

Final Programme Evaluation of Joint
UNDP – UN Environment Poverty
Environment Initiative (PEI) – 2013-2018

Final Report

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Annexes

Provided as a separate document

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EXECUTIVE SUMMARY

Background

1. The Poverty Environment Initiative (PEI) was a joint global programme between the United Nations Development Programme (UNDP) and United Nations Environment Programme (UNEP) - referred to in this report as UN Environment, that supported country-driven efforts to mainstream poverty-environment linkages into national, sectoral and sub-national development plans and budgets.

2. UNDP and UN Environment jointly commissioned this independent final evaluation of the **Poverty-Environment Initiative (PEI) 2013-2018 project** to assess the effectiveness, efficiency and sustainability of the PEI's interventions. The evaluation also aims to provide lessons that can inform the PEI's successor project - the Poverty Environment Action (PEA) 2018-2022¹, as well as initiatives by others to mainstream poverty and environment into policies, plans and budgets in support of the delivery of the Sustainable Development Goals (SDGs).

3. The intended **Global Programme Outcome** of PEI (2013-2018) was: *“Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals.”*

The three global **Outcomes** of the PEI 2013-2018 were:

- *P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied;*
- *Cross-sectoral budget and expenditure processes, and environment-economic accounting systems institutionalized;*
- *P-E approach and experience documented and shared to inform country, regional and global development programming by the UN and Member States.*

4. PEI 2013-2018 worked in 25 countries, across four regions (Africa, Asia, Europe and the Commonwealth of Independent States (ECIS), and Latin America and the Caribbean (LAC)) and at the global level.

5. The PEI as a joint UNDP and UN Environment programme operated through: (1) joint teams at the regional and global levels; (2) a single Managing Agent - UNDP; and, (3) a pooled fund (i.e. a single account). UNDP as the Managing Agent was accountable for the technical and operational aspects of the programme.

6. Donor contributions to PEI between 2013 and 2018 were US\$ 40 million. In addition, UNDP and UN Environment contributed US\$ 20 million in total (i.e. US\$ 2 million per year per agency). The total budget for PEI 2013-2018 was therefore US\$ 60 million. PEI 2013-2018 was funded by the Governments of Germany, Norway, Spain, Sweden, the United Kingdom and the European Union. In addition, Switzerland contributed around US\$ 4 million for Lao PDR at the country level.

7. This evaluation is based on an extensive review of project documents and interviews with 84 people. The interviews captured the views of the project teams at the global, regional and country level, senior management at UNDP and UN Environment, Governments in PEI countries, donors and partners. The confidentiality of interview discussions has been

¹ Poverty-Environment Action (PEA) (2018–2022), will build on the work of PEI 2013-2018. Its focus is to align finance and investment with poverty, environment and climate objectives to accelerate Sustainable Development Goal implementation.

respected, different points of view have been recorded and the evidence triangulated by the evaluator.

Overview of achievements

8. Based on the evaluation evidence PEI is a well lauded programme, which has achieved groundbreaking work with a relatively small budget. It has developed specialized know-how, a comprehensive Poverty-Environment mainstreaming tool kit and a number of strong case studies which can inspire others. The demand for PEI's services remains strong, especially given the recognized support PEI can offer on SDG implementation. PEI UNDP-UN Environment collaboration is seen as a leading example of joint working at the forefront of the UN reform process towards a One UN.

9. The project² had considerable success at the country level, and is held in high esteem in several countries. The PEI has strategically worked to break down the marginalization of the environment. It has done this by not solely working with stand-alone and generally less well-resourced environment departments, but by convincing more influential Government departments such as the Ministry of Finance / Planning of the importance of Poverty-Environment (P-E) mainstreaming. The PEI has built strong relationship with Ministries of Planning / Finance in the countries in which it works – something that many other environmental initiatives have been unable to do. It has achieved this by putting in place strong technical advisors, who have been able to build trust through their long-term presence and clear understanding of Government priorities, and through the development of tools that can help these Ministries reach their objectives. Engagement with these ministries greatly facilitates the mainstreaming of P-E into plans and budgets and is resulting in higher country level investments in and budget allocations for poverty-environment objectives and climate change adaptation (evaluation interviews, PEI Annual Report, 2013, 2014).

10. The project's achievements in countries reflects the maturity of the services provided by PEI, which have evolved over 13 years. The project saw the deepening of PEI's efforts in mainstreaming into sectors and budgets (e.g. the development of Public Environmental Expenditure Reviews in a number of countries) and increased activity at the subnational level. More attention was placed on the political economic aspects of poverty-environment mainstreaming, including equity and the social inclusion of marginalized groups (especially women). The project facilitated Government's efforts to localize the SDGs, a role highly valued by countries. In a discreet number of cases it is possible to link PEI's policy work, often initiated in the previous stage of PEI, through to improvements in the lives of the poor.

11. PEI's impact on institutions, policies and investments derives from a diverse range of interventions including: capacity building for decision makers in sustainability and climate change adaptation; economic research and analysis; tracking public spending on climate change; and improving enforcement of environmental regulations. PEI's extensive toolkit is an asset for the whole development community. However, there is the view that the tools are not widely enough understood and used.

Ratings against evaluation criteria

12. Table A provides a summary of the ratings of the project against the evaluation criteria. Overall the project is evaluated as **Satisfactory**. The evaluation findings can appear somewhat inconsistent, as while virtually all the project's targets were reached, the project is rated as (Moderately) Unsatisfactory in terms of management (implementation and financial). The project faced prolonged management difficulties, which severely affected morale and efficiency and it is probable that the project's achievements could have been even better were

² The PEI Phase 2013-2018 evaluated in this report is referred to as 'the project.'

it not for the extended period of operational challenges which blighted the efficient running of the project. These management issues need to be addressed so that PEA can regain the momentum and make the optimal use of its available resources. The successful delivery at the country level (against which the majority of the targets depend) under the project occurred despite the management difficulties, but it cannot be assumed that this will be the case for PEA.

Table A: PEI 2013-2018 Overall Rating Table

Criterion	Summary Assessment	Rating ¹
A. Strategic relevance	The project is closely aligned with the global development agenda, country and donor priorities and the One UN approach.	Highly Satisfactory
B. Effectiveness: Attainment of project outputs, outcomes and results		Highly Satisfactory
Achievement of direct outputs and outcomes	The outputs and outcomes were achieved at the global, regional and country level, with the exception of a just missed target related to the development of government led cross sector coordination mechanisms globally and the introduction of budget and expenditure processes in a couple of the regions. In many cases the targets were exceeded.	Highly Satisfactory
Likelihood of impact	The project sustained the momentum in P-E mainstreaming with considerable success at the country level. In addition, examples of poverty reduction related to the P-E related policy changes / initiatives are evident. However, understanding the livelihood of impact is complicated by the fact that the project did not engage in impact assessment and the intermediate states and the drivers and assumptions associated with the various stages of the mainstreaming process are not clearly set out. Furthermore, the examples of impact are typically small scale and need to be funded / up scaled by others.	Likely ²
Achievement of project goal and planned objectives	The project can be seen to have evolved from the previous phase moving into more complex areas of mainstreaming including gender equality, sub-national and sector analysis, and climate change. The project has had a strong focus on SDG delivery.	Highly Satisfactory
C. Sustainability	The follow on project PEA provides a level of sustainability to PEI's work. However, given the scale of the tasks remaining catalyzing other sources of funding and technical support is critical to sustainability at the country level. Capacity gaps are also a key risk to sustainability.	Moderately Likely ³
D. Catalytic Role and Replication	There is evidence of replication both within countries and across regions, and scope to enhance south-south learning as a means of catalyzing further uptake of PEI tools and approaches. The project had some success in promoting the adoption of poverty-environment objectives, tools and approaches across the United Nations system and within bilateral and multilateral partner agencies, but the widely held view is that this integration could have been more extensive / comprehensive.	Moderately Satisfactory
E. Efficiency	The collaboration between the agencies has resulted in efficiencies, but financial disbursement issues and management challenges have resulted in delays and inefficiencies.	Moderately Satisfactory

F. Factors affecting project performance / efficiency		
Preparation and Readiness (Project design)	The project document builds on the work of the PEI Scale up Phase (2008-2012). More attention could have been paid to the Theory of Change (TOC) and the Results Framework to assist project management and reporting.	Satisfactory
Project implementation and management	There has been a range of management challenges at the global level, which have affected morale and delivery of the programme.	Unsatisfactory
Partnerships	Some notable partnerships were developed (e.g. with UN Women) and remain key to the sustainability of PEI.	Satisfactory
Stakeholder participation and awareness	The project stepped up its engagement with communities, civil society and parliamentarians and Government at the sub-national level. There was limited direct engagement with the private sector.	Satisfactory
Country ownership	Country ownership has been a key determining factor in the success of the project at the country level. The majority of countries demonstrate high ownership reflected through champions of PEI within national Government, cash and in kind support and the uptake of tools and approaches.	Satisfactory
Financial planning and management	Delays in cash disbursement caused difficulties and frustration at the regional and country level. In many cases implementation was delayed and work plans had to be revised.	Moderately Unsatisfactory
Supervision and technical backstopping	Senior management involvement is a strength but the response to the challenges facing the project was slow. Technical support at the global level has been weak, and has varied at the regional level. It was rated very highly in Africa, but lacking in Asia.	Moderately Satisfactory
Monitoring and Evaluation	Considerable effort was placed on improving the Results Framework as presented in the project document. The Results Framework consequently set quite manageable targets for the project, many of which were quantitative and thereby on their own provided little insight into their impact. Impact monitoring was a challenge and could have benefited from a clearer and more comprehensive presentation of the TOC.	Satisfactory
Reporting and Communications	Since 2014 Annual Reports have been considered by donors to reflect best practice. Internal communication has not always been consistent, timely and clear.	Satisfactory
Overall project rating		Satisfactory

Notes: 1/ six-point rating scale: Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), Highly Unsatisfactory (HU); 2/ six-point rating scale – Highly Likely, Likely, Moderately Likely, Moderately Unlikely, Unlikely, Highly Unlikely; 3/ four-point rating scale: Likely (negligible risks to sustainability); Moderately Likely (moderate risks); Moderately Unlikely (significant risks); Unlikely (severe risks).

13. **Strategic Relevance is rated as Highly Satisfactory.** A strongly held view is that the PEI embodies a proven model for helping countries implement the SDGs. It has also been the only development programme providing dedicated support for poverty-environment mainstreaming needed to deliver country-level results. Country ownership is on the whole high as participating governments have tailored the programme to meet their specific priorities, making it highly relevant to them. All countries recognize the role PEI can play in SDG delivery. The project was relevant to the mandate and strategy of the UNDP, UN Environment and to other UN agencies and partners including donors.

14. **Effectiveness is rated as Highly Satisfactory.** The project Outcomes and Outputs have been attained (Table B). It should be noted that Outcomes 1 and 2 and their associated Outputs relate to achievements at the country level. Outcome 3 and its associated Outputs relate to a mix of global, regional and county level achievements. For example, work on the United Nations Development Assistance Frameworks (UNDAFs), was undertaken at the country level with support of the regional teams. It is also fair to say that the project benefitted from the work and momentum of the Scale-up Phase, deepening P-E mainstreaming in many countries.

Table B: Summary of Progress Towards Results Matrix – Achievement of Outcomes and Outputs, as of December 2018

Results Code:	Achievement exceeded	Achieved	Partially achieved
Project Outcomes / Outputs	Indicator		Result
Outcome 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied.	Indicator 1: Level of application of poverty-environment approaches and tools for integrated development policies, plans and coordination mechanisms Target: By 2017, 3 countries move up one level from previous year; By 2016, at least 2 countries move up one level from 2015 baseline		
Outcome 2: Cross sectoral budget and expenditure processes, and environmental economic accounting systems institutionalized	Indicator 2: Increased public sector financial expenditure for poverty-environment results Target: at least 4 countries report increased expenditure		
Outcome 3: P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and member states	Indicator 2: Level of integration of pro-poor environmental mainstreaming approach and tools in UN (UNDP, UN Environment) and partner strategies and programmes at country, regional and global levels Target: Level 3 largely attained, with evidence of progress towards level 4		
Output 1 indicators	Indicator 1.1: Number of national and subnational policies and development plans that integrate P-E objectives and indicators in target countries Target: 4,484 policies and plans integrate poverty-environment objectives in target countries		
	Indicator 1.2: Number of key sectoral policies and plans that integrate P-E objectives. Target: 91 sector policies/plans integrate poverty-environment objectives in target countries		
	Indicator 1.3: Number of monitoring and evaluation frameworks that integrate poverty-environmental that integrate P-E indicators in national and sub- national M&E systems. Target: 34 systems integrate poverty- environment indicators in target countries		
	Indicator 1.4: Level of functional Government-led cross-sector coordination mechanisms in target countries Target: By 2017, at least 5 countries move up one level; By 2016 at least 12 Poverty- Environment Initiative countries largely achieve level 3 or above		
Output 2 indicators	Output Indicator 2.1: Number of national budgeting and expenditure processes that integrate poverty-environment objectives in target countries Target: 80 budgeting and expenditure frameworks in 14 countries		
	Output Indicator 2.2: Number of countries introducing “beyond gross domestic product (GDP)’ measurements Target: at least 3 PEI countries have introduced ‘beyond GDP’ measurements		
	Output Indicator 2.3: Number of (sub) national guidelines and tools to manage private sector investment decisions that integrate poverty- environment objectives Target: at least 17 guidelines and tools to manage private sector investment decisions in 3 countries		

Project Outcomes / Outputs	Indicator	Result
Output 3 indicators	Output Indicator 3.1: Number of UNDAFs and Country Programme Documents (CPDs) that are poverty-environment mainstreamed Target: PEI contributes to the formulation of 47 UNDAFs and Country Programme Documents	
	Output Indicator 3.2: Number of UN strategic documents such as United Nations Development Group guidelines and post-2015 debate that reflect Poverty-Environment Initiative inputs Target: PEI inputs are reflected in 40 United Nations submissions on implementation of post-2015 development decisions	
	Output Indicator 3.3: Number of Poverty-Environment Initiative knowledge products shared with regional and global networks Target: 265 products are shared and feedback from users is positive	
	Output Indicator 3.4: Number of references to poverty-environment approaches and tools in UN and other development agency strategies/plans Target: By 2017, 265 references and citations are documented	

15. The project is designed to lead to the following Impacts: (i) Environmental sustainability secured to sustain economic and social benefits for men, women, and vulnerable groups; and, (ii) Poverty levels of men and women reduced as measured by multidimensional indices. Assessment of the likelihood of impact using a Review of Outcomes to Impacts (ROtI) approach is complicated by the fact that the project's Theory of Change (TOC) does not set out intermediate states. However, based on the information available the likelihood of impact is assessed as **Likely**. The project's intended Outcomes were delivered, and were designed to feed into a continuing process, with specific allocation of responsibilities in a number of countries after the project. If the intermediate state is taken as *implementation* of P-E mainstreaming policies through secure (government) funding and the successful piloting of initiatives that have demonstrated economic, social and environmental benefits then there are indications that the project's measures can progress towards the intended long term impact. There has been limited focus on the measurement of PEI's impact on environmental sustainability and poverty. However, in **Rwanda** Cost Benefit Analysis (CBA) demonstrated the social and economic viability of the project supported interventions and in **Tanzania** there is evidence that work at the district level related to investments in natural resources has had tangible impacts on poverty and the environment, albeit at a small pilot scale. There is also an extensive body of work supported by PEI which could lead to the desired impact, if implemented and upscaled, but the impacts on poverty alleviation and natural resources has not been measured.

