the ecological foundations of their economies.

⁹⁸ This also in spite of the fact that the UNEP Governing Council at its 26th session in February 2011 had urged “UNEP to consider using the Poverty and Environment Initiative as a model for future collaboration with UNDP and other UN agencies, where relevant, building on the comparative advantages of each organization.”

⁹⁹ http://www.unep.org/gc/gc27/docs/UNDP_UNEP_MOU_Information_Document_for_GC_portal_2013.pdf

- PEI (for example in Laos PDR and Malawi) is demonstrating how PEI can be used as a framework to integrate other UNDP work in the country.

214. PEI has also provided the opportunity to test innovative inter-agency arrangements, among others, the sharing of a Sustainable Development Advisor that can represent both UNDP and UNEP in the country and with the UNCT.

215. While other projects with related objectives are starting to use PEI's effective structures at the regional and country level, which is positive, this should only take place when there are clear substantive win-wins for both parties, rather than as a cost-saving strategy. Otherwise facilitating other projects may distract PEI from its core objectives.

216. The UNDP and UNEP GEF project portfolios are worth hundreds of millions of USD. GEF projects implemented by the two agencies may have direct relevance to the work of PEI in programme countries. More importantly, there are opportunities for PEI to influence the development of GEF projects that could help implement priority issues identified through the analytical work of PEI and already mainstreamed

in the national or sub-national planning documents. Mindful of the GEF objectives and requirements, the evaluators are none-the-less convinced that there are opportunities for PEI to harness the national GEF portfolio to help achieve pro-poor and inclusive sustainable development. The evaluator who visited Malawi found that a GEF-funded Sustainable Land Management project had identified the root causes of bush fires, which are a major factor of land degradation in the country. Land degradation has a significant impact on food security and on the livelihoods of many poor rural communities in Malawi. The project had also identified cost-effective solutions that could have been integrated into the work plans and budgets of national institutions or put forward by PEI for consideration for funding by development partners.

217. As mentioned before, collaboration with the GEF Small Grants Programme (SGP), which is managed by UNDP and is present in almost every developing country, could be a win-win. Activities financed by the SGP at the local level often generate lessons and results that could inform policies. PEI may help ensure that these lessons find their way into new policies. On the other hand, SGP can help pilot approaches for poverty reduction and environmental sustainability emerging from PEI analysis and activities.

The evaluation performance rating for 'effectiveness in realizing PEI's potential within the host agencies' during the Scale-up Phase period is: Moderately Unsatisfactory

Overall conclusion on PEI's effectiveness:

218. PEI's overall effectiveness in achieving the outcomes established in the national ProDocs is **Satisfactory**.

219. PEI's overall effectiveness with respect to the establishment of joint UNDP-UNEP regional support programmes and regional communities of practice on environmental mainstreaming is also **Satisfactory** in spite of the shortcomings identified in the LAC case study. The feedback from national stakeholders is that the performance of the Asia/Pacific and Africa Teams has been

Box 27

"The study reveals that UNDP and UNEP colleagues have been innovative in their approach to tackling problems at many levels and that the spirit of collaboration is strong for both agencies. The study also reveals, however, that new joint programmes would benefit from learning from lessons from already on-going programmes and that the funding modalities are often important determinants of how a joint programme is set up and to what extent transaction costs are being incurred. Joint programmes can also benefit from harmonization efforts in the broader framework provided by the United Nations Development Group (UNDG) and from the outcome of the Quadrennial Comprehensive Policy Review (QCPR) of the UN development system."

Source: UNEP Report to GC 27

outstanding considering their circumstances. The performance of the ECIS region has been adequate considering its small portfolio.

220. There still is considerable room for the agencies to capitalize on PEI's work, experiences and platform therefore the **Moderately Unsatisfactory** performance rating for realizing PEI's potential in the UN host agencies. On the other hand, it should be stressed that the responsibility to mainstream the P-E nexus and PEI approaches in the agencies cannot be left to the PEI team alone, therefore, the weight of this factor in determining the overall effectiveness rating for PEI is less than the weight of the other two factors which are under the control of the PEI team.

Overall evaluation rating for 'effectiveness': Satisfactory

4.3 Likelihood of impact

221. Building on the previous section, we now turn to assess whether the required drivers and assumptions for outcomes to lead to intermediate states and impacts are in place. We attempt to answer the following questions: In what way is PEI contributing to achieve the expected intermediate states towards impacts? What are enabling factors/conditions that improve the likelihood of impact and what are key risks? As discussed in section 2.2 PEI's main assumption is that policy and strategy changes and improved capacities will lead to effective interventions of a sufficient scale for making a significant impact. Only recently has evidence emerged that some PEI programme countries are increasing their national budget allocations and expenditures for environment and climate change actions. According to PEI reports, in Rwanda, such expenditure increased from 0.4% of the country's total annual budget for the period 2005-2008 to 2.5% for the period 2008 – 2012; in Nepal, the climate change budget allocation now accounts for over 10% of the national budget.

222. The likelihood of impact of P-E mainstreaming interventions in the individual countries reviewed is presented in the boxes below. It should be noted that these country programmes have different duration and focus.

Box 28 - Kyrgyzstan - Likelihood of Impact: Moderately Likely

"PEI's impact is feasible under the current trend of developments, if the necessary drivers and the missing outcomes, as identified by the reconstructed ToC, are addressed during the Phase II. PEI was successful in addressing perhaps the most important driver - the national ownership and leadership of PEI. The [main] bottleneck for reaching impact [is]: the creation of conditions for financing P-E policies' implementation. Reaching the desired impact will depend on the capability of PEI to build alliances and teams' communication actions as well as on stronger UNDP support for policy influence and resource mobilisation through partnership building. Unfortunately the large scope of on-going activities of PEI and consequently - lack of resources (human and financial) and time will be limiting factors to achieving impact."

Box 29 - Lao PDR - Likelihood of Impact: Likely

"The evaluator is of the view that the likelihood of impact is high and the impact itself would be substantial on the condition that PEI continues its support until there is evidence that all strategies, processes and tools developed under the project's auspices are completed and in application, and there is a critical mass of staff in all institutions involved, particularly in the provinces, with the required capacities to follow the processes and apply the tools to acceptable standards. There is still work to be done before the "effectiveness indicators" would show positive results. While to some extent sustainability is guaranteed in the event PEI were to stop its support by the end of 2015, the project's potential impact could be delayed or significantly reduced if this was the case."

"There is strong conviction among responsible government authorities and development partners that with the right monitoring data, analysis, processes, tools and skills, quality public and private investments are likely to reduce poverty and environmental degradation and will lead to more inclusive and equitable growth. However, PEI's support is still needed until capacities in responsible institutions reach a level in which the strategies and processes developed are implemented to the required standards. That would necessitate new and expanded partnerships with other development partners."

Box 30 - Burkina Faso – Likelihood of Impact: Moderately Likely

The likelihood of impact is moderately likely at this early stage of programme implementation. A significant risk at the time of writing this report is related to the future and stability of the national Government following the popular up-rising. Prolonged instability could set back previous P-E mainstreaming achievements. A safety net is the large number of P-E mainstreaming champions from various walks of life determined to advocate for and demonstrate how sound use of natural resources and the environment can indeed improve the lives of the most vulnerable and create opportunities for pro-poor, inclusive and equitable development. It should be noted that PEI Burkina Faso's main strategy is to create synergies and build the necessary partnerships with like-minded programmes and initiatives to make the environment the engine of growth and sustainable development in Burkina Faso. Progress in that direction is notable and also towards achieving the programme's three main outcomes which are considered the intermediate stages towards impact: create and disseminate knowledge about the links between poverty and environment specific to the country's situation; integrate such linkages into the National Development Strategy (Stratégie de Croissance Accélérée et de Développement Durable), sector policies, decentralized planning and related budgeting processes; and developing the capacities for integrating P-E linkages and helping to establish of environmental cells within the ministries, in the regions and in the private sector. The economic costs and benefits analysis for the cotton and mining industries have been an eye opener in the country.

Box 31 - Malawi – Likelihood of Impact: Moderately Likely

By the end of Phase I in 2013 Malawi had made considerable progress in several fronts that are pre-conditions for achieving impact on poverty reduction and environmental sustainability. The first was the significant increase in awareness about the importance of the natural resources sector and the environment to the national economy and to achieving the MDGs, based on economic facts and information on the state of the environment. The second is that P-E has been mainstreamed into the national development planning process at national and sub-national levels and also into the budgeting process. The capacity to deploy the tools effectively and the quality of the planning instruments are not fully in place, in particular at the sub-national level, but the PEI country team is working towards developing the necessary skills. Interestingly, the Planning Officers of the Ministry of Planning are rotated periodically between sectors. P-E champions among these Officers are therefore deploying their skills and experience to address P-E issues wherever they go. The planning and finance ministries should now take the lead in mobilizing the support of development partners (bilateral and multilateral donors) towards priorities identify with PEI's support. The reliance of Malawi on ODA makes imperative the engagement of multilateral banks and donors to achieve PEI's objectives. Phase II should identify potential areas of investment in which the benefits of P-E mainstreaming would be realized in the short to medium term so as to not lose momentum and interest. This would also help involve key sectors more closely which is essential for long-term outcomes and impact.

Box 32 - Uruguay – Findings on likelihood of impact:

“The Uruguay project achieved significant impacts in the solid waste sector in Montevideo. Had this project been implemented outside the lens of the PEI, it would receive high marks for having made a difference in the lives of a number of individuals, including children living in poverty and subhuman conditions and for helping reform an industry plagued by social injustice and health hazards. Notwithstanding these achievements, however, the project as implemented was not likely to achieve the core goals of the PEI, nor the ambitious outcomes stated in the PRODOC. As discussed earlier, the outcomes over-promised results that were unrealistic given the scope of the project. The reviewers are cognisant that the priorities of the government of Uruguay changed due to changes in key government posts resulting from 2010 national elections. Delays in implementation are part and parcel of projects, as is the need to “re-sell” to new officials projects approved under the previous administration. However, in the opinion of the reviewers, the core goals of the PEI were diluted midway through project implementation. Recognizing the importance of being responsive to country priorities, the project seems to have leaned too far towards responding to requests of the government partners at the expense of maintaining focus on achieving P/E mainstreaming goals.”

223. The LAC regional case study also examined the potential impact of PEI interventions. It should be noted PEI projects in Uruguay and the Dominican Republic were already closed.

Guatemala has started a new phase. Again the duration, size and the scope of individual country programme interventions are diverse; hence, comparisons between programmes are of limited value. As mentioned before, the LAC portfolio adopted a demonstration approach, thus the question for this evaluation was to what degree did LAC projects translate into broader understanding and action towards P-E mainstreaming, and if best practices of the PEI are significantly finding their way into national or regional development plans, policy formulation or budgeting. Below are key findings for individual countries, however, the likelihood of impact is not rated:

Box 33 - Dominican Republic – Findings on likelihood of impact:

“During the project’s preparatory phase, PEI’s financing supported the incorporation of five variables related to risk of natural disasters and environmental pollution in the questionnaire used by the Sistema Único de Beneficiarios (SIUBEN) to identify poor households which are potential beneficiaries of social assistance programs – such as conditional cash transfers, the electricity and gas subsidy, and the subsidized health insurance regime. The 2011 survey entailed visits to 1.8 million homes to update the information of eligibility to receive benefits from Government’s social programs. As a result of this initial effort, SIUBEN requested support for the implementation of a vulnerability index to climate shocks to estimate the probability that the situation of the homes identified as poor worsens as the result of storms, flooding and/or draught. This index would contribute to a multi-dimensional vision of poverty and could potentially result in better information on vulnerable households that should be cared for by the social protection system. When properly articulated, it is easy to understand that this work represents an excellent outcome for PEI. Looking to the future, to fully ascertain its impact on P/E mainstreaming, it would be useful to follow up on the question of whether the EVI and the revision of SIUBEN’s survey has served to change policies or increase investment. This analysis should be done prior to promoting the EVI tool in other countries. Similar follow up should be done to verify to what degree the Guide for the Creation of Municipal Territorial Development Plans, has been used, and whether this tool is being effectively applied in the National Territorial Development Planning process.

Box 34 - Guatemala – Findings on likelihood of impact:

PEI in Guatemala “served to pilot the integrated assessment methodology as a P-E mainstreaming tool. The link between science-based findings informing development planning modelling using scenario analysis constitutes a useful example on how to use integrated assessments to inform pro-poor development planning.

The SGA (Integrated Ecosystem and Human Wellbeing Assessment of Guatemala’s Eastern Dry Corridor) entailed a description of the current ecological, economic and social dimensions of a key watershed of the Sierra de la Mina. It also entailed an analysis of the key ecosystem services and associated economic and social variables related to three dominant agricultural production systems; three future scenarios and models for forest cover, water availability and soil erosion estimates up to 2020 using INVEST software and associated economic and social implications linked to the dominant agricultural production systems; and a set of policy recommendations for strengthening the integration of ecosystem services in cross-sectoral development planning at the sub-national level. Elements of the SGA served to inform the PEI Guatemala programme, which started implementation in late 2013. Given the limitation of funding, these outcomes are highly satisfactory. Given that Guatemala is a full PEI country under the on-going phase, it will be interesting to see how this work expands towards substantive P/E mainstreaming.”

224. PEI is one among a large number of actors and factors influencing sustainable development outcomes in a given country; therefore, impact or lack thereof cannot be attributed solely to PEI’s intervention. On the other hand, the evidence gathered by the evaluators indicates that PEI is indeed making a useful and unique contribution to help set the conditions to achieve the intended impacts. Policy change, a key driver for poverty and environmental benefits, is being achieved. Examples of policies in which PEN has been mainstreamed are presented in Box 35 (next page). In future, PEI or its successor should become more engaged in and allocate more resources for assessing the effects of P-E mainstreaming in planning instruments, policies, regulations, budgets, financial instruments and so forth. The evaluators are of the opinion that ending PEI’s engagement with the

countries at the end of the current phase (2017) would deprive the agencies and the participating governments of an important learning opportunity. Previous PEI evaluations rightly stated that it was too early to assess impact at the country level. By the end of the Scale-up Phase there are signs of significant progress in achieving intermediate outcomes as well as progress with respect to the two main impact drivers identified in the TOC “*Financial resources from domestic and other sources mobilized (public & private) and channelled for equitable, sustainable, pro-poor growth*” and “*Adequate design and Implementation of agreed actions by relevant government institutions*” in countries such as Rwanda where PEI has a long history of support. The current PEI phase (2013 – 17) is working towards supporting mature country programmes achieve substantive progress towards those drivers.

Box 35 – Examples of policy reform resulting from PEI supported interventions

PEI’s analytical and advocacy work has been instrumental in stimulating policy change in many countries on a wide range of issues. Below are some examples.

- Bangladesh established a climate change fiscal framework that goes beyond physical capital investment and includes social protection in response to climate change. The above as a result of a national Climate Public Expenditure and Institutional Review carried out with PEI support.
- Burkina Faso adopted a national policy for sustainable development. Also an improved environmental framework law and a manual outlining legal actions and enforcement measures to safeguard livelihoods and health across the country, addressing shortcomings in the artisanal mining sector and gaps in the national environmental legal framework covering chemicals. This as a result of a study on the gold mining sector.
- The Malawi Department of Fisheries finalized a draft National Fisheries and Aquaculture Policy, a Fisheries Master Plan and an implementation plan harmonized with sustainability indicators incorporating poverty-environment linkages. The policy will enhance monitoring and control of fisheries in line with FAO’s Code of Conduct for Responsible Fisheries and other relevant standards.
- In Bhutan the draft Mineral Development Policy of 2011 was reviewed and presented to the Gross National Happiness Commission chaired by the Prime Minister in December 2013, with policy recommendations for institutional/structural and fiscal reforms and to optimize national revenue from mining for pro-poor and environmental sustainability. This followed a study on mining and quarrying activities revealing that the current licensing for mining/quarrying did not ensure direct optimal public benefits from the mining sector. The National Council made recommendations including conducting detailed geological mapping; revisiting existing policies, legislation, guidelines, standards for licensing, operation and management; conducting cost-benefit analysis and socio-economic and environmental impact; and freezing mining license issuance.
- In Lao PDR, the 8th National Socio Economic Development Plan has incorporated poverty-environment linkages and MDGs issues drawing on lessons and successes from incorporating poverty-environment and MDGs in the 7th NSEDP and annual planning guidelines for 2014/2015.

Source: PEI annual progress reports

225. The evaluators found evidence that PEI is indeed helping to change the mind-set of decision-makers and other influential people, including development assistance partners and in a few cases the private sector. The strong role played by planning and finance ministries in P-E mainstreaming activities gives credibility to this endeavour and opens many doors that were closed before. Economic sectors’ work by PEI should be strengthened in the current phase because without the participation of the various sectors the poverty reduction benefits of P-E mainstreaming may not be realized. Tangible results at a significant scale need to be achieved and made known if the momentum and interest are to be sustained leading to lasting behavioural changes and impact.

226. The reason for the cautious evaluation rating for “likelihood of impact” is the risk posed by government changes and other internal and external disruptive situations such as economic crises, insecurity, major natural disasters, and other political economy factors. The probability of occurrence and the magnitude of impacts are different for each country. Risk monitoring and risk mitigation should be given increased attention by PEI teams. Among other measures to mitigate risk, PEI teams could prepare “transition” strategies when predictable government changes will take place.

Evaluation rating for “likelihood of impact”: Moderately Likely

4.4 Sustainability and up-scaling

227. This section examines PEI's sustainability at two levels: the first is the likelihood that P-E mainstreaming outcomes at country level will be sustained beyond the completion of PEI interventions and will eventually contribute to poverty reduction and environmental sustainability. The second, is the likelihood that the PEI host institutions will retain or enhance their capacity to provide PEN mainstreaming support to countries in response to demand in the event that the Poverty-Environment Initiative ceases to exist. As requested at the evaluation inception meeting, this section also considers likely scenarios beyond 2017 and makes recommendations concerning PEI's future.

228. With respect to up-scaling, the evaluation explores the issue from two angles: The first, is the likelihood that P-E mainstreaming will be extended to new sectors or issues in programme countries or to additional provinces/districts when sub-national level work is being done. The second is the extent to which there is evidence that replication of PEI's good practices in other countries within the region and in other regions is taking place.

229. The possible expansion of PEI to cover more countries on demand or new issues in support of SDGs achievement is examined as part of the discussion on possible scenarios and their implications. The evaluation TOR request the evaluators to also encompass as part of the sustainability assessment, the level of integration and up-take of P-E mainstreaming by UNDP and UNEP in their respective corporate policies, implementation at the country level, and assessing to what extent PEI methodology has been used by other programmes and agencies in the UN family. These aspects are extensively addressed by the evaluation in sections 4.2 on effectiveness and 5.4 on cooperation and partnerships, thus they are omitted here.

Sustainability

230. For the purposes of this report, PEI's sustainability refers to:

- a. The permanence in time of the gains made in each programme country (i.e., sustainability of outcomes). These gains refer to increased national and sub-national awareness, capacities and knowledge as well as improved policy frameworks and legislation, processes, tools and systems for PEN mainstreaming. Such gains should translate overtime in increased budgets to implement agreed actions and in the application of the acquired capacities to address other national sustainable development issues and to mainstream P-E in additional sectors/issues and continue learning on the basis of experience.
- b. Institutionally, sustainability refers to the ability of UNDP and UNEP to continue delivering capacity building, technical assistance and financial support to developing countries for mainstreaming P-E linkages into national, sector and sub-national planning, policies and budgets efficiently and effectively in response to demand and in accordance with globally agreed sustainable development goals and targets; there is ample evidence that such capacity is significantly amplified when the agencies cooperate to deliver joint support to the countries, with benefits outweighing the costs, therefore, this section examines the likelihood that the agencies will sustain joint country programme support for PEN mainstreaming. Institutional sustainability also refers to the ability of UNDP and UNEP to continue learning about what works, what doesn't and why, concerning P-E mainstreaming and to make this knowledge available to other practitioners and national decision makers to help upscale and replicate positive experiences and increase the likelihood of significant impact.

231. Sustainability is at the heart of PEI's programmatic approach. The most important elements of PEI's approach to help achieve sustainability at the country level are programme ownership, institutionalization, and capacity development. More specifically PEI strives to:

- Build national P-E mainstreaming support programmes that are responsive to national priorities and long-term development objectives, as well as consistent with internationally agreed development goals and targets. This approach helps create national ownership, a critical ingredient for sustainability.
- Embed PEI into existing government organizations and structures, avoiding the establishment of ad-hoc project teams that tend to disappear once the project is over. This reduces the risk of discontinuity and institutional memory loss.
- Build the capacities of public and private national research organizations to carry out economic valuation of natural resources and the environment; analysis of natural resources and ecosystem services' contribution to the national economy and to social development; cost-benefit analysis of land and resource use options; studies concerning the impact of economic decisions and investments on the environment and society, as well as the opportunities for pro-poor, greener, and equitable economic development. These analytical skills help create the knowledge base for better decision-making now and in the future;
- Build the capacities of the media and CSOs to advocate for a more inclusive, equitable and sustainable development path using the evidence generated through the results of the above analytical work;
- Build the capacity of national planning and finance ministries to implement public expenditure reviews and climate public expenditure and institutional reviews focusing on P-E linkages;
- Build the capacity of environment ministries to improve the effectiveness of their advocacy using economic evidence and tools;
- Integrate key P-E indicators into national statistics and data management systems for continued monitoring and improved transparency in decision-making;
- Promote and provide support for inter-ministerial/institutional coordination mechanisms to ensure all sectors relevant to a particular poverty-environment issue come together to understand the linkages, take action and assess results;
- Integrate P-E considerations into government processes and systems that continue in use even in situations of government and staff turnover (e.g., national and sub-national planning guidelines, national budget guidelines, social and environmental impact assessment and safeguards guidelines);
- Identify champions representing various sectors of society to bring awareness of and advocate for P-E mainstreaming and serve as role models;
- Provide training and information to members of the legislative branch to improve the quality of the debate and decision-making on policies, laws and regulations related to sustainable development and P-E linkages;
- Develop tools to integrate P-E linkages at the sub-national level and provide training and other support to local government, especially in countries going through devolution processes;
- Create capacities for resources mobilization, identifying funding sources and helping to establish financial mechanisms to implement priority measures;
- Use the national UN coordination system to discuss and integrate P-E mainstreaming into UN country programming.

Sustainability of country-level outcomes

232. Step-by-step PEI is creating the conditions for outcome sustainability in programme countries, including the capacity to generate information and provide analysis for decision-makers, supportive policies, P-E embedded in mainstream processes, systems and norms, increased inter-sectoral coordination under the leadership of central ministries (planning and finance) or high-level

bodies such as the President's Office, increased capacities among responsible institutions to continue advocating for P-E mainstreaming, and increased budgets to implement agreed actions, among others.

233. The case studies found that outcome sustainability is 'likely' or 'moderately likely' in all countries reviewed. This confirms the findings of previous evaluations indicating that the likelihood of sustainability of PEI outcomes at country level is generally good. The likelihood of sustainability is often proportionate to the length of time PEI has been providing support to a given country. Unless a major risk materializes, the likelihood of sustainability increases as the implementation of the work plan progresses and programme countries complete their activities to mainstream P-E in planning, policy and budgeting instruments and start moving towards 'implementation'. There is evidence that as implementation progresses, ownership of the programme increases and so does the confidence of staff in putting into practice the new systems and tools.

Box 36 - Quote from a PEI national team member from Lao PDR

"In phase I, UNDP and UNEP were the ones pushing from outside. Now the dynamics has changed with strong pull from institutional partners and strong leadership from IPD Director General."

234. In some countries there has been impressive progress in institutionalizing PEN considerations into national and sub-national development planning and budget processes (e.g., Rwanda, Malawi, Bhutan) or in addressing specific national development issues such as creating the enabling conditions to increase the social and economic benefits of foreign direct investment while reducing its environmental impacts (e.g., Lao PDR and the Philippines), to name a few. As discussed in the 'impact' section, programme countries have started to increase their national budget allocations to address environmental and climate changes issues important for poverty reduction and sustainable development. If these budgets are used effectively, the likelihood of PEN mainstreaming sustainability will be improved.

235. The scope and complexity of the issues/sector in which PEI is intervening in each country are very different. Moreover, the PEI sustainability elements listed above have not been pursued to the same extent across all PEI-supported countries and regions, in particular in the LAC region where PEI adopted a demonstration approach rather than following PEI's programmatic approach. While sustainability of specific outcomes achieved in LAC countries is likely, this is not comparable with the ambition of sustaining project gains in countries that have taken the more ambitious approach of influencing the entire national planning, policy and budgeting processes of the country with a view to achieve systemic changes with possible large impacts for poverty reduction and inclusive sustainable development.

236. An important outcome of PEI's work and an essential driver for impact is the strong national leadership at the highest levels. Kyrgyzstan is a good example with the Prime Minister being very committed to sustainable development. Ensuring continuity is important but it is also a challenge when government changes. PEI national teams should put in place succession strategies to ensure such changes do not create setbacks for P-E mainstreaming. Succession strategies may involve actions such as helping to bring P-E considerations and facts arising from PEI studies into the political debate through the media and partner NGOs, and conducting briefings for the incoming government team.

237. There is robust evidence that institutional and individual capacities have been enhanced significantly in every programme country. This is no small feat when the variety of topics and the number of institutions and individuals benefiting from PEI capacity development are considered. PEI recruits international consultants to provide expert support to the national teams; however, most studies, guidelines and other tools are produced by local experts, often from participating institutions as a strategy for developing their capacities through 'learning by doing' and to ensure that they will be in a position to adjust and update the tools as the situation in the country evolves.

While the quality of the end products may not be ideal across the board, with some requiring multiple rounds of review and revision, there would be no point in producing high standard products that cannot be applied by national staff.

238. Creating systemic capacities has been a key PEI approach to sustainability. PEI should do more to assess on-going progress in this particular area. What institutional capacities have been developed and how likely are these to be sustained¹⁰⁰? Are individual capacities being retained? Has every important topic been covered? Is there a critical mass of individuals with sufficient capacity to carry on with P-E mainstreaming work in the absence of PEI?

239. Box 37 shows findings of the 2011 PEI MTE concerning sustainability challenges in Malawi. These are common to several countries but national teams are working to find ways to overcome these, as shown in the examples below.