16. The intended **Global Programme Outcome** of PEI (2013-2018) is: "Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals." This is considered to have been achieved. The project has supported SDGs delivery in many countries and contributed to inclusive development through its ambition to increase the integration of political economy aspects into its work, with a focus on gender.

17. **Sustainability** is rated as **Moderately Likely**. The sustainability of PEI is considered to be closely linked to the project's **Catalytic Role and Replication** – discussed below and rated as **Moderately Satisfactory**, and also to **Country Ownership**, which is rated as **Satisfactory** (see Table A).

18. The sustainability of PEI Outcomes depends on awareness at all levels of Government and among stakeholders, policy frameworks and legislation, processes, tools and systems for P-E mainstreaming and the capacity and knowledge to implement them. In some countries it is believed that the work will continue even without PEI support, for example in **Bhutan**, while

in other countries partners will continue the work of deepening and upscaling PEI's achievements, such as the Partnership for Action on Global Economy (PAGE) in **Kyrgyzstan**. A key factor contributing to the sustainability of PEI's work at the country level is the working relationships established with the Ministries of Planning / Finance. However, for most countries on going assistance is considered to be needed to fully institutionalise P-E mainstreaming, especially in Africa. Exit and Sustainability strategies were developed for PEI countries in 2015, with all countries concluding that a 'hard PEI-Exit' without any continuing technical assistance would endanger sustainability. Sustainability will depend on the capacity, financing and on-going political will of countries to support P-E mainstreaming.

19. The financial sustainability of the project is supported through the successor project PEA. PEI has also achieved an increase in public financing in a number of countries supported by the mainstreaming of P-E criteria into national budget processes. However, additional funding, from others, is needed to institutionalize P-E mainstreaming and to leverage PEI tools and approaches to new levels, and at a faster rate.

20. PEI has built capacity at the individual, institutional, and system level, however, further interventions are considered necessary to ensure capacity is strong enough to independently steer and implement integrated planning. Capacity gaps are especially pronounced at the subnational level and in Africa. It is beyond PEI/PEA to finance capacity building at the subnational level beyond pilot districts and across all the necessary sectors and therefore support from partners is required.

21. **Catalytic Role Replication** is rated as **Moderately Likely**. The success and sustainability of PEI was to a large extent dependent on its ability to leverage its work. PEI as a relatively small project was designed to catalyze technical and financial support from a broad range of stakeholders. The evaluation looked at six inter-related ways the project could achieve this namely – mainstreaming PEI thinking and approaches into the UN, developing partnerships to augment and or take forward PEI initiatives, promoting South-South cooperation to spread viable alternatives across similarly matched countries, knowledge management to ensure the best information is reaching and influencing people at all levels, resource mobilization and replication. While the project had some success in all these areas it was generally felt that the many avenues for leveraging PEI's work were underexploited.

22. **Efficiency** is rated as **Moderately Satisfactory**. Many consider PEI's outputs to be considerable when measured against the financing it receives. PEI is seen as an example of inter-agency collaboration reducing duplications at the country level and leading on the Delivering As One agenda. PEI is seen by donors to offer value for money as it has the potential to influence policy choices and budget decisions for poverty and environmental benefits through an established international network and by pooling donor funds (DFID, 2016). At the country level a number of efficiencies were realized through cost sharing arrangements with key partners, such as UN Women in Africa and PAGE in **Kyrgyzstan**. However, a number of factors adversely affected project performance and its efficiency, largely at the global level – namely management aspects and supervision and technical backstopping, which have been rated as **Unsatisfactory** and **Moderately Satisfactory** respectively. Other criteria that have an influence on project performance (i.e. project design, partnerships, stakeholder participation and awareness, country ownership, monitoring and evaluation and reporting and communications, are rated as **Satisfactory**).

23. **Management challenges**. PEI 2013-2018 faced a period of management changes (from 2015 to mid 2018), which affected efficiency, caused division and adversely affected morale particularly among the global team (i.e. the Poverty Environment Facility (PEF)) and the Africa regional team who are co-located in Nairobi. The main changes were: (i) Changes to PEI rules and procedures to better align with UNDP procedures and new requirements on

EU PAGODA funding; (ii) Staff changes and losses within the global and regional teams; and, (iii) the uncertainty associated with the transition to PEA.

24. In late 2015 a number of **operational changes** were introduced including: a more detailed Work Plan template; Exit and Sustainability templates; and, a new template for approving PEA. There are very different perspectives on these changes. One view is that they were *all* necessary to bring PEI in line with UNDP standard procedures and with PAGODA rules. The counter view held by some of the regional teams and some UNDP Country Offices (COs) is that *some* of the requirements introduced were not strictly necessary, excessive and complicated and caused delays and irritation at the country level. The operational changes introduced increased the administrative burden for countries. This is especially true for countries with small PEI budgets, where the restrictions at the country level on the use of funds and the administrative burden related to the new PEI procedures relative to budget is disproportionate. While there is limited scope to digress from corporate instructions issued by UNDP which apply to the implementation of all UNDP projects, some countries have expressed the view that they do not see how PEA can succeed under the current conditions on spending, which suggests that PEA should seek to be flexible where possible in support of country level activities.

25. **Slow Annual Work-Plans (AWP) / budget approvals and cash disbursements** were commonplace following the change in procedures. In many instances it took 2-3 months to approve work-plans, and many countries did not receive money until June (half way through the financial year). Often UN TRAC money was used to keep PEI operations moving, with the money being reversed mid-year when PEI funds materialised, creating extra work in Country Offices. Some COs have formally stated that they faced major implementation challenges as a result of the repeated late cash disbursements, late budget revisions and approvals and the need for repeated reversals causing stress and delays and affecting implementation. The delays have affected Country Offices and relations with Governments.

26. A lack of consultation, transparency and teamwork within the PEF and regional teams was also cited. A lot of staff have left because of uncertainty over contract extensions and / or because they are unhappy with the management. The generally high staff turnover substantially weakens the institutional memory of the PEI and its inputs into PEA and in Africa there are now concerns about the capacity to deliver PEA.

27. Leadership concerns were raised by a range of consultees, including donors. Leadership has reportedly been weak with a lack strategic direction, limited technical support and an inability to quickly resolve management differences in the spirit of joint working. Strategic leadership was also lacking in the development of the project document for PEA and knowledge management and communications.

Lessons

28. PEI has accrued a wealth of lessons through its 13 years of implementation that can inform the mainstreaming work of others and the strengthening of the UNDP-UN Environment joint-work modality. Nine key lessons are:

- **PEI as a small project needed to be strategic and catalytic.** PEI with its small budget could not do everything, therefore PEI needed to be clear on the most strategic entry points, and catalyze support from strategic partners to ensure its sustainability. However, the identification of synergies with on-going and planned activities across different sectors at the local, national, regional and global levels can be time consuming and needs to be assigned to capable people and resourced.
- **P-E mainstreaming requires long term support.** P-E mainstreaming is complex and becomes more demanding as progress is made along its key stages, which can be broadly characterized as integrating P-E objectives: (i) into a national development plan; (ii) into a range of sector plans, policies and strategies, while concurrently engaging in influencing

national the sector budget and monitoring processes; and, (iii) at the sub-national level. It is a long-term process of institutional change across Government and of capacity building. Sustainable shifts in the approach of country governments therefore requires long term funding, as was provided by PEI's 10 years of operation.

- **Integrated approaches should target existing processes rather than creating parallel systems.** The most effective way to promote integrated approaches will usually be by targeting existing planning, budgeting and institutional coordination mechanisms and tools and enabling them to better respond to the three dimensions of sustainable development.
- **Without finance, plans cannot be implemented.** Working with the Ministry of Finance and tracking expenditures are both key to increasing budget allocations to P-E. The financial challenge is more acute at the sub-national level, where the links between planning and budgets are weak and there is limited capacity / understanding of P-E mainstreaming. It is therefore important to support Governments to ensure that the delegation of powers to the sub-national level is accompanied by relevant budgets - including target transfers from national to local budgets (AR, 2017).
- **The inclusion of P-E objectives in national development plans does not automatically lead to their integration in sector and sub-national plans.** If the national poverty-environment objective is not transformed into concrete actions through sector and district plans, change is not realized. Engaging in a small number of pilot districts and sectors and seeking to integrate P-E objectives more broadly through the inclusion of P-E elements in central Government guidelines to all districts, provinces and sectors has proved to be the most realistic option for achieving this in Africa, given PEI's resources.
- **Influencing policy is very much relationship based.** A small contribution can have a big impact if good relations with the Government are built. Effective technical assistance support requires patience, perseverance and presence. A long term presence allows a technical advisor to be perceived more as part of the Government team, rather than an outsider, and better able to understand the sensitivities around policy changes and how systems operate. Understanding the political economy, including vested interests, is key to progress.
- **Pilots can be powerful tools for shifting policy.** Buy-in at national Government level is important and pilots can be used to test ideas and build a business case which can be used to influence policy. For example, in **Tanzania**, PEI pilots on fish farms led to their inclusion in its Fisheries policy.
- **Capacity gaps are substantial** in the Least Developed (LDCs) and Lower Middle Income Countries (LMICs) especially at the local level, and on-going training and capacity building is required to ensure skills and expertise are broad and deep enough to sustain P-E mainstreaming.
- **Data gaps are a key challenge** and efforts are needed to build up data needed for policy design and monitoring purposes, especially environmental data.

Recommendations

29. The recommendations are broadly categorized under – management, leveraging of PEI / PEA and developing sustainable pathways, and implementation of the SDGs³. These three areas are key for the successful delivery of PEA, although the recommendations on management are considered to be the priority.

Management recommendations

30. **Strengthened strategic leadership at senior management level.** Leadership and a clear strategic vision is critical going forward given the recent management difficulties and the need to start PEA on a secure footing. The success of PEA depends on the high level political commitment from both organisations. This requires greater participation of senior

³ Please refer to the main report for the full list of recommendations and further details.

management⁴, especially in the start up phase of PEA, to ensure that they fully understand the remaining management issues and action changes to best position PEA to flourish, build morale and set the strategic direction.

31. Ensure that the management structure of PEA, and staff hired for each post under PEA, are compatible with its efficient and effective delivery. It is recommended that senior management urgently review and address management challenges at the global level and ensure that the PEA structure and associated team members are best suited to deliver PEA. The main arguments against the PEA structure are: the programme is too top heavy, centralised and not cost-effective, it is understaffed to deliver the work in the countries and enhanced technical support is needed. The review should bear in mind that cohesion among global team members, especially between the Co-Directors (referred to as Co-Managers under PEA) which was problematic under the project and counter-productive to the smooth running of the programme, is critical for efficient and effective delivery of PEA. The cost-effectiveness of the PEA structure should also be considered and whether there is the right balance and combination of junior and senior members and country level support.

32. Financial Management. PEA needs to ensure that it does not suffer the same disbursement issues as the project. PEA should ensure that it adopts the most streamlined and cost-effective financial management structure as possible. If in any case the restrictions and project requirements are not donor or UNDP requirements, they should not be applied unless there are compelling reasons to do so and the UNDP Country Offices are consulted and agree to them in advance of their adoption. Maintaining strong relationships with the Country Offices is key given the core role country activities play in the programme and the significance of CO TRAC funding. In any event the project should consider whether the administrative burden is proportionate given the level of funding and the significance of this funding within the context of UNDP country programs, and if anything can be done to reduce this burden to alleviate frustration at the country level and operate more smoothly and cost-effectively. Countries should be empowered with delegated authority that is consistent with the Delegated Authority that applied to **Tanzania** and **Mozambique** under PEI

33. Results based management / Monitoring and Evaluation (M&E) needs to be strengthened to provide a clearer picture of how the project contributes to the impact it is designed to reach, and what aspects need particular attention to ensure the project is on track. By and large PEI did not engage in impact evaluation and this needs to be given more emphasis under PEA. The **Theory of Change** at the global and country level should include information on the drivers and assumptions associated with each output and outcome and any intermediate states envisaged linking Outcomes and the project's desired impact. The TOC should provide a clear picture of the obstacles that need to be overcome to progress. **Independent Mid-term Reviews managed by the UNDP and UN Environment evaluation offices** are recommended to ensure a candid and comprehensive review of the project at the important mid-term stage.

Recommendations on leveraging PEI/PEA and developing sustainable pathways

34. More emphasis on resource mobilisation. The Resource Mobilization strategy for PEA needs to be completed and to include both regional and in-country mobilization efforts to assist with the up-scaling of pilot activities or co-financing, as well as options for diversifying funding beyond the current PEI DSG members at the global level.

35. Involvement of the private sector is crucial going forward. Work with the private sector is a core focus for PEA and important for generating new and additional finance. To date PEI has largely been working with Governments to strengthen the quality of investments

⁴ Senior management refers to Director level / most senior UNDP and UN Environment representative on the Management Board.

and to institute safeguards (albeit in a small number of countries), and this will remain the focus of PEA. Strategic investments need to be identified that benefit Government, communities and private sector.

36. Links to other programmes and partnerships to be actively promoted and strengthened. PEA needs to actively promote the uptake of its tools and approaches through increased efforts to engage with other UN agencies, non-UN projects / programmes and partners with compatible objectives and donors. This needs to happen at the country level through in-country teams, and regionally across both PEA and non-PEA countries through regionally based PEA staff. It is recommended that a more systematic approach be adopted to achieve this which could include – a review of on-going/planned projects at country / regional, level, the identification of opportunities for joint working, efforts to influence proposals upfront, regular meetings to brainstorm on opportunities, and training at country level on how P-E mainstreaming may be integrated into programmes / projects.

37. PEI / PEA needs to be better integrated with other UN programmes and projects so that PEI / PEA thinking can be replicated into other areas of work and attract new funding. Anchoring the new programme in the UN agencies' agendas at the highest level requires the commitment of PEA Management and the PEA Board to champion and push the work and identify new opportunities.

38. It is recommended to *deepen* the engagement with other on-going initiatives with similar mandates as PEA (e.g. PAGE, BIOFIN, UNFI, UN-REDD) with the objective of increasing the effectiveness and efficiency of services offered to countries, and to avoid duplication. PEI should take a pro-active role in identifying synergies with these programmes along with opportunities for developing a joint package of services / joint programming, cost-sharing and joint missions.

39. Strengthen stakeholder engagement. It is recommended that PEA continue to expand the participation of civil society given their key role in advocacy and the importance of promoting transparency in environmental governance.

40. Knowledge management will be very important under PEA and more emphasis needs to be placed on it than in the project to both increase the visibility of PEA and package knowledge products in a way that can be easily accessed and used. PEA should set out a knowledge management strategy, which accounts for resource constraints and specifies the number and nature of priority knowledge products to be developed over the course of the project, and an efficient approach to their generation and dissemination. The knowledge management strategy should also specify how the knowledge and tools generated under PEI, will be disseminated through a well designed knowledge platform, south south cooperation and other means. Tools and methodologies need to be disseminated in a more targeted way. For example, portfolios for analysis, learning and experience exchange could be developed around key areas of interest to countries, such as Expenditure and Budget reviews.

41. Develop South South cooperation. It is recommended that such exchanges are structured and strategic. They could be based on a topic of interest to a region and engage regional consultants to deliver training or seminars in addition to the sharing of printed materials. Opportunities for civil servants from PEI/PEA countries to share their knowledge and experiences on PE mainstreaming with administrations in similar countries interested in applying the approaches and tools should also be identified and supported with technical assistance as required.

Recommendation related to the SDGs and other aspects

42. PEI has extensive experience in integrated policies and their implementation, but this needs to be highlighted much more at the UN corporate level if PEI/PEA is to establish itself

as a delivery platform / approach for the SDGs. This requires much stronger and strategic engagement with senior SDG actors within the UN system, which is contingent on UNDP and UN Environment senior management / PEA Board members lobbying for PEI / PEA. The PEI poverty-environment mainstreaming model should be better promoted as a model for SDG implementation support to countries, and better integrated into SDG support structures at the country level. While there has been some progress in integrating P-E into the UNDAFs, in general there is still much to do to ensure that the environment does not get left behind.

43. There is a need for a stronger focus on poverty at the strategic and implementation level. This needs to be resourced. More poverty assessments and distributional impact analysis of actions are needed to address P-E challenges.

44. **Capacity building** needs to be a component of PEA. Addressing the capacity gaps for vertical (national, regional, local) and horizontal (sectoral) planning and implementation of sustainable development plans/programmes is a fundamental issue, especially in the light of the SDGs localization and implementation. Targeted capacity building programmes for governmental staff at all levels remains critical in many countries.

ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
BBS	Bangladesh Bureau of Statistics
BIOFIN	Biodiversity Finance Initiative
CAREC	Central Asia Regional Economic Cooperation Program
CBA	Cost Benefit Analysis
CBD	Convention on Biological Diversity
CIFOR	Centre for International Forestry Research
CPD	Country Programme Documents
DANIDA	Danish International Development Agency
DaO	Delivering as One
DFID	Department for International Development, UK
DIM	Direct Implementation
DSG	Donor Steering Group
ECIS	Europe and the Commonwealth of Independent States
EIA	Environmental Impact Assessment
ENRDMT	Environment and Natural Resources Revenues and Expenditures Data Management Tool
ESPA	Ecosystem Services for Poverty Alleviation initiative
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FYDP	Five Year Development Plan
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GGKP	Green Growth Knowledge Platform
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GPC-RED	Global Policy Centre on Resilient Ecosystems and Desertification
IDEP	Institut Africain de Developpement Economique et de Planification
IFC	International Finance Corporation
IIED	The International Institute for Environment and Development
IISD	the International Institute for Sustainable Development
IPBES	Intergovernmental Science-Policy Platform on Biodiversity
IRR	internal rate of Return
IRRF	Integrated Results and Resources Framework
IVACC	Indice de Vulnerabilidad ante Choques Climaticos
JICA	Japan International Cooperation Agency
JMB	Joint PEI Management Board
LAC	Latin America and the Caribbean
LED	Local Economic Development – Tanzania
LMIC	Lower Middle Income Countries
LoCAL	Local Climate Change Adaptive Living Facilities
M&E	Monitoring and Evaluation
MA	Managing Agent
MAPS	Mainstreaming, Acceleration and Policy Support
MDG	Millennium Development Goals

MPI	Multi-dimensional Poverty Index
NAPD	National Academy for Planning and Development (Bangladesh)
NDP	National Development Plans
NIM	National Implementation
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights
OPHI	Oxford Poverty and Human Development Institute
P-E-C-G	Poverty-Environment-Climate–Gender
PAGE	Partnership for Action on Green Economy
PEA	Poverty-Environment Action
PEAF	Poverty-Environment Accounting Framework
PEER	Public Environmental Expenditure Reviews
PEF	Poverty Environment Facility
PEI	The Poverty Environment Initiative
PEN	Poverty-Environment Nexus
PWC	PricewaterhouseCoopers'
QCPR	UN Quadrennial Comprehensive Policy Review
RBM	Results Based Management
ROtI	Review of Outcomes to Impacts
RSCs	Regional Steering Committees
SD	Sustainable Development
SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SEA	Strategic Environment Assessment
SEEA	System of Environmental-Economic Accounting
SIDA	Swedish International Development Cooperation Agency
SOP	Standard Operating Procedures
SUNRED	Sustainable Management of Natural Resources for Resilient and Equitable Growth and Development - Mozambique
TA	Technical Assistance
TAG	Technical Advisory Group
TOC	Theory of Change
TOR	Terms of Reference
UNCDD	UN Conference to Combat Desertification
UNCDF	UN Capital Development Fund
UNDAF	United Nation Development Assistance Framework
UNDESA	UN Department of Economics and Social Affairs
UNDP	United Nations Development Programme
UNDP BPPS	UNDP Bureau for Policy and Programme Support
UNFCCC	UN Framework Convention on Climate Change
UNFI	UN Environment Finance Initiative
UNICEF	United Nations International Children's Emergency Fund
UNITAR	UN Institute for Training and Research
UNREDD	Reducing Emissions from Deforestation and Forest Degradation
WAVES	Wealth Accounting and the Valuation of Ecosystem Services
WCMC	World Conservation Monitoring Centre
WHO	World Health Organization
WRI	World Resource Institute

1 INTRODUCTION

1.1 Context

45. UNDP and UN Environment jointly commissioned an independent final evaluation of the Poverty-Environment Initiative (PEI) 2013-2018 project to assess the effectiveness, efficiency and sustainability of the PEI's interventions. The evaluation also aims to provide lessons that can inform the PEI's successor project - the Poverty Environment Action (PEA) 2018-2022, as well as initiatives by others (Governments and other partners) to mainstream poverty and environment into policies, plans and budgets in support of the delivery of the Sustainable Development Goals (SDGs).

46. The Terms of Reference (TOR) specified the following areas of focus for the evaluation:

- Assess the **relevance and appropriateness** of PEI 2013-2018 in achieving the project outputs and outcomes and their contribution to beneficiaries and UN/UNDP/UN Environment relevant goals.
- Evaluate the **effectiveness and efficiency** of the Project in terms of the design and implementation of activities to achieve outputs and outcomes, integration of cross cutting issues (including gender) and following up/applying lessons learned.
- Assess the **impact and sustainability of project interventions**, and the extent to which the approach and implementation of the project has contributed, or is likely to contribute, to sustainable natural resource management and poverty reduction through poverty-environment mainstreaming at country, regional and global levels.
- Review the **project design and management structures**, in terms of application of sound project management principles (including that of UNDP as the Managing Agent (MA) implementing the project) to achieve clear objectives and strategies, the use of monitoring and evaluation and data, and the appropriateness of PEI management arrangements.
- Assess **how recommendations from previous evaluations have been considered in the design** and implementation of PEI 2013-2018.
- Make clear and focused recommendations that may be required for enhancing the relevance, effectiveness, efficiency, impact and sustainability of UN poverty-environment mainstreaming activities and awareness.

1.2 Approach to Final Evaluation

47. The evaluation was carried out over a six month period by an independent evaluator contracted for 70 days over the evaluation period. It covers PEI work carried out between 2013-2018 at the country, regional and global level.

48. The evaluation included the following core activities:

- An **inception report** (October 2018) setting out the objectives of, and approach to, the evaluation.
- A **desk review** of documents including project progress reports, evaluations, technical reports, knowledge products, steering group meeting minutes and internal emails. Annex 1 provides an overview of documents reviewed.
- **Key informative interviews via skype** with donor partners, UNDP/UN Environment Senior Management, Project Staff and members of the Technical Advisory Group (TAG).
- **An evaluation mission.** Two PEI countries were visited as part of the evaluation - **Tanzania** and **Bangladesh**. The countries selected meet the following criteria: they will remain the focus of PEA; they were *not* evaluated during the PEI Scale-up Phase; and, they had not completed a country level PEI final evaluation for the 2013-2018

phase⁵. The country missions were combined with a mission to Nairobi to meet with the Poverty Environment Facility (PEF), PEI Africa team members and other UN staff with links to PEI and to Bangkok to talk to Asia Pacific PEI staff.

- A presentation of the interim findings of the evaluation to the Joint Management Board (JMB) and Donor Steering Group (DSG) in December 2018.
- A Draft Report delivered on the 8th of February 2019 was circulated for review to the Poverty-Environment Facility (PEF), the JMB, regional teams and country teams in **Bangladesh** and **Tanzania** (as the two countries visited as part of the evaluation). Comments were received by 28th February 2019.
- A Draft Final Report (8th March 2019) was circulated for review to the donors and partners, in addition to those who had reviewed the previous draft version.
- A presentation of the Draft Final Report at the PEA Global Retreat 18 March 2019.
- A Final Report (this report) incorporating comments on the Draft Final Report, April 2019

49. In total eighty four people were interviewed for the evaluation. The majority of the interviews (63% / 54 interviews) were on a one-to-one basis ensuring that the discussions were confidential and hence allowing interviewees to talk freely. The remaining interviews were conducted in groups of between 2 to 7 people. The group discussions took place during the country visits to **Bangladesh** and **Tanzania** and allowed more people, typically from the same Government Department or institution, to contribute to the evaluation in the time available. A list of stakeholders consulted, and whether this was on a one-to-one basis or through a group discussion, is provided in Annex 2.

50. The TOR sets out a framework for the evaluation (key criteria and questions) which aligns with the OECD DAC evaluation criteria (effectiveness, sustainability, relevance, efficiency and impact). The evaluation matrix developed for the Inception Report (presented in Annex 3) is adapted from the TOR and aligns with the assessment criteria used in this evaluation. The criteria are broadly compatible with those used for the evaluation of the PEI Scale Up Phase. It should be noted that many of the criteria are inter-linked and while the evaluation attempts a discreet analysis of each criterion, the connections between criteria have also been borne in mind.

1.3 Limitations

51. The evaluation was undertaken within a short timeframe with limited resources. As a result it was only possible to visit two PEI countries. Furthermore, due to time restrictions the key informant skype interviews needed to be rationalized as did the review of the extremely extensive body of project documents. Nonetheless, it is felt that the evaluation well reflects the project's achievements and the challenges it faced and that further interviews and document reviews would not alter the core findings and recommendations of the evaluation.