240. Government partners in Malawi have institutionalized P-E mainstreaming in central and decentralized planning and budgeting processes utilizing the tools developed with PEI support; however, by the end of the Scale-up Phase they had been less successful in securing an adequate integration of P-E considerations in sector plans and budgets. The PEI-supported process to identify sustainable development indicators has provided an avenue to influence the agricultural sector and promote policy change in the fisheries and aquaculture sector. The new programme phase that started recently in Malawi will prove essential to tackle P-E mainstreaming in priority development sectors. At the time of this evaluation District Councils

Box 37 - Sustainability challenges for the Malawi country programme

“The major challenge for the Government is to operationalize and sustain this kind of policy development activity in sector plans and budgets, both within the current phase of PEI, in any future phase and after PEI withdraws; It will also be a challenge for district councils to sustainably operationalize (budgetarily & with manpower) their new guidelines, and use them in planning for environmentally sustainable change and development. Similarly, for the ministries, major challenges for them are how to use the new studies (Economic Study, MSTOE) and the new policy studies, given that they still face human and financial resource constraints and still have a substantive dependence on donor financing.”

Source: PEI Mid-term Review (2011)

were making progress in applying new decentralized planning instruments such as the ‘Decentralized Environmental Management Guidelines’, with support from the national Climate Change Programme, which joined PEI in providing technical assistance and funding to help ensure P-E and climate vulnerability are integrated in decentralized planning processes. This capacity development efforts at sub-national level need to continue along with an assessment of the extent to which P-E linkages are being included in the planning documents and considered in the allocation of resources for their implementation.

Box 38 – PEI outcome sustainability in Lao PDR

“PEI works within the mandate of Government Departments and this has helped build a strong ownership among the divisions with primary responsibility for individual outcomes. According to interviewees care has been taken to avoid making programme activities “add-ons” to core staff responsibilities. This is another important ingredient for sustainability. Involving the staff in the development of the tools, on-the-job training, and testing and practicing their use on real life cases is preparing the staff for the deployment of the tools without external support.”

Source: Lao PDR Case Study Report

241. Stakeholders in the Lao PDR programme expect further support from PEI but showed confidence that managers and staff in related government entities will be in a position to continue the work after the PEI project comes to a close (Box 38). The PEI national team has devised a number of strategic actions to improve the likelihood of sustainability. For example, they have nominated alternate focal points for all

¹⁰⁰ For example, while PEI has significantly increased the understanding of the importance of natural assets for a country’s development among planning and financial ministry staff, in some cases the environment ministry has not sufficiently increased its capacity to deploy economic arguments to influence decision-makers in the various sectors. This likely represents a risk to sustainability after PEI exits the country as the environment sector has a responsibility to continue advocating for PE mainstreaming without which the interest of central ministries may fade.

activities to minimize memory loss in case of staff turnover. The Investment Promotion Department (IPD) joins the Department of Environmental and Social Assessment (ESIA) in investment monitoring activities to expose IPD personnel to environmental issues linked to investment projects, which will help ensure that P-E mainstreaming continues receiving attention within IPD after PEI is completed. The Ministry of Natural Resources and Environment (MoNRE) has managed to ensure financial sustainability to enable DESIA to perform its investment review and monitoring duties by creating a fund with money paid by investors. On the other hand, IPD continues to rely on budgetary allocations from the government, which seem to be insufficient and difficult to obtain but PEI is helping to identify and establish a sustainable financial mechanism for investment monitoring at IPD. IPD's continued engagement in investment monitoring is essential to achieve the goal of 'quality investments' to reduce poverty and protect the environment, therefore, not completing this deliverable would jeopardize the impressive progress achieved so far.

242. Other PEI participating countries are at early stages in the iterative, multi-stakeholder and long-term process of building capacities for and mainstreaming poverty and environment linkages in key policies, regulations, planning and budgetary processes at national, sector and sub-national levels. The current likelihood of outcome sustainability in these countries is less certain as P-E mainstreaming gains are more fragile, among others, because the design of tools and processes are incomplete or have not been tested, new policies or laws are yet to be formally approved, and capacity development for PEN mainstreaming is only in its initial stages. For example, at the end of Phase I, the Kyrgyzstan programme holds strong promise, having established major preconditions for achieving the planned outcomes and impact. However, the focus on a nation-wide sustainable development strategy did not allow the Initiative to concentrate more specifically on the poverty-environment nexus. In the absence of a second phase (which already started), the likelihood of sustaining the gains and the likelihood of impact would have been seriously compromised.

Box 39 – PEI outcome sustainability in Kyrgyzstan

“Under the current political climate and economic development conditions there are all the positive preconditions that P-E linkages could become sustainably integrated into national policies to a larger extent in Kyrgyzstan.

PEI has created major preconditions for results' sustainability through building capacities, supporting SD policies and ensuring leadership and ownership of PEI at the government's top levels.

The major risks to sustainability arise from the gap between the aimed PE objectives as translated in policy-making and on the ground implementation of those policies, as PEI has little control over implementation.

The major challenges to effectively address the sustainability drivers are the limited human and financial resources compared to the scope of actions required. It is arguable that the additional three years of PEI Phase II will be sufficient to ensure the long-term sustainability and impact within the limits of current resources and team capacities.”

Source: Kyrgyzstan Case Study Report

243. Having reviewed some of the new country ProDocs approved since 2013, the evaluators are of the opinion that by 2017 several countries will have reached a point in which a well thought out exit strategy will enable PEI to withdraw or considerably reduce its input without putting the gains achieved at risk. However, as already discussed in section 2.2 it will be important for PEI to monitor the national situation after country projects come to a close to ascertain the extent to which the governments continue integrating poverty and environment considerations into their development strategies, plans, budgets, and their implementation, and to corroborate whether the assumptions underpinning PEI's theory of change actually hold true.

Sustainability risks

244. There are substantial risks to sustainability within and outside PEI's control. Because P-E mainstreaming processes are embedded in national political and institutional systems, regular government turnover or abrupt change is an ever-present risk. Draft policies and laws can take a very long time to be approved and a change in the elected representatives of the legislature may constitute a serious drawback.

245. If the financial means to implement the priority measures identified through national and sub-national planning processes do not materialize, the interest in P-E mainstreaming among high-level policy-makers and local governments may quickly vanish. Indeed, the biggest risk to outcome sustainability is “mainstreaming fatigue” if the benefits of P-E mainstreaming do not start becoming apparent. Thus the importance of identifying promising sectors or issues where opportunities for quick wins are present, and to assist the governments identifying domestic and foreign, private and public financial resources to implement the agreed actions. The pressure to demonstrate the benefits on poverty reduction and the environment resulting from P-E mainstreaming has often resulted in PEI’s involvement in the implementation of small pilot projects. As discussed in earlier sections of this report, this is not the best approach because these projects use funds and human resources that could be deployed for other more important activities, nor does PEI have the operational capacity to manage and oversee these projects. Furthermore, there are inherent reputational risks in case of failure.

246. The likelihood of sustainability as well as the potential for impact of poverty-environment mainstreaming may be jeopardized if PEI withdraws prematurely from a country. By ‘premature’ withdrawal the evaluation team means ceasing PEI operations before adequate systems and tools are in place along with minimum capacities to enable their effective utilization by the concerned institutions. For example, if tools are developed but PEI withdraws before these are tested at a sufficient scale and adjusted to fully serve their intended purpose (decentralized planning tools, P-E indicators, etc.) or before a critical mass of staff in the institutions is able to use the tools to adequate standards.

Box 40

“The justification for why the Uruguay and the Dominican Republic programmes were discontinued in favour of starting work in new countries was not clear to the evaluators. While the reason offered had to do with budgetary limitations, shifting countries prior to consolidating results is not in line with PEI’s approach which recognizes that poverty-environment mainstreaming is an “iterative multi-year, multi-stakeholder process.”

Source: LAC Case Study Report

247. There is a significant time lapse between the moment at which policies come into force and their effects become apparent. Decision-makers need to obtain evidence-based information on the results of the implementation of measures adopted. PEI’s support to help governments set adequate indicators to monitor P-E conditions in the countries is the right approach but it will take several years before national counterparts fully test and integrate the indicators in national statistics systems, and create the capacities for systematically collecting the data and conducting integrated analysis that would be useful to policy-makers. Feedback on results is politically important, particularly for those high-ranking officials backing PEI. It is also important to help policy-makers identify persistent barriers, gaps and further action to achieve the P-E objectives and long-term development goals. This is why, PEI’s support to monitor the effects of P-E mainstreaming is so important. Understanding the effects of policy changes is also necessary to verify the assumptions on which PEI’s theory of change is based.

248. By the end of the Scale-up Phase no PEI participating country had developed a comprehensive road map to assess the effects resulting from the implementation of new policies and other measures stemming from PEI-supported interventions, although in several cases P-E indicators had been identified and related data was being collected independently by sectors or institutions or as part of the national statistics system. The national capacity to undertake integrated analysis of such indicators needs to be addressed with PEI’s support. It is the view of the evaluators that PEI needs to partner with specialized entities to provide such support to the standards required, as there is no in-house expertise on this issue.

249. Country programme documents include detailed results frameworks, however, for the Scale-up Phase, the theory of change behind the choice of outputs and activities was not always sufficiently explicit. A theory of change specific to each country would enable PEI teams to better

understand the necessary conditions that need to be set in place to increase the likelihood of sustainability and impact. It would also help determine whether and when PEI may exit from that particular country. Exit strategies should be put in place as soon as possible. The identification of sustainability risks and the development of risk management responses should be part of the process. The evaluation team is aware that PEI has now developed a theory of change for each Phase II participating country. This is a welcome development.

250. As stated by the evaluator responsible for the Kyrgyzstan case study, it is important to remember that PEI is a catalytic programme, not expected or able to finance or participate in government policy implementation. This is an inherent limitation that must be taken into account while considering what constitutes reasonable results to be expected and PEI's contribution to the sustainability of outcomes.

Evaluation rating for “sustainability of country outcomes”: Moderately Likely

Sustainability of UNDP and UNEP's capacity to support national-level PEN mainstreaming

251. Institutionally, PEI has made significant strides within UNEP and UNDP. From a relatively ad-hoc, little-known programme, it is increasingly being recognized as a best practice of UN agency collaboration and an effective mechanism to deliver long-term capacity development support to national governments. Indeed, PEI's governance and operational structure has proven to be a very good example of how two or more UN agencies can deploy their comparative advantages in support of national sustainable development in a coordinated and effective manner. This is particularly important for UNEP, which is a non-resident UN agency, but also for UNDP, which is not always able to provide substantial environmental advice to programme countries. National partner institutions appreciate having a single system for programming, financial management, and reporting, as well as timely and relevant technical assistance. The evaluation findings indicate that the benefits of the cooperation between UNDP and UNEP outweigh any incremental costs.

252. As a result of PEI's work, the agencies' understanding concerning the poverty and environmental nexus and its role in sustainable development has significantly expanded.

253. PEI co-Directors and PEI Regional Teams with the support of JMB members have actively pursued the integration of PEI strategic objectives and approaches into the agencies strategic documents and work

Box 41 - PEI Business Review, recommendations on sustainability

The main recommendation is the need to develop and achieve consensus by 2016 on a sustainability strategy to ensure that the work initiated by PEI to mainstream the Poverty-Environment Nexus in national sustainable development is continued by both organizations with or without the continuation of the PEI.

Important recommendations to be incorporated in the sustainability strategy are:

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

planning at the global, regional and country levels. The current strategic documents of the agencies indicate that PEI has succeeded to some extent. There are multiple examples of successful collaboration between PEI and other programmes and projects, and PEI is increasingly being asked to contribute its experience and knowledge to different institutional endeavours such as participating in the preparation of concept notes and knowledge products or in the review of other projects, to name a few.

254. Over the years, P-E mainstreaming specialists have been recruited or formed through PEI's work. Such specialists are the PEI global team and the UNDP CO staff overseeing PEI's work in the countries. This group of specialists has been exposed to the application of a variety of tools such as public expenditure reviews, environmental accounting, valuation of environmental goods and services, environmental fiscal review, for which there was not much prior experience in the agencies. This group is an important asset to UNDP and UNEP that should be maintained in the organizations, independently of whether or not the programme continues beyond 2017. The likelihood that at least a core group of specialists will be retained is good, given that the agencies have over time incorporated these positions in the agencies' core budget.

255. PEI's strategy to achieve sustainability within UNDP and UNEP had not been explicitly articulated by the end of the Scale-up Phase. Often "mainstreaming PEI approaches" into the agencies was equated with PEI's institutional sustainability. While mainstreaming PEI approaches in UNDP and UNEP's work is very important, the evaluation team believes that it is not sufficient to achieve sustainability as defined in item (b) of the introductory paragraphs of this section.

256. The evaluation team concurs with the overall recommendations on sustainability emanating from the 2012 Business Review (Box 41), however, there are major risks to the sustainability of the agencies' capacity to continue providing PEN mainstreaming support to the countries and to the international efforts for sustainable development in the event that PEI as a programme would cease to exist.

Risks

257. The evaluation has come to the conclusion that the likelihood that the agencies' ability to continue providing substantial, integrated and quality support to national P-E mainstreaming efforts is highly dependent on the existence of a dedicated programme strongly backed by donor support. In particular, the cooperation between the agencies for P-E mainstreaming at the regional and country levels, which is so important politically and operationally, may come to a halt if such a dedicated programme ceases to exist. The incentives to maintain the infrastructure for joint governance, programming, management and implementation and the willingness to cover the associated incremental costs of the collaboration will fade away.

258. The agencies increased the amount of core resources allocated to PEI during the Scale-up Phase but further significant increases are unlikely. 'Core resources' are extremely limited in the agencies, particularly resources that could be deployed for country-level activities. This is why most of the agencies' contribution to PEI is in the form of human resources.

259. The UNDP CO and in-country counterparts and donors have also increased their contributions during the Scale-up Phase; however, UNDP RRs and country based staff interviewed were unanimous in saying that in the absence of the human resources and funds contributed by PEI, P-E mainstreaming work would not have been possible.

260. The expectation that P-E mainstreaming work can be carried out through other existing agencies' programmes and projects seems unfounded. As discussed in other sections of the report such projects lack the country-based infrastructure needed for cost-effective long-term capacity support. On the contrary, these projects are starting to rely on PEI's well-established systems and structures to accomplish their objectives.

261. Some interviewees suggested that future P-E mainstreaming could take the form of targeted technical assistance only. The evaluators are of the view that although targeted technical assistance is useful to upscale and replicate PEI's experience in other countries, it cannot replace the more comprehensive and long-term support PEI is currently giving to the countries. In fact, by doing so, PEI would lose its comparative advantage with respect to the other above-mentioned projects of the agencies.

Evaluation rating about the “likelihood of sustainability of the agencies’ capacity for continued PEN mainstreaming support”: Moderately Unlikely

Upscaling and replication

262. The evaluation found evidence in all countries reviewed that P-E mainstreaming is being expanded to cover more sectors and issues on the basis of national priorities and as information and analysis becomes available. This expansion usually occurs as new PEI phases are approved or new in-country partners come on board. Available human and financial resources limit upscaling and replication. This is particularly the case for expanding PEI support to more provinces and districts. While PEI has implemented strategies that help create the conditions for up-scaling, for example, training of trainers to help cover larger geographic regions, successful upscaling of the deployment of planning and budgeting tools at sub-national level has come as a result of other development partners and national programmes with international financing joining PEI. Clearly, national governments need to take the lead in helping mobilize those additional resources for upscaling and replication within the countries. PEI national, regional and HQ teams need to also support these national efforts.

263. There is also evidence of replication of PEI's good practices in other countries within the regions and in other regions. This is mostly the result of PEI regional teams efforts, through South-South exchanges, in particular study tours and regional workshops, and through targeted technical assistance activities. New programme countries, for example, Peru are building on the experience of other programmes, in this case from Uruguay. The regional teams are already overstretched, therefore, they would need additional manpower to implement more activities for promoting further uptake of PEI experiences than those currently taking place.

264. At the global level, the availability of knowledge products in print and in the web in various languages is helping other countries benefit from PEI's experiences and tools. Side events at international gatherings and during meetings of the agencies governing bodies have also made the programme known beyond the countries in which it operates. Lessons learned and best practices from PEI's work are increasingly finding their way into international policy debates. The PEP and the TAG are important elements of PEI's knowledge management approach.

265. The role of UNDP and UNEP senior managers, particularly the members of the Joint Working Group under the UNDP-UNEP MOU, is key to create the conditions for further upscaling and replication of PEN mainstreaming work. The Working Group members could also be a vehicle for transmitting PEI experiences to and obtaining support from other UN agencies, among others via the UNDG or the Environmental Management Group.

Evaluation rating for “up-scaling”: Moderately Likely

Scenarios post 2017

266. The Terms of Reference request the evaluators to “assess the sustainability strategy of the PEI¹⁰¹ by providing findings, and making recommendations on the progress and level of P-E mainstreaming in UNDP and UNEP, and provide forward looking recommendations to strengthen the sustainability/exit strategy of the PEI programme.” The evaluation TOR state that “It is envisaged that the PEI as a discrete programme will terminate in 2017, but that work will continue as a part of the ‘core’ work programmes of UNDP and UNEP”¹⁰². The Evaluation TOR further clarify that “Sustainability and upscaling analyses the likelihood of sustainable outcomes at programme termination (2017), with attention to sustainability of financial resources, the socio-political environment, catalytic or replication effects of the programme, institutional and governance factors, and environmental risk”¹⁰³.

267. During the interviews with donors, senior managers in the agencies, experts, PEF managers and other PEI staff, it became apparent that the interpretation of the above statements and the expectations concerning the future of PEI and PEN mainstreaming in the agencies were multiple. At the request of the PEF co-Directors, the evaluation team prepared in February 2015 a draft paper entitled “Elements for a Sustainability/Exit Strategy”. The paper, based on the preliminary evaluation findings, was discussed with the PEF and a revised version was produced in March 2015 as an input for the internal consultations on the way forward for the PEI Sustainability/Exit Strategy. The evaluators’ paper made recommendations with respect to the process to develop and achieve consensus on PEI’s Sustainability/Exit Strategy; with respect of actions to improve the likelihood that UNEP and UNDP will continue and expand country-level support for P-E mainstreaming; and for sustaining country level outcomes. This evaluation report incorporates some of the early recommendations given their continued relevance.

268. While there are nuances, the following were the prevailing interpretations among interviewees. Interestingly, the interpretations do not match specific stakeholder groups. For example, individual donors have divergent views¹⁰⁴.

Interpretation A - Given the upcoming SDGs and the international development context post 2015, as well as the emergence of new paradigms such as the Green Economy, there is a need to re-think PEI’s role and contribution to support developing countries to mainstream poverty-environment linkages. Consequently, a new programme, building on PEI’s experience and lessons, could be established to respond to the evolving sustainable development vision and country demand for support beyond 2017.

Interpretation B - PEI as a discrete programme has fulfilled its expected contribution by pioneering an approach and developing tools for supporting countries to mainstream P-E into development planning, decision-making, budgeting and monitoring. The agencies, having internalized the approach, methods and tools, should be in a position to support countries on demand without the need of a dedicated project.

Interpretation C - New programmes and projects are being designed and implemented by the agencies to promote inclusive green growth, carbon neutral development, and sustainable production and consumption. These programmes and projects will take forward the work

¹⁰¹ PEI did not have an explicit and documented sustainability/exit strategy when the evaluation began. Such sustainability/exit strategy was being articulated in 2015.

¹⁰² Terms of Reference for the Final Programme Evaluation of the Poverty Environment Initiative Scale-up Phase. Paragraph 2, Page 8.

¹⁰³ Ibid. Item iv, Page 10

¹⁰⁴ These interpretations had been grouped differently in the above quoted “Elements for a PEI sustainability/exit strategy” paper. These changes were made to incorporate the views gathered during additional interviews and to reflect subsequent discussions among the team members.

initiated by PEI and mobilize the necessary financial resources in accordance with their individual objectives and work plans.

269. A crucial issue is whether or not PEI donors are willing to continue contributing funds for poverty-environment mainstreaming, a resolution of which is critical to determine the best course of action (although some are of the view that the possibility of obtaining new contributions will be determined by the relevance and quality of the proposal to be presented to donors for consideration). Donors have made large financial contributions to PEI since 2005, although some donor participation is more recent, and there is concern that in the current global financial climate and given other emerging priorities, DSG members will find it increasingly difficult to convince their capitals that continued support to PEI is a good investment of their resources for multilateral development and environmental assistance. Some donors are of the view that extra-budgetary resources already allocated to the agencies are also part of the funding pool for future P-E mainstreaming work.

270. Given the centrality of the financial aspect to decide on a course of action, the evaluation team proposes three possible scenarios around distinct financial envelopes. Interviewees offered multiple suggestions about the way forward. These suggestions are integrated in the analysis of the three scenarios.

Scenario 1:

271. Donor funding increases significantly (about USD 100 million for the next 5 years complemented by agency core funding and in-country resources) to expand the joint PEN mainstreaming work of the agencies geographically (at least to an additional 20 to 30 countries in the current PEI 4 regions and possibly in the Arab States/West Asia region) and thematically to incorporate relevant elements of the SDGs into the menu of support. The programme would also strengthen important thematic areas in which substantial progress is yet to be achieved (e.g., environmental fiscal reform); sustain existing PEI operations until countries have all the required drivers for outcomes to lead to intermediate states and impact in place; and monitor and assess the results of PEN mainstreaming in the countries. Individual countries will develop sustainability and exit strategies consistent with their TOC.

272. Scenario 1 meets the expectations of those who interpreted the future of PEI as a more ambitious, larger joint programme that responds to the challenges brought about by the SDGs. Possible re-branding will be necessary to facilitate resource mobilization. Clarification of value added with respect to other agencies' initiatives in response to the SDGs would be essential to ensure collaboration and avoid competition for funds.

273. Among others, this scenario would imply strengthening the regional teams and the PEF capacity to make available world-class expertise via the TAG and other mechanisms to the regional and country teams.

Scenario 2:

274. Donor funding and agencies' contributions remain at the same level of the Scale-up Phase, that is, an average of about USD 4 million allocated by the agencies and USD 6 or 7 million per year from the donors. The priority would be to ensure there is no premature phase out of PEI's support in current countries, continue providing targeted technical support in response to demand, and assess the longer-term effects of PEI interventions. The difference between the current PEI phase and a post 2017 phase is that many PEI country interventions will be mature enough to warrant a well-structured evaluation of the effects/impacts of P-E mainstreaming. As argued elsewhere in this report, understanding the effects of PEI interventions is essential to confirm that the hypothesis behind the design of PEI hold true. Scenarios 1 and 2 would offer that opportunity.

Scenario 3:

275. Global donor funding for PEI is discontinued. P-E mainstreaming work will be fully dependent on the agencies contribution to the programme and in-country donor resource mobilization and national counterpart contributions. Under this scenario PEI's work is likely to be primarily targeted technical assistance.

276. Scenarios 1 & 2 would see the agencies partnership around P-E mainstreaming continue while scenario 3 may see the joint work of the agencies discontinued. The Atlas Award in which PEI resources are pooled for joint implementation will not be required under this scenario. This will also have a major effect on the modus operandi for delivering country-level support. While coordination and collaboration between the two agencies for P-E mainstreaming may continue, it is likely to lose momentum as the current coordination mechanisms (Joint Management Board, Donor Steering Group, Poverty-Environment Facility, Regional Steering Committees) will be too heavy/expensive to sustain in the absence of a major joint initiative. However, structures under other related umbrella initiatives such as the GEI may replace some of the above coordination mechanisms, as relevant. Another consideration is that while other UNEP initiatives are providing technical assistance to countries on specialized green economy matters, PEI is the only programme delivering long-term capacity development support on PEN mainstreaming. The question is whether in the absence of PEI or a PEI-like programme UNDP will continue providing such long-term capacity development support on its own with sporadic technical advice from UNEP.

277. Independently of which scenario is adopted, the agencies will have to develop a coherent and synergistic set of programmes to meet the SDG capacity development requirements of developing countries. The more logical option should be to build on PEI rather than moving in the direction of multiple individual programmes that may be difficult to coordinate and finance, and that may not be conducive to effective inter-agency cooperation.

4.5 Efficiency

278. This section examines the extent to which PEI has managed economically programme and partner inputs such as funds and expertise to deliver high quality products and services at national, regional and global levels. It should be noted that with the information available to the evaluation team it was not possible to reach definite conclusions with respect to the relative efficiency of individual regional programmes and that of individual countries. An important reason is that the scope and specific objectives of country programmes are diverse. In addition to very different cost of living, which already makes comparisons difficult, during the period 2008 – 2013 individual countries were at different stages of implementation using multiple sources of funding (for example a combination of Pilot Funds and Scale-up funds), and had very different capacities. In fact, the evaluation found that there is no 'typical' cost for country programme phases. The budgets are determined on the basis of country programme needs at the time of planning and taking into consideration the overall financial envelope available to the respective regional programme for a given period. The evaluation team reviewed the quantitative information against the backdrop of the qualitative information gathered through the interview process to ascertain the degree to which the PEF and regional team leaders have indeed managed the programme efficiently. The evaluation highlights management decisions that have had an impact on overall programme efficiency.

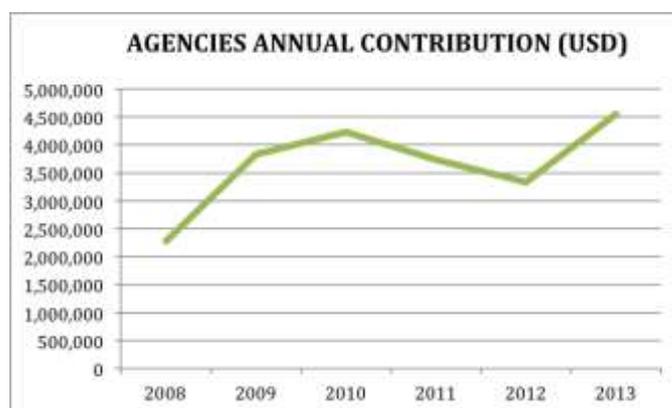
279. According to PEI's 2013 Financial Report the agencies have individually or jointly spent a total of USD 87,678,425 on P-E mainstreaming since 2002/03 when UNDP initiated its P-E Initiative. According to the same report the total programme expenditures between 2008 and 2013 – the Scale-up Phase period – were USD 74,004,910 (see Annex E for detailed information on PEI expenditure by source of funds).

280. The sources of funds for the above 2008 – 2013 expenditures were the following:

- Contributions from donors to the global PEI Scale-up Phase and to the Africa Pilot: USD 35,898,832 (48.5% of total budget)
- Agencies' core funding (global and in-country contributions): USD 21,946,332 (29.6%)
- Counterpart governments funding: USD 4,059,148 (5.5.%)
- In-country donors funding: USD 12,100,598 (16.4%)

281. This means that each dollar provided by donors at the global level has been matched by one dollar from host agencies and in-country contributions. The host agencies' yearly allocation to PEI has doubled, from USD 2.3 million in 2008 to more than 4.5 million in 2013 (see Figure 5). Information from interviews suggests that the agencies' contributions from core resources are likely to remain stable in the short-term, except for possible increases of UNDP Country Office contributions. Significant overall increases in the agencies' contributions are not likely to happen in the near future unless the current financial situation of the agencies changes significantly.