1.4 Layout of evaluation report

52. The rest of this evaluation report is set out as follows: Section 2 provides an overview of the PEI project 2013-2018 as context for the evaluation; Section 3 presents the evaluation findings related to the project's strategic relevance, effectiveness in attaining its outcomes and outputs, sustainability, catalytic role and replication, and efficiency; Section 4 assesses the main factors that have affected project performance, negatively or positively, including – project preparation, management, partnerships and stakeholder awareness and participation,

⁵ Country level evaluation reports are available for all current PEI LAC countries, i.e. Peru, Guatemala, and Paraguay. In Africa the following countries undertook a final evaluation – Malawi, Burkina Faso, Mauritania, Rwanda, Mali and Mozambique. Internal review reports are available for Indonesia and Mongolia. In ECIS, Kyrgyzstan was evaluated during the Scale-up Phase.

country ownership and driveness, financial planning and management, supervision and technical backstopping, monitoring and evaluation and reporting and communications; Section 5 concludes and provides an overview of lessons learnt and recommendations for other projects involved in poverty environment mainstreaming and joint agency working and importantly for the follow on project to PEI – Poverty Environment Action (PEA).

2 THE POVERTY ENVIRONMENT INITIATIVE (PEI)

2.1 Background

53. The Poverty Environment Initiative (PEI) is a joint Global Programme between the United Nations Development Programme (UNDP) and UN Environment, that supports country-driven efforts to mainstream poverty-environment linkages into national, sectoral and sub-national development plans and budgets.

54. The 2013-2018 project was launched in June 2013 at the Annual Session of the UNDP Executive Board. Its original completion date of December 2017, was extended to 30 September 2018 at the end of 2017, with three months for financial and operational closure until December 2018 (Project Revision 2, November 2017). The project duration is referred to as 2013-18 throughout this evaluation report. All country level interventions were closed as of 30 June 2018. The Europe and the Commonwealth of Independent States (ECIS) regional project closed at the end of August 2018, the other three regions closed at the end of September 2018.

55. The project 2013-2018 worked in 25 countries⁶, four regions (Africa, Asia, Europe and the Commonwealth of Independent States (ECIS), and Latin America and the Caribbean (LAC)) and at the global level.

56. P-E mainstreaming involves establishing the links between environment, natural resources (ENR) and poverty, and then identifying which policies, planning and budgeting processes can bring about better pro-poor environmental management to help achieve the Sustainable Development Goals (SDGs). The PEI is an important example of UN agency collaboration that has provided and refined a more integrated, programmatic approach to P-E mainstreaming to support countries. The focus of PEI work is on capacity development to 'operationalize' P-E mainstreaming in development policy frameworks and their implementation.

57. The PEI started in 2005 and thus operated for 13 years. The PEI evolved through a number of phases starting with its Africa Pilot phase 2005-2007 as illustrated in Table 1. Each phase has built on the previous consolidating the successes achieved, pushing into more difficult P-E mainstreaming areas and honing approaches based on lessons learned. The PEI approach acknowledges that a sustained engagement over time is needed to realize economic, social and environmental gains. Looking forward, PEI is to continue to help developing countries localize the Sustainable Development Goals through a new four-year joint programme - Poverty-Environment Action (PEA) (2018–2022), which will build on the work of the current phase (2013-2018). The focus of Poverty-Environment Action is to align finance and investment with poverty, environment and climate objectives to accelerate the implementation of the Sustainable Development Goals.

⁶ PEI countries 2013-2018: Armenia, Bangladesh, Bhutan, Botswana, Burkina Faso, the Dominican Republic, Guatemala, Indonesia, Kenya, Kyrgyzstan, Lao PDR, Malawi, Mali, Mauritania, Mozambique, Mongolia, Myanmar, Nepal, Peru, the Philippines, Rwanda, Tajikistan, Tanzania, Thailand and Uruguay.

Table 1: Overview of PEI Phases and PEA

Phase	Key features
AFRICA PILOT 2005-2007 ¹	<ul style="list-style-type: none"> • UNDP and UN Environment pilot a joint approach • Ministries of Environment lead • Environmental assessments and first attempts at economic assessments • Focus on national level planning and poverty reduction strategies
SCALE UP 2008-2012 (First Phase)	<ul style="list-style-type: none"> • Application of lessons from Africa Pilot to a range of regional and country contexts • Focus on 'making the case' and the provision of tools to do this • P-E mainstreaming at policy and planning level • Ministries of Planning and Finance lead • Increasing focus on subnational level • Stronger on environmental issues • Building blocks for Green Economy and climate finance
PEI 2013-2018 (Second Phase)	<ul style="list-style-type: none"> • Focus on implementation: demonstration and communication of tangible outcomes and positive pro- poor impacts • Ministries of Planning and Finance and Local Government lead • Promotion of economic evidence and Public Environmental Expenditure Reviews (PEERs) for increased investment in the implementation of poverty-environment objectives • Greater attention to political economy: governance, equity, gender mainstreaming, inclusive green growth, job creation, social protection, rights-based approach • Stronger linkages to green economy, climate change, and forms of measurement that go beyond Gross Domestic Product (GDP) by taking into account natural wealth. • Emphasis on cross sector coordination • Improved monitoring and evaluation • Sustainability: regionalization and partnerships • Institutionalization of PEI approach and integration into global institutions, debates and policies
PEA 2018-2022	<ul style="list-style-type: none"> • Focus on aligning finance (including from the private sector) and investment with poverty, environment and climate objectives to accelerate SDG implementation • Emphasis on partnerships and South-South knowledge transfer and cooperation as a means of widening the application of PE mainstreaming

Sources: adapted from PEI Programme Document 2013-2017, and PEI Annual report 2017

Note: The PEI Africa pilot funded projects continued until 2011 and there was thus an overlap with the Scale-up Phase. Donors disbursed funds to the original PEI Africa pilots until 2010. The Scale-up Phase funds were added to existing resources, with new phases in existing PEI Africa countries approved and new countries added – **Burkina Faso, Botswana** and **Malawi**.

58. The **PEI Scale-up Phase 2008-2012** demonstrated economic, social and environmental results from integrating poverty and environmental linkages in development policy, planning and budget processes. The main conclusions of the independent evaluation of the Poverty-Environment Initiative Scale-up Phase were:

- 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; Poverty-Environment Nexus (PEN) mainstreaming is relevant to all four regions.
- There is unmet global demand for PEN mainstreaming support.
- The UNDP and UN Environment 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 the Poverty-Environment Initiative.

- Country-level outcomes are being achieved and the conditions for sustainability and impact are falling into place as programme implementation progresses.

59. The main recommendation of the independent Final Evaluation of the Poverty-Environment Initiative Scale-up Phase 2008–2013 completed in 2016 was to “expand the Poverty-Environment Initiative geographically and thematically and upgrade the programme as a main but not exclusive UNDP–UN Environment delivery mechanism of capacity development support and technical assistance to help countries meet the SDGs with a focus on inclusive, equitable, pro-poor, climate-proofed sustainable development, building on the Poverty-Environment Initiative’s PEN (poverty-environment nexus) mainstreaming agenda and modus operandi.”

60. The PEI lessons learned from the Scale-up Phase were incorporated into the PEI strategy for the 2013 – 2018 second phase which was based on an enhanced Theory of Change (TOC). The 2013-2018 PEI project was designed to strengthen and consolidate the PEI partnership and effectively meet the increasing demand. It featured deeper engagement in the 21 existing PEI countries (Armenia, Bangladesh, Bhutan, Botswana, Burkina Faso, the Dominican Republic, Guatemala, Kenya, Kyrgyzstan, Lao PDR, Malawi, Mali, Mauritania, Mozambique, Nepal, the Philippines, Rwanda, Tajikistan, Tanzania, Thailand and Uruguay) together with the implementation of new poverty-environment mainstreaming projects in Indonesia, Mongolia, Myanmar and Peru, all of which were developed in 2013. Activities in these 25 countries were to reflect a **strengthened focus on the implementation** of sustainable development outcomes on the ground, **gender mainstreaming, social equity, improved monitoring and evaluation**, and the **application of economic evidence** for policy and investment decision-making. The 2013-2018 phase was designed to feature ever stronger linkages to assist countries in managing their transition to a greener economy (PEI Annual Report, 2013). Capacity building and South-South exchange remained an integral part of the PEI strategy.

61. Most countries ended their programme cycles under the PEI Scale-up Phase (2008–2013) and developed programme documents for 2013–2018 to ensure a smooth transition between phases. Following its adoption of the Joint Programme Document for PEI 2013–2018, PEI engaged in lesson learning and participatory stakeholder planning at the country, regional and global levels to ensure that countries built upon past achievements. Regional implementation strategies were developed for the first time.

62. The project was also designed to integrate poverty- environment objectives into the core work of UNDP and UN Environment at the global, regional and country levels to move poverty-environment issues forward within the two organizations. This transformational change was to be sustained through **wider stakeholder involvement** and enhanced awareness of the benefits of poverty-environment mainstreaming throughout government, national research institutions, the UN family and civil society.

63. Within the project timeframe a number of landmark international agreements came into force, namely: the Sendai Framework for Disaster Risk Reduction 2015–2030, the Addis Ababa Action Agenda for financing for development, the 2030 Agenda for Sustainable Development and the COP 21 Paris Agreement under the UN Framework Convention on Climate Change (UNFCCC). The synergies embodied in these agreements indicate that countries will not be able to deliver sustainable development without an integrated approach that seeks to tack climate change and environment challenges together with poverty eradication. The PEI from its outset has promoted an integrated approach and sees itself as ‘an originator of the integrated approach needed to transition to sustainable development’ (PEI Annual Report, 2017). As such PEI has over the project worked to position itself to facilitate government efforts to transition to sustainable development and localize delivery of the SDGs.

2.2 PEI 2013 – 2018 objectives and components

64. The intended **Global Programme Outcome** of PEI (2013-2018) was:

*“Enhanced **implementation** of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals.”*

65. To achieve this Outcome, the project focused on three key areas:

- **Strengthening outcomes from current country portfolio:** The PEI countries were largely reaching between 2-6 years of PEI support at the beginning of the project. The project was to build on these efforts recognizing that effective P-E mainstreaming requires a concerted programme of support over a 10 to 20-year horizon.
- **Deepening engagement on regional implementation strategies:** The joint UNDP-UN Environment PEI regional teams were to support PEI country implementation and the application of PEI lessons and approaches in the work of UNDP and UN Environment. They were also to play an important role in leveraging funds to support country programmes through linkages with UNDP Country Office (CO) programmes.
- **Informing the global sustainable development debate:** PEI was to continue to analyze achievements and lessons learned to build on Poverty-Environment-Nexus knowledge and to prepare products to influence regional and global development agendas in support of sustainable development.

66. The three global **outcomes** of the PEI 2013-2018 were:

- *P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied;*
- *Cross-sectoral budget and expenditure processes, and environment-economic accounting systems institutionalized;*
- *P-E approach and experience documented and shared to inform country, regional and global development programming by the UN and Member States.*

2.3 Implementation Arrangements

67. The PEI was a joint UNDP and UN Environment programme operating through: (1) joint teams at the regional and global levels; (2) a single Managing Agent - UNDP; and, (3) a pooled fund (i.e. a single account). UNDP as the **Managing Agent** was accountable for the technical and operational aspects of the programme. Project implementation was based on UNDP standard corporate rules and regulations as instructed by UNDP New York / Brussels.

68. The PEI organizational structure consisted of: a global programme (comprised of the Poverty Environment Facility (PEF), a joint institutional board, a Technical Advisory Group (TAG) and Donor Steering Group (DSG)), 4 regional programmes and country programmes.

69. The **Poverty-Environment Facility (PEF)**, based in Nairobi, provided the overall programme, operations and financial management coordination. The PEF was answerable to and under the instruction of the **Joint PEI Management Board (JMB)**, composed of senior UNDP and UN Environment staff members. The PEF and the JMB were supported by the **Technical Advisory Group (TAG)**. The PEF and the JMB were accountable and received strategic feedback from the **Donor Steering Group (DSG)**, which was composed of all contributing partners to the PEI.

70. The country programmes were implemented by joint government-UN PEI country teams (CT), with support from and in coordination with joint UNDP/UN Environment regional teams (RTs).

2.4 Project Financing

71. The total donor budget for PEI between 2013 and 2018 was US\$ 40 million. In addition, UNDP and UN Environment contributed US\$ 20 million in total (i.e. US\$ 2 million per year per agency) to facilitate the implementation of PEI at the global, regional and country level. Donor and in-kind contributions for 2013-2018 therefore totaled US\$ 60 million.

72. PEI 2013-2018 was funded by the Governments of Germany, Norway, Spain, Sweden, the United Kingdom and the European Union. In addition, Switzerland contributed around US\$ 4 million for Lao PDR at the country level.

2.5 Changes in design during implementation

73. A decision was made at the 2016 donor steering committee, to use the last year of PEI to consolidate and deepen work within existing PEI supported countries, rather than seek to extend to new countries. There was thus a lower than originally planned number of countries engaged with during the project. Significant changes were also made to the Results Framework in 2015.