Figure 5

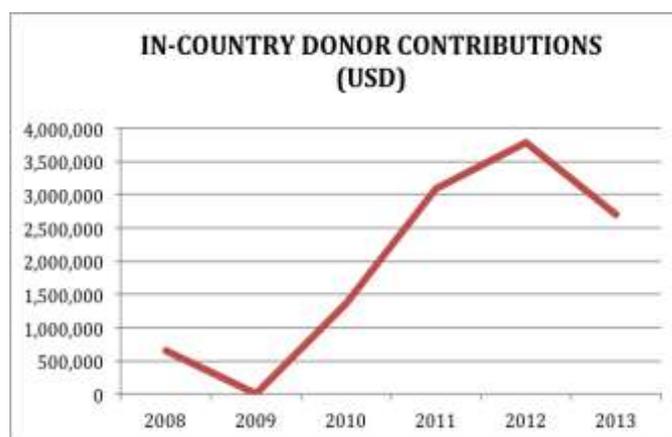


282. Financial contributions from in-country sources including national counterpart government institutions and in-country donors have been growing steadily during the Scale-up Phase, from a combined USD 1.2 million in 2008 to USD 4.1 million in 2013 (see Figure 6). The year 2012 saw a peak in in-country contributions to USD 4.7 million. In-country donor funding is not, however, evenly distributed among countries, with some having received large contributions.

283. An example is the Lao PDR country programme, for which the Swiss Agency for Development and Cooperation (SDC) contributed more than USD 3.2 million over a five-year period.

284. Government counterpart contributions have also augmented from a low USD 183,333 in 2009 to almost USD 1.5 million in 2013 (see Figure 7, next page), an indication of their growing willingness to invest in P-E mainstreaming.

Figure 6



285. There is evidence that the senior managers who established the Poverty-Environment Facility as well as the PEI team have taken measures to ensure the Initiative is implemented efficiently for the benefit of programme countries. One such measure was the decision to cap at 8% the total programme support costs (PSC/GMS)¹⁰⁵ charged to donor contributions, whether the contribution is made through UNDP or UNEP, and to re-allocate a substantive part of the PSC/GMS to help cover PEI's

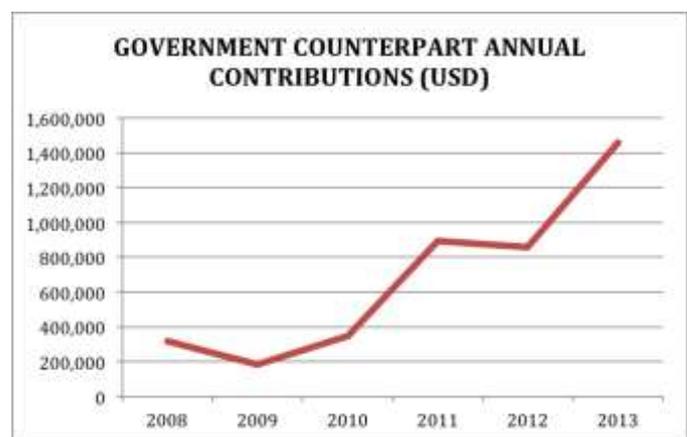
¹⁰⁵ "The purpose of the PSC13% charge is to recover incremental indirect costs. Incremental costs are defined as the additional costs incurred in supporting activities financed from extra-budgetary contributions. This charge is intended to ensure that the additional costs of supporting activities financed by extra-budgetary contributions is not borne by assessed funds and/or other core resources that are central to the budget review and approval process of the United Nations Secretariat". Inter-office memorandum dated 8 June 2012 by the UN Controller.

operational costs. The PSC/GMS has been collected up front and has the following distribution: 2% for UNDP Central Services and Country Offices; 3% for UNDP BDP and 3% for UNEP, but these two amounts are later re-allocated to the operating budget of the PEF. The rate of the PSC/GMS and its re-allocation to the programme's operating budget has been controversial. The reason is that 8% is significantly lower than the 13% programme support costs typically charged by UN agencies to cover incremental indirect costs of managing extra-budgetary resources. While the UN Policy on the PSC allows for flexibility in determining the actual percentage to be charged to donor contributions, some financial managers, who are responsible to monitor how the PSC is applied, are of the view that the agencies are subsidizing PEI and that this may be in detriment to other agency activities. It should be noted that UN Agencies have been applying a 7% PSC/GMS rate on voluntary donor contributions in support to inter-agency and "Delivering as One" programmes and collaboration with other multilateral institutions where valid inter-agency arrangements apply¹⁰⁶. However, this has been under the assumption that all direct costs are covered by the programmes' budget. In PEI's case, the PSC is covering direct costs (6%) and indirect costs (3%), which is considered too low by some. UNEP financial managers feel that this arrangement affects the organization disproportionately given that the majority of global donor funding has been contributed through UNEP (USD 23,597,215 mobilised through UNEP and USD 6,059,834 mobilised through UNDP). On the positive side, the evaluation believes that the PSC/GMS arrangement has ensured that the largest possible proportion of donor funds reaches the country programmes. However, this issue needs to be further discussed and clarified because it may be a disincentive for UNEP's continued support to resource mobilization for PEI.

286. According to the 2013 Financial Report PEI has been able to reduce its overall costs on travel and DSA. The costs of contractual services and events have remained consistent versus previous years, as have the operational costs. This is a generally positive development, except that cost savings should not take place at the expense of South-South exchanges and other learning opportunities or of adequate technical assistance to the programme given the complexity of P-E mainstreaming. The evaluation is not implying that this is the case with travel cost reduction. These savings probably took place through more careful planning, for example, more direct routes or combining various missions in one trip, and with timely purchase of tickets. Other cost saving measures applied by the agencies and the PEF could also have a negative effect on PEI's ability to deliver quality technical support and provide adequate oversight. Such measures are sharing staff, freezing or downgrading posts, and relying on Junior Programme Officers (JPO) (this is further discussed in section 5.3). While sometimes such cost saving measures are imperative in response to funding shortcomings, management has to be aware of any negative effects and should put in place mitigation measures. For example, the regional teams need to be led by senior officers (P5) if they are to interact with UNCTs and with senior level officials in governments. Sharing of staff and matrix management may weaken accountability and undermine performance in the absence of dedicated staff that can devote sufficient attention to PEI.

287. At national level, the Business Review, the case studies and the interviews confirm that PEI has delivered an impressive quantity of outputs with a lean staffing at all levels (see Section on delivery of outputs). According to the Business Review, there had been a PEI staff cost reduction

Figure 7

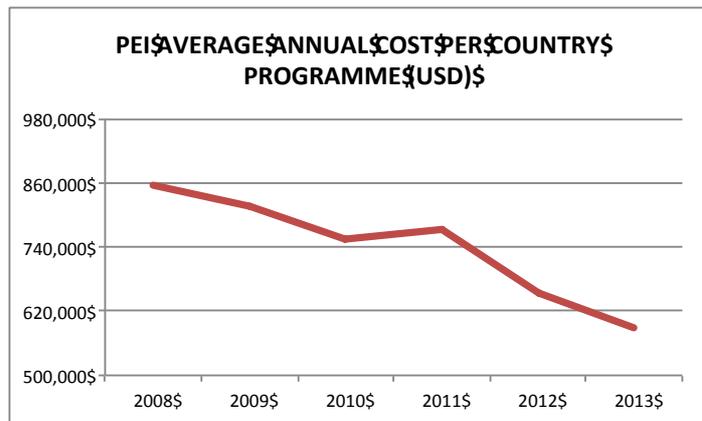


¹⁰⁶ Ibid. Paragraph 9 (ii).

between 2011 and 2012. This was complemented by an increase expenditure on international staff and consultants to ensure adequate technical inputs to the countries. According to the 2013 Financial Report, PEI has also been making more use of national staff and consultants, contributing to local capacity building.

288. PEI’s overall cost per active country programme has decreased over the years from an average of USD 855,623 in 2008 when it had 9 country programmes under implementation to USD 588,097 in 2013 with 25 active country programmes (see Figure 8). However, the above figures also include the cost of PEI’s activities in prospective countries before country ProDoc signature. During the first two years of the Scale-up Phase, activities in prospective countries were substantial. If there was indeed a decreased investment per active country programme the evaluation did not find evidence that this affected PEI’s ability to deliver the programme’s outcomes.

Figure 8



289. According to previous country programme evaluations and country programme reports, the delays in completing expected outputs are often related to two main causes: 1) unrealistic planning with over-ambitious targets; and 2) common inefficiencies in UNDP CO administrative procedures beyond PEI’s control, for example, lengthy processes for recruiting consultants or protracted competitive bidding for contracting project services. However, government procedures and delays in obtaining approval of policy documents and other PEI products have also been recurrently quoted. No-cost extensions of several months have been common in all regions to enable the countries to complete planned activities and outputs.

290. PEI’s management arrangements, in which government counterparts only need to deal with one agency for all administrative and financial aspects of programme implementation, are a major contributing factor to PEI’s perceived efficiency at the country level when compared with other programmes in which more than one UN agency is involved (fund management arrangements are discussed in more detail in section 5.1). Concerning reporting, donors agreed to receive a consolidated annual progress report, instead of individual reports. In spite of the later and of PEI’s best efforts, a significant reporting burden persists due to the requirements of the agencies. The PEI global reporting requirements are shown in Attachment G. This is an issue that may be brought to the attention of the UNDP-UNEP MOU Working Group via de JMB and possibly to the undg for further discussion in the context of the Delivering-as-One implementation. PEI’s experience with respect to practices that enhance or reduce efficiency in joint programme implementation should be brought to the attention of these two bodies.

291. The Business Review noted that the ATLAS award management is centralized at the PEF level while UNDP country offices expect an increased decentralization. The country offices interviewed by the authors of the Business Review are in favour of decentralization, considering that PEI activities should not be stand-alone but rather an additional component of UNDP’s support to the country. In their view, decentralization of the award would further reduce transaction costs and the reporting burden to the national partners, keeping the processes simple. At the time PEI was preparing to decentralize the ATLAS award on a pilot basis to the Tanzania Country Office. It is not known to the evaluators whether the decentralization took place and with what results¹⁰⁷.

¹⁰⁷ The evaluators have been recently informed that on 27 August 2012 PEI made a USD500,000 contribution to a Tanzania Country Office Project entitled “Pro-poor economic growth and environmentally sustainable development”.

292. At the regional level efficiency has been generally good. Small joint PEI teams have been able to plan, support and oversee the implementation of the regional portfolios with modest financial resources, in addition to their contribution to PEI's overall communications, knowledge management and advocacy endeavours. However, as already highlighted in the PEI Business Review the small portfolio in LAC and ECIS makes the cost of country programme oversight relatively high. The Business Review recommended that PEI review the situation of ECIS at the end of 2014 to determine if there are opportunities for portfolio growth given the prevailing difficulties for mobilizing co-financing and make a decision about the future of the regional programme. The Business Review also recommended a more balanced participation of both agencies in the regional teams on the basis of comparative advantage and programme needs. For example, in Africa, the Review recommended to have a senior PEI focal point in UNDP as well as a professional position in the UNDP Service Centre. By the end of the Scale-up Phase these recommendations had not been implemented.

293. At the global level, the PEF has used resources efficiently to deliver its own programmatic responsibilities. There is evidence that to the extent possible the PEF plans and implements activities with efficiency in mind, for example, by organizing TAG meetings back-to-back to PEP meetings. In 2013 PEF expenditures were 8.3% of the total pooled fund annual expenditures.

Evaluation performance rating for “efficiency”: Satisfactory

4.6 Cross-cutting issues: Gender, capacity development, norms, guidelines and safeguards

294. The terms of reference for the evaluation require the evaluators to examine crosscutting elements common to most programmes and projects. For PEI, gender, stakeholder engagement and capacity building are very important to achieve programme results; therefore, these are discussed in this section. Issues related to norms and guidelines are part of PEI's country programme outputs and have been discussed in previous sections of the report. Social and environmental safeguards have been increasingly addressed by PEI be it at the country programme implementation level, for example, social and environmental issues involved in FDI management in Lao PDR, or more broadly with recent guidelines on rights-based approaches having been incorporated by the PEF in the revised PEI Handbook. It should be noted that in response to the need to comply, among others, with GEF fiduciary standards both UN agencies have now adopted social and environmental safeguards for all project interventions¹⁰⁸, which came into effect in January 2015.

Gender and vulnerable groups

295. Some PEI country programmes have considered gender issues linked to P-E mainstreaming from inception. For example Lao PDR explored gender questions with respect to foreign direct investments and presented initial findings in a 2010 policy brief with the title of ‘Investment and Women’s Economic Empowerment’. Kyrgyzstan had also included gender indicators in its programme. Nonetheless, the mid-term evaluation found that gender disaggregated indicators were not always present in the global or national PEI project documents nor were indicators related to other vulnerable groups such as indigenous peoples. The MTR made an explicit recommendation for PEI to include these indicators and if at all possible to “commission studies/assessment on the gender and vulnerability issues in relation to environmental issues, and how they relate to selected country programmes (CPs), to elucidate the extent to which they are adequately considered/analyzed in programme design and addressed in policy work. Based on the findings, a

The PEI Scale-up Phase funds were to be used in line with the agreed outcomes and objectives in the signed project document dated 21 March 2012. The funds were to be channelled through an existing Atlas Country Office Award.

¹⁰⁸ See UNEP Environmental, Social and Economic Sustainability Framework, June 2015 and UNDP's Social and Environmental Standards, June 2014.

guidance note on addressing gender and vulnerability in CPs could be elaborated.” UNDP, in its management response to the Poverty-Environment Nexus (PEN) evaluation, stated “UNDP will step up these efforts to assist national counterparts in improving how development results are measured. This will be an opportunity to further articulate the gender dimension of the poverty-environment nexus”. Since the MTE, PEI has increasingly incorporated gender issues in its work¹⁰⁹ acknowledging that without addressing gender it is not possible to achieve inclusiveness and equity. PEI stakeholder and institutional analysis should incorporate gender issues to ensure that policies, planning and budgets are gender responsive. A good example of progress in this respect is Bhutan’s incorporation of gender concerns in the budgeting process under the responsibility of the Ministry of Finance. This is being done in partnership with UN Women and Bhutan’s National Commission for Women and Children. PEI’s 2015 revised Handbook includes a Guidance Note on Promoting Gender Equality.

296. PEI has considered vulnerable groups through different approaches. For example, in the LAC programme, urban vulnerable groups in the waste management sector were the focus of PEI’s P-E mainstreaming work in Uruguay and the needs of this group are also now being addressed in Peru. In the Dominican Republic PEI focused on reducing vulnerability of poor households to climate shocks through the integration of P-E linkages in national and subnational development planning processes. While in many PEI-supported documents indigenous peoples are recognized as particularly vulnerable (e.g., mining impacts in the Philippines), the evaluators did not find through the case studies specific examples of how PEI is helping ensure that indigenous peoples receive special attention in policies, planning and budgeting processes.

Evaluation performance rating for consideration of “gender and vulnerable groups”: Satisfactory

Stakeholder involvement

297. Each country programme has a different set of key stakeholders depending on the issues to be addressed and the sectors involved. PEI’s context and institutional analysis has been helpful in determining who are the main groups and key individuals that need to be involved. The evaluation team found that there is strong ownership of the programme among all national organizations involved in PEI implementation. The leadership of senior government officials in most countries reviewed is strong, which is essential to facilitating inter-sectoral coordination, links with the legislative and to mobilize in-country donor support, among others. The feedback from stakeholders interviewed in the institutions with responsibility for P-E mainstreaming activities at national level was very positive overall with respect to participation. These include, in particular, sub-national government representatives, members of parliament, managers and staff in central ministries, researchers and the media. There is a strong buy-in concerning the importance of mainstreaming P-E considerations into national policies, planning and budgeting. PEI national teams have carried out multiple consultations at all levels and promoted participation of various institutions at national and sub-national level in the delivery of all outputs and, when relevant, of affected communities.

298. While the evaluators agree that the planning and/or finance ministries should have a leading role in P-E mainstreaming, it is also very important not to relegate the ministries of environment. The evaluators found at least one instance in which the national environmental authority had a very

¹⁰⁹ Although not part of the scope of this evaluation the team noted that there are several PEI outputs related to gender since 2014: A Case-based Analysis of Existing Economic and Environmental Practices of Rural Women in Susamyr Ayil Okmotu, Kyrgyz Republic, Research Report by Elena A. Kim, 2014. The Cost of the Gender Gap in Agricultural Productivity in Malawi, Tanzania and Uganda. PEI 2015. Draft working paper 'Empowering Women for Sustainable Energy Solutions to address Climate Change' prepared jointly by PEI and UNWomen and shared at the Global Landscapes Forum in 2015. A rapid assessment of gender-relevant environment and natural resource data and indicators was completed in preparation for PEI’s work in Malawi in 2015.

negative view about PEI's decision to anchor PEN mainstreaming work in the Planning Ministry. The Director of the Environment Department was of the opinion that PEI could have achieved more if it would have helped them establish and operate an Environment Sector-Wide Working Group to ensure coordination and mainstreaming of environmental sustainability across all economic sectors. While the evaluators are not fully convinced by this argument and there is no reason why PEI could not address this issue in future phases, it is true that a weak environment sector may jeopardize the long-term sustainability of P-E mainstreaming. Environmental awareness in central ministries may fade over time with staff turnover once PEI is no longer there. PEI needs to ensure that the environment ministry will have the capacity to do economic analysis and make the case on their own about the importance of the environment for poverty reduction and sustainable development. In any event, it is important to have the environment sector as a PEI ally.

299. The private sector has not been a focus of PEI's work during the scale-up phase; however, when relevant and necessary, PEI national teams have organized consultations involving the private sector. For example, the development of the Lao PDR National Investment Strategy supported by PEI has had several rounds of consultations with a broad array of government ministries across multiple sectors¹¹⁰, with bilateral and multilateral international organisations, and with the private sector. PEI's activities to promote corporate social responsibility in Lao PDR have taken place in close cooperation with the Australian-New Zealand Business Association.

Evaluation performance rating for “stakeholder involvement”: Highly satisfactory

Capacity development

300. It is not possible to capture in a few paragraphs the extensive capacity development work done by PEI over the years in more 26 countries. Institutional and individual capacities for P-E mainstreaming have been enhanced through, among others, developing systems, processes and tools that can be applied by institutions in the performance of day-to-day responsibilities as well as by carrying out on-the-job training, training of trainers, training workshops, peer-to-peer support, South-South exchanges and international study tours to improve the knowledge and skills of individuals. PEI has conducted hundreds of training events over the years. Managers and staff in central ministries, ministries of environment and members of local governments have been particularly targeted for capacity development support, but also the media, research institutions, legislators, NGOs, and national consulting firms. Focus topics range from economic analysis and environmental valuation research, climate change, vulnerability assessment, planning, investment management, environmental and social impact assessment, application of P-E mainstreaming tools for planning, budgeting, accounting, monitoring and evaluation, to name a few.

301. The evaluators found evidence of the multiple positive results at the national and local levels. For example, a national consulting firm in Burkina Faso that was paired with an international consultancy group to do economic analysis is now a local partner of that firm. In Malawi, a national NGO that contributed to the preparation of the economic study and the state of the environment report is using the findings of these studies to advocate for P-E issues nationally and internationally. In Laos, the National Economic Research Institution of the Ministry of Planning and Investment is increasingly able to conduct integrated analysis of various sectors and economic activities and communicate the results to decision-makers. Media representatives trained by PEI have been successful at persuading mainstream media to cover more environmental and P-E news. The capacities of local governments to apply planning instruments have also been increased in countries such as Malawi and Lao PDR.

¹¹⁰ Department of Domestic Trade; Ministry of Industry and Commerce including the Industry and Handicraft Department; the Environment Department, Environment and Natural Resource Information Centre, and the Department of Environment and Social Impact Assessment at the Ministry of Natural Resources and the Environment; Department of Transportation for the Ministry of Transport and Public Works; Planning Department, and the Department of Plantations at the Ministry of Agriculture and Forestry; Department of Labour Management, Ministry of Labour and Social Welfare; Department of Mines, and Department of Energy Business, Ministry of Energy and Mining.

302. As discussed in section 2.2 of this report the attributes of ‘improved capacities’ of country programmes in PEI’s long-term outcome statement have not been specified in PEI documents. Some elements are, however, implicit in the PEI Handbook, which describes the institutional and individual knowledge, skills and systems that need to be put in place to achieve the desired impacts. Project baselines should be far more detailed to enable the Initiative to assess changes in specific capacities over time and the extent to which these capacities are being applied to address P-E mainstreaming issues.

303. Capacity development and the deployment of such capacities in programme countries continue to be a challenge not least because of staff rotation, and the very large number of individuals that need training and the multiple topics that need to be covered. PEI needs to invest additional efforts to engage other development partners in capacity development activities, especially, to increase the coverage at sub-national levels. The evaluators recommend designing capacity development strategies for each country programme identifying minimum standards and capacity development requirements as well as the means to verify that these have been reached. The strategies would help ensure such minimum requirements will be achieved during the lifespan of PEI project implementation and would help PEI deploying its limited resources in the most effective manner.

304. PEI has been a driving force in the pursuit of UN host agencies’ improved capacities to integrate the environmental dimension into poverty programming as well as their capacity to integrate poverty, inclusiveness and equity considerations into international environmental policy and action.

Evaluation performance rating for “capacity development”: Highly satisfactory

5. Factors affecting performance

305. This chapter examines key factors affecting positively or negatively the performance of the Poverty-Environment Initiative. The review includes the programme design and structure; the implementation of PEI’s programmatic approach; PEI’s organization, management and administration; partnerships; and monitoring and evaluation. Each aspect is rated separately.

5.1 Programme design and structure

306. PEI’s programme design as a ‘joint’ UNDP and UNEP programme is its biggest strength and a very important factor for success. The management arrangements of the PEI Scale-up Phase were designed in early 2007 based on the UN Development Group Guidance on Joint Programming. PEI chose the “pooled fund” modality among three possible management options (see box 42 next page). This decision proved strategic, enabling an efficient and effective delivery of technical assistance and financial resources to partner countries while maintaining transaction costs relatively low. Under this modality donor funds contributed through either UNDP or UNEP are combined and jointly managed to deliver PEI’ agreed work plan. A financial reporting procedure was designed to enable each agency to comply with its specific reporting requirements in addition to the joint reporting done by the PEF for all PEI contributions, including non-pooled contributions such as contributions made by individual agencies to cover, for example, PEI’s personnel costs. Funds raised at the country level are received by UNDP on behalf of both organizations and credited directly to the country-level project budget, avoiding lengthy procedures to incorporate these contributions to the global fund.

307. The selected Managing Agent for PEI is UNDP, a logical choice given its almost universal country presence and its proven ability and systems to make available global funds to national counterparts and to oversee their utilization. PEI pooled funds are managed through UNDP’s ATLAS system. The only constraint is that UNEP staff members in the regions and in the PEF do

not have ‘approval’ rights in the system. Consequently, UNDP staff effects all transactions. UNEP’s requests, for example for requisition, are made through a memo and then entered into ATLAS by a UNDP staff with ATLAS authorizing rights. This does not seem to have caused major difficulties to programme implementation. The Internal Control Framework of UNDP determines the checks and balances in the system.

308. Planning and budgeting are done jointly following a bottom-up approach. Annual Work Plans (AWP) are developed for each participating country and region on the basis of the expressed needs of the countries and an analysis of previous expenditures, both for full country programmes and targeted technical assistance activities. The respective Regional Steering Committee reviews and approves the annual regional work plan. Regional planning workshops take place with the participation of country programmes and often with those with interest in joining PEI. Recently the PEF introduced the preparation of Regional Strategies providing an overall strategic analysis of the regional context, trends, progress in P-E mainstreaming, and priorities for an entire PEI phase, e.g., the 2014 – 17 period. The PEF compiles all regional work plans in a comprehensive PEI AWP, which also includes the activities and deliverables of the PEF for the period.

309. The Business Review found that the ATLAS set up did not allow tracking of technical assistance activities provided by the Regional Teams to countries. All targeted technical assistance activities were recorded under one unique ‘chapeau’ in the award and there was no way to track properly technical assistance to a given country. The Review recommended reorganizing the structure of the ATLAS regional project to take into consideration requests for technical assistance formulated by countries to enable the regional team and the PEF to report on technical assistance support on a country-by-country basis.

310. At national level PEI implementation takes place under the UNDP National Implementation Modality (NIM), formerly National Execution (NEX), however, a Direct Implementation Modality (DIM) can also be used if PEI is so advised by the UNDP CO. Kyrgyzstan is one such example. Programme assurance is the responsibility of the UNDP CO Environment Unit. The UNDP-UNEP Regional Teams provide oversight and technical advice to the country programmes. A National Steering Committee provides strategic direction to the implementation of the country programme.

311. PEI country programme teams often include a senior international Technical Advisor (in exceptional cases more than one) but these are not contracted to lead PEI’s work but to perform a technical advisory role in support of the government managers responsible for delivering the multiple outputs and outcomes stipulated in the ProDoc.

Box 42: UNDG Guidance on Joint Programming

When deciding to establish a Joint Programme, there are three fund management modalities to choose from: a) pass-through, b) pooled, and c) parallel.

Pass-through fund management is the most commonly used modality for Joint Programmes. Under this option, two to five UN organizations develop a Joint Programme, identify funding gaps and submit a Joint Programme Document to donor(s). If the donor(s) and participating UN organizations agree to channel the funds through one UN organization, then the pass-through modality applies. In the pass-through modality there is an Administrative Agent, responsible for fiduciary management and financial reporting and a Convening Agent, which is accountable for coordination of programmatic activities and narrative reporting.

The **pooled fund** management modality is likely to be the most effective and efficient when participating UN organizations work for common results with one or more common national or sub-national partner/s and/or in a common geographical area. Under this modality, participating UN organizations transfer pooled funds together to one UN organization, called the Managing Agent (MA), chosen jointly by the participating UN organizations.

The **parallel fund** management modality is likely to be the most effective and efficient when donors want to earmark funds to a specific agency and when the interventions of participating UN organizations are aimed at common results, but with different national, sub-national and/or international partners. Under this modality, each organization manages its own activities within the common work plan and the related budget, whether from Regular Resources or other resources.

Source: <https://undg.org/home/guidance-policies/joint-funding-approaches/joint-programmes/>

312. Overall, the structure in place is adequate for PEI's joint planning and management and for quality assurance throughout the programme cycle at the country, regional and global levels.

313. As already mentioned in section 4.2 and as reflected in the business review, the location of PEI within the EEG in UNDP and the fact that UNEP hired several economists as Regional Team Leaders, became disincentives to better integration with the poverty practice and other relevant groups in UNDP. The lack of more substantive involvement of the UNDP Regional Bureaux in determining the entry points and priority areas to be addressed in each region was another aspect affecting PEI's integration and visibility within UNDP. Another structural issue mentioned in previous reviews affecting to some extent the composition of the PEI regional teams and the effective use of the agencies' comparative advantage is the geographic location of the Regional Offices and Centres. For example, in Africa, where the UNEP Regional Office is in Nairobi and the UNDP Regional Service Centre was in Johannesburg and later moved to Addis Ababa. However, this evaluation has found that while co-location in Bangkok has enabled a close and productive collaboration between UNDP and UNEP, co-location is not always sufficient to achieve productive collaboration between the agencies. For example, during the first few years of the Scale-up Phase the contribution of the UNDP Regional service Centre based in Panama, where the UNEP Regional Office is also located, was minimal. In the case of Africa, the restructuring and staff shortages at the UNDP Regional Service Centre meant that no poverty specialist was available on a consistent basis. The Service Centre in Addis did not accept the Business Review recommendation of allocating time of a poverty specialist to PEI. UNDP recent hiring freeze did not allow for recruiting a livelihoods specialist for the Global Policy Centre.

314. The quality of the strategic and project documents was also adequate overall except for some weaknesses discussed below. The importance of the inception phase cannot be over-emphasized. Given that activities and deliverable for that phase are not detailed in a Prodoc but only briefly described in the Regional work plans, there is a risk that they may not be carried out to the highest standards.

315. A weak aspect of the PEI scale up project design was the lack of an explicit Theory of Change. However, the PEI Handbook compensated for this gap. At the country level, the absence of specific TOCs in the ProDocs was more problematic. The evaluation found that in a few cases such as in Uruguay the ProDoc was too generic and thus not very helpful to guide the implementation of activities in the country. On the other hand, in cases such as Lao PDR, while a TOC was not fully developed in the initial ProDoc, the analysis of the country situation and the choice of strategy for the intervention was sufficiently detailed in the text and in the RRF, making it a useful guiding document for the PEI Country Team. The quality of the ProDocs is very important not least because there are cases in which the team implementing the project may not be the same as that which designed the project. Ensuring the quality of the country ProDocs is the responsibility of the Regional Teams, however, the PEF has a role to play in quality assurance across the entire programme.

316. Another weakness of the global ProDoc was that the short-term outcomes to be achieved beyond and 'above' the participating countries were not spelt out. For example, if expected outcomes were, for example, mainstreamed P-E approaches in UNDP and UNEP or enhanced UN collaboration for P-E mainstreaming at the regional level, the logframe should have specified how were these to be achieved, what activities would take place, what inputs were required, and what outputs needed to be produced. The 2012 Business Review had recommended that PEI develop a road map to guide its actions towards improved mainstreaming of PEN in both organizations. The road-map would include: a) priority processes or programmes of particular relevance to PEN identified (e.g., Green Economy, post 2015 process, low-carbon development, selected MEAs, etc.); b) targets, timelines, deliverables, and responsibilities; c) activities specifically designed to demonstrate how PEI adds value to these initiatives and to promote the use of PEI approaches, lessons, tools, etc.; and d) how progress will be monitored.

317. The introduction of Regional Strategies to be developed by the joint PEI teams in consultation with regional stakeholders was a good idea. However, the initial strategies could have been more specific about what each regional programme was expected to achieve beyond country-level results. For example, a more detailed analysis of common development issues and opportunities at the regional or sub-regional level to help guide country programme portfolio development as well as identification of strategic opportunities for cross-learning at the regional level. PEI's strategy and actions for creating an enabling environment among international institutions present in the region to help make progress in implementing the P-E agenda could have also been developed: for example, which are the target institutions and what are possible activities to bring them on board? More detailed regional strategies are also important to determine the allocation of financial resources to the regional teams to achieve the expected results.

Evaluation performance rating for “programme design and structure”: Satisfactory

5.2 Implementation of PEI's Programmatic Approach

318. Chapter 2 of this report reviewed in some detail PEI's programmatic approach concluding that it is fit for purpose. A recommendation was made for an added 'component' to ensure PEI will in the future dedicate more attention to assessing the effects of P-E mainstreaming once implementation of policies and plans is on-going. This section briefly examines in what way the implementation of PEI's approach has affected programme performance.

319. PEI's programmatic approach evolved on the basis of the Pilot experience in Africa. It has been applied in a flexible manner to respond to regional and national circumstances and opportunities, which is a programme's strength. In a nutshell, the Africa regional programme endeavoured to ensure the P-E nexus would be first mainstreamed into the national development strategy and action plan (originally the PRSP) across all priority sectors, then influence priority policies and the national budgeting process as a way to ensure implementation of agreed actions, and finally identify key P-E indicators to monitor changes in P-E conditions. Addressing sub-national planning came later in response to the process of devolution of power from the central government to local governments occurring in many African countries. The Asia/Pacific programme, while consistent with PEI's programmatic approach brought an emphasis on climate change and investment policies given the importance of these two factors for the development of the region and as a way of better integrating PEI's work with other UNDP initiatives in Asia. In Europe and the CIS the small PEI portfolio has been driven by strategic opportunities: in Kyrgyzstan by the drive of a new government to develop a national sustainable development strategy on the way to Rio +20; in Tajikistan, by the opportunity to mainstream P-E considerations in the national Mid-term Development Strategy (2013 – 2015) with emphasis on sustainable land management issues, a major development challenge for the country; in Armenia (a PEI targeted technical assistance country), PEI's objective is to equip decision-makers and other stakeholders with tools to incorporate an ecosystem services valuation approach into existing decision-making processes, plans and budgets linking poverty reduction and environmental sustainability. In LAC, PEI took a pilot-based approach on narrow sectors and geographies (solid waste in Montevideo and Lake Enriquillo in Dominican Republic) rather than attempting to mainstream P-E into the broader national planning and budgeting processes. Among reasons given to the evaluator by the Regional Team were that most LAC governments already understand the linkages between environment and poverty, and thus the challenge lies not with “making the case” for poverty-environment mainstreaming but rather “how” to do it. As a result, they argue, countries, are interested only in concrete projects to demonstrate and address the links between poverty and environment. The pressure on PEI to implement small demonstration projects in many other countries in all regions is an indication that this is not specific to LAC. In general, unless the case for P-E mainstreaming is made to governments through serious analysis and arguments based on facts, government staff

often have a preference for investment projects even if such investments are small and with very limited impact. Some former and current members of the PEF are of the view that the LAC regional team's reluctance to apply PEI's approach to country programme design had a negative effect on the performance of the regional programme and the evaluators concur with that view.

320. An important lesson emerging from this evaluation is that understanding the major development trends and challenges of a region or sub-region by the PEI regional teams is essential for the development of effective P-E mainstreaming portfolios. Without this knowledge and a prior analysis of where PEI could make a useful contribution it is not possible to conduct meaningful dialogue with central ministries during the inception phase. PEI Regional Programmes should have the means and manpower to gather the necessary information and carry out analytical work building on prior UNDP and UNEP initiatives, and to commission additional analysis to specialized organizations and individuals as needed. Any deviations concerning the application of PEI's programmatic approach need to be well justified and documented. The evaluation team does not advocate for a one-size-fits-all approach but rather for informed and documented decisions.

321. The inception phase (Component 1 in Figure 2) involves making strategic choices for portfolio development at the regional level and making the case and finding the entry points for P-E nexus mainstreaming in the countries. Both elements of the inception phase are determining factors for the quality of the portfolio, in particular for country programme design, therefore, determining overall programme results and the likelihood of impact.

322. PEI's programmatic approach does not include on-the-ground demonstration projects but it does not preclude them. The evaluation team found that in several programme countries in all regions, governments have insisted that PEI allocates funds to finance small field interventions. While some of these small projects have generated direct livelihood benefits for the communities involved and the results of a few may have been used to inform policies, the evaluators are of the opinion that these initiatives add little value to PEI's work, divert PEI resources from other potentially more effective uses, and are a reputational risk in case of failure. While there is no doubt that small investment projects may help build the case for P-E mainstreaming by demonstrating the likely poverty reduction and environmental benefits that could be achieved, PEI's role should be to help identify funding sources and organizations with expertise and adequate operational systems to design, implement and oversee these types of projects and partner with them. There are many avenues for partnerships with institutions supporting sustainable livelihood initiatives and other development projects suitable for demonstration of P-E linkage benefits. For example, the GEF Small Grants Programme (SGP) administered by UNDP has almost universal presence in developing countries, good systems to identify and oversee small grants, and significant funding at its disposal. Its main objective is to support sustainable livelihood initiatives that also achieve global environmental benefits for biodiversity, climate change, sustainable land management, chemicals management, and international waters. SGP has a mandate to help replicate and upscale good practices and lessons via informing national policies. A partnership between PEI and SGP country programmes would be mutually beneficial, as it would help identify innovative bottom up solutions that could be mainstreaming into national/sector policies through PEI's work. It would also help test in practice the effects of some PEI-advocated policy solutions.

**Evaluation performance rating for “implementation of PEI’s programmatic approach”:
Satisfactory**

5.3 Programme organization, management and administration

323. Building on the 2012 Business Review, this section examines PEI's governance, structure and management, and their effects on PEI's overall performance.

Governance and management structure

324. PEI's governance at the inception of the Scale-up Phase was composed of a Joint Management Board and National Steering Committees in each programme country. Regional Steering Committees were established later to provide adequate representation of the agencies' regional offices/centres in the governance structure. A Donor Steering Group and a Technical Advisory Group play important accountability and advisory roles respectively at the global level.

325. The Joint Management Board is the main decision-making body governing the PEI. The co-Chairs of the Board have responsibility for strategic management decisions and financial oversight. The PEI co-Directors jointly report to the Board every six months. The Joint Management Board has the following responsibilities:

- Approval of the overall PEI Strategy;
- Approval of revisions of the annual work plan and budget;
- Approval of external PEI resource mobilization activities and donor relations;
- Approval of internal resource mobilization for PEF costs;
- Approval of PEF staffing plans;
- Monitoring PEI achievements, challenges and implementation arrangements;
- Monitoring of regional PEI arrangements;
- Review of joint programme management arrangements annually; and
- Review of ad-hoc issues raised by the PEI co-Directors.

326. At the inception of the Scale-up Phase the Board was composed of two agency officials, the Head of UNDP's Environment and Energy Group, and the Director of UNEP's Division of Regional Cooperation. The Director of the Division of Environmental Policy Implementation took over the UNEP representation in the Board after PEI's oversight function was transferred from DRC to DEPI in August 2010. The Project Document provided for participation of country programme representatives in the JMB but very soon it was realized that the JMB should only include representatives of UNDP and UNEP. Country programme representatives have been invited to attend Technical Advisory Group meetings to provide an avenue for hearing directly from them about their P-E mainstreaming experiences.

327. The 2012 PEI Business Review report includes three important findings with respect to PEI's governance:

328. **First**, that there was no formal mechanism for involving UNDP Regional Bureaux and UNEP Regional Offices in PEI's planning and monitoring and also that there was very limited interaction of PEI Regional Teams with UN Regional bodies. These were important weaknesses, in particular, for promoting PEI's joint modus operandi beyond the PEI participating countries and for making PEI's knowledge, experiences and tools available to inform the strategies and work of UNDP and UNEP in the regions and to leverage support from other regional UN bodies and organizations. To address this gap, the Review recommended inviting a senior representative from a UNDP Regional Bureau to join the JMB and to form Regional Steering Committees in each region composed of senior officers (preferably the UNEP Regional Director and the UNDP Regional Service Centre Director) as co-Chairs of the Committee, and to include the participation of the PEI regional Team Leaders and the co-Directors of the PEF in Committee meetings. Figure 9 shows the Business Review proposal for PEI's governance and management structure. The Review recommended the following responsibilities for the regional steering committees:

- To advocate for and facilitate mainstreaming of the P-E nexus and PEI approaches within relevant regional organizations and bodies;
- To provide input to and endorse the PEI Regional Strategy;
- To monitor progress in the implementation of the regional strategy and country programmes and other Technical Assistance (TA) activities;

- The Regional Office Directors were to facilitate linkages between PEI and UNDG regional and sub-regional bodies such as the Regional Coordination Mechanism or the UNDG Regional Directors Team, as relevant.

329. With respect to the involvement in PEI's governance of the UNDP Regional Bureaux, while it is not practical or even possible to have the attendance of all Regional Bureaux at JMB meetings, the participation of the Africa Bureau will contribute to a better understanding of how to engage the Bureaux strategically, in particular, when the regional PEI strategies are being developed.

330. **Second**, that the Division responsible for leading the UNEP Sub-Programme under which PEI's activities are anchored programmatically was not represented in the JMB. The Business Review thus had recommended inviting the UNEP Director of the Division of Environmental Law and Conventions (DELIC) responsible for leading the Governance Sub-programme to the JMB meetings.

331. The JMB invited the Head of the BDP Poverty Group to participate in the JMB in addition to the EEG (UNDP co-Chair), an important move in response to the PEN Evaluation. There is also evidence that the UNDP Team Leader for the MDGs (now Team Leader of the Human Development Report) attended some JMB meetings. After the Division of Environmental Policy Implementation took management responsibility for PEI within UNEP, DRC was invited to continue attending JMB meetings as an observer¹¹¹.

332. **Third**, that the TORs of the JMB do not clearly assign a PEN mainstreaming advocacy responsibility to this body and its members. Discussions and decisions of the JMB and progress concerning P-E mainstreaming are not systematically shared with other parts/offices of the two organizations. The Business Review had recommended that the JMB report periodically on PEI and P-E nexus mainstreaming to the UNEP Senior Management Team and the UNDP Executive Group JMB. It had also suggested including as a "standing" item in the JMB meeting agenda discussion on progress in PEN mainstreaming within UNEP and UNDP. The JMB could also more systematically communicate PEI progress and experience to the MOU Joint Working Group.

333. The above recommendations were accepted by the JMB and invitations were issued in 2012 to the relevant senior managers in the agencies. Attendance to JMB meetings by these officials has not been regular. It would be useful for the JMB to re-assess composition of the Board as well as to develop a strategy to ensure the strategic involvement of the organizational structures identified by the Business Review through Board membership or other practical means. It would also be useful for the Board to review its role with respect to PEN mainstreaming within the organizations.

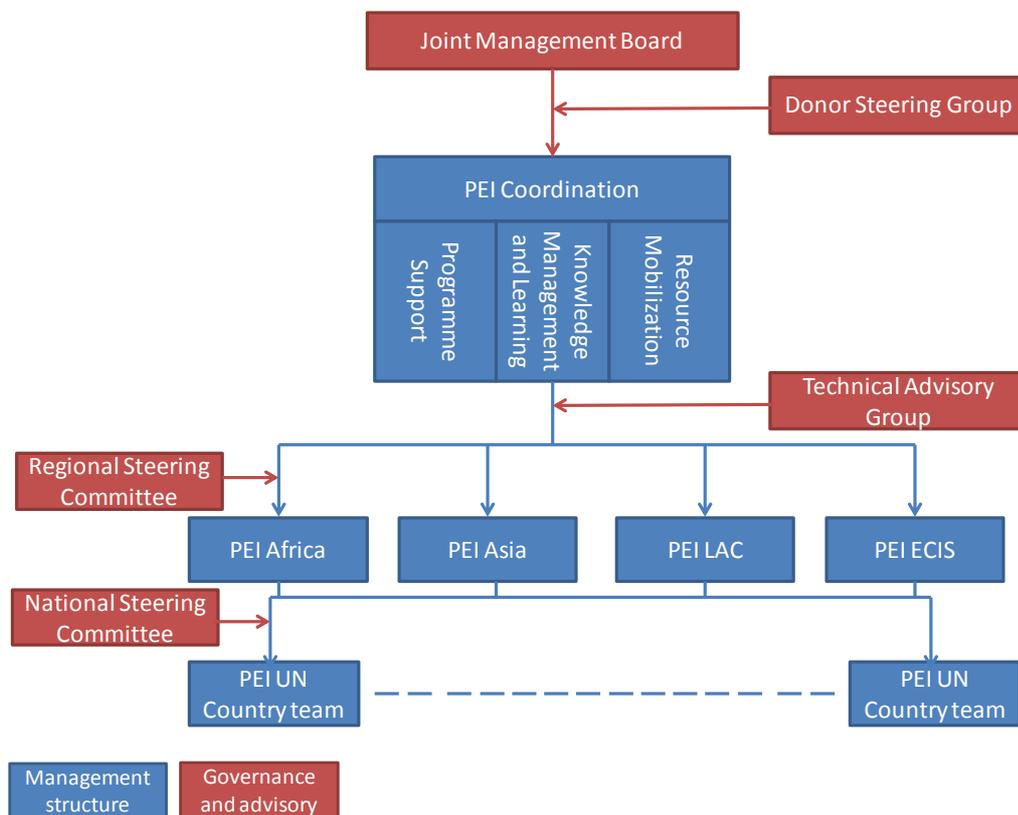
334. The evaluators are of the opinion that the JMB delivered on all its critical responsibilities, except for the long delay in recruiting the PEF managers as discussed in the next section of this report.

335. The **Donor Steering Group (DSG)** was formed at the request of PEI donors and met for the first time in 2008. The DSG is composed of all donors providing funds to PEI and is co-Chaired by the Chairs of the JMB. The DSG meets on an annual basis. During the Scale-up Phase there were no formal terms of reference for this body but it is understood that the DSG is primarily an accountability body concerning the use of donor funds and the achievement of results. The DSG is also expected to provide advice on linkages to other donor activities in the PEI countries. The Business Review had recommended that terms of reference be defined and documented. Donors have been very supportive of PEI and have devoted significant attention to it. During the second part of PEI's Scale-up Phase there was a larger turnover of donor representatives to the DSG than in the previous period with some institutional memory loss. The PEF may organize special briefing sessions to new representatives before formal DSG meetings. Further support with in-country

¹¹¹ This practice was later discontinued because DRC was dissolved in 2013.

donor relations should be possible even though decisions concerning allocation of donor resources in country are generally decentralized.

Figure 9: PEI Business Review - Proposed PEI Governance and Management Structure



336. The **Technical Advisory Group (TAG)** provides an independent source of advice on PEI strategy and implementation. The TAG is composed of technical representatives of donor agencies¹¹² and a number of organizations¹¹³ with particular poverty-environment mainstreaming knowledge and experience, and is chaired by the PEI co-Directors. Participating country programme representatives are invited to enrich the discussions with their direct experience. The TAG was established during the Pilot Phase but after a gap it was reconvened in 2010. Many TAG members are also members of the PEP, thus, TAG meetings are generally organized back-to-back with meetings of the PEP. However the TAG can meet as needed by video/teleconference.

337. The main advisory roles and responsibilities stated in the TAG detailed terms of reference are with respect of the following areas: strategy; knowledge management and technical support; technical coordination; monitoring and evaluation. During the Scale-up Phase the TAG was particularly active in providing advice on how to improve the PEI M&E framework and the reporting function. M&E was in the agenda of several TAG meetings and individual members contributed their technical expertise between meetings.

338. As discussed in section 4.1 above, the TAG could be utilized more effectively by establishing working groups with members interested in addressing specific issues to which PEI could invite specialists from academic organizations, NGOs and think tanks as well as experts from the host agencies. The PEF staffing would benefit from having at least one team member who is an expert on PEN mainstreaming issues to coordinate the technical input of the TAG. Alternatively,

¹¹² Belgium, Germany, Denmark, European Union, Ireland, Norway, Spain, Sweden, the United Kingdom, and USA

¹¹³ World Bank, technical partners such as IIED and WRI, a representative of each PEI Regional Team, representatives of PEI country programmes

this role could be assigned to a Regional Team Leader, but he/she would need additional staff in the regional team to be able to free time for this additional responsibility.

339. Country Programmes establish **National Steering Committees or Boards** and **Technical Committees** for strategic direction, participation, technical inputs, and coordination among PEI national stakeholders. The composition of these bodies varies from country to country but they generally include high-level representatives from the government bodies and institutions essential to achieving the P-E mainstreaming objectives in the country. Other members of the Committee are UNDP, donor representatives, and PEI staff and advisors. The effective performance of the National Steering Committee/Board is vital to PEI success in the countries; therefore, the Regional Teams should closely monitor Board performance and take prompt action in case of any problems. It should be noted that the Regional Team Leaders usually attend the Committee/Board meetings. In Lao PDR, the government established a PEI “Outcome Board” chaired by the Vice-Minister of the Ministry of Planning and Investment, which is responsible for overall programme direction and for coordination between programme components and sectors. The Board meets once a year concurrently with the programme’s Annual Review Meeting. The case study evaluator found that although the Board is fulfilling its TOR some stakeholders are of the view that the agenda of the annual meetings of the Board is too packed and does not allow sufficient time for in-depth discussions thus limiting the Board’s ability to give strategic direction and truly steer the programme towards its key objectives. Stakeholders argue that for the same reason the meetings are not conducive to utilizing the full power of the Board members to clear bottlenecks and overcome implementation challenges and recommend that ideally, the Board should meet more frequently with a more focused agenda. In Kyrgyzstan, the PEI Programme Board (PB) – a high-level multi-stakeholder coordination mechanism, oversees programme implementation. According to the case study evaluator “the PB held meetings irregularly and only 4 times during PEI Phase I due to the busy agenda of the high-level governmental officials. The Inter Agency Working Group (IAWG) - a managerial level group of experts and governmental staff - has assisted the programme more closely with regards to technical consultations.”

340. With respect to PEI’s management structure the Business Review found that it is generally adequate. The Review showed that functions such as joint programming, advocacy, resource mobilization, knowledge management, monitoring and reporting take place at all levels (global, regional and country level), with the PEF providing overall coordination and facilitation. Other functions are unique or core to specific levels and there is a need to make these unique contributions more explicit. The following was the proposed division of labor between the central team (Poverty-Environment Facility), the regional teams (based in Nairobi, Bangkok, Geneva/Bratislava, and Panama) and the country teams based in the PEI participant countries:

Poverty-Environment Facility:

- i. *Joint programming;*
- ii. *Strategic management and advocacy* (providing strategic direction for and coordinating the PEI, P-E mainstreaming advocacy amongst UNEP, UNDP and other partners, donor relations management, performance assessment, quality assurance);
- iii. *Programme support* (work planning; budget development, monitoring and revision; resources planning (procurement, HR) and financial management; project management support (document processes and develop tools such as templates, etc.); reporting)
- iv. *Resources Mobilization & Outreach* (Resources Mobilization at the global level and coordination of resource mobilization activities in the regions and countries; reporting to donors; outreach strategy development and implementation (publications, events, news update, etc.)
- v. *Knowledge Management and learning* (facilitate learning across regions, coordination/facilitation of “knowledge packaging” and toolbox development for P-E mainstreaming by governments, UNEP, UNDP and other partners; Support the TAG and contribute to the PEP; programme impact and outcomes monitoring; management of tools (Workspaces, website, Networks, etc.); facilitation of knowledge flows, initiate discussions.

Regional Teams:

- vi. *Regional coordination and guidance*
- vii. *Capacity development and technical assistance*
- viii. *Administrative and financial support*

Country Offices:

- ix. *Day-to-day oversight and support to country programme implementation.*

341. The two agencies are providing services to the Country teams through the regional teams. UNEP by bringing its global and regionally-based knowledge and expertise on issues such as environmental policy and law, environmental economics, ecosystems and natural resources management, environmental assessment, chemicals management, etc. UNDP by making available its global expertise through the Regional Services Centres for all its practice areas but in particular the Poverty practice area and by providing its network of Country Offices.

Evaluation performance rating for “governance and management structure”: SatisfactoryFinancial management

342. During the Scale-up Phase donor contributions from Belgium and DFID, of which a significant portion had been earmarked for PEI, were made through the UNEP Environment Fund (EF). Core resources in the Environment Fund are the main source of funding for UNEP to implement its Programme of Work and Medium Term Strategy; thus, they are not earmarked to specific programmes or projects. The unusual earmarking of resources contributed via the EF was a cause of implementation delays for PEI because the resources were distributed between the UNEP Sub-Programmes without taking into consideration the original purpose for which the donors had made the contribution. PEI managers had to invest considerable effort to ensure the funding would be redirected towards PEI.

Programme oversight and human resources management:

343. PEI faced serious challenges during the Scale-up Phase due to changes in senior management positions in both agencies and prolonged vacancies at the helm of the PEF.

344. The Director of DRC (D2 level) who was instrumental in helping PEI evolve from a pilot to a scale up phase and was UNEP’s representative to the JMB retired at the end of 2008. UNEP’s Deputy Executive Director acted as the head of DRC until a new director was appointed mid 2010. The DED was both UNEP’s representative to PEI’s JMB and to the UNDP-UNEP MOU Working Group.

345. In April 2010, the PEI Director and head of the UNDP Drylands Development Centre (DDC) based in Nairobi (D2 level) also retired. A P5 Officer based in New York was appointed by UNDP as PEI co-Director (the new title for the position both in UNDP and UNEP). The new co-Director, a member of the UNDP Poverty Group, was transferred to the EEG, the institutional anchor for PEI.

346. The PEI Deputy Director (D1/L6 level) in UNEP left the programme in late May 2010. The PEF management responsibilities were borne by the UNEP Africa Team Leader (P5 level) in addition to his other multiple responsibilities during a period of 19 months until January 2012 when a new UNEP co-Director was appointed (D1 level). During the interim period the Africa Team Leader received support from the UNDP PEI co-Director but given the location of the PEF in Nairobi most of the day-to-day programme management was his responsibility.

347. At the end of 2010 UNEP decided to transfer the responsibility for PEI from DRC to the Division for Environmental Policy Implementation (DEPI). This implied that the PEF also moved

to DEPI. In August 2013 the Director of DEPI was appointed DED of UNEP triggering a new change in the PEI oversight responsibility.

348. In 2014 a new UNDP PEI co-Director was appointed. The responsibility is now vested in the Director of the Global Policy Centre for Resilient Ecosystems and Desertification (GC/REAL) (P5 level) based in Nairobi.

349. Another important recent change came about as a result of a broader UNDP reform, which, among others, merged the Poverty Group with EEG under the Sustainable Development Group led by a Chief of Profession/Director Sustainable Development who now represents UNDP at the JMB.

350. The above means that the members of the JMB also co-Chairs of the DSG changed several times in the last 6 years. UNEP's representative changed once in 2008, twice in 2010 (although the DRC Director was invited to attend the JMB with observer status), and once again in 2013. UNDP's representation changed in 2008 and in 2012.