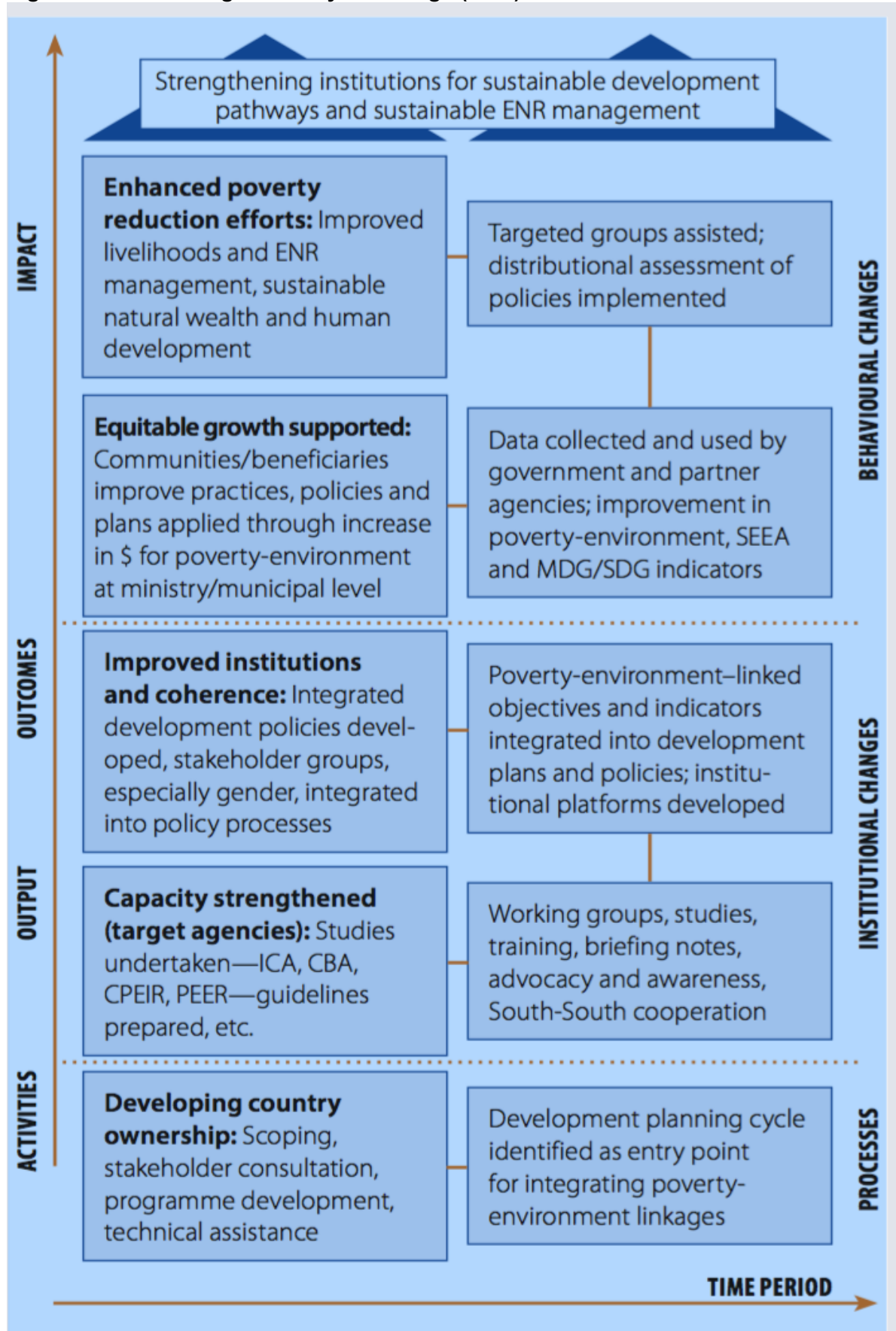
2.6 Theory of Change

74. The PEI's abridged Theory of Change (TOC) is presented in Figure 1. This is from the PEI 2015 Handbook and is consistent with the TOC in the Programme Document.

75. Major areas of work included: coordination across government institutions; cross-sector economic, social and environmental assessments to inform national, local and sectoral policy and planning; support of fiscal reform; promotion of gender equality and social inclusion; South-South cooperation and partnerships; and putting in place the building blocks for implementation of the 2030 Agenda for Sustainable Development and achievement of the Sustainable Development Goals (SDG), (PEI AR, 2015).

76. Country level TOCs were prepared as part of the internal Mid-term Review process (2015).

Figure 1: PEI's abridged Theory of Change (TOC)



2.7 Poverty-Environment Action for Sustainable Development Goals 2018–2022.

77. Given that the evaluation of PEI 2013-2018 coincides with the start up of the PEI successor project - PEA, the evaluation is in a position to inform the delivery of PEA. This section provides further background on PEA as context / background supporting later sections of this evaluation report.

78. The new joint UNDP–UN Environment programme **Poverty-Environment Action for Sustainable Development Goals 2018–2022** is designed to build on PEI’s experience. It is focused on improving the alignment of finance and investment, both public and private, with poverty, environment and climate objectives set out in national development and sectoral policies and plans to accelerate SDG implementation.

79. The budget for PEA over its four years is US\$40 million (an average annual budget of US\$5 million from global donors and US\$3 million of UNDP-UN Environment agency funding (around US\$1.5 million each)). Poverty-Environment Action will operate at the country, regional and global level, but at a reduced scale relative to PEI due to its smaller budget. A total of eight fully fledged county programmes will operate, split equally between two regions - Africa and Asia. The fully fledged countries are expected to receive an increased budget of US\$300,000 a year. In addition, Technical Assistance support is to be provided both at the country and regional level to broaden PEA’s reach, with 10 TAs in total of around US\$100,000 envisaged. Other funding sources are to be explored including other bilateral donors for the global programme and country bilateral donor co-funding.

80. Poverty-Environment Action programming will follow a two-pronged strategy of deepening and broadening support to countries on poverty-environment mainstreaming. It will deepen mainstreaming efforts to integrate environmental sustainability and climate objectives for poverty eradication into development planning, budgeting and monitoring systems and into public and private finance and investment. At the same time, it will broaden the dissemination and use of its body of country level experience in the application of integrated poverty-environment mainstreaming approaches and tools through stepped-up efforts in knowledge management and sharing, including through **targeted technical assistance** to selected countries.

81. Poverty-Environment Action will address areas that need attention to strengthen poverty-environment mainstreaming including enabling fiscal reform, improving coordination, enabling partnerships with other development actors at the country level, and strengthening public sector capacity to engage the private sector and promote investment in support of environmental sustainability and climate objectives for poverty eradication.

82. The focus will be on contributing to the achievement of those SDGs at the nexus between poverty and environment namely, SDGs 1, 2, 12, 13 and 15, and to the Paris Agreement through multi-stakeholder partnerships that bring together governments, civil society, the private sector, the United Nations system and other actors to mobilize investments in sustainable development and climate resilience.

83. Poverty-Environment Action will be aligned with ongoing reform of the United Nations development system, and have a renewed focus on strengthening partnerships.

3 EVALUATION FINDINGS

3.1 Strategic Relevance

84. This section examines the relevance of PEI 2013-2018 from three inter-linked perspectives:

- The strategic relevance of P-E mainstreaming within the context of the global sustainable development agenda;
- PEI's relevance to the countries in which it operates;
- PEI's relevance to the corporate strategies and delivery mechanisms of the UN partner agencies, and to other poverty-environment mainstreaming practitioners and donors.

85. Overall the strategic relevance of the project is assessed to be **Highly Satisfactory**.

3.1.1 PEI relevance to Global Sustainable Development Agenda

86. The 2030 Agenda and the Paris Agreement require the integration of environment and climate change in national policies, plans and programmes as critical dimensions of sustainable development. The project was therefore ideally placed to support the global sustainable development agenda, as elaborated below.

87. **PEI and the Sustainable Development Goals (SDGs)**. The SDGs are cross-cutting and interrelated such that delivering on one goal will assist delivery of other goals. Therefore, taking an integrated approach to the delivery of the SDGs is essential for the success of the 2030 Agenda. A strongly held view is that the PEI embodies a proven model for helping countries implement the SDGs – a role that PEI itself consistently elaborates on in its Annual Reports (Box 1). PEI has 'road-tested' integrated approaches required to deliver the SDGs for over ten years and is seen by many as the precursor of the integrated approach. It also remains the only development programme providing dedicated support for poverty-environment mainstreaming needed to deliver country level results. In line with the PEI Scale-up evaluation it remains true that with its localized work and experience integrating Poverty-Environment-Climate-Gender (P-E-C-G)⁷ PEI is well placed to help expedite SDG delivery. The fact that it is typically embedded in the Ministries of Finance and Planning, which is not the normal entry point for environment projects, further boosts its role in SDG delivery by offering a more viable route for ensuring that the environment aspects of SDG agenda are not left behind or out, as was the case with the Millennium Development Goals (MDGs).

“The work of PEI in Africa has been ground breaking in terms of fostering better collaboration between ministries of environment and ministries of finance and economy and social players—a crucial aspect for attaining the Sustainable Development Goals.” Juliette Biao Koudenoukpo, Director, UN Environment Africa Office (PEI Annual Report, 2017).

88. While PEI is more closely linked with some SDGs than others (e.g. SDGs 1, 2, 13 and 15) and can therefore play a direct role in their delivery, PEI's holistic cross-government integrated approach, which has been tested over years, has general application across all SDGs.

⁷ The acronyms / terms P-E, PEN, P-E-C-G have been used in this evaluation report as the three terms are widely used in project documents. Reference to P-E-C-G, while referred to in the Scale up Phase evaluation, appears to have become more widely used in this last phase of PEI as more emphasis was placed on Climate and Gender, at the request of donors and countries. P-E and PEN are essentially the same, while P-E-C-G refers to the mainstreaming P-E issues into climate and gender issues.

Box 1: How PEI contributes to SDG implementation

PEI offers the following:

- Integrated approach for addressing a set of poverty-environment relevant SDGs.
- Capacity building at the country level on the application of P-E-C-G mainstreaming tools and indicators.
- Proven model for engaging with multiple stakeholders and achieving poverty-environment focused policy coherence. Countries can build on PEI's experience with building cross-sectoral institutions to secure broad commitments around nationally owned SDG implementation plans, acknowledging the leadership role of ministries of finance and planning, together with ministries of environment, to bring sectoral ministries, development partners, civil society organizations and the private sector together.
- Experience engaging with budgeting processes.
- Development of country-specific evidence through economic, social and poverty analyses to help identify the opportunities sustainable environmental and natural resource management bring to achieving SDG targets. Identification of synergies and trade-offs across sectors and potential bottlenecks.
- Experience and tools to strengthen and enhance the joint UN response via regional platforms to support UN country teams in their support to SDG national implementation.

Sources: PEI Annual Reports 2015 and 2017

89. **PEI and the Paris Agreement.** Increasingly though the project the Poverty-Environment Initiative 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. National and local [climate public expenditure and institutional reviews](#) are helping governments direct resources to climate activities to improve the lives and livelihoods of the extremely vulnerable.

3.1.2 PEI relevance to countries

90. Governments accord a lot of value to PEI. Country ownership is on the whole high as participating governments have tailored the programme to meet their specific priorities, making it highly relevant to them. All countries recognize the role PEI can play in SDG delivery. The relevance of the poverty-environment nexus in achieving national development priorities, given the importance of natural resources for sustaining livelihoods and well-being is also consistently appreciated.

91. In **Bangladesh** PEI's work is seen as crucial in helping it balance its development aspirations with environmental stewardship. Under its 7th Five Year Development Plan (FYDP) it is seeking to transition from low productivity agriculture to industry as a means of developing and creating decent jobs. This is against the back drop of a rising population and a declining land mass due to climate change (in a country whose population density is already one of the highest in the world), and a high dependency of the poor on natural resources (e.g. mangroves, hoars, coastal belt). The prospect of environmental refugees, as a result of climate change, coupled with existing pockets of deep poverty focuses the need to understand and manage the complex interactions between poverty-environment-climate as the country strives for middle income status. **Tanzania** has long recognized the importance of accounting for P-E as the country develops and the strategic relevance of PEI has remained extremely high since PEI's involvement in 2003. A number of strategic entry points for PEI support emerged within the 2013-2018 project's timeframe including: transitioning to the SDGs; development of the country's second 5 year National Development Plan; the preparation of the 2016-2021 United Nation Development Assistance Framework (UNDAF); and, the establishment of the new Government. Going forward PEA is seen as well placed to support the Government's industrialization agenda, through exploring opportunities in natural resource sectors (fisheries, agriculture, forestry) and generally ensuring environmental and social safeguards are upheld across the investment spectrum

3.1.3 PEI relevance to UN Strategies and partners

92. The project was relevant to the mandate, strategy, functions, roles, and responsibility of the UNDP, UN Environment and to other UN agencies and partners including donors.

93. PEI was embedded in UNDP's Strategic Plan 2014-2017 and UN Environment's Mid Term Strategy 2014-2017 and the Programme of Work 2014, 2015, 2016 and 2017. PEI supports the outcomes of the UN **Quadrennial Comprehensive Policy Review (QCPR)** of UN operational activities for development, which calls for working more in partnership with governments and promotes joint programming⁸. PEI's continued relevance is demonstrated through its compatibility with the on going **Secretary General Reform of the UN**. The reforms will reinforce the movement towards a One UN. Activities of UN Agencies in country will be co-ordinated around the delivery of the **United Nation Development Assistance Frameworks (UNDAFs)**, which serve as a contract between UN country teams and the host country to achieve national development. PEI used the UNDAF process to encourage governments to address important issues such as gender, environment and human rights, that are not receiving sufficient priority.

94. The relevance of PEI remains high for the donors. For example, the EU place a lot of emphasis on environmental mainstreaming and views the PEI as an important complement to their work on 'greening' their own operations. It is acknowledged as a strategic initiative which can support the delivery of the Paris Agreement and Agenda 2030.

95. The relevance to donors is well illustrated by the fact that many have supported the PEI over its two main phases and will support the continuation of the work under PEA, albeit with the clear expectation that PEA will perform to meet its ambition which moves beyond PEI. In this respect PEI has been an exception, as typically donor funding is shorter term and hence incompatible with the long term change process associated with moving from policy development to tangible impacts in terms of poverty reduction coupled with sustainable natural resource management.