351. The changes in the oversight responsibility for PEI had both positive and negative effects. On the positive side, the transfer from DRC to DEPI was an opportunity for the soon-to-be-appointed UNEP DED to gain a deep understanding about what PEI is and does. It also helped strengthening the collaboration with other relevant areas under DEPI responsibility such as ecosystem-based adaptation and ecosystem assessments. Furthermore, DRC was later abolished as a Division, thus, PEI's transition to another Division would have happened anyway. Establishing PEI Regional Steering Committees averted a possible weakening of the links with the UNEP Regional Offices and with the Delivering-as-One team. PEI will certainly benefit from UNDP's more integrated approach to policy and programme support under the leadership of the Sustainable Development Director.

352. On the negative side, the above changes caused operational delays and required extensive briefings by PEI staff to new senior managers. Another negative effect was that the role originally envisioned for the PEI Director and Deputy Director as key advisors to the UNDP-UNEP MOU was not transferred to the Officer-in-Charge.

353. The PEF and the regional teams also had significant turnover of professional staff during the Scale-up Phase, due to the reliance on Junior Professional positions and also as a result of the lack of job security caused by financial uncertainty. This affected programme delivery given the constant need to train new staff and the loss of institutional memory. Among other staffing issues, the UNEP co-Leader of the Asia Pacific region changed twice during the Scale-up and a long-term consultant is now fulfilling this responsibility. The position was downgraded from P5 to P4 and has not been filled. Three different persons occupied the knowledge management position at the PEF during the Scale-up. PEI had three or four vacancies each year during the first three years of the Scale-up Phase, which stressed an already small team with several members working only part-time on PEI.

354. Notwithstanding the above, the PEI Regional Team Leaders, – especially the Africa Team Leader – who had the institutional memory and are strongly committed, were able to provide programme continuity, with support from other members of the global PEI team. The good performance of PEI reflects the positive team response to these challenges.

355. The evaluators are of the view that human resources management at the institutional and at the programme level could be improved. It should be noted that recruitment delays have also been common at the country level affecting programme implementation.

356. The oversight of the PEI Regional Teams is the responsibility of the PEF. While this function was performed in an adequate manner overall, the long interim period in which the PEI Director and Deputy Director positions were vacant and the adjustment period for the new co-Director were not conducive to oversee and guide the LAC team more closely. The quality of the planning documents and progress reports from LAC could have received more attention. The case

study report states that some LAC management issues remained unresolved during the Scale-up Phase.

357. The overall performance of the PEF with regards to its coordinating, managing, resource mobilization, quality assurance, and knowledge management roles is considered satisfactory although in the view of some regional staff and country teams the PEF technical input as well as its liaison and facilitation functions with the host agencies could be enhanced.

358. The feedback received from country programmes is that oversight by UNDP Country Offices has been adequate and proactive overall. The LAC evaluation found that while it was clear that UNDP staff in charge of the country projects were highly dedicated to their implementation, they reported that: a) PEI work is not considered in the appraisal of their individual professional performance; and b) PEI's work is not included in UNDP's Country Offices Work Programme which is the basis for measuring the Offices' performance. This creates intrinsic disincentives to prioritize PEI work, and should be addressed at a managerial level.

359. UNDP Centres and UNEP Regional Offices, PEI Country Teams and UNDP COs value the technical assistance provided by the PEI regional teams. Frequent interactions via Skype and mail as well as periodic country visits have taken place, with a strong preference for country visits among national PEI teams.

360. The evaluator who was engaged in the two country studies in Africa found that UN RC/RRs in Malawi have been PEI champions, have contributed to P-E mainstreaming in various forms, and taken a keen interest on PEI progress, a sign that PEI is making an important contribution to UNDP's support to the country. For some time during the Pilot and Scale-up Phase PEI, as a joint programme, covered the cost of the CO Sustainable Development Advisor, with the incumbent representing UNEP, among others, in the UNCT and contributing to PEI country programme oversight. This is an interesting model that could be replicated in other countries via de UNDP-UNEP MOU. The UNDP RR in Malawi used PEI as an integrative framework. The UNDP CO in Burkina Faso was also very supportive and helpful in facilitating synergies between PEI and other programmes.

361. The Kyrgyzstan programme evaluator noted in her report that "According to observations, the degree of intra-organisational and administrative harmonisation has been more than satisfactory. PEI has been treated as an equal and important part of UNDP and has been supported well with administrative, oversight and external communication functions". The UNDP Environment Unit Manager in Lao PDR, although having taken her position there recently, was very knowledgeable of PEI activities in the country and very supportive.

362. Funding uncertainty was also a major factor in the effectiveness of the LAC regional programme. The LAC region argued that funding allocated to the regional programme did not allow them to develop a portfolio with a critical mass – the initial \$2.9 million budget allocation for the region was not sufficient for the task. Moreover, the budget was further curtailed in November 2010, when the programme's main country bilateral donor, could not follow through on its commitment. This was undeniably a considerable setback to the Region's programme, and resulted in credibility problems with governments and UNDP Country offices when funding was not available for a project already signed (Dominican Republic) and for a project under preparation (Guatemala).

363. A logical response to the lack of funding predictability is to cut programme costs as much as possible. This was done by sharing several posts, downgrading two posts, and freezing at least one vacant post. However, all these cost-saving measures had an effect on programme performance. For example, sharing the same staff member for different programmes proved to be problematic and ineffective according to the Kyrgyz case study report. It was also problematic in LAC with less than 10% of the time of the UNDP regional sustainable development advisor devoted to PEI and the declining amount of time devoted by the UNEP PEI Team Leader in

Panama (from 50% in 2010 to 20% in 2013). While the Business Review had recommended maintaining the P5 level of Regional Team Leaders in LAC and ECIS but sharing their cost, this evaluation is of the view that this may perpetuate the small size of the PEI portfolio in these two regions.

Performance rating for “oversight and human resources management”: Moderately Satisfactory

5.4 Cooperation and partnerships

364. Working through partnerships is a key feature of PEI’s implementation approach. As an assemblage of nationally implemented projects, PEI’s success is dependent upon the ownership, leadership, commitment and contributions of the multiple partner government institutions to all its activities. This positive aspect is discussed in the section on stakeholder participation and throughout the report.

365. At the overall programme level, the two most important partnerships for PEI’s success are the partnership between UNDP and UNEP, and the partnership with the donors. Both have been exemplary at the programme level in the opinion of the evaluators. This section examines the strengths and weaknesses of these key partnerships as well as those with other UN agencies, development partners and other organizations at global, regional and national levels.

The UNDP-UNEP partnership

366. PEI has a well-established reputation among governments and development institutions as a good practice of One UN (see section 4.2). The benchmarking exercise carried out for this evaluation confirms that PEI is arguably a paradigm of UNDP-UNEP collaboration. PEI is truly a joint programme with pooled funds, joint staff, joint planning, budgeting, management, implementation and reporting, at headquarters, in the regions and at the country level (see section 5.3).

367. The assertion that PEI is perhaps the best UNDP-UNEP collaboration is also founded on the views expressed by a majority of interviewees, in particular government counterparts, former and current Resident Representatives, PEP members, and country-based agency staff. Previous evaluations of the Pilot Phase and the Scale-up Phase reached the same conclusion. Conversely, evaluations of other UN collaborative programmes in which UNDP and UNEP are participants identified several pitfalls that could have been averted if the agency staff responsible for their design would have used PEI’s experience to inform the new partnerships. Box 43 shows an example that reflects common problems of joint UN programmes and projects.

368. The UNDP-UNEP partnership for PEI builds on the agencies’ comparative advantages making their combined skills available to national counterparts flexibly and effectively. Furthermore, PEI has ably kept transaction costs low relatively to other multi-agency programmes. The main factors of success for the PEI UNDP-UNEP partnership are trust and results-based management. PEI stakeholders are of the view that the building blocks of the UNDP-UNEP PEI

Box 43 - Excerpts on inter-agency coordination from the External Evaluation of the UN-REDD Programme

“... Views on the efficacy of inter-agency coordination differ considerably. For Programme staff and country partners alike, inter-agency coordination implies higher transaction costs in terms of meetings and redundant verification and validation processes that seldom translate into improved delivery mechanisms at the country level. In addition to the MG’s oversight functions, which are perceived to be too broad and requiring too many people, National Programme documents and reports have to be signed by three agencies; the three agencies each have different budgeting and budget expenditure arrangements; the administration is done by three financial departments with different procedures; and monitoring is done separately by each agency. These issues are also raised in the final evaluation of the Tanzania and Vietnam NPs.”

Source: UN-REDD evaluation report, Paragraph 136, page 51

partnership should be nurtured and built upon to expand its services to more countries and to help achieve other Sustainable Development Goals.

369. In spite of the very positive conclusions with respect to their collaboration, the evaluation found three issues that have caused friction between the partner agencies in relation to PEI's implementation: a) unilateral decisions; b) resources mobilization; and c) recognition and visibility. Box 44 shows some barriers to deepening the broader UNDP-UNEP partnership.

370. In August 2010 the UNEP Executive Director announced his decision to move the responsibility for UNEP PEI activities from DRC to DEPI in the context of a broader institutional reform. Given that the joint P-E Facility is hosted by UNEP, the decision affected not only the UNEP PEI activities but also the PEF. The transition from one UNEP division to another caused programme implementation delays because it took time for DEPI managers and staff responsible for financial and human resources to become acquainted with PEI and its operational modality and procedures. UNEP did not consult UNDP before the decision was made which was not well received by UNDP. While the move brought PEI closer to UNEP's work on ecosystems, which was a positive development, the PEF and PEI staff were concerned that the important link with the regional offices could be affected. This risk was partly mitigated by inviting the DRC Director to attend JMB meetings as an observer and by establishing PEI Regional Steering Committees in which the Regional Directors would be represented. The latter proved effective because the following year UNEP abolished the Division of Regional Cooperation.

Box 44: Barriers to a stronger UNDP-UNEP collaboration

- Competition for mandate
- Perceived lack of visibility (mostly UNEP because UNDP controls country level work)
- Perceived loss of flexibility to mobilize and deploy donor funds to other activities
- Perceived lack of control of use of funds
- Lack of awareness of the value added of collaboration
- Perception that the expertise brought about by the agencies' collaboration can be replaced by recruiting international experts

371. Similarly, the decision to downgrade the position of the UNDP PEI co-Director from D2 level to P5 at the end of the Scale-up Phase was apparently not fully consulted with UNEP. While this decision did not affect the implementation of the Scale-up Phase future PEI evaluations may assess the extent to which this decision had an effect on the ability of PEI to further integrate P-E considerations in other UNDP global programmes and activities.

372. While the evaluators understand that the above decisions are within the authority and prerogatives of UNEP and UNDP management respectively, decisions that may affect the joint programme may benefit from prior consultation via, for example, the UNDP-UNEP Joint Working Group.

373. An important part of donor resources for the pooled fund of PEI's Scale-up Phase were contributed through UNEP (e.g., funds from DFID and Norway). During the interviews some UNEP managers expressed concern that PEI's work was being financed primarily from donor resources designated for environmental work (as opposed to development work) and, therefore, in a way penalizing other UNEP programme priorities. A UNEP finance manager also made a comment concerning the fact that as a result of the inter institutional arrangements that capped overall joint programme support costs at 8% (see section on efficiency)¹¹⁴ and that most contributions were coming via UNEP, the organization was subsidizing PEI operations to a greater extent than UNDP. While the evaluators did not make a fact-based financial review to determine the extent to which these claims are well founded and have indeed had a negative effect on UNEP's resource mobilization, they would recommend that the partner agencies discuss these matters transparently

¹¹⁴ A common practice in the UN has been to charge 13% support costs to all extra-budgetary resources. The use of the 13% is often discretionary to senior management.

to dispel any misunderstandings because these could negatively affect UNEP institutional support towards future global resources mobilization for the joint PEI.

374. PEI has carried the One UN flag consistently for both organizations in all its in-country, regional and global work, displaying both logos in all communications materials and documents. However, some UNEP interviewees feel that sometimes the credit given to UNEP at the country level is inadequate. The evaluators found that awareness of the contribution of each organization to PEI country-level activities is often related to who provides the technical advice to the country. For example, while in Africa as elsewhere the day-to-day programme implementation responsibilities remain with the UNDP CO all country programmes are very aware of UNEP's role in PEI because they receive substantive technical input from the Regional Team leader who is a UNEP staff. UNEP's contribution in Europe and the CIS may be less visible given that the UNEP PEI regional team leader only works part time for PEI, therefore, her input may not be so obvious to PEI's national counterparts.

375. Irrespective of the extent to which the agencies' work is currently being acknowledged and made visible at country level this needs to be addressed to the extent possible because the perceived or real lack of UNEP visibility in PEI is a disincentive for some UNEP global and regional offices to contribute to the Initiative's work.

Partnership with donor countries

376. PEI has worked hand-in-hand with donor countries since inception. Key donors to PEI have been the Governments of Belgium, Denmark, Germany, Ireland, Norway, Spain, Sweden, Switzerland, the United Kingdom, the United States, and the European Union.

377. Donor representatives have demonstrated strong interest in PEI's work over the years and have been supportive in many ways including by advocating PEI's objectives and modus operandi with the agencies' governing bodies and with the agencies' senior management, by securing financial resources for PEI implementation, and by actively participating in the PEI Advisory Group, making the experience on environmental sustainability mainstreaming of developed countries available to PEI, among others. While donors interviewed expressed satisfaction with PEI's performance and accountability, they have also called for improved reporting on concerning outcomes and impacts. They view this as essential if they are to make the case for continued financial support in their capitals.

378. The evaluation found examples of substantial in-country donor contributions to PEI's work such as the USD 1,013,275 provided by the Swiss Development Cooperation agency to Lao PDR Phase 2. However, PEI has not been very successful in mobilizing in-country donor contributions for P-E mainstreaming. The reasons are manifold but the most frequently mentioned to the evaluators are that donors are already contributing to the global PEI and that P-E mainstreaming is not an immediate and compelling necessity, particularly in LDCs, with donors more inclined to make in-country financial contributions to activities that can show more tangible results in shorter periods of time. While in-country donor decisions are decentralized, there seems to be room for the DSG members to help bridge between their capitals and their respective representations in PEI programme countries, making the case for the important role that P-E mainstreaming plays in national development.

National-level collaboration with other UN entities and with multilateral banks

379. There is evidence that PEI has consistently reached out to other UN agencies and the multi-lateral development banks represented in the PEI partner countries. This has been done via de UN

Resident Coordinator (and indeed, there have been several RC champions for PEI) and the CCA/UNDAF cycles, as well as bilaterally usually with UNDP RR support.¹¹⁵

380. While, as discussed elsewhere in this report, P-E priorities and issues have been reflected in UNDAFs, PEI has experienced serious challenges in securing technical and financial contributions from resident and non-resident agencies for the national P-E agenda. For example, in Malawi, where food security and agricultural productivity are so high in the national agenda with links to land degradation, fisheries, and forestry issues, the UNRC was unable to influence FAO to joint P-E mainstreaming efforts in the agricultural and other relevant sectors during the Scale-up Phase. A reason given for this situation is that the programming process of several UN agencies is HQ-driven with little flexibility for adjusting their in-country operations and use of funds to join other UN initiatives. Often the programmes and projects in a given country are managed from HQs via expert missions rather than country programmes.

381. Cooperation agreements between PEI and the multilateral banks at country level are also uncommon. For these to materialize, national governments would need to take a more proactive role as suggested by an interviewee in Lao PDR (see Box 45).

Box 45 - Stakeholders' views on country-level partnerships

An interviewee was of the opinion that “*successful partnerships should be driven by the government. If a partnership with FAO or with WB goes wrong it is a high cost to UNDP.*” In response to the question about whether there could be more collaboration between PEI and the multilateral banks he responded: “*The UN is a small contributor to ODA in Lao, about 8% and the big players do not like their space to be invaded*”. The interviewee insisted and the evaluators agree, that the Government of Lao PDR should be responsible for promoting such partnerships.

Partnerships with other international organizations

382. PEI has successfully cooperated with many international organizations at the global and country level for different purposes and around a variety of topics besides its broad partnership with the PEP. For example, in 2010 PEI partnered with WRI to develop a primer on Mainstreaming Local Ecosystem-based Solutions to Poverty-Environment Challenges; this same year it also collaborated with UNEP WCMC on the publication *Ecosystems and Human Well-being: A Manual for Assessment Practitioners*. PEI has collaborated with LEAD International and LEAD regional networks for leadership training and advocacy workshops for country programme government staff. The International Institute for Environment and Development has been a long standing PEI partner. Among others it has contributed to strengthening the PEI M&E system, impart communications training for participating countries, and conduct a series of dialogues in Mali promoting a Coalition for Green Economy. PEI has also collaborated with IUCN (at the country level in Lao PDR and Mozambique) as well as with the Overseas Development Institute organizing training workshops on green accounting methodologies for francophone Africa (Burkina Faso, Mali and Mauritania). PEI is an active member of the PEP. It hosted the PEP meeting in 2010 which took place in Malawi to discuss Climate and Environment Mainstreaming and the Green Economy to achieve the MDGs. This was the first PEP meeting to benefit from interactions and visits with national partners and PEI teams implementing a PEI country programme.

Evaluation performance rating for “cooperation and partnerships”: Satisfactory

¹¹⁵ For example, in 2011 PEI Africa contributed to joint UN programming in Malawi where PEI studies such as the economic study and the Environment Outlook Report provided direct input to the elaboration of the UNDAF; it also contributed to UN country programming in Mali by providing technical support to greening the UNDAF matrix for 2013-17 and by mainstreaming P-E linkages and CC into outcome 2 of the UNDAF; in collaboration with the UNEP Delivering as One team it contributed to the design of UNDAF 2012-16 obtaining approval for a pillar on environmental governance and mainstreaming the environment and CC into national policies. PEI Asia and the Pacific also contributed that same year to the UNDAFs in Bangladesh, Bhutan, Lao PDR, Nepal and Thailand.

5.5 Monitoring, reporting and evaluation

383. This section addresses programme accountability, including the quality of monitoring, reporting and evaluation at the global, regional and country levels. It also examines the extent to which adaptive management is being applied.

Monitoring and reporting

384. The evaluators were able to examine a large number of reporting documents including global Annual Progress Reports and Annual Financial reports for the 2008 – 2013 period, regional reports made available by the PEF, as well as country progress and financial reports for case study countries (Annex G shows the full PEI reporting requirements at the global, regional and country levels).

385. As is common in global programmes with multiple country level activities, PEI has faced challenges in determining the most effective way of monitoring and reporting on country-programme outputs and outcomes and to present these succinctly and compellingly in global reports. This is partly the result of weaknesses in the design of the Results and Resources Framework of the 2007 ProDoc but also because of the significant differences in scope and implementation status between individual country programmes. Another important shortcoming was the lack of theories of change for individual countries.

386. Challenges faced by PEI are the need to meet the information requirements and interests of its various constituencies and audiences (host agencies' senior managers, donors, national stakeholders in participating countries, international development partners in the PEP, and other practitioners¹¹⁶) and to be able to aggregate results at the regional and global levels, while maintaining sufficient detail and specificity – be it thematic or geographic. Such difficulties are compounded by the nature of the programme for which meaningful outcome indicators are often qualitative rather than quantitative and, therefore, difficult to aggregate. The Scale-up Phase reporting system does not make it easy to identify what has changed from one year to the next in each country.

Box: 46

“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”.

Source: PEI Scale-up Phase Mid-term Evaluation. 2011

387. PEI experimented with various approaches for global monitoring and reporting during the Scale-up Phase in response to the M&E weaknesses identified by previous evaluations (see Box 46). While the value-added of certain changes made to the reporting system during the Scale-up Phase is not always clear to the evaluators there seems to be a genuine interest on the part of the global and regional programme teams to improve the quality of reports and to communicate effectively what the programme is doing, achieving and learning on an on-going basis.

388. According to some interviewees, the guidance from the JMB and the DSG has not always been consistent with respect to reporting expectations, in some instances requesting more detail and in others emphasising strategic results to be presented in a succinct manner. The TOR of the PEI Technical Advisory Group (TAG) reconvened on 1st October 2010 included monitoring and evaluation as a key role of this body. At that meeting donors were assured that the results framework from the Scale-up Prodoc would remain unchanged and would be the basis of any work

¹¹⁶ For example, P-E mainstreaming practitioners may be more interested in the effectiveness of a specific mainstreaming method or tool while senior managers at headquarters may be more interested in the bigger picture.

being done in this respect. Rather than changing outputs or outcomes, PEI's efforts would focus on reorganizing the monitoring framework following recognition by donors and the PEI team that it needed improvement¹¹⁷. Since that meeting the TAG considered M&E issues in at least two other occasions, February 2011 and February 2012.

389. Below is a synthesis of how monitoring and reporting has evolved over the 5 years of the Scale-up Phase.

390. In June 2008, at the inception of the Scale-up Phase, PEI discussed with the Donor Steering Group the expected targets and results of the programme and refined these into a set of six expected "results" and eight "achievements". These were reported on in the first annual report of the Scale-up. Highlights of countries' achievements were included in the report complemented by an annex with more detailed information on each participating country.

391. In 2009 PEI reorganized, rephrased and reduced to 7 the original 9 country-programme *Output Indicators*¹¹⁸ and developed 14 *Achievement Targets* that unfolded such output indicators¹¹⁹. The intention was to further clarify the results framework without altering the objectives of the programme, and to improve staff's understanding of how to organize and present information from individual country reports in a manner that would facilitate aggregation. The 2009 annual report provides a useful summary table with an overview of global progress against each target. This was complemented with more detailed information and analysis organized first by PEI output and then by achievements against targets per region illustrated with examples from individual countries. Two Annexes provided further detail about: a) the status of individual country programmes against their individual objectives and b) country fact sheets that provided facts relevant to poverty environment mainstreaming, PEI activities in the country, achievements, lessons and next steps. The 2009 Annual Report is perhaps the most comprehensive of all reports produced during the Scale-up Phase.

392. It is not clear to the evaluation team why in 2010 PEI decided to revert to the original 9 PEI country programme Output Indicators. Reporting on the 14 Achievement Targets mentioned above was discontinued. The Annexes presenting individual country status and the country fact sheets were maintained.

Box 47 - PEI Outcome level indicators formulated in 2011

1. Level of country leadership, ownership, and coherent engagement towards promoting poverty-environment objectives/mainstreaming by national and sub-national institutions.
2. Level of national reporting on environmental and livelihood (in particular gender, vulnerable groups and equity) outcomes for mainstreaming in national, sub-national and sector plans.
3. Extent that national and sub-national institutions have institutionalized poverty-environment mainstreaming approaches and tools
4. Level of public resource allocation and/or private investment, and application of financial instruments for pro-poor growth and environmental sustainability

393. In 2011 PEI formulated four "Outcome level Indicators" and these were used to highlight specific country-based achievements in the global annual report. Quotes from various national stakeholders provide useful explanations as to why these achievements are important for the countries. However, the 2011 report discontinued the two annexes that provided detailed information on the country programmes with the result that the context for the above country-level achievements and PEI's specific contribution to those achievements is not immediately evident to readers. Also, it is difficult to appreciate the progress made during the reporting period. Further, PEI opted to present output level progress by grouping

¹¹⁷ Meeting report of the Donor-PEF Meeting on the PEI Technical Advisory Group. 1st October 2010

¹¹⁸ As mentioned about Outputs as stated in the Scale-up Phase Prodoc are equivalent to the OECD/DAC definition of "Outcomes".

¹¹⁹ See "Scaling-up the UNDP-UNEP Poverty-Environment Initiative- Annual Progress Report 2009. Section 2.3, page 12.

country level outputs under three categories: 1) Improving collaboration and understanding on P-E mainstreaming; 2) Improving capacity for mainstreaming into plans and implementation processes; and 3) Improved capacity for informed budget allocations and investment decisions. The report presents progress on individual outputs by country. I should be noted that not all global outputs are relevant to individual countries during a given period.

394. The Annual Report indicates that in 2011 PEI refined and piloted a new M&E Framework with the collaboration of the PEI Technical Advisory Group, IIED, UNDP Capacity Building Group, and PEI regional and global teams. The focus was on identifying and reporting on progress and achievements in “creating enabling conditions for integrating poverty reduction and the environment into national policies and plans”. According to the report, the new M&E framework and guidance note had “aided in revisiting country programme result chains to ensure coherence across activities, outputs, outcomes and indicators and thereby strengthen overall effectiveness, impact and sustainability. It has also led to improved identification and communication of key achievements at the output and outcome levels”. The idea was to use the 2011 experience to update the M&E framework for 2012 and to inform the formulation of the new prodoc for the period 2013 – 2017.

395. In 2012 PEI reported on the outcome and output level indicators introduced in 2011. The PEF felt that the use of the new M&E Framework had led to more rigorous validation of the indicators at the output and outcome levels and improved data collection. The rationale for the change in the M&E system was to enable and encourage country teams to put emphasis on results-based reporting and this was being achieved.

396. The 2013 Annual Report (the last year of the Scale-up Phase) presents PEI results against seven indicators (See box 48). It also presents progress against the three aggregated outputs used in the 2011 and 2012 reports. The four Outcome indicators are not mentioned in this report.

397. A new matrix was designed in 2013 and is now being used by the PEF¹²⁰ to record quantitative and qualitative information concerning country programme performance against a) Outcome Indicators (three indicators), with specified “quantitative variables” that serve to assign values to issues that would otherwise be very difficult to quantify and aggregate. It is assumed that such values will help identify at a glance if a country/region is making progress on specific issues from year to year through the changes in the values; and b) Output Indicators (eleven indicators) with quantified variables. The matrix allows cross-referencing of the indicators in the new Prodoc (2014 – 2017) with those of the Scale-up phase document, which helps achieve continuity.

398. The new global reporting system also includes the means of verification. Staff members are requested to provide references to the documents/websites in which policies, regulations, planning documents, guidelines or other tools can be found. The matrix seems to be cumulative, therefore the date in which the output materialized is provided. Some outputs are related to recurring processes and the matrix helps identify areas in which PEI is providing on-going support (e.g.,

Box 48 - PEI Scale-up Phase indicators to measure country progress

1. Integrated poverty-environment objectives into national policies and subnational development plans
2. Integrated poverty-environment objectives into sector policies and plans
3. Integrated poverty-environment indicators into national and subnational monitoring and evaluation systems
4. Have ministries of planning/finance leading multi-sector coordination mechanisms for poverty-environment mainstreaming
5. Integrated poverty-environment objectives into budgeting and expenditure processes
6. Applied financial instruments for pro-poor growth and environmental sustainability
7. Reporting on poverty-environment outcomes in national/subnational/sector plans

Source: PEI 2013 Annual Report

¹²⁰ The evaluation team was able to review the matrix dated July 2013.

annual national budget preparation). More importantly the authors of the reports are required to briefly explain the change achieved, which helps understand its significance and extent and also PEI's influence. The new system is proving to be effective in reducing the number of generic 'boilerplate' reporting statements, for example, phrases such as 'P-E mainstreamed in sub-national planning', which can mean any number of things and that were common in past reporting. In addition to avoiding vague generic phrases, programme managers should be more specific in the reports about whether the service or output delivered, is indeed leading to the desired intermediate outcome(s) (for example, whether the planning guidelines developed or the training to sub-national government staff are adequate (quality/quantity) to enable local governments complete the planning exercise effectively). While accountability is generally high among PEI country teams and their individual reports are thorough, more candid reporting would be useful. Learning from mistakes or implementation challenges is often as important as learning from success.