3.2 Effectiveness: Attainment of project outcomes and objectives

96. This sub-section evaluates to what extent PEI attained its intended global, regional and national-level Outputs and Outcomes as set out in its Results Framework (sub-section 3.2.1) and the extent to which these are collectively contributing to meeting the overall programme objective and likelihood of impact. With respect to impact the evaluation considers if the joint project has contributed to measurable results for sustainable natural resource management and poverty reduction through applying an integrated approach (sub-section 3.2.2). Sub-section 3.3.3 assesses whether the project achieved its planned goal and objective.

97. Effectiveness is rated as **Highly Satisfactory** on the basis that the project's Outcomes and Outputs have been attained, the likelihood of impact is 'Likely' and the project's goal and planned objective has been achieved (taken as the Global Programme Outcome). The intended **Global Programme Outcome** of PEI (2013-2018) was: "Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals." This is considered to have been achieved, backed by a review of how the project has supported the

⁸ The QCPR is the primary policy instrument of the General Assembly to define the way the UN development system operates to support programme countries in their development efforts. The 2016 QCPR resolution guides the UN development system towards supporting the implementation of the 2030 Agenda for Sustainable Development, and continues the work of the 2012 QCPR resolution towards an effective, efficient and coherent UN development system.

SDGs and contributed to inclusive development through its ambition to increase the integration of political economy aspects into its work

3.2.1 Attainment of project outputs and outcomes

98. Table 2 presents a summary of the Progress Towards Results Matrix – Achievement of Outcomes and Outputs at the global level. This analysis is based on the end of project results presented in the *draft* PEI Final Progress Report (received 7 February 2019) and progress reported in the Annual Report 2017. At the end of project the Global Outcomes and Outputs had been largely achieved, or over achieved, with the exception of output indicators 1.4, which was very close to meeting the target. This differs slightly to the progress based on the PEI Annual Report 2017, against which output 2.1 is partially achieved. The full Results Matrix is provided in Annex 4 (based on results as of December 2017). Annex 5 provides a summary of progress towards outputs at the regional level, which indicates that LAC and ECIS partially achieved output 2. There are a number of discrepancies between the 2017 and 2018 reporting, which have been highlighted in the text. The results have been triangulated to a large extent with information provided through the evaluation interviews and country visits.

99. The analysis focuses on progress made towards achieving the overall Outputs and Outcomes at the global level (including contributing factors and constraints), given that the global Results Framework aggregates the achievements at the regional and country level. Of note is that Outcomes 1 and 2 are wholly based on country level activities, and country activities also contribute to Outcome 3 – being wholly relevant to output 3.1 and contributing to the other Outputs relevant to Outcome 3. Specific examples from the regional and country level are provided to inform the analysis below.

Table 2: Summary of Progress Towards Results Matrix – Achievement of Outcomes and Outputs, as of December 2018.

Project Outcomes / Outputs	Indicator	Result
Outcome 1: P-E approaches and tools for integrated development policies, plans and coordination mechanisms applied.	Indicator 1: Level of application of poverty-environment approaches and tools for integrated development policies, plans and coordination mechanisms	
Outcome 2: Cross sectoral budget and expenditure processes, and environmental economic accounting systems institutionalized	Indicator 2: Increased public sector financial expenditure for poverty-environment results	
Outcome 3: P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and member states	Indicator 2: Level of integration of pro-poor environmental mainstreaming approach and tools in UN (UNDP, UN Environment) and partner strategies and programmes at country, regional and global levels	
Output 1 indicators	Indicator 1.1: Number of national and subnational policies and development plans that integrate P-E objectives and indicators in target countries	
	Indicator 1.2: Number of key sectoral policies and plans that integrate P-E objectives.	
	Indicator 1.3: Number of monitoring and evaluation frameworks that integrate poverty-environmental that integrate P-E indicators in national and sub- national M&E systems.	
	Indicator 1.4: Level of functional Government-led cross-sector coordination mechanisms in target countries	
Output 2 indicators	Output Indicator 2.1: Number of national budgeting and expenditure processes that integrate poverty-environment objectives in target countries	
	Output Indicator 2.2: Number of countries introducing “beyond gross domestic product (GDP)’ measurements	
	Output Indicator 2.3: Number of (sub) national guidelines and	

Project Outcomes / Outputs	Indicator	Result
	tools to manage private sector investment decisions that integrate poverty- environment objectives	
Output 3 indicators	Output Indicator 3.1: Number of UNDAFs and Country Programme Documents (CPDs) that are poverty-environment mainstreamed	
	Output Indicator 3.2: Number of UN strategic documents such as United Nations Development Group guidelines and post-2015 debate that reflect Poverty-Environment Initiative inputs	
	Output Indicator 3.3: Number of Poverty-Environment Initiative knowledge products shared with regional and global networks	
	Output Indicator 3.4: Number of references to poverty-environment approaches and tools in UN and other development agency strategies/plans	

color code:

Achievement exceeded	Achieved	Partially achieved
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Notes: Based on PEI Annual Report 2017, this was achieved at 4,542 national, and sub-national plans. However, while the PEI Final Progress Report codes this as having been achieved, the cumulative total stated – 4,293, suggests otherwise. The reason for this discrepancy is not clear.

100. **Outcome 1: P-E approaches and tools for integrated development policies, plans and coordination mechanism applied.** Outcome 1 was over-achieved. The indicator for Outcome 1 were reformulated in 2015 to provide additional qualitative information reflecting the logical transition from the Output to the Outcome level. The reformulation defined five levels of achievement as set out in Table 3 and set the baseline in 2015 as: seven countries at Level 1 - **Armenia, Burundi, Indonesia, Mongolia, Myanmar, Thailand, Uganda**; ten countries at Level 2 - **Bangladesh, Botswana, Guatemala, Kenya, Lao PDR, Nepal, Paraguay, Peru, Philippines, Tajikistan**; nine countries at Level 3 - **Burkina Faso, Dominican Republic, Kyrgyzstan, Malawi, Mali, Mauritania, Mozambique, Tanzania, Uruguay**; and two countries at Level 4 - **Bhutan, Rwanda**. The baseline accounts for 28 countries.

101. The targets were - by 2016, at least 2 countries move up one level from baseline (2015) and by 2017/18, 3 countries move up one level from the previous year. In 2016 **Bangladesh** and **Lao PDR** moved from level 2 to level 3, **Malawi** moved from level 3 to 4 and **Rwanda** from level 4 to 5. In 2017, seven countries moved up one level - **Bangladesh, Burkina, Kyrgyzstan, Lao PDR, Myanmar, Philippines, Tajikistan**.

102. Thus at the end of the project there were six countries at level 1, seven countries at level 2, eight countries at Level 3, six countries at Level 4, and one country at Level 5. The majority of countries did not increase a level (21 out of 28 countries included in the baseline), including 13 countries in which PEI had a country program, a clear indication that there is still more to be done to fully embed P-E-C-G in most countries. None of the countries in LAC progressed up a Level. DFID 2015 noted that while reasonable progress has been made in deepening the impact within PEI countries, embedding environment and natural resource considerations continues to be challenging due to a lack of data and political will.

Table 3: Outcome Indicator 1 level description and attainment at the end of the project

Level	Countries (baseline level in brackets)
Level 1: Evidence of P-E objectives and indicators is technically weak and policy-makers have little capacity to make use of it. Little to no evidence of application of P-E tools. Little to no intersectoral coordination. Rare participation in Ministry of Planning / Finance (P/F) planning and budgeting frameworks. Scarce integration of SDGs and Sustainable Development (SD) in National Development	Armenia, Burundi, Indonesia, Mongolia , Thailand, Uganda Total - 6

Plans (NDP), sector plans, subnational plans and monitoring systems.	
Level 2: Evidence of P-E objectives and indicators is technically acceptable and policy-makers have developed capacities to make use of them. P-E tools referred to, but not applied. Ad-hoc intersectoral coordination. Ad-hoc participation in Ministry of P/F planning and budgeting frameworks. SDGs and SD referred to in NDP, sector plans, subnational plans and monitoring systems	Botswana, Guatemala , Kenya, Nepal , Paraguay , Peru , Myanmar (1) Total - 7
Level 3: Ample evidence of P-E objectives and indicators but policy-makers have limited demand. P-E tools partially applied. Intersectoral coordination institutionalized. Regular participation of Ministry of P/F planning and budgeting frameworks. SDGs and SD integrated into NDP, sector plans, subnational plans and monitoring systems	Burkina Faso, Dominican Republic, Mali, Mauritania, Tanzania, Uruguay , Philippines (2); Tajikistan (2) Total - 8
Level 4: Government-led cross-sectoral coordination mechanisms use evidence to integrate P-E objectives in national/subnational/sectoral plans and policies and related monitoring systems. P-E tools applied. Intersectoral coordination institutionalized and functional. Integral participation in Ministry of P/F planning and budgeting frameworks. SDGs and SD integrated into NDP, sector plans, subnational plans and monitoring systems and linked to budgeting systems	Bangladesh (2), Lao PDR (2), Malawi (3), Mozambique (3) Bhutan , Kyrgyzstan (3) Total - 6
Level 5: Government-led cross-sector coordination mechanisms actively promote the integration of P-E specific targets across key ministries and related plans at national and sub-national level, and sector plans resulting in cross-sectorial policy coherence. P-E tools applied and implemented. National and subnational institutions systematically integrate and monitor P-E objectives and targets in their respective policies and planning frameworks (P-E reflected throughout long & short term planning documents e.g. vision documents, NDPs, national sub-national plans) and their implementation and monitoring frameworks.	Rwanda (4)

103. Two countries moved up two levels during the project – **Bangladesh** and **Lao PDR**. In 2015 the Government of **Bangladesh** standardized the number of national priority sectors across ministries to 14 and made environment, climate change and disaster management national priority sectors. Prior to this Ministries had followed different sector categorizations - the Ministry of Finance worked with 13 sectors, the Planning Commission 17 sectors and the Five-Year Plan documents followed 10 thematic areas, this created inefficiencies in the reporting and monitoring of public expenditures. **Bangladesh** mainstreamed poverty, environment and climate change issues both as a dedicated chapter in its **7th Five Year Plan 2016-2020** and across strategic sector strategies (e.g. agriculture, fisheries, forest, water, energy and infrastructure). The 7th FYP results framework that forms the foundation for the SDG monitoring process in the country also integrated **poverty-environment indicators** including specific indicators about climate resilience. This has led to improved coordination between the national planning and budgeting processes, and improved policy coherence on climate and environment between the National Planning Commission and the Ministry of Finance. The National Academy for Planning and Development led **training** on environment, climate change and disaster risk reduction mainstreaming for Bangladeshi public policymakers and planners in sector ministries and the planning commission.

104. In **Lao PDR** environmental-economic research has informed the implementation and monitoring of the **7th and 8th National Socio-Economic Development Plans**. **Lao PDR** has also made progress in monitoring investment compliance against social and environmental criteria introduced with PEI help. The **Environment Social Impact Assessment system** of the

Ministry of Planning and Investment has been strengthened, improving protection for communities that rely on agriculture and forestry. In 2017, the Investment Promotion Department began using the [model contracts/ templates](#) reported on in previous years in the review and approval of three agriculture projects.

105. **Rwanda** is the PEI country furthest along the mainstreaming process. The high-level political commitment of the Government of **Rwanda** has been instrumental in the institutionalization of poverty and environment mainstreaming into the national, local, sector, planning and budget processes led by the Ministry of Finance and Economic Planning through the use of [checklists](#), [budget statements](#) and [assessments](#). The Government has applied a [checklist for the integration of environment and climate change priorities](#) in annual sector and district plans and budgets for seven consecutive financial years, complemented with systematically capacity building on the application of the checklist. In 2015, three sector ministries (trade and industry, infrastructure and agriculture) recruited environmental experts as core staff to ensure that the ministries comply with Environmental Impact Assessment (EIA) guidelines and related plans and Rwanda's national police established a unit for environmental crimes.

106. **Output 1: Poverty-Environment Approaches and tools for integrated development policies, plans and coordination mechanisms applied.** A decision was made by the Steering Committee in 2016 to focus the final years of the programme on deepening engagement with existing PEI countries and developing the learning for future engagement rather than expanding the number of countries supported. This explains why the results in terms of the number of countries are lower than the targets originally set across Output 1, but the depth of engagement (reflected by the number of policies and plans influenced) is higher than the targets. The logframe was *not* updated to reflect this change in priority, given that the programme was thought to be in its final year (i.e. the project extension to 2018 was not yet approved). The evaluation is based on the revised official decision in 2016 in its assessment that the targets were achieved, despite the number of countries being lower than specified in the logframe.

107. Annual targets under Output 1 were on the whole exceeded in 2016 and 2017. The exception being indicator 1.4 in 2017.

108. **Indicator 1.1: Number of policies and development plans that integrate P-E objectives and indicators in target countries.** The number of policies and development plans produced at the national level was significant, with many countries approving multiple policies. By 2017, 4,542 national, and subnational plans included environmental objectives in 23 countries – exceeding the target number of plans (4,484), but not the original number of countries (28). The strengthened prioritization of poverty-environment issues in the second generation of national development plans and the increase in numbers of plans across all levels of government demonstrate growing commitment. The end of project level of achievement is noted as 36 national and 4,257 subnational plans including poverty-environmental objectives in 18 countries (which is below the target of 4,484). The discrepancy between the 2017 and 2018 reporting is not clear.

109. **Indicator 1.2: Number of key sectoral policies and plans that integrate P-E objectives and indicators in target countries.** By 2017, 112 sector policies and plans integrated poverty-environment objectives in 16 countries. This exceeded the target of 91 sectors plans, across a smaller number of countries than originally envisaged (28). The end of project level of achievement is stated as 93 sector policies / plans integrated poverty-environment objectives in 13 countries. Again, the reason for the discrepancy is not clear.

110. In **Mozambique** seven sectors included poverty-environment objectives in annual plans. **Malawi** included an annex on environmental sustainability and natural resource

mainstreaming in *Malawi's Guide to Executive Decision-Making (GEDM 2015)*. In 2016, the wildlife, irrigation, mining and agriculture sectors used the mainstreaming annex when drafting their policies or sector strategies. The Office of the President has ensured compliance with the guidelines before approving four new sector policies (agriculture, forestry, fisheries and climate policy). The application of the Guide has helped to ensure a balance between agriculture production and environmental conservation in the draft national agriculture policy. **Malawi's** new fisheries policy demonstrated climate-resilient practices for sustainable development and poverty eradication based on Chinese technology that applies to deep fishponds; this technology improves water capacity and thus increases fish production from 0.8 to 1.2 to 4-8 tonnes per hectare.

111. In **Bangladesh** PEI prepared a uniform template for the development of sector strategies, which was then used to prepare a sector strategy for education and economic governance, funded by the Japanese Government. An Agricultural sector strategy is now being prepared.

112. The PEI ECIS Final Regional Progress report notes that it was challenging to influence sectorial strategies in **Tajikistan** and **Kyrgyzstan** due to the weak methodological and normative base for development of sectoral development programmes, and PEI resources were not sufficient to address these challenges.

113. **Indicator 1.3: Number of countries that integrate P-E indicators in national and sub-national M&E systems.** By 2017, 41 monitoring and evaluation systems had integrated P-E indicators in 18 countries, exceeding the target of 34 M&E systems. A clear example of success is **Tajikistan's** Living Standards Improvement Strategy, where 40% of the indicators are poverty-environment sensitive (DFID, 2014). At the end of the project a reported 56 monitoring and evaluation systems had integrated poverty-environment indicators in 12 countries (it is not clear why the number of countries differs between 2017 and end of project reported results).

114. In partnership with the **Food and Agriculture Organization of the United Nations (FAO)**, the project conducted a soil loss assessment in **Malawi** as part of a larger programme to develop key sustainability indicators, as contained in the country's Agriculture Sector-Wide Approach. A team from Malawi's Land Resources and Conservation Department worked with FAO and PEI throughout the process, which built national monitoring capacity. The project facilitated a similar collaboration in **Burkina Faso** to elaborate and integrate poverty-environment-linked indicators in its household survey modules. The national Household Budget Survey is the most important tool in many Poverty-Environment Initiative countries to collect data on various parameters. Traditionally, the Survey has a strong focus on collecting poverty-related data with few countries incorporating environmental data or poverty-environment-linked information. One of the countries pioneering the integration of poverty-environment and climate vulnerability variables in household surveys was the **Dominican Republic**. In **Tanzania** PEI is assisting with a data roadmap, which will serve as baseline report for the SDGs and enable monitoring of implementation.

115. The project worked with national statistic agencies in a number of countries to integrate a range of indicators on climate vulnerability, access and dependence on natural resources or incomes and expenditure related to the environment. However, monitoring and evaluation remains a challenge in many countries due to the poor quality / lack of data, especially related to the environment. In **Bangladesh** PEI supported the Bangladesh Bureau of Statistics (BSS) to develop a *Compendium of Environmental Statistics Bangladesh, 2017*. The BSS worked with all 57 Ministries to record the available data. The main gaps in data relate to the environment (forestry, water resources, marine, wetlands), which will hamper monitoring of SDGs – 13, 14, 15. There is also limited data on climate change parameters (e.g. long term rainfall and temperature). Surveys and scientific studies are needed to generate the missing

data, along with financial and technical support (method development, training and capacity building). The Environment, Climate Change and Disaster Statistics (ECDS) Cell within BBS is being restructured as an independent cell (it is currently under the National Accounts wing), raising its profile, but the cell needs support to operate effectively.

116. Indicator 1.4: Number of countries that report functional cross-sector coordination mechanism in target countries. In 2017 4 countries moved up one level, resulting in 14 countries being at level 3 or above. This missed the 2017 target of at least 5 countries moving up one level, however in 2016 13 countries were at level 3 or above, exceeding the target for 2016 of 12 countries. Overall 8 countries moved up a level in terms developing their cross-co-ordination mechanisms. Table 4 presents a description of the four levels, and the level countries where at in 2015 and at the end of the project. At the end of the project 16 countries achieved Level 3 or above.

117. The importance of coherence between policies and budget allocations is a key reason for strengthening coordination mechanisms. Support is required for strengthening coordination mechanisms in general and for those translating national objectives into action at the subnational level in particular. The experience of **Bhutan** is instructive. **Bhutan's National Mainstreaming Reference Group**, formalized by presidential decree, has made considerable progress with respect to policy coherence at the national level. However, the establishment of local mechanisms did not deliver as intended due to inadequate human and financial resources, unclear mandates and the gradual dwindling of guidance, coordination and backstopping from the central level. Without adequate incentives, it is difficult to retain staff and more in-depth capacity development is needed at the local development investment/activity level. A Global Environment Facility proposal prioritizes additional resources to strengthen the Mainstreaming Reference Group at the local level, which will ensure that PEI gains are **sustained**.

Table 4: Output indicator 1.4 – Levels and PEI country status at the start and end of project.

Level	Description	Country status (baseline level)
1	Government led cross-sectoral coordination mechanisms are non-functioning (i.e. committees exist but not fully functioning). Environment/NRM sector committee has limited representation of other key sectors (e.g. water, lands, etc.). Donor supported programmes are not fully integrated in Government-led sector planning. Environment sector policies/plans do not have strong links with national development planning and budget processes.	Thailand
2	Government led cross-sectoral coordination mechanism are partially functioning with participation of key sectors. Cross-sectoral coordination mechanisms are partially linked to national development planning, monitoring, budgeting and reporting processes.	Indonesia (1), Dominican Republic, Kenya, Mongolia, Myanmar (1), Nepal, Tajikistan
3	Government led cross-sectoral coordination mechanisms are largely functioning with participation of key sectors. Cross-sectoral coordination mechanisms are largely linked to national development planning, monitoring, budgeting and reporting processes.	Bangladesh, Guatemala (2), Lao PDR, Mali, Mauritania, Mozambique, Paraguay (2), Peru (2), Philippines (2), Tanzania, Uruguay
4	Government-led cross-sectoral coordination adopt and implement cross-sector approaches for pro-poor environmental sustainability. P-E issues integrated into ENR and other key social sectors (health, gender) and/or objectives of national/subnational/sectoral plans and policies and national	Burkina Faso (3), Kyrgyzstan (3), Malawi (2)

	monitoring systems. Sectors are supported by the central planning agency to integrate P-E in their respective planning and monitoring frameworks. Cross agency mechanisms established and operational for P-E mainstreaming	
5	Government-led cross-sector coordination (e.g. implementation of sector plans leads to mainstreaming P-E across key ministries at national and sub-national level (e.g. ministries of planning, finance, local government, environment, social/gender), sectoral (e.g. agriculture, forestry, energy, land, water, etc.) and subnational planners are able to systematically integrate and monitor P-E issues in their respective policies and planning frameworks (P-E reflected throughout long & short term planning documents e.g. vision documents, PRSPs, national sub-national plans and their implementation and monitoring frameworks).	Bhutan, Rwanda (4) ¹

Note: 1/ Reported as level 5 in PEI Annual report, but level 4 in PEI Africa Reports

118. **Outcome 2: Cross sectoral budget and expenditure processes, and environmental economic accounting systems institutionalize.** By 2017, 6 countries had reported increased public sector expenditure for poverty-environment results, exceeding the end of project target of 4 countries. The six countries are – **Bhutan, Mauritania, Mozambique, Rwanda, Tanzania** and **Indonesia**.

119. **Rwanda** reported an increase in its annual expenditure on environment and natural resources from 0.4 % of **Rwanda's** total budget in 2009/10 to 2.7 % in 2015/16. In **Tanzania** out of the total Vice President's Office budget of US\$ 3.7 million, expenditure on the environment for development increased from 42.1% in 2015/2016 to 56.25% in 2016/2017, while the national annual budget for the 2017/18 fiscal year showed an overall increase in the development budget resources allocation. Programmes in Tanzania that will be funded using this budget cover climate change adaptation and Lake Tanganyika catchment area management. However, it is important to recognize that expenditure trends on environment and climate are not always linear, and an increase in one year may be followed by decreases in following years, reflecting changing political priorities. For example, the policy and budgetary changes PEI helped influence in **Tanzania** resulted in expenditures on the environment and climate change by the National Environment Management Council and the Vice President's Office more than doubling between 2013/14 and 2014/15. However, the total amount spent on the environment and climate dropped in 2015/16 (although it was still higher than the 2013/14 baseline), reflecting the overall reduced budget for sector activities in the country, as significant portions of the public budget were allocated to other new demands.

120. In **Mozambique** 22 institutions use environment and climate budget codes, which has resulted in an increased budget allocation from 0.45 per cent in 2014 to a proposed 2.2 per cent of the 2017 state budget.

Output 2

121. Output 2 was one of PEI's most significant challenges, with milestones often missed. However, recognizing its importance PEI stepped up efforts in this area early on in the project providing technical support in innovative / emerging areas of integrated budgeting, financing and 'beyond GDP' measurements. DFID identified this work as a risk on account of it being 'an emerging area with no defined global definition and lack of established expertise'. In 2015 DFID recommended that PEI invested more in **developing partnerships** with key experts and institutions in order to deliver high level technical support over the long-term (e.g. the World Bank, IIED, ODI, UN Statistics Division, OPHI and OECD) (DFID, 2015). The decision taken by the PEI Steering Group in 2016 not to expand the number of countries it was engaging with in order to deepen ongoing country engagement and learning, helped mitigate this risks associated with this output (DFID, 2017 Project Completion Report).

122. The Results Framework was adjusted in 2015 to reflect the longer-term nature and challenge of moving countries beyond traditional economic indicators such as Gross Domestic Product (GDP) and a realistic level of ambition for the project. This is explained further in section 5.7.

123. PEI ECIS encountered challenges in implementing Output 2, given the theme's specific nature and novelty. In **Kyrgyzstan**, for instance, the main challenge was the limited experience and lack of institutional capacity to compile and implement SEEA (System of Environmental-Economic Accounting). The lack of reliable local statistics and disaggregated data on poverty, environment and gender, and lack of technical and human capacity to analyze, interpret and apply available data made it difficult to monitor progress and prioritize resources.

124. P-E integration into budgeting was another important challenge in **Kyrgyzstan** and **Tajikistan** due to inadequate institutional capacity and management systems. In both countries, national budgets are not decentralized and hence there is a lack of coherence between national poverty-environment objectives and sector/district budget allocations. With PEI support, both governments now have commitments in their national and sub-national strategies, but PEI's work on this area remains unfinished with the programme closure.

125. **Output indicator 2.1: Number of national budgeting and expenditure processes that integrate poverty-environment objectives in target countries.** A variety of tailor made **Public Expenditure Reviews** have been applied to track expenditure on environment sustainability and climate change, and can be seen to be contributing to impact monitoring. There have been different levels of institutionalization. While Asia has seen a more successful uptake by government, Africa is facing challenges. By the end of 2017, PEI had successfully supported the integration of poverty-environment objectives into 76 budgeting and expenditure processes in 15 countries, partially meeting the end of project target of 80 budgeting and expenditure processes in 15 countries. By the end of the project this had increased to 84 budgeting and expenditure processes integrating poverty-environment objectives in 16 countries, thereby meeting the target.

126. In **Indonesia**, PEI support for budgeting approaches have led to the establishment of the **budget tagging system**. In the **Philippines** an **Environment and Natural Resources Revenues and Expenditures Data Management Tool** (ENRDMT) is operational in a total of 210 local government units and is used to triangulate information provided by Local Treasurers under a recent order by the Department of Finance to provide quarterly reports of the income from National Wealth.

127. In **Mauritania**, policy briefs drawing on recent PEI-supported **economic studies**, **budget guidelines** and **public expenditure reviews** resulted in the integration of pro-poor environmental sustainability in six **sector budgets**, and **medium-term expenditure frameworks**. In **Rwanda**, the Ministry of Economy and Finance, in collaboration with Rwanda Environment Management Authority and with support from PEI, the integrated pro-poor environmental sustainability in its public budget process since fiscal year 2012-2013. The Ministry of Finance's Budget Call Circular (BCC) to all budget agencies includes the need for Government institutions to consider environment related projects and programmes in their sector budgets. **Budget guidelines** issued by the Ministry of Finance in **Malawi** directing ministries and public offices to "*ensure environment and climate change priorities are appropriately reflected in the Budget submissions in accordance with the environment and climate change mainstreaming guidelines*". The inclusion of sustainability aspects was informed by the dissemination of a PEI supported guidance note on integrating the environment and natural resource management into national budget guidelines.

128. **Output indicator 2.2: Number of countries introducing ‘beyond domestic product (GDP)’ measurements.** PEI has supported the introduction of ‘beyond GDP’ measurements through work on [multidimensional poverty](#) and [natural wealth accounting](#), although progress in this area has been difficult due to the lack of data. Nonetheless, the target for this output was exceeded by the end of 2017, with 4 countries introducing beyond GDP measures – **Bhutan, Dominican Republic, Tajikistan** and **Kyrgyzstan**. By the end of the project, with the addition of **Guatemala**, five countries had introduced beyond GDP measures. Furthermore, **Bangladesh, Malawi** and **Rwanda** have piloted multi-dimensional poverty measurement approaches.