399. No doubt the new system is useful for the PEF and regional teams' monitoring of country progress and for accountability. It is recommended that during the current programme phase PEI adheres to the new agreed indicators and reports consistently on them during the entire phase.

400. On the other hand, the evaluators are of the opinion that the current reporting system needs to be complemented by other means that will help tell a coherent story of how P-E mainstreaming is helping programme countries achieve pro-poor sustainable development. This is particularly critical for the new phase in which several country programmes will reach a decade or more of continuous PEI support. At present, the documents available generally present a fragmented picture. For example, the Lao PDR case study found that while PEI's work to assist the Government to set the policies, systems, tools and capacities for 'quality investments' is excellent, it is very difficult for any outsider to understand how the very large number of project outputs and activities with multiple national institutions fit together. A key recommendation is that PEI describes in one document the entire system for promoting and managing quality investments. This is essential if the experience of Lao PDR is to inform similar processes in other parts of the world.

401. A first attempt at capturing and disseminating country programme results was made at the end of the Scale-up Phase through the series "Stories of Change". The resulting documents are very informative and well written. However, because of the regional focus the documents could not possibly present and analyse all interventions in individual countries.

402. The main tools for country level monitoring are the ATLAS system, and the Annual Progress Reports (APR). Country progress reports are shared with the respective national steering committees and other national stakeholders. As noted above, TOCs for individual country programmes were not developed (the evaluators are aware that TOCs are now being developed for all country programmes) for the Scale-up Phase. In an extreme case the ProDoc of a country programme included the generic outcomes and outputs under the global programme. This of course, created problems for its evaluation because the actual expected objectives addressing one sector only were not articulated in the ProDoc. A TOC is a very useful monitoring tool, particularly to assess the effectiveness of the intervention and the likelihood of its impact and sustainability. Monitoring the TOC should involve proving or disproving the premises on which the intervention was planned, i.e., assessing whether the hypothesis underlying the project design remain valid. Future country reports should have a graphic depiction of the TOC and show programme progress with respect to outputs and intermediate and long-term outcomes.

Box 49

"Uruguay's final evaluation mentions that the Results Framework was "a very dynamic document," adjusted from year to year. A positive interpretation would be that the project flexibly adapted to the changing priorities of the partners, especially in the face of a changing government. On the other hand, there is a potential hazard of losing sight of the overall goals by adjusting expected results to match the actual results of an activity."

Source: LAC Regional Case Study for the Final Evaluation of the PEI Scale-up Phase

403. PEI global annual reports also contain sections presenting activities and results related to regional and global level outputs. These include information on evolving partnerships, inputs provided to regional and global processes and institutions, South-South cooperation, knowledge management activities, events and publications, and communications and outreach. In general, these sections are informative and provide the bigger picture for P-E mainstreaming. Interestingly, the evaluators found that annual reports for the years 2009¹²¹ and 2010 reported on PEI's contribution to the host institutions and their collaboration. Both reports contained sections with the title *Contributing to the UNDP-UNEP collaboration* but these were discontinued from the 2011 report onwards. Among other topics covered in those sections were the implementation of the UNDP-UNEP MOU, PEI within the UN Delivering as One, PEI's contribution in institutionalizing the UNDP and UNEP mainstreaming agendas, and the UN interagency cooperation and joint UNDP-UNEP regional programmes. It is not clear why reporting on this issue was discontinued. As mentioned elsewhere in the report, PEI's role as a catalyser for broader UNDP-UNEP collaboration was never made explicit as an outcome in the Prodoc. However, donor representatives, some senior managers in the agencies and PEI staff had significant expectation in this respect in the first years of the Scale-up Phase.

404. In addition to yearly reporting on substantive issues PEI has provided annual financial reports. The 2013 Annual Financial report is also the final financial report of the Scale-up Phase and presents cumulative expenditures. Contrary to the annual progress reports financial reporting has used the same format over the years facilitating comparison year by year. Financial monitoring is done through the ATLAS system both at the country level and for the global programme. The only issues related to financial reporting refer to the lack of access to ATLAS on the part of PEI staff holding UNEP contracts. However, providing periodic status reports by the UNDP staff based in Nairobi to the UNEP team solved the problem, although some members of regional teams expressed a desire to receive more frequent financial reports. Donors in general expressed satisfaction in the manner that PEI has reported with respect to their contributions.

Evaluation

405. PEI has fully complied with UNDP and UNEP evaluation requirements. During the Scale-up Phase period a number of independent evaluations took place, two for the global programme (in addition to this final evaluation of the Scale-up Phase), and for several individual country-programmes.

406. In 2009 the UN partner agencies requested IIED to undertake an evaluation of the PEI Pilot Phase in Africa¹²². The findings of this evaluation were generally very positive concluding that *“PEI's relevance is very high, its effectiveness is good, equity is satisfactory, and sustainability is satisfactory – but efficiency is highly variable (depending upon country)”*. Key messages of the evaluation highlight: a) the unique catalytic role PEI is playing in the Africa in integrating poverty reduction and environmental objectives in-country; b) its effective approach of embedding its in-country work in existing 'mainstream' development processes and institutions; and c) its role as 'One UN' pioneer, demonstrating the benefits of and the requirements for a joint programming approach between UNDP and UNEP for environmental mainstreaming. Two major recommendations of the evaluation were:

- a) “Donors to assess PEI in relation to outcomes at the level of ‘enabling conditions’ rather than ‘improved environment and poverty impacts, acknowledging the long time horizons [10 to 20 years] required to achieve institutional change within the ‘mainstream’ institutions targeted by PEI”; and

¹²¹ E.g. Section 4 of the PEI Annual Report for 2009, from page 43.

¹²² Evaluation of the UNDP-UNEP Poverty-Environment Initiative (PEI) - Partnership With Norway 2004-2008 - Report to the Norwegian Ministry Of Foreign Affairs. Steve Bass and Yves Renard. 21 August 2009.

b) “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”. With respect to the latter, the evaluation suggests that UNDP and UNEP heads could take the lead in recognising and promoting PEI’s role to UN Country Offices; and finalising the UN environmental mainstreaming policy – perhaps through mobilising a working group based on the joint UNDP-UNEP MoU.

407. A Mid-term Evaluation of the Scale-up Phase was carried out in 2011¹²³ by an international consulting firm. In terms of relevance and value added the evaluation concluded that: “*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.*” The evaluation also found that in spite of slow progress in integrating additional participating countries PEI was likely to deliver on its intended outputs.

408. In addition to the country studies carried out in the context of the Mid-term Evaluation (Botswana, Bhutan, Lao PDR, Malawi, Tajikistan and Uruguay) other country evaluations took place during the Scale-up Phase commissioned by the UNDP Country Offices. While the evaluation team did not compile a complete list of country evaluations it is aware that evaluations took place in Kenya and Mali, Kyrgyzstan plus an additional end of phase evaluation for Lao PDR in 2011¹²⁴. During the inception phase for this evaluation it became apparent that some of these country evaluations were not known to the PEF, although Regional Teams knew of them. It is recommended that PEF systematically obtains copies of all country programme evaluations.

Adaptive management

409. The IIED evaluation concluded that the “PEI pilot project had been a learning and adaptive programme, shaped ultimately – if not immediately – to suit country needs”. Learning from experience has continued during the Scale-up Phase.

410. Lessons have been assessed and documented in a variety of primers and reports coordinated by the PEF or produced by the Regional Teams. PEI has also organized workshops to specifically discuss lessons learned, for example the gathering on “Meeting the Implementation Challenge and Sustaining Impact – Lessons Learned and the Way Ahead for PEI Africa” in preparation for the next phase of PEI.

411. The Technical Advisory Group has been a vehicle for sharing experiences and obtaining external technical advice on various issues, for example, the criteria for selecting new participating countries). The TAG, as shown above, has also contributed to the strengthening of PEI’s monitoring. Experiences have been analysed and used to revise the PEI Handbook in 2015 to guide programme implementation.

412. There is evidence of adaptive management resulting from the independent evaluations of the global programme and national interventions, but there are also exceptions. Global evaluation reports have been shared and discussed with the Joint Management Board, the Donor Steering Group, and the Technical Advisory Group. National level evaluation reports have been shared with national steering committees and with UNDP CO management. The evaluation team was able to review the management response of the Mid-term Evaluation and that of Lao PDR Phase 1. While

¹²³ Mid Term Review of the UNDP-UNEP Poverty-Environment Initiative (PEI) Scale-Up – PEMconsult, 11 November 2011

¹²⁴ The Poverty-Environment Initiative Lao PDR - Evaluation of Phase I (2009-2011) & Recommendations for a Possible Next Phase (2012-2015). Camille Bann, September 2011.

the results of the Business Review were presented to and discussed with the JMB, no management response was prepared. Key evaluation recommendations have generally been considered and accepted by PEI but the management responses could be more detailed and specific. It is recommended that in future PEI uses the existing template and guidance of the UNEP Evaluation Office. On the other hand, the case study report for Kyrgyzstan states that “PEI carried out an internal evaluation of Phase I, however a management response was not produced. Thus it is not clear if the findings were appreciated and how much the recommendations were further used in planning PEI Phase II.”

413. An example of PEI responsiveness to evaluation recommendations is the increased emphasis on gender issues and vulnerable groups as well as the focus on improving programme M&E and planning. In Lao PDR most recommendations were taken on board and acted upon. In the opinion of the evaluators the recommendation of the Mid-term Evaluation for Malawi were only partly implemented during the Scale-up Phase period¹²⁵.

414. In conclusion, PEI accountability is generally high. Monitoring, Reporting and Evaluation comply with UNDP and UNEP requirements with respect to substance but also with finances. In some cases more candour in country-level reporting would be useful. Over time, the quality of the M&E system has improved in response to the Mid-term Evaluation findings. The reporting system needs to be strengthened to communicate a less fragmented and more compelling story regarding country achievements. Adaptive management continues to be a positive feature of PEI but the compliance mechanism with respect to evaluation recommendations is not clear. The management responses to evaluations should be improved as a tool for monitoring follow-up action with respect to evaluation recommendations.

Evaluation performance rating for “monitoring, reporting and evaluation”: Moderately Satisfactory

¹²⁵ For example, the recommendation to, as soon as possible, introduce objectively verifiable indicators (OVI) into the results based framework of the PRODOC was not done during the Scale-up Phase.

6. Programme performance ratings

Rating Programme Performance

415. The terms of reference request the evaluator to provide individual ratings for the evaluation criteria (see section 2.3 of the Evaluation TOR). The ratings are given using a six-point scale as follows:

- *Highly Satisfactory (HS)*
- *Satisfactory (S)*;
- *Moderately Satisfactory (MS)*
- *Moderately Unsatisfactory (MU)*
- *Unsatisfactory (U)*;
- *Highly Unsatisfactory (HU)*

Sustainability is rated from: *Highly Likely (HL)* down to *Highly Unlikely (HU)*.

416. An aggregated rating on a six-point scale has been provided for Results and Contribution to stated objectives, and Overall Programme Performance. These ratings are not the average of the ratings of sub-criteria but are based on sound weighting of the sub-criteria by the Evaluator.

Programme Performance Ratings

Criterion	Rating	Summary assessment
Strategic relevance	HS	There is strong evidence that PEI has been and continues to be highly relevant to the programme countries. It is also relevant to the post 2015 global development agenda and to the work of the UN agencies in the fulfilment of their mandates and the implementation of their work programmes. There is no comparable programme providing long-term support to developing countries to mainstream the P-E nexus.
Results and contribution to stated objective	S	Intermediate outcomes of country programmes are being achieved overall, albeit with some delay.
Delivery of Outputs	HS	PEI has delivered an impressive number of useful and often innovative products and services at the national, regional and global levels during the scale-up phase.
Effectiveness	S	Overall programme effectiveness has been satisfactory with many countries on the path of achieving expected outcomes. Effectiveness in Africa and Asia is highly satisfactory considering country capacities, national circumstances and the political economy. Knowledge management and global technical advisory services although satisfactory need strengthening. Effectiveness of realizing PEI's potential within the agencies is moderately unsatisfactory. By the end of

		the Scale-up Phase there was a marked improvement within the agencies of their understanding of what P-E mainstreaming is about and what PEI actually does but such improvement has taken a very long time and the challenge is not yet fully overcome.
Likelihood of impact	ML	The likelihood of impact at the end of the Scale-up Phase is rated Moderately Likely because no PEI programme country has gone through all components foreseen in the PEI programmatic approach. There are positive signs that in the not so distant future impact may be realized in some countries and for some sectors if the right conditions are in place.
Sustainability	ML-L	<p>The programme's approach of incorporating P-E concerns into government planning and investment policies, regulations, processes and tools such as databases and contract templates, along with capacity development for the deployment of the tools at central and provincial levels makes sustainability of current results likely. However, given the political and other risks, it is rated as Moderately Likely to Likely</p> <p>The sustainability of the agencies' capacity to provide joint and substantive country support for PEN mainstreaming is unlikely in the absence of continued donor support and a dedicated programme</p>
Up-scaling	ML	<p>Although good progress has been achieved in many programme countries with respect to P-E mainstreaming beyond the initial processes, institutions and sectors, PEI needs to engage more effectively in-country donors, other UN agencies and a broader range of stakeholders for this to happen. This is particularly important for expansion of P-E mainstreaming in sectors, as well as planning and budgetary processes at the local/sub-national level.</p> <p>At the global level, up scaling to new countries is significantly dependent on UNDP-UNDP senior management decision and donors' agreement on an expanded and upgraded PEI beyond 2017. In the absence of a joint and dedicated programme with adequate human and financial resources further up scaling of P-E mainstreaming support does not seem feasible.</p>
Efficiency	S	Many products and services have been delivered with the available resources during the Scale-up Phase. Country programme partners are pleased with the "pooled fund" option because this facilitates programming and reporting within one set of rules and processes. Nonetheless at global and regional levels PEI teams still have to bear the burden of multiple reporting requirements.
Cross-cutting issues:		

Gender & vulnerable groups	S	Gender has been increasingly considered in many aspects of the Initiative, in particular in PEI's analytical work and monitoring. This should be continued and strengthened on the basis of experience.
Participation of stakeholders	HS	Feedback received from key stakeholders in the institutions involved in P-E mainstreaming activities was very positive with respect to participation. PEI national teams have, as much as possible, carried out consultations and promoted participation of various institutions at national and sub-national level and, when relevant, of affected communities.
Capacity development	HS	Capacity development has received significant attention during programme implementation (e.g., South-South exchanges, study tours, on-the-job training, training of trainers events, group and individuals training, opportunities for students to join PEI sponsored research). Improved means of assessing the results of capacity development activities need to be put in place.
Factors affecting performance		
Programme Design and Structure	S	The design of the PEI Scale-up Phase was adequate, except for weaknesses in its RRF, which affected the quality of M&E. This includes the lack of more specific deliverables and performance indicators for global and regional results. PEI's Programmatic Approach and the Handbook in which such approach is described are very good. Generally, the country prodocs are of good quality but many would have benefited from an explicit TOC
Programme Organization and Management	S	Adequate overall. PEI's governance and management structure have been effective. The PEF could have been more assertive in addressing the difference of opinions concerning the implementation of PEI's programmatic approach in LAC. It could have also been more proactive in securing a stronger participation and technical contribution of the host agencies in PEI's implementation, with better linkages to other programmes and projects; however, the evaluators acknowledge that the changes in PEI leadership made this very difficult.
Human and Financial Resources Administration	MS	Adequate, except the number and duration of vacancies, including some PEI critical position such as the co-Directors posts and the Regional Team Leader positions. Downgrading the positions of the Regional Team Leaders may affect the interaction with UNCTs and with senior government representatives. The rating also reflects the lack of adequate staff performance management for LAC
Cooperation and Partnerships	S	The cooperation between UNDP and UNEP for PEI implementation has been highly satisfactory overall, in particular at the country level. There are some

		<p>areas that could be strengthened. The cooperation with other UN agencies and programmes in country has been <i>moderately unsatisfactory</i> in spite of PEI and UNDP RC efforts. National Governments should lead and help create in-country partnerships. While PEI has made a good contribution to mainstream P-E concerns into CCAs and UNDAFs and P-E issues have high priority in the development plans of most PEI programme countries, there have been few direct contributions from other UN agencies to the implementation of such priorities. In-country donor cooperation is rated as <i>Satisfactory</i> although this is an average with some countries (Bhutan, Lao PDR) having excellent partnerships and some others (e.g., Malawi) not having achieved much in terms of donor partnerships.</p>
Monitoring, reporting and evaluation	MS	<p>While accountability is generally high across the country programmes and at regional and global levels and monitoring and reporting comply with UNDP and UNEP requirements, PEI still has work to do concerning the identification and consistent monitoring of indicators at all levels. In particular, each country programme should be guided by a high quality theory of change (or similar instrument to show concisely the project approach to achieve certain specific results), with relevant and sufficient baseline information. The TOC should be the basis for monitoring and reporting on changes resulting from PEI's support.</p> <p>PEI should work towards presenting a less fragmented story about P-E mainstreaming in countries.</p>
Overall Programme Performance	S	<p>Overall, PEI has performed to good standards, delivering a large quantity of useful outputs and making significant progress towards outcomes and impact.</p>

7. Conclusions and recommendations

7.1 Conclusions

417. Poverty-environment linkages have been considered in one way or another in the programme of work of the PEI host agencies since the early 90's. However, it is only since the emergence of the joint PEI programme in 2005 that a more systematic approach to country support and learning is taking place.

418. The Scale-up Phase was designed to enable the agencies extend their joint support to countries in three new regions and to deepen the work already initiated during the Pilot Phase in Africa. The target was to support 25 to 30 countries, which was met.

419. Donors have been extremely supportive of the agencies' mainstreaming efforts, taking an active role in the programme's governance and implementation, and contributing over USD 43 million between 2005 and 2013.

420. During the Scale-up Phase, PEI delivered an impressive number of outputs using available human and financial resources economically. There has been progress in many countries towards outcomes, and drivers for transformative change are slowly falling into place.

421. Some of PEI's most remarkable achievements are:

- Making the case for P-E mainstreaming and securing uptake and leadership in Finance and Planning ministries;
- Enlisting 'champions' at the highest level of government, and among political, religious and civil society leaders;
- Creating awareness about the importance of environmental sustainability for poverty reduction and equitable economic growth;
- Creating the mechanisms for and improving coordination between sectors;
- Providing evidence-based analysis to decision-makers;
- Developing and deploying tools for P-E mainstreaming;
- Mainstreaming PEN and climate change in national development strategies, policies, and national & sub-national planning;
- Mainstreaming PEN in select sectors and issues;
- Addressing gender and vulnerable groups issues in P-E studies and capacity development activities.

422. PEN mainstreaming is being institutionalized through its integration into government policies, regulatory frameworks, and planning, budgeting and monitoring processes and systems to ensure sustainability. The prospect for sustainability is moderately satisfactory overall considering political and other risks. PEI's capacity development work has targeted both institutions and individuals at the national and sub-national level. New relevant topics, such as climate change adaptation as an ingredient for sustaining poverty reduction gains, and how to harness foreign direct investment to help achieve equitable and inclusive economic growth without jeopardizing the environment, have been tackled. PEI has provided extensive technical advice and support to participating governments via its own regional team members, international think tanks, and local and international consultants.

UNDP-UNEP cooperation in managing the joint programme has been very good. At the institutional level, the agencies have been slow at realizing PEI's potential but progress is being made. Among others, UNDP and UNEP singled out the need to improve collaboration in their respective 2014 – 17 corporate strategies.

423. Areas in which there has been the less progress during the Scale-up Phase, although good results were achieved in some countries, are:

- P-E mainstreaming in national budgets;
- Environmental fiscal reform and other market-based approaches;
- Increased and sustained financial flows for pro-poor and inclusive sustainable development;
- Identifying and monitoring P-E indicators (selection and validation of indicators, systematic data collection and integrated analysis);
- Effective partnerships with UN and multilateral banks at national level;
- Private sector engagement;
- There are good examples of analysis and codification of PEI experience but the knowledge management potential has not been fully realized (no strategy with clear audience, targets and approach);
- Regional communities of practice have been established but regional teams are insufficiently resourced;
- Moderate fertilization across regions.
- Fragmented stories about P-E mainstreaming in countries.

424. There are some thematic gaps such as land tenure and resource rights that need to be addressed. PEI's niche with respect to the P-E nexus in urban settings needs to be further examined.

425. By the end of Scale-up phase no county programme had fully met its expected outcomes, therefore, they were not mature for assessing the effects of policy change. This situation is rapidly changing during the current phase.

426. In summary, the **evaluation most important conclusions** are:

- Mainstreaming the poverty-environment nexus into development planning, budgets and monitoring is as relevant as ever, more so in the context of the recently agreed Sustainable Development Goals; PEN mainstreaming is relevant to all four geographic regions;
- There is unmet global demand for PEN mainstreaming support;
- The UNDP and UNEP collaboration for PEN mainstreaming brings value-added, ensuring integrated and cost-effective support to countries;
- No other existing programme is currently fit to perform this country support role as effectively as PEI;
- Country-level outcomes are being achieved and the conditions for sustainability and impact are falling into place;
- There is a high risk of 'mainstreaming fatigue' if the environmental and poverty reduction benefits of P-E mainstreaming fail to materialize, thus the importance of strengthening the economic work with the sectors and secure domestic and external sources of funds to implement agreed actions;
- The portfolio is reaching maturity and in-depth assessments of the effects of policy changes are now warranted;
- Some theories being tested by PEI are yet to be fully explored and evaluated; interrupting programme activities at this stage would be counterproductive;
- Mainstreaming PEI's approaches and modus operandi in the agencies is important but is not sufficient to ensure the continued provision of adequate PEN mainstreaming support to developing countries in the absence of a dedicated programme. The 'joint' nature of PEN mainstreaming support is also likely to vanish in the absence of a dedicated programme with strong donor support;

- The potential of the collaboration was not fully realized in the agencies during the Scale-up Phase. Recent changes in UNDP in which poverty reduction and environment were brought together under a Sustainable Development practice, far from making PEI redundant provide an opportunity for expanded and more in-depth cooperation concerning PEN mainstreaming. The progress made by UNEP in integrating pro-poor and inclusive sustainable development in its strategic documents is also a positive development. PEI definitively played a part in the transformation of the agencies approach to poverty reduction and environmental sustainability.

7.2 Strategic recommendations

427. The evaluators considered the different opinions and options presented by interviewees for the future of PEN mainstreaming support beyond 2017. These were based on interpretations of the rationale for undertaking the preparation of a PEI sustainability/exit strategy. Some interviewees are of the opinion that donors would be willing to consider a proposal for funding as long as the proposal is compelling, justified, and takes into account the recent international developments and emerging paradigms and programmes within and outside the UN. The size of the funding envelope would be commensurate with the objectives and targets of the proposal, however, any proposal should be mindful of the existing global economic situation and the competing priorities donors have to face.

428. Others are of the opinion that donors have given the agencies a clear signal that they will not continue funding PEI or a PEI-like programme beyond 2017 outside of the scope of resources already allocated to the agencies. This would of course reduce the options for PEN mainstreaming's future.

429. The existing UNDP-UNEP framework of collaboration will need to be adjusted to reflect recent institutional changes and to take advantage of new experience and opportunities. A more ambitious agenda could be developed and implemented with the right political will.

430. The evaluation team, thus, recommends Scenario 1 as the best course of action if senior management in the agencies and donors are prepared to back the proposal.

431. The ambitious objective is to expand PEI geographically and thematically and upgrade the initiative as a main, but not exclusive, joint delivery mechanism of capacity development support and technical assistance to help achieve the SDGs with a focus on inclusive, equitable, pro-poor, climate-proofed sustainable development, building on PEI's PEN mainstreaming approach, structure and modus operandi.

432. Given the 'joint' nature of the programme, PEI's future needs to be considered in the context of the broader UNDP-UNEP collaboration and a revised MOU.

433. A process for designing the 'upgraded' PEI needs to be developed¹²⁶. Strong ownership and adoption by both organizations at the highest possible level is a must. Inviting a group of UN

¹²⁶ While input from the PEI team is essential, involving a wider range of parties in the deliberations to develop and achieve consensus on a sustainability/exit strategy has multiple benefits. Eliciting the views of participating countries on what has worked well and what are areas that require improvement is very important, and a forum in which country representatives could discuss this freely and come up with recommendations could be provided. UN Resident Coordinators/Resident Representative views are also paramount. The input of a selected group of RC/RR with direct experience in PEI should be sought. They would be able to provide advice on a wide range of issues such as, how to improve support for P-E mainstreaming from within in UNDP, how to communicate better P-E mainstreaming experiences to those not directly involved in programme implementation, how to use P-E mainstreaming activities as a mechanism to help integrate other work by UNDP at country level, the role of UNEP in providing support to country-level interventions (has it met expectations, what areas require improvement, what mechanisms could be used to deliver such support), how to engage and coordinate with donors at country level, how to improve involvement of other UN

Resident Coordinators and UNDP Resident Representatives with PEI experience to discuss best practices, lessons, and the way forward would be very valuable. The process should also involve bringing governments together to discuss the relevance to the SDGs, and P-E mainstreaming approaches uptake and scale up. Consulting with other relevant UN organizations HQs at an early stage would also be useful. Within the agencies, consultations with thematic units/programmes also need to take place once there is a clear signal that the proposal is viable.

434. The table below summarizes evaluation recommendations of a strategic nature.

Audience/ responsible party	Topic	Recommendation
UNDP and UNEP senior management and donors	Future of PEI (Main evaluation recommendation)	<ul style="list-style-type: none"> Expand PEI geographically and thematically and upgrade the programme as a main but not exclusive UNDP- UNEP delivery mechanism of capacity development support and technical assistance to help meet the SDGs with a focus on inclusive, equitable, pro-poor, climate-proofed sustainable development, building on PEI's P-E mainstreaming agenda and modus operandi. Assess pros and cons of rebranding
UNDP and UNEP senior management	UNDP-UNEP cooperation	<ul style="list-style-type: none"> Revise the MOU between UNDP and UNEP assigning a central and clear role to PEI or its successor, and spell out the role of each agency with respect to PEI including expected deliverables, targets and required support Use PEI as a model to build integrated frameworks for other joint UNDP and UNEP initiatives at the country level Use PEI good practices of inter-agency cooperation to inform the design of other joint programmes
	UN coordination and harmonization mechanisms including at the regional level for P-E mainstreaming	<ul style="list-style-type: none"> Utilize existing UN coordination mechanisms (CEB, undg, emg and other at regional level) to promote and expand UN cooperation to implement national P-E mainstreaming agendas within the context of SDG implementation
	Corporate strategies and work programmes	<ul style="list-style-type: none"> In consultation with UNDP and UNEP governing bodies further integrate P-E nexus mainstreaming activities in the agencies' respective future work programmes taking into consideration synergies and complementarity with other relevant initiatives and projects and clarifying comparative advantage and value added. This would help avoid duplication and competition Coordinate resource mobilization for related programmes and projects
UNEP management	Delivery of technical assistance and other support at national level/internal coordination	<ul style="list-style-type: none"> UNEP's approach to country level support should be improved in the context of Delivering as One approach. Clear guidance to middle-level managers and professional staff (in particular at HQs) should be provided and the rules of engagement enforced¹²⁷ by the Project Review Committee or other internal mechanisms. PEI's country presence should help ensure that other related UNEP interventions are harmonized and add value. There are examples of joint

agencies in P-E mainstreaming work at country level, and how to integrate the needs of individual countries in regional strategies to help articulate UN response to regional/sub-regional development challenges and priorities. Regional Bureau representatives may be invited to the consultation with RC/RRs or requested to contribute separately. This would provide a dedicated forum to also assess to what extent PEI interventions are well aligned with actual and emerging regional/sub-regional priorities. UNEP Regional Offices have been significantly engaged in PEI's work since the start of the PEI Scale-up Phase, and thus, their input would be essential. They may be consulted separately or together with UNDP Regional Bureaux. An important aspect of this consultation is to identify additional opportunities to make PEI's work known to the UN-wide regional bodies and mechanisms.

¹²⁷ Too many ad-hoc initiatives and global programmes persist at national level without adequate internal and external coordination.

Audience/ responsible party	Topic	Recommendation
		<p>work with other initiatives but there is a need for more formal and detailed collaboration frameworks¹²⁸.</p> <ul style="list-style-type: none"> • The role and value added of PEI or a PEI-like programme/project among existing interventions linked to the Green Economy Initiative should be clarified. A paper outlining the focus, approaches and comparative advantages of each initiative and the modalities for coordination and collaboration should be prepared. • PEI should be able to tap into available specialized expertise within UNEP. While there are some positive examples (support on chemicals issues in Burkina Faso or for environmental assessment in various countries) this is not done systematically.
UNDP management	Harnessing UNDP's knowledge and expertise	<ul style="list-style-type: none"> • Involve Regional Bureaux in determining the entry points and priority areas to be addressed in each region, in addition to consultations with global and regional centres • Package and make available P-E mainstreaming tools and experiences to improve their uptake and use across the network of UNDP country offices; a strategy to maximize uptake with clear targets and indicators of success would be very useful • Consult with Resident Representatives how can PEI help achieve cross-cutting and multidisciplinary work to address national development priorities consistent with UNDP's new approach to work in a multi-disciplinary manner to address complex development issues • Create mechanisms and incentives to help deploy available expertise for PEI's work

7.3 Recommendations for operational improvement

435. The table below summarizes the evaluation recommendations for operational improvement.

Audience/ responsible party	Topic	Recommendation
JMB	PEI Governance	<ul style="list-style-type: none"> • Continue encouraging donor engagement through the Donor Steering Group and use it as a vehicle for creating an enabling environment for in-country donor support. Resource mobilization to help governments implement the agreed measures to address P-E issues is critical to upscaling and sustainability. • Review the composition of the JMB to ensure the inputs of the UNEP Division on Environmental Law and Conventions, which leads the environmental governance sub-programme, as well as the inputs of UNDP Regional Bureaux, to ensure greater synergies with key development issues in regions and sub-regions
	P-E mainstreaming advocacy and knowledge management within UN system	<ul style="list-style-type: none"> • Create a small group of RC/RR that would help advocate for P-E mainstreaming and advise the JMB on how to better integrate P-E mainstreaming in the development agendas of the countries and in the work of UNDP and the UNCT
	Strategic planning and resources	<ul style="list-style-type: none"> • Consider and approve a strategic paper on how PEI's current structure and portfolio can be deployed for P-E mainstreaming in support of SDG achievement beyond 2017. Implement a resources mobilization strategy to

¹²⁸ Recognize/expand the role PEI has played in representing UNEP at country level and facilitating inputs into UNDAFs and other UN initiatives.

	mobilization	secure the funds needed.
	Technical Advisory Group	<ul style="list-style-type: none"> • Create the conditions to enable the TAG to deliver improved advisory services to PEI, for example, by forming issue-based working groups and invite cutting-edge global experts to provide input
	Poverty Environment Partnership	<ul style="list-style-type: none"> • Promote the development of a more ambitious agenda with the PEP
	PEF advocacy and technical advisory roles, internal and external	<ul style="list-style-type: none"> • If scenario 1 is adopted the PEI global and regional teams would need to be strengthened. A strategy for this should be prepared by the PEF for consideration of the JMB • Consider strengthening the PEF by establishing a dedicated D1-level position for the UNDP co-Director position and by allocating a dedicated staff responsible for the coordination of technical advisory services
PEF/Regional Teams	PEI Programmatic Approach	<ul style="list-style-type: none"> • Clarify difference between “mainstreaming environmental sustainability” vs “P-E mainstreaming” and use terminology consistently across guidelines and other documents • Apply approach to P-E mainstreaming consistently across regions and countries; in the short-term devote more attention to guiding and overseeing the work of the LAC team with a view to create a more effective regional portfolio • Monitor and revise PEI’s global theory of change on the basis of experience. In particular assess whether assumptions and hypothesis continue to hold true • Further explore PEI’s niche with respect to the SDGs to ensure the programme remains focused • Further assess PEI’s comparative advantage in addressing urban-related P-E issues and clarify focus areas • While P-E mainstreaming leadership should continue to rest in central ministries, ensure that PEI national programmes include actions to strengthen environment ministries to promote and apply economic arguments and tools and work with planning and finance ministries. • Continue emphasizing inter-sectoral coordination and work more in specific sectors to help realize P-E mainstreaming benefits and avoid mainstreaming “fatigue”. • Entry points to engage priority sectors in P-E mainstreaming to be identified for all countries once P-E mainstreaming in national planning and budget is advanced. Concrete examples of the benefits of P-E mainstreaming need to be implemented • Continue and expand the work with national legislators/judiciary and with general attorney’s offices • Harness the GEF portfolios of UNDP and UNEP, as relevant, to help achieve P-E mainstreaming objectives
PEF/Regional Teams	Effectiveness	<ul style="list-style-type: none"> • Given that P-E mainstreaming is complex, non-linear and long-term avoid premature withdrawal of country programs. If project needs to close ensure follow-up to assess outcomes and potential impact. In particular monitor uptake of any tools piloted with PEI support and their effects as well as potential impact of policy change. • Consistently assess quality, uptake & in-country application of PEI-supported outputs (guidelines, templates, databases, indicators, etc). • Develop portfolios for analysis, learning & experience exchange (avoid one-off ad-hoc initiatives unless the initiative is designed as a pilot) • Maintain the emphasis on capacity development; each country to develop its own strategy and action plan in partnership with other development partners to achieve the expected outcomes, particularly when working at the sub-national level • Establish P-E mainstreaming national networks involving civil society,

		<p>economic groups, academic institutions as a means to create capacities beyond government institutions and staff</p> <ul style="list-style-type: none"> • Do not engage in small pilot sustainable livelihood experiences; instead partner with other programs that have systems in place to do this effectively and ensure the experience contribute to inform policies and national and sub-national planning processes (e.g., Use GEF/SGP experiences to inform national policies) • Identify and work with organizations/individuals with world-class expertise about national indicators to address weaknesses in this area (e.g., capacity to undertake integrated analysis of indicators developed and monitored) • Work towards successfully demonstrating increased environmental revenues and expand the work on Environment Fiscal Reform • Strengthen PEI's work on P-E linkages and effects related to: land use tenure, resources access rights, trade opening and regulation, FDI, social safety-net systems, social and environmental safeguards.
PEF/Regional Teams	Management and administration	<ul style="list-style-type: none"> • Avoid frequent staff turnover and, if not possible, plan succession to avoid disruption. • Seniority of regional programme managers is essential if they are to engage with UNCTs and senior government officials. • Implement the PEI business review recommendation for a more systematic approach to staffing. Avoid shared staffing arrangements (unless as a temporary measure for cost savings) as they dilute accountability and do not allow sufficient dedication to P-E mainstreaming work
	Programme design, monitoring and reporting	<ul style="list-style-type: none"> • Each country should have a robust TOC and an exit strategy based on the TOC to ensure sustainability and improve the likelihood of impact. • Monitoring should periodically assess whether the hypothesis/assumptions underlying the project design remain valid and outcomes are being achieved. • All projects reviewed had overambitious targets for each phase. More realistic project planning (aligned with government turnover, planning and budget cycles if at all possible) and budgeting needed. Government changes during the project implementation period require a transition strategy to minimize project set backs. • A coherent narrative for each country programme (based on the TOC) should be produced as part of the reporting process to understand at a glance what was the starting point, what is the expected end point (for PEI support) and the yearly progress achieved with respect to each programme component. This narrative should briefly present the strategy and tools for P-E mainstreaming and the status of their deployment. Reporting should communicate more effectively P-E mainstreaming strategies, progress, challenges, and good practices for each country programme. • Candor in country programme and regional reporting should be promoted. • New country programmes should prepare a detailed capacity analysis and stakeholder analysis, taking into consideration gender. A detailed baseline on stakeholders capacity is important to later measure progress; expectations of capacity changes should be realistic considering the situation in many PEI target countries (fragmentation, weak capacity in most areas, staff turn-over, limited resources, inertia, power structures, and slow or unpredictable timing) • Effective means to assess capacity development results need to be put in place • Regional strategies need strengthening to include specific outcomes & specific outputs/targets with respect to: <ul style="list-style-type: none"> • Inception phase for new countries (detailed support to be provided) • Technical assistance (topics and audiences) • Knowledge management relevant to the regional programme and to other regions • Contribution to creating an enabling environment for P-E mainstreaming among relevant regional institutions and bodies and

		<p>partnership development</p> <ul style="list-style-type: none"> • Outcomes and outputs to be delivered at the global level should also be articulated in a document and budgeted: <ul style="list-style-type: none"> • Collaboration with other relevant UNDP and UNEP programmes (target programmes, means of collaboration, incentives); • Influencing/working with UN agencies/MEAs and others globally; • PEP inputs • TAG advice • Identifying and harnessing needed specialized expertise when not available in agencies (e.g., P-E indicators) • Knowledge management and communications (internal & external). More south-south cooperation between regions • Cooperation with other programmes is good, but do not spread too thinly. Continue engaging with other relevant programmes (green economy, green growth) but keep PEI's specificity and focus. Senior managers to create the conditions and incentives for better cooperation between PEI and these relevant programmes to avoid duplication and competition and achieve collaboration and synergies. • Better and more effective brokerage of relevant UNEP and UNDP advice and services by PEF
PEF/Regional Teams	Impact and upscaling	<p>At the country level:</p> <ul style="list-style-type: none"> • Encourage national government counterparts to leverage donor support to upscale P-E mainstreaming work in more districts; PEI regional teams to engage with donors and provide support to national resource mobilization efforts; • Perform a quality assurance and knowledge management role with respect to training and assessment of results of application of planning, budgeting and other P-E mainstreaming processes. Continue working in developing the capacities of responsible government entities (Local Government ministries, Planning, Finance, attorney's office) for improved oversight, support and assessment of local government performance. <p>At the regional and global levels:</p> <ul style="list-style-type: none"> • Use the PEP, TAG and PEI regional and sub-regional activities to make available PEI experiences and tools to more countries, including through the "targeted technical assistance" PEI modality • If PEI is to be geographically expanded as per the evaluation recommendation, PEI joint regional teams should produce a strategy for expansion of their portfolios, with a prior analysis of regional/sub-regional needs, potential entry points, PEI comparative advantage and inputs required (staffing, experts, funds)

Annexes

A- List of people interviewed

(Individuals interviewed for the case studies are listed in the respective case study reports)

Global Program

Aidan Fitzpatrick	Head of Development, Irish Aid (DSG and TAG member)
Anne Juepner	PEI Co-director, UNDP
Asad Naqvi	Acting Head, Green Economy Advisory Services, UNEP
Christophe Bouvier	Chief, Office for Operations, UNEP and former Regional Director UNEP Regional Office for Europe
Christopher Briggs	Former Regional Team Leader for Environment and Energy, LAC, UNDP
Charles Avis	Programme Officer, PEF
David Smith	PEI Regional Coordinator Africa Team, UNEP
Fakri Karim	Project Manager, UN Capital Development Fund, Bangkok
Gabriel Labbate	PEI Regional Coordinator, LAC Team, UNEP
Gordon Johnson	Regional Cluster Leader Resilience & Sustainability, UNDP Asia-Pacific Centre
George Bouma	Former PEI co-Director; Regional Cluster Leader Sustainable Development, Istanbul, UNDP
Ibrahim Thiaw	Deputy Executive Director, UNEP
Isabell Kempf	Poverty Environment Initiative co-Director, UNEP
Isabelle Louis	Deputy Regional Director, UNEP ROAP
Jan Dusik	Regional Director, Regional Office for Europe, UNEP
Janet Macharia	Gender Specialist, UNEP
Jonathan Gilman	Regional Coordinator, Inter-agency and Country Level Coordinator, UNEP ROAP
John Horberry	Former Poverty Environment Initiative co-Director, UNEP
Joyce Lee	Acting PEI Regional Coordinator Asia Pacific, UNEP
Karin Isaksson	Swedish International Development Cooperation Agency (SIDA)
Kaveh Zahedi	Regional Director, Regional Office for Asia and the Pacific, UNEP
Koen Toonen	PEI Regional Coordinator, PEF, UNDP
Laura Lopez Ortum Collado	Spanish Agency for International Development Cooperation (AECID)
Lauren Gisnas	Senior Adviser, Department for Climate, Energy and Environment, Section for Climate, Forest and Green Economy Norwegian Agency for Development Cooperation (NORAD)
Magdy Martinez Soliman	Director and Assistant Administrator, Bureau for Policy and Programme Support, UNDP
Manesh Lacoul	PEI Finance/Admin, UNEP ROAP
Margarita Astralaga	Regional Director, Regional Office for Latin America and the Caribbean, UNEP
Matilde Mordt	LAC Regional Cluster Leader Sustainable Development, UNDP
Mette Wilkie	Director, Division for Environmental Policy Implementation, UNEP
Nadia Lamhandaz	Policy Officer, Climate Change, Environment, Natural

Nara Luvsan	Resources, Water, DG DEVCO, EU (DSG member) Senior Programme Officer, PEI Regional Coordinator Europe and CIS, UNEP
Nick Remple	Former Regional Team Leader for Environment and Energy, LAC & Global Coordinator SGP UCP, UNDP
Nikhil Sekran	Director Sustainable Development, UNDP
Onesmus Thiongo	Fund Management Officer, UNEP
Paul Eastwood	Senior Environment Adviser, Department for International Development (DFID)
Paul Steele	Former PEI Regional Coordinator Asia Pacific, UNDP
Peter Hazlewood	Director Ecosystems and Development, World Resources Institute and former UNDP PEI Manager
Philip Dobie	Former Director UNDP-UNEP PEI and Director of the Drylands Development Centre UNDP
Sheila Aggarwal-Khan	Head of Programme Planning, UNEP
Sophie de Coninck	Policy Officer, Climate Change and Development, European Commission, EuropeAid (DSG and TAG member)
Steve Bass	Former Chief Environmental Advisor DFID, Head Sustainable Markets Group IIED (TAG member)
Susan McDade	Deputy Director, Regional Bureau for Latin America and the Caribbean, former UN Resident Coordinator and UNDP ResRep in Uruguay
Usman Iftikhar	Policy Advisor, MDGs, UNDP
Veerle Vanderveerd	Former Director Energy and Environment Group, UNDP
Victoria Luque	Donor Relations/Programme Management Specialist PEI PEF, UNEP

B- List of key documents reviewed and sources of information

(The documents reviewed for the case studies are listed in the respective Case Study reports)

- PEI Scale-Up Project document (December 2007)
- PEI Annual Progress Reports for 2008, 2009, 2010, 2011, 2012 and 2013 and Regional Annual Progress Reports as available
- Minutes PEI Joint Management Board meetings
- Minutes PEI Donor Group meetings
- Minutes PEI Technical Advisory Group meetings
- Reports of PEP meetings
- Managing Private Investments in Natural Resources: A Primer for Pro-Poor Growth and Environmental Sustainability. UNDP-UNEP 2011
- Environmental Law in Poverty-Environment Mainstreaming: A Primer for Legislative Assessment and Reform. UNDP-UNEP 2011
- External Evaluation of the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (the UN-REDD Programme). Volume 1 – Final Report. Frechette, Alain, et al., June 2014.
- Final Report of the Terminal Evaluation of the UNEP-UNDP Climate Change Adaptation & Development Initiative CC-DARE, April 2013
- Evaluation of the Role and Contribution of UNDP in Environment and Energy. UNDP Evaluation Office, August 2008
- Management Response to the evaluation of the Role and Contribution of UNDP in Environment and Energy. 18 August 2008
- Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus. UNDP Evaluation Office, December 2010.
- Management Response to the Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus. 17 December 2010.
- Independent Evaluation of Delivering As One – UN, June 2012.
- Evaluation of the UNDP-UNEP Poverty Environment Initiative (PEI) Partnership with Norway 2004 – 2008. IIED, 21 August 2009
- Mid-Term Review of the UNDP-UNEP Poverty-Environment Initiative (PEI) Scale UP. PEM Consult, 11 November 2011
- Management Response to Mid-Term Review Findings and Recommendations (undated)
- Poverty Environment Initiative Business Review. Management Consulting Team, September 2012
- Mid-Term Evaluation of UNEP's Medium-Term Strategy 2010 – 2013. UNEP Evaluation Office, February 2013
- UNEP Medium-Term Strategy 2010 – 13
- UNEP Medium-Term Strategy 2014 – 17

- UNDP Strategic Plan 2008 – 2011 (extended to 2013)
- UNDP Strategic Plan 2014 – 17
- Mainstreaming Poverty-Environmental Linkages into Development Planning: A Handbook for Practitioners UNDP-UNEP PEI, 2009.
- Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development: A Handbook for strengthening planning and budgeting processes- UNDP-UNEP PEI, 2015.
- Making the Economic Case: A Primer on the Economic Arguments for Mainstreaming Poverty-Environment Linkages into Development Planning. PEI, January 2009.
- Joint working arrangements between the Poverty Group and the Environment and Energy Group collaboration on Poverty-Environment Nexus and support to PEI programming. UNDP (undated)
- Enhanced coordination across the United Nations system, including the Environment Management Group. Report of the Executive Director. Addendum: Update on the status of implementation of the memorandum of understanding between the United Nations Environment Programme and the United Nations Development Programme. Twelfth special session of the Governing Council/Global Ministerial Environment Forum, Nairobi, 20–22 February 2012.
- Discussion Paper: What Drives Institutions to Adopt Integrated Development Approaches? - The Poverty-Environment Nexus and Analysis of Country Evidence from the Poverty-Environment Initiative. UNDP in partnership with UNEP. June 2012
- Bass, Steve and Paul Steele. Poverty, environment and climate in developing countries: Stock-take and a Future Agenda. Background Paper for the 20th Meeting of the Poverty Environment Partnership, May 2015. IIED Draft May 16th 2015.
- Addis Ababa Action Agenda of the Third International Conference on Financing for Development. UN 27 July 2015.
- Council Conclusions on Integrating Environment in Development Cooperation. Council of the European Union. 2953rd Environment Council meeting, Luxembourg, 25 June 2009.
- The Challenges of Environmental Mainstreaming: Experience of integrating environment into development institutions and decisions. Barry Dalal-Clayton & Steve Bass. IIED 2009
- UNDG Guidelines on Mainstreaming Environmental Sustainability in Country Analysis and the UNDAFs - UNDG 2009
- The Millennium Development Goals Report – UN July 2015
- Emissions Gap Reports 2010 and 2015 - UNEP
- Final Evaluation of the GEF/UNDP/UNEP/UNIDO/WB MEDIUM-SIZED PROJECT: Preparing for HCFC Phase-out in CEITs: Needs, Benefits and Potential Synergies with other MEAs (Azerbaijan, Belarus, Bulgaria, Kazakhstan, Russian Federation, Tajikistan, Ukraine and Uzbekistan), Richard Abrokwa-Ampadu, June 2013.
- Terminal Evaluation of the UNDP-UNEP GEF Project: Combating Living Resources Depletion and Coastal Area Degradation in the Guinea Current LME through Ecosystem-based Regional Actions (GCLME) (GFL-2328-2731-4809; 1188). 2012.
- Gray, Erin, et al. 2015. “The Economic Costs and Benefits of Securing Community Forest Tenure: Evidence from Brazil and Guatemala.” Washington, DC: World Resources Institute.

C- Programme results framework

Joint Programme Results and Resources Framework (July 2007 – June 2012)	
Atlas Development Project	
Project Title:	Scaling-up the UNDP-UNEP Poverty-Environment Initiative
Award Number:	00045896
Project Number:	00054344
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	
Outcome Indicators	
<ul style="list-style-type: none"> • 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; • 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, poverty-environment programmes will provide a comprehensive framework for mobilizing stakeholders and catalysing partnerships around a country-owned poverty-environment agenda, leading to improved harmonization and coordination of interventions and joint programming on priority poverty-environment 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 Poverty-Environment Partnership will provide a key entry point for interaction with bilateral and multilateral development agencies and international NGOs.	

Joint Programme Outputs	Output Indicators	Indicative Activities	Inputs (US\$)
Output 1: Country poverty-environment mainstreaming programmes	Preparation Phase	Preparation Phase	
Country-led programmatic approach to poverty-environment mainstreaming implemented in target countries: <ul style="list-style-type: none"> • Preparation Phase: Africa (8); Asia (10); LAC and other (7) 	<ul style="list-style-type: none"> • Improved collaboration between environmental agencies, planning/finance agencies and key donors on identifying entry point(s) and key actions for mainstreaming environment into national development and planning process 	<ul style="list-style-type: none"> • Joint UNDP-UNEP mission to consult with government, UNDP CO and other stakeholders on feasibility of country-led mainstreaming programmes 	

Joint Programme Outputs	Output Indicators	Indicative Activities	Inputs (US\$)
<ul style="list-style-type: none"> • Phase 1: Africa (6); Asia (8); LAC and other (4) • Phase 2: Africa (9); Asia (4); LAV and other (4) <p>Country-specific outputs, activities and inputs will be detailed for each country through preparation of a Phase1/Phase 2 programme document and annual work plan/budget in line with the three PEI strategic areas of focus, as appropriate.</p>	<ul style="list-style-type: none"> • Improved understanding of governance and capacity issues affecting potential for sustained, country-led poverty-environment mainstreaming 	<ul style="list-style-type: none"> • Initial diagnosis of priority poverty-environment issues, institutional arrangements and capacity needs • Advocacy and awareness-raising • Establish government and donor partnerships, including engagement, with donor and government-donor coordination mechanisms • Identify entry point(s) for Phase 1 mainstreaming activities (such as formulation of MDG- based poverty reduction strategy) and design Phase 1 work plan • Establish programme management and implementation arrangements 	
		<i>Typical cost: \$80,000/country</i>	2,000,000
	<u>Phase 1</u>	<u>Phase 1</u>	
	<ul style="list-style-type: none"> • Improved understanding of contribution of environment to poverty reduction and growth within planning/finance, environment and sector ministries • Improved representation of environmental actors in key planning processes 	Based on successful completion of Preparatory Phase, mainstreaming of poverty-environment issues within selected entry point(s) in partnership with lead government agency, key donors and UNDP CO:	

Joint Programme Outputs	Output Indicators	Indicative Activities	Inputs (US\$)
	<ul style="list-style-type: none"> Integration of poverty-environment issues in key planning frameworks for poverty reduction, growth and national MDG targets 	<ul style="list-style-type: none"> Assess environment-poverty-growth links through integrated ecosystem assessment, economic assessment, SEA Integrate poverty-environment issues into MDG/PRSP strategy through sustained engagement in national development policy and planning processes Identify sectoral/systemic priorities to address poverty-environment issues Target-setting and costing of sectoral/systemic interventions Develop poverty-environment and environmental mainstreaming indicators and integrate into MDG/PRSP monitoring Phase 2 needs assessment and preparation of work plan for longer-term Phase 2 programme 	
		<i>Typical cost \$750,000/country</i>	13,500,000
	<u>Phase 2</u>	<u>Phase 2</u>	
	<ul style="list-style-type: none"> Improved institutional capacity for poverty-environment mainstreaming among planning/finance, environment and key sectoral agencies Environment mainstreamed into relevant sectoral policies, plans and implementation processes Increased macro and sectoral investment targets for longer-term investments to address priority poverty-environment concerns Improved financing strategy to meet investment targets through domestic resource mobilization and harmonized donor support 	<p>Focus on sustained capacity development and implementation support following Phase 1 mainstreaming into key planning process:</p> <ul style="list-style-type: none"> Strengthen national and sub-national capacity to monitor poverty-environment outcomes Strengthen capacity of environment ministry to engage in national budget processes (e.g., Medium-term Expenditure Frameworks, general budget support, etc.) Strengthen capacity to develop poverty-environment investment strategy and financing options – including domestic finance for environmental institutions Cooperation with sector bodies to strengthen implementation 	

Joint Programme Outputs	Output Indicators	Indicative Activities	Inputs (US\$)
		<ul style="list-style-type: none"> Strengthen capacity to enhance contribution of natural resources and environment to public finances (e.g., environmental fiscal reform, etc.) 	
		<i>Typical PEI seed funding: \$500,000/country</i>	8,500,000
<p>Output 2: Joint UNDP-UNEP regional support programmes and regional communities of practice on poverty-environment mainstreaming [Enhanced regional capacity to support...]</p> <p>Targets:</p> <ul style="list-style-type: none"> 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) <p>Region-specific outputs, activities and inputs will be detailed for each PEI Regional Support Programme through preparation of a joint programme document and annual work plan/budget</p>	<ul style="list-style-type: none"> Enhanced UNDP-UNEP regional cooperation and capacity to support country poverty-environment mainstreaming programmes Enhanced cross-country experience exchange and learning on poverty-environment mainstreaming 	<p><u>PEI Regional Support Programmes:</u></p> <ul style="list-style-type: none"> Africa: combine existing UNEP team with proportion of UNDP environment advisors, and link with MDG support capacity; formulate joint Regional Support Programme Asia: combine UNEP regional staff with proportion of UNDP regional environment advisors and MDG support environment staff; formulate joint Regional Support Programme Latin America: combine UNEP regional staff with proportion of UNDP regional environment advisors; formulate joint Regional Support Programme Investigate potential in Europe/CIS Identify at the regional level other development, research and consulting institutions and establish mechanisms for partnerships 	
		<p><u>Regional Communities of Practice:</u></p> <ul style="list-style-type: none"> Regional workshops to form communities of practice on poverty-environment mainstreaming Initiate regional networking activities 	
			3,500,000
<p>Output 3: Global advisory services and support</p>	<ul style="list-style-type: none"> Enhanced capacity to provide global advisory services to regional teams and UNCTs/UNDP COs. Resources mobilized to support PEI 	<p><u>UNDP-UNEP Poverty-Environment Facility</u></p> <ul style="list-style-type: none"> Establish joint Facility in Nairobi with contribution of staff and resources from UNDP and UNEP; develop Facility work plan 	

Joint Programme Outputs	Output Indicators	Indicative Activities	Inputs (US\$)
	<p>scale-up</p> <ul style="list-style-type: none"> • Increased access by countries to good practice guidance and tools on poverty-environment mainstreaming 	<ul style="list-style-type: none"> • Mobilize global funds from key donors; mobilize funds at regional level; develop strategy for country programme funding • Establish Technical Advisory Group • Delivery of advisory and technical assistance support to regional teams and, as appropriate, country programmes • Establish partnership arrangements with practitioner organizations • Establish Facility knowledge management systems – public website, email-based network and web-based workspace, publications strategy, etc. • Collection, synthesis and distribution of country-level experience and good practice guidance and tools in poverty-environment mainstreaming • Bi-annual global learning workshops 	
			2,900,000

D- PEI contribution to SDGs in Lao PDR

Sustainable Development Goals	PEI contribution in Lao PDR			
	Substantial	Moderate	Not applicable	Remarks
Goal 1. End poverty in all its forms everywhere Targets: 1.1; 1.2; 1.4; 1.5 1.a; 1.b	√			Through the promotion and support for increased quality domestic and foreign private investment, decent employment generation, government revenue, protection of natural resource assets, and more
Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture Targets: 2.3; 2.4;	√			Through improved land concession standards, improved contract farming standards, secure land rights, protection of land for subsistence farming
Goal 3. Ensure healthy lives and promote well-being for all at all ages Targets: 3.4; 3.9		√		Through improved EIA standards and their enforcement, reducing all types of pollution resulting from infrastructure development, extractive activities, industry and other investments. Ensuring domestic and foreign investors adhere to national labour laws, including on child labour; advocacy on increased application of corporate social responsibility practices
Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all Target: 4.7	√			PEI is significantly contributing to enhance the knowledge and skills needed to promote sustainable development. This is being done through component 5 but also throughout all other components. PEI is providing training to government officials centrally and in the provinces and to NA members on a wide range of issues related to sustainable development. PEI has provided university students with the opportunity to participate in P-E research initiatives. Although not directly relevant, PEI is advocating for the implementation of labour standards and labourers' rights hence it is also contributing to the implementation of target 4.4.
Goal 5. Achieve gender equality and empower all women and girls Targets: 5.1; 5.5; 5.a; 5.c	√			Through better understanding of how investments affect women (in particular their rights and livelihoods) and mainstreaming their rights in investment management policies and processes; ensuring women are able to participate in development planning, investment decisions, and other capacity development activities;
Goal 6. Ensure availability and sustainable management of water and sanitation for all Targets: 6.1; 6.3; 6.4; 6.6;		√		Through the application of EIA to all projects to minimize negative impacts on water quality and quantity
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all 7.a			√	Although PEI not directly involved, PEI's support to the formulation of two National Socio Economic Development Plans has promoted climate change mitigation and adaptation measures including the promotion of renewable energy. Lao PDR is investing significantly in hydropower to meet its own energy needs and to sell to neighbouring countries and investors and lending institutions need to work on ensuring social and environmental international standards are met (although WB has been championing this issue PEI has helped disseminate good practices).

Sustainable Development Goals	PEI contribution in Lao PDR			
	Substantial	Moderate	Not applicable	Remarks
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Targets: 8.1; 8.3; 8.4; 8.5; 8.8; 8.9;	√			This is a core objective of PEI's work in Lao PDR which is being achieved by helping the country attract and manage quality private investments
Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation Targets: 9.2; 9.4; 9.b		√		PEI is supporting the Lao PDR Government and Provincial Authorities to identify quality investments and that includes investments in sustainable industries; it is also supporting the establishment of conducive policies for value addition and diversification
Goal 10. Reduce inequality within and among countries Targets: 10.2; 10.4	√			An important objective of PEI is to promote inclusive green growth (reducing inequality between regions, ethnic groups, gender and age groups) and contributing to Lao PDR's goal of graduating from LDC status.
Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable			√	
12. Ensure sustainable consumption and production patterns Targets: 12.2; 12.4; 12.6; 12.a; 12.b;	√			In particular sustainable production patterns, through improved social and environmental standards in public and private investments. Tourism is one area where quality investments are being promoted
13. Take urgent action to combat climate change and its impacts Targets: 13.1; 13.2;		√		Through PEI component 1 which is providing support to mainstream environmental sustainability, risk prevention, climate change adaptation in national and sub-national planning
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development			√	
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss Targets: 15.1; 15.2; 15.5; 15.9	√			By improving standards of agriculture and forestry concessions; also through the inclusion of specific forest cover targets and other environmental targets in the NSEDPs. PEI is also contributing to this goal by working on preventing and mitigating environmental impacts of all types of investments
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels Targets: 16.3; 16.5; 16.6; 16.7; 16.10; 16.b	√			In particular through the support to ensure national legislation is applied by investors and thought PEI's work on capacity development and support to the National Assembly. Better understanding of NA members and staff of negative social and environmental effects of investments to facilitate implementation of the NA oversight role. Also by promoting public participation in investment decisions and making information on investments more broadly available to citizens.
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development Targets: 17.1; 17.3; 17.5; 17.9; 17.14; 17.15; 17.16; 17.17; 17.18; 17.19	√			It should be noted that PEI is particularly important for the implementation of Target 17.5 "Adopt and implement investment promotion regimes for least developed countries" PEI is a partnership between UNDP and UNEP and a key contributor to UNDAF implementation. PEI also complements the work and collaborates with other multilateral (WB, ADB) and bilateral donors (SDC, GIZ, Finland) and public and private organizations

Sustainable Development Goals	PEI contribution in Lao PDR			
	Substantial	Moderate	Not applicable	Remarks
				(Australian New Zealand Business Association), and leverages additional funding for sustainable development. PEI is working effectively to enhance capacities, including through South-South cooperation

In summary: PEI is substantially contributing to achieve 10 SDGs in Lao PDR and moderately contributing to 4 additional SDGs. Attaining other SDG goals such as Goal 4 on education in Lao PDR is contingent upon increased FDI that would also increase government revenue and household income. It should be noted that PEI is **key to attaining Target 17.5 in Lao PDR**. Overall, **PEI is contributing to meeting 49 SDG targets**.

E- Programme expenditure report 2008 – 2013 by funding source

		2008	2009	2010	2011	2012	2013	Total
Joint UNDP-UNEP Scale-up	UNDP-UNEP (Scale-up)	899,976	2,101,753	3,968,875	5,038,849	6,514,258	5,412,875	23,936,586
Sub-total Joint UNDP-UNEP Scale-up		899,976	2,101,753	3,968,875	5,038,849	6,514,258	5,412,875	23,936,586
	UNDP core funds	375,469	668,818	803,242	782,815	674,558	120,508	3,425,410
	UNEP Environment Fund	882,458	1,674,372	949,087	901,148	1,864,239	1,547,338	7,818,642
SUBTOTAL		1,257,927	2,343,190	1,752,329	1,683,963	2,538,797	1,667,846	11,244,052
UNDP Poverty Environment Initiative	UNDP HQ	45,952						45,952
	UNDP HQ (EC)							0
	UNDP HQ (UK)							0
SUBTOTAL		45,952						45,952
UNEP PILOT PHASE	UNEP HQ (Sweden)	290,388	10,632	2,955				303,975
	UNEP HQ (Norway)	1,226,803	1,324,858	516,753	21,881	161,486	22,990	3,274,771
	UNEP HQ (Ireland)	953,006	1,650,278	1,392,748	819,636	892,473	145,838	5,853,979
	UNEP HQ (Belgium)	823,719	681,175	213,927	214,692	29,913	409,667	2,373,093
	UNEP HQ (reserve fund*)				110,476			110,476
SUBTOTAL		3,293,916	3,666,943	2,126,383	1,166,685	1,083,872	578,495	11,916,294
Additional in-country resources	Government counterparts	318,333	183,333	345,833	893,333	857,501	1,460,815	4,059,148
	In-country donors	872,000	32,236	1,396,978	3,190,774	3,908,927	2,699,683	12,100,598
	UNDP Country Offices	1,012,500	1,487,490	2,473,727	2,049,665	796,919	2,881,979	10,702,280
SUBTOTAL		2,202,833	1,703,059	4,216,538	6,133,772	5,563,347	7,042,477	26,862,026
	TOTAL	7,700,604	9,814,945	12,064,125	14,023,269	15,700,274	14,701,693	74,004,910

* This represents a delayed receipt of money allocated to the PEI in 2009

Source: PEI Annual Financial Report 2013, page 14

F- Lao PDR Phase II: Status of expected outputs as of December 2014.

COMPONENT/OUTPUT	STATUS	DESCRIPTION/COMMENTS
Component 1. Department of Planning – USD 360,000		
1. Guidelines on the Implementation of the Socio-Economic Development Plan for FY 2014-2015. Ministry of Planning and Investment No. 2276/MPI.DOP1. 30 September 2014 Annual Planning Guideline (APG) – 3 pages	Completed	Document providing guidance to sectors and local governments. The overall directions and targets of the Socio-Economic Development Plan for FY 2014-2015 have been defined in Article 2 to Article 9 of the Prime Minister’s Decree No. 328/GoL, dated 17 September 2014 regarding the Implementation of the Socio-Economic Development Plan and State Budget Plan for FY2014-2015
2. Participatory Planning Manual at Village Level - Inter-ministerial Task Force on Harmonising the Participatory Planning Manual Government of Lao PDR. Vientiane, December 2012 42 pages	Completed	Manual provides information to planners, especially for sectors at district level to advise the village development committee and villagers on how to formulate a plan as well as on its implementation in order to agree on development needs and investment
3. Training package for DoP to deliver training to provincial authority on PE-related indicators	Completed	Five specific P-E indicators for the 7 th NSEDP being piloted by DoP. The M&E framework for the NSEDP although prepared by DoP was not officially approved.
4. P-E recommended indicators provided to DoP for inclusion into the 8 th NSEDP	Completed	
Component 2. Investment Promotion Department USD 1,787,000		
5. National Strategy For Private Investment Promotion And Management In Lao PDR until 2025: Managing Investments to Transform Growth into Real Economic Development. Draft v. 11, April 2014 66 pages	Draft under revision by Government	The importance of formulating of a national investment strategy was identified since the first phase. Originally the idea was to develop a strategy for the department in charge of managing investments (IPD), which then evolved into a strategy for the Ministry (MPI). Later, the scope of the strategy was made wider to ensure all elements related to the regulation of private investments nationally would be included. The strategy is to be approved by the MPI Minister. As a result of delays in its approval the current version will need to be adjusted to be consistent with the 8 th NSEDP and Vision 2030. The objective of the strategy is to “Increase the proportion of quality investments flowing into Lao PDR that reduce poverty, enhance development of human capital, have least impact on the environment, support a diversified economy and provide a fair distribution of benefits to the population”.
6. Provincial Investment Strategies	Six strategies in draft form at various stages of	The Investment Strategies for the six provinces targeted by PEI are at different stages of development and are of different quality. All will need to ensure consistency with the National Investment Strategy once approved. The status of four individual strategies reviewed by the evaluator is as follows: <ul style="list-style-type: none"> • Domestic and Foreign Private Sector Investment Promotion - Management Strategy of Saravan Province until 2020 – 4th Revised draft. PEI has provided extensive comments to the draft which is of

COMPONENT/OUTPUT	STATUS	DESCRIPTION/COMMENTS
	development	<p>good quality and has been endorsed by the Provincial Governor</p> <ul style="list-style-type: none"> • Strategy for Private Investment and Management for Phongsaly Province till 2020 – Draft April 2014 • Private Sector Investment Promotion and Management Strategy until 2020 of Oudomxay Province – draft October 2012 • Domestic and Foreign Private Sector Investment Promotion and Management Strategy of Vientiane Province (2016-2020) – Final draft August 2015
7. Conference on Corporate Social Responsibility	Completed	The conference took place in Vientiane, Lao PDR on 24 November 2014 with an attendance of 200 participants. This is joint activity with the Australian-New Zealand Business Association. PEI and the Business Association are drafting a customized CSR reporting template for Lao PDR. A consultation workshop to share the draft reporting template with the private sector and engage champions from ANZBA (along with other chambers) is planned to start using the reporting template. IPD plans to have a CSR awards night in the future.
8. Investment promotion video	Completed	Available on https://www.youtube.com/watch?v=rIL5FqkkMc . Although not directly addressing PEI issues it may contribute to attract quality investments.
9. Investment promotion website for IPD	Developed	Available at http://www.investlaos.gov.la/ . The website provides information on requirements, regulations, templates and processes related to investment in Lao PDR. Information has been populated in the second quarter of 2015. This output is not directly addressing P-E issues but the rationale for supporting its development is that it will encourage private sector investments in the hope that these will indeed drive positive change. Ensuring that investments are beneficial and inclusive will depend on the government regulatory environment and regulatory control, which PEI is helping to shape.
10. Materials to enable central IPD to train provincial staff on the identification and development of Investment Profiles	Completed	Nine Power Point presentations, a sample investment profile and a template to screen project ideas prepared. Excellent buy-in from IPD staff who are conducting the training for the provinces
11. Investment Profiles	16 profiles prepared	PEI expects to have 80 investment profiles developed and uploaded in the IPD website by the end of 2015. The development of the profiles offer a learning by doing opportunity to provincial staff to understand what a “quality” investment is in practice and how good they are at attracting such investments.
12. One-Stop-Service Handbook	Final draft, copy editing in English	The Investment One-Stop Service Office of IPD was established in October 2011. The Handbook provides all necessary information to private investors and technical staff in Government concerning regulations and procedures for all types of investments.
13. Public Private Dialogue in selected provinces	Completed	PEI coordinated Public-Private Dialogues aimed at assessing barriers experienced by investors when initiating or conducting business operations.
14. Cost of Doing Business Handbook	Advanced Draft	Guide to investors to assess costs involved in doing business and living in Laos. It provides domestic and foreign investors information of the typical cost of starting up and operating a business, the cost of labour registration and employment, taxation, utilities, transportation and communication. While not particularly relevant to the objectives of PEI it is important as support to IPD.
15. Concession Agreement and MOU templates:	Advanced drafts	Legally sound concession agreements for agriculture, forestry and livestock investments as well as tourism (hotels and resorts). Specific articles address environmental and social obligations and environmental

COMPONENT/OUTPUT	STATUS	DESCRIPTION/COMMENTS
		<p>liability and sanctions. A specific template includes a model for contract farming. The revised investment contracts are ready for use in the next investment approval cycle. The evaluator reviewed the following two CA:</p> <ul style="list-style-type: none"> • Model Concession Agreement for Large Agricultural Projects (draft August 2013) • Model Tourism Concession Agreement (draft October 2013)
16. Investment Screening Guidelines	Concept completed	The Guidelines will cover the initial application and screening stage of investments. As part of ADB's project on "Governance and Capacity Development in Public Sector Management Program relating to State Land Concessions and Leases" in cooperation with PEI, technical advisors from both outfits will collaborate to prepare a "how to" guideline on the process of reviewing and critically assessing concession applications, and to deliver training to IPD staff. This is an important output for PEI's objectives.
17. Investment Tracking Tool Software	Completed	The software is housed on an IPD server. It is fully institutionalized and used on a daily basis by the One-Stop Service to track incoming and outgoing documents/communications on investment applications. As of August 2015 the system has tracked 7,448 incoming and 6,921 outgoing documents/communications
18. Financial Model for Mining Concessions	Completed	When a mining investment transitions from the exploration stage to the exploitation phase, one important document that must be supplied by the investor is the Feasibility Study. The Study should contain all key information regarding the financial feasibility of the proposed mine. To allow IPD to gain a full understanding of the financial prospects of the mine in question PEI has supported the development of this model that assesses financials throughout the life of the mine. All input attributes to the model (list of financial questions) have been provided to the Department of Mines with the request to annex these questions to the Ministry of Energy and Mines formal Feasibility Study guideline to ensure all relevant information is provided by the investor. This approach is bringing checks and balances into governance considering that both IPD and the Department of Mines are operating different mine models.
19. National Concessionary Compliance Database	Completed	In Phase 1 PEI helped produce a Microsoft database but it was not networked and each province had to use their own. The new database uses an open-source platform, is located in the IPD server and all provinces are connected. The database will archive all contract obligations (financial, social and environmental), therefore, monitoring will be easier. The system will have the capability to produce reports on investors' compliance. Status of use of the system could not be fully assessed by the evaluator.
20. Annual Investment Report Templates for Concession projects. Templates were develop for:	Completed	On 10 august 2015 the government issued a notice making the templates available through its website and warning investors (both foreign and domestic) that failure to reporting using these official report templates would be seen as a failure to meet reporting obligations and that action would be taken against non-compliance investors.
		<ul style="list-style-type: none"> - Agriculture Projects - Hydro Projects - Mining Projects - Other Concession Projects
21. South-South learning exchange with Malaysia and Singapore	Completed	The exchange focused on investment promotion and management
22. English language class at IPD	On-going	English is the official language of the Asean Economic Community. As a member country it is very important that Lao officials learn English.

COMPONENT/OUTPUT	STATUS	DESCRIPTION/COMMENTS
Component 3. Department of Environment and Social Impact Assessment – USD 1,117,000		
23. Environmental Impact Assessment policy brief developed on EIA process in Laos	Completed	The brief in Lao and English is ready for distribution to communities, project developers, government agencies, and civil society. It is intended to raise awareness amongst these audiences regarding the legal requirements of project developers with regard to social and environmental matters.
24. Training materials/package developed and delivered to build the capacity of provincial authorities on technical aspects of Agricultural EIAs	Completed	Training was delivered three times, for the southern, central and northern provinces in Lao PDR. A second training for DESIA staff specifically on the environmental impacts of pesticides and their management was also delivered by PEI staff
25. Technical Guidance Note on how to review and monitor EIAs for Agriculture, Forestry and Livestock projects	Completed, awaiting final approval	The target audience are project developers in the Agriculture and Forestry sector and staff of DESIA's Agriculture and Forestry Centre to provide clear guidance on the assessment of AF projects' environmental and social impacts, and the review of assessment reports. The TGN will serve as a reference document for all AF EIA reviews. It has been submitted for approval of the Director General of DESIA.
26. Environmental Impact Assessment Writing Guidelines	Final draft stage	Developed primarily under the Finland-funded ESMP project, with PEI providing technical inputs. The Writing Guideline is in a near-final draft stage in both English and Lao. It is set for completion within this September 2015
27. Environmental Impact Assessment Review Guidelines	Advanced draft	This is a joint product of PEI and ESMP. PEI has been responsible for the main section on the technical review of EIA reports and the review of the Environmental and Social Management and Monitoring Plan (ESMMP) including the development of technical review checklist. Expected completion: September 2015
28. Initial Environmental Examination Writing Guidelines	Advanced draft	Under the responsibility of PEI. Both languages versions to be completed by September 2015
29. Initial Environmental Examination Review Guidelines	Advanced draft	Developed in tandem with the Environmental Impact Assessment Review Guideline under the responsibility of PEI
30. Monitoring Guidelines	Completed	Primarily under the responsibility of ESMP, with technical inputs provided by PEI. The Monitoring Guidelines have been completed and endorsed by the Minister of MoNRE
31. Financial management software	Advanced stage	The software will allow DESIA to internally manage investor's financial contributions to cover the project monitoring costs. The software complements Financial Management Regulations Manual prepared with PEI support during phase I. This is very important for compliance.
32. Standard Environmental and Social Obligations (SESO) for Agriculture, Forestry and Livestock projects	Advanced Draft	This document will be annexed to the Concession Agreement referred to above. The SESO draft was submitted to the International Institute for Sustainable Development's legal team who provided comprehensive feedback upon which PEI revised the draft in consultation with DESIA. Subsequent to this, liaison was carried out with MPI's legal counsel and further revisions were made. The Lao language version was produced but will be further revised following consultation with other government agencies, the private sector and civil society. Final version expected by the end of 2015.
33. Baseline Study on Public Involvement in EIA process	Draft stage	Training provided to DESIA personnel, who have carried out field research with support from PEI to assess public involvement in three projects in central and southern Laos. Data is currently being analysed by the research teams at DESIA and the report is expected within the next month. This research will serve as the

COMPONENT/OUTPUT	STATUS	DESCRIPTION/COMMENTS
		basis upon which the Public Involvement Guidelines will be revised by the DG of DESIA with support from PEI.
34. Support to the government to transform the EIA Decree into three ministerial instructions	Completed	PEI supported the development and completion of the Ministerial Instructions on IEE (8029) and on EIA (8030), through supporting consultation processes, drafting and finalization.
35. South-South Cooperation. Exchange visit between DESIA Lao PDR and the Philippines (3-7 May 2015)	Completed	The objective of the mission was to enhance DESIA's capacity for EIA review, approval, monitoring and benefit-sharing mechanisms, with specific reference to the agriculture and forestry sector. Identify similarities and differences between the systems of the two countries and identify potential aspects that Lao PDR could adopt. Discuss possibilities of future cooperation between the two countries.
Component 4. National Assembly – USD 120,000		
36. Training materials and training for the National Assembly – Support to the recently established NA Training Centre.	Completed	Demand-driven training materials and training for NA members and staff on the following topics: 1) Ecosystem Valuation; 2) EIA Process (including public involvement); 3) National Development Planning Process; 4) P-E Linkages in Contract Farming; 5) Quality of Rubber Concessions in Lao PDR; 6) Investment One-Stop Service; and 7) Public Investment – which involved a field trip to a hydropower site to learn and discuss about public investment.
37. Strengthening independent monitoring of problematic investments	Completed	The evaluator does not have details of the manner in which this outputs was implemented, except for training activities conducted.
Component 5. National Economic Research Institute – USD 783,000		
38. Research on whether contract farming contributes to poverty reduction and its impact on the environment	Completed	Contract farming related to three crops was reviewed: banana, maize and cassava. The results of the research were disseminated to provincial authorities through workshops as well as to National Assembly members and staff.
39. Rubber Concessions in Lao PDR – An Impact Assessment for Monitoring Indicators, NERI, July 2013	Completed	This report summarizes the findings on extensive research done on the quality of rubber concessions in the country.
40. Quality of Rubber Concessions – Policy Brief, March 2014	Completed	Policy brief on research results. It has been disseminated but not yet available in PEI's website
41. Training materials on Cost Benefit Analysis for Land Valuations	Unknown	Training on this topic is to be delivered to government authorities
42. Research Advisory Panel	Established and operational	A research advisory panel with international experts was established to support NERI to develop and deliver quality research. The panel is operational and is currently supporting NERI's new research topic on mining and SME.

G- PEI reporting requirements

The PEF is responsible for reporting to donors, with inputs from the regional teams and UNDP Cos. The Joint Management Board approves the reports to donors. The PEF is also responsible for consolidating regional reports to fulfil the reporting requirements of UNDP and UNEP.

PEF reporting responsibilities

Report type	Required by	Frequency
Narrative progress report	JMB – DGM	Annual
Financial report	JMB – DGM	Annual
ATLAS/ROAR	UNDP	Quarterly
UNEP IMIS (financial)	UNEP	Half-yearly
UNEP IMDIS (progress)	UNEP	Half-yearly
Certified financial report	UNDP	Annual
Certified financial report	UNEP	Annual
Ad-hoc progress and financial report	EC	Annual
Travel plan/report	UNEP	Quarterly

Regional Team Reporting

Regional projects and country project budgets are set up under the PEI ATLAS award under BDP/EEG’s “department” which facilitates financial monitoring and reporting. The regional teams are responsible for the bi-annual regional reporting to the PEF, with inputs from UNDP Country Offices. These reports cover the regional project activities and the overall financial status of the regional programme as a whole, based upon monitoring of the financial status of individual country programmes.

The PEF approves the reports submitted by the regional teams.

Reporting responsibilities of PEI Regional Teams

Report type	Required by	Frequency
Narrative progress report	PEI	Annual
ATLAS/ROAR	UNDP	Quarterly
UNEP IMIS (financial)	UNEP	Half-yearly
UNEP IMDIS (progress)	UNEP	Half-yearly
Travel plan/report	UNEP	Quarterly
Ad-hoc progress and financial report	EC	Annual

Country Reporting

Country project documents follow the standard format provided by the PEF in line with UNDG and UNDP programme formulation. The regional team ensures that the project document sets out agreed reporting arrangements with the UNDP Country Office so that it can fulfill its oversight role. The government and UNDP Country Office are responsible for reporting to the regional team.

UNDP Country Office reporting responsibilities

Report type	Required by	Frequency
Narrative and financial progress report	PEI	Annual
ATLAS/ROAR	UNDP	Quarterly

National counterparts should submit to UNDP Country Office standard project document reports, as outlined in the Letter of Agreement signed between UNDP and the Government:

Reporting responsibilities of National counterparts

Report type	Required by	Frequency
Narrative progress report	UNDP	Half-yearly
Cumulative financial report	UNDP	Quarterly
Audited or certified statement of accounts	UNDP	Annual
Non-expendable equipment	UNDP	Annual
Final report	UNDP	End of project

Appendices

Appendix A – Evaluation Terms of Reference

Appendix B – Evaluation Inception Report

Appendix C – Case Study Reports

- Latin America and the Caribbean Regional Case Study Report
- Kyrgyzstan Case Study Report
- Lao PDR Case Study Report