129. In **Kyrgyzstan**, after sustained support from PEI in collaboration with the **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)** programme on Natural Capital Accounting, the country’s National Statistics Committee plans to endorse a system of [environmental-economic accounting for forestry](#). In **Tajikistan**, after the successful introduction of its PEI-supported [System of Environmental-Economic Accounting \(SEEA\)](#), the country launched and implemented the [System of Environmental-Economic Accounting Central Framework for forestry and water accounts](#) in 2017.

130. Achievements in **Bhutan** provide a compelling narrative, but the country is considered to be an outlier in terms of economic planning beyond GDP. PEI Asia-Pacific produced a discussion paper on developing and piloting the application of the [Poverty-Environment Accounting Framework \(PEAF\)](#), an adaptation of the SEEA that can generate integrated poverty-environment data. **Bangladesh** has discussed the potential of the Poverty Accounting Framework to help develop the Environmental Statistics Framework for Bangladesh, collect data for policy making for the SDGs and meet the targets of the 7th Five-Year Plan.

131. The **Dominican Republic** introduced a [Vulnerability to Climate Hazards Index](#). At the regional level, PEI LAC developed a document analyzing the integration of environmental indicators into the [Multidimensional Poverty Index \(MPI\)](#). The paper presents the relationship between poverty and the environment and analyzes how environmental indicators have been integrated in five countries - Chile, El Salvador, Mexico, the Dominican Republic and Panama. The report presents guidance on the incorporation of key environmental variables for each country in the MPI.

132. **Output Indicator 2.3: Number of (sub) national guidelines and tools to manage private sector investments decisions that integrate poverty-environmental objectives.** By 2017 the target for this indicator had been exceeded with 21 guidelines introduced in 3 countries – **Lao PDR, Myanmar**, and **the Philippines**. At the end of the project 26 guidelines and tools had integrated poverty-environment objectives in 4 countries, with the addition of **Tanzania** (see Box 5).

133. In **Lao PDR** progress was made in supporting the application of [environmental legislation](#) in foreign direct investments. PEI have improved the capacity of national and local government to enforce environmental legislation and ensure the sustainability of investments, for example in hydropower and rubber plantations (DFID, 2017).

134. In **Myanmar** the collaboration between the Ministry of Mines and the Directorate of Investment and Company Administration has produced evidence on the poverty- environment nexus and informed national policies such as the [National Environment Policy](#). The roll-out of tools such as [policy coherence analysis for mining and environment laws](#), the [mining financial modelling tool](#), and [investment negotiation documents](#) have been critical in influencing policies. The Ministry of Mines is also fostering cross-sectoral coordination between the private sector and civil society organizations through a special task force overseeing an integrated social and environmental impact assessment of mining in Mandalay province.

135. **Outcome 3: P-E approaches and experiences documented and shared to inform country, regional and global development programming by the UN and member states.** Knowledge management / dissemination is key for the long-term sustainability of PEI in the UN system, countries and other organizations.

136. The global target is based on the level of integration of pro-poor environmental mainstreaming approaches and tools in UN (UNDP, UN Environment) and partner strategies and programmes at country, regional and global levels (Table 5). According to the PEI Annual Report the target of level 3 was largely attained with evidence of progress towards level 4. Examples of how the project has met the requirements of level 3 are provided below.

Table 5: Outcome indicator 3 description of result levels

Level	Description
1	Poverty-Environment Initiative (PEI) remains a joint UNDP-UN Environment programme, with 2013 level of core and extra budgetary staff maintained. P-E mainstreaming tools (economic, social and ecological assessments, cross-sectoral planning and monitoring and natural wealth accounting) are not acknowledged or reflected in UNDP or UN Environment short or long term national/subnational/sectoral policies or plans. UNDG Environmental Sustainability Guideline for UNDAFs has not been updated and UNDAF integration limited to PEI pilot countries. Level of UN and regional institutional collaboration on P-E mainstreaming low.
2	PEI remains a joint UNDP-UN Environment programme, with 2013 level of core and extra-budgetary staff maintained. P-E mainstreaming approaches and tools piloted in one or more other country/regional level UNDP and UN Environment programmes in PEI and non-PEI countries. UNDP and UNEP pilot P-E mainstreaming in UNDAFs in one or more non-PEI pilot countries. Piloting of P-E mainstreaming with at least two other UN organizations (e.g. UNCDF, FAO) in one or more PEI countries. South-south exchanges with one or more regional institutions on experiences and lessons learned.
3	PEI remains a joint UNDP-UN Environment programme with core staff in regional and HQ offices. P-E mainstreaming approaches and tools are adopted within revised UNDG Environmental Sustainability guidelines. P-E tools are adopted within UNDAFs in PEI and non-PEI countries. UNDP and UN Environment programmes incorporate P-E mainstreaming tools in at least two thematic programmes. P-E mainstreaming tools adopted by at least two other UN agencies in PEI and non-PEI countries. Regional institutions pilot P-E mainstreaming in collaboration with PEI in PEI countries.
4	P-E mainstreaming integrated into job descriptions of core staff in regional and HQ offices. UNDAFs in PEI and non-PEI countries apply P-E mainstreaming as part of application of UNDG Environmental Sustainability guidelines. P-E mainstreaming tools adopted and applied by at least two other UN agencies. Regional institutions pilot P-E mainstreaming within their respective programmes.
5	P-E mainstreaming approaches and tools are absorbed in UNDP and UN Environment strategies, plans, and programmes. P-E mainstreaming tools are applied as part of UNDAF planning, implementation and monitoring operations at country level and with support from regional offices. P-E mainstreaming objectives and tasks are included in job descriptions of UN RCs, Country Office directors, regional programme staff, and at respective headquarters. Regional institutions (e.g. NGOs, think-tanks, regional development institutions) adopt P-E mainstreaming approaches and tools as part of their programmes.

137. **P-E mainstreaming approaches and tools have been adopted within revised UNDG Environmental Sustainability guidelines.** Mainstreaming, Acceleration and Policy Support (MAPs) led by the UN Development Group has developed a [Mainstreaming Reference Guide](#) for UN country teams (2016) as part of the toolkit for implementing the SDGs. The Guide draws on Poverty-Environment Initiative tools developed and applied in the context of the Poverty-Environment Initiative’s integrated socio-economic-environmental approach to environmental mainstreaming. PEI teams have engaged with a number of United Nations MAPs missions.

138. **P-E tools are adopted within UNDAFs in PEI and non-PEI countries.** Since its inception, poverty-environment objectives have been included in 24 UNDAFs and 24 UNDP Country Programme Documents in targeted countries (PEI Annual Report 2018). The project

contributed to the development of new United Nations Development Assistance Frameworks (UNDAFs) and Country Programme Documents following agreement of the SDGs, in **Dominican Republic, Kyrgyzstan** and **Mauritania** in 2017, as discussed further below.

139. Incorporation of P-E mainstreaming tools in thematic programmes UNDP and UN Environment programmes. PEI contributed to the UN Environment-UNDP led Global Thematic Consultation on Environmental Sustainability in the post-2015 agenda culminating in a report “Breaking Down the Silos: Integrating Environmental Sustainability in the Post-2015 Agenda⁹” an input to the UN 2013 General Assembly and the Open Working group on Sustainable Development Goals (SDGs). PEI Africa informed UN Environment’s gender tools and policy documents helping to ensure a gender perspective in UN Environment’s broader environment work. PEI Africa’s work is reflected in UN Environment’s gender and environment policy and outreach document, the Global Gender and Environment Outlook and Gender and Environment: Support Kit for UN Environment Staff. PEI also supported establishment of the equity dimensions cross-cutting theme in the *Sixth Global Environment Outlook* report (December 2018) and promoted the human rights-based approach to environmental dimension of the 2030 Agenda through pioneering work on environmental, social and economic safeguards in a training for all UN Environment staff.

140. Adoption of P-E mainstreaming tools by other UN Agencies. In Africa PEI has influenced a number of UN partners including UN Women, FAO and other UN Environment programmes. In **Malawi**, the collaboration with FAO around soil loss and with UN Women on the gender gap in the agriculture sector has been scaled up to a One UN Flagship programme bringing the four agencies together to jointly focus on tackling environmental, social and economic problems related to agriculture and food security.

141. Regional institutions pilot PEI in collaboration with PEI in PEI countries. In the Asia and the Pacific, the regional project Advancing Inclusive and Sustainable Human Development in Asia and the Pacific (2014–2017) was established by UNDP with PEI participation. Additionally, PEI staff in UN Environment are part of the Inclusive Growth and Sustainable Finance team working closely with the UN Environment Finance Initiative. In Latin America and Caribbean, the UNDP Regional Human Development Report for 2016 drew on PEI’s integrated approach and experiences in the **Dominican Republic, Paraguay** and **Peru**. PEI Africa have influenced three regional and global policy decisions to include poverty-environment linkages as presented in Box 2.

⁹ UNDP-UNEP, [Breaking Down the Silos: Integrating Environmental Sustainability in the Post-2015 Agenda](#), (Sept. 2013), pg 25.

Box 2. PEI Africa influence on regional and global policies

Human Rights Council Resolution A/HRC/RES/38/4 - Human Rights and Climate Change – and its corresponding report (A/HRC/39/34) adopted on 5th July 2018 calls for all States to adopt a comprehensive, integrated and gender-responsive approach to climate change adaptation and mitigation policies...particularly to support the resilience and adaptive capacities of women and girls both in rural and urban areas to respond to the adverse impacts of climate change (no. 4). PEI Africa informed the resolution by presenting PEI's and UN Women's work on the cost of the gender gap at the Intersessional Expert Meeting on the full enjoyment of human rights by all women and girls (Geneva, 2017).

AMCEN Decision Africa's Engagement in the Fourth Session of the United Nations Environment Assembly of the United Nations Environment Programme, 2018. Decision number 5 requests the African Group to include issues of common interest to Africa in the UNEA negotiations "such as the poverty environment nexus, land degradation, environmental displacement and migration, energy security, food security, green business development, waste management and biodiversity loss, among others."

AMCEN/16/L.4: Libreville Declaration on Investing in Innovative Environmental Solutions, 2017.

PEI Africa's analytical work on gender, energy and climate linkages helped to inform Africa's Ministers of Environment in their 2017 Libreville Declaration call for the need to develop and strengthen gender-responsive policies to empower African women to engage in sustainable, affordable and clean energy development, access and utilization to enhance their entrepreneurial skills and to access finance and markets across the value chain in the energy sector.

Source: PEI Africa Final Progress Report

142. The PEI approach has been used by a range of organizations. For example, the mainstreaming guidance of the European Union, *Integrating climate change and the Environment in Development Cooperation* (2017), incorporated PEI's integrated approach to development and lessons learned. In **Mongolia**, analysis of planning, budgeting and M&E in the mining sector, identified gaps in addressing environmental and social impacts. The analysis has not only informed the government's policy on an environmentally and socially responsible mining sector but has also informed and helped formulate concrete activities under UNDP-Swedish Environmental Protection Agency project to strengthen the environmental governance of mining (DFID, 2016).

143. **Output indicator 3.1: Number of UNDAFs and Country Programme Documents (CPD) that are poverty-environment mainstreamed.** By the end of 2017 Poverty-environment objectives have been included in 48 UNDAFs / CPDs, exceeding the end of project target of 47. It should be noted that this target includes the achievements of the Phase 1 Scale-up Phase as well. Under the project PEI contributed to 15 UNDAFs and 10 CPDs. Box 3 provides an example from the **Dominican Republic**.

Box 3: Dominican Republic's UNDAF

The **Dominican Republic's** UNDAF was signed in April 2017. Out of its three strategic areas of work, one is directly related to the work of PEI, linking poverty and environment themes: Poverty, Food Security and Environmental Sustainability. This strategic area has two expected results in line with P-E principles:

- By 2022 the Dominican Republic will have achieved greater equality through reducing economic and social gaps, with a gender focus, to promote social mobility, resilience and food and nutritional security without affecting environmental sustainability.
- By 2022, the Dominican Republic will have elevated socio-environmental sustainability and resilience to climate change and other natural threats, through the promotion of sustainable consumption and production patterns and the efficient management of natural resources, hydrographic basins and disasters risk.

Out of the 48 indicators included in the results matrix, 4 demonstrate the influence of P-E principles,

including one that makes reference to the Index of Vulnerability to Climate Shocks (Indice de Vulnerabilidad ante Choques Climaticos (IVACC)), which was implemented under the PEI project in the Dominican Republic. These indicators are:

- Proportion of households with vulnerability to climate events IVACC < national average lower <0.524
- Percentage of the population under multidimensional poverty
- Percentage of local governments that have risk management plans and adopt and implement local disaster risk reduction strategies in accordance to the Sendai Framework for Disaster Risk Reduction.

144. Output Indicator 3.2: Number of UN Strategic Documents such as United Nations Development Group guidelines and post-2015 debate that reflect PEI inputs. By the end of 2017, PEI had influenced 78 strategic documents, exceeding the target of 40 by 195%. At the end of the project PEI had influenced 91 strategic and post-2015 debates. Examples are provided in Section 3.4 of this report.

145. Output indicator 3.3: Number of PEI knowledge products shared with regional and global networks. By the end of 2017, 433 knowledge products had been shared, exceeding the target of 265 by nearly 150%. This increased to 451 knowledge products, including 5 regional papers on integrated socio-environmental policy tools by the end of the project. Examples are provided in Section 3.4 of this report.

146. Knowledge products included a number of new videos on P-E related activities and themes available on the PEI website and PEI YouTube channel in English, French, Portuguese, Russian or Spanish languages and subtitled in English or French. Feedback from users suggests that PEI products are helpful, although a more formal and structured assessment is thought necessary (DFID).

147. Output 3.4: Number of references to P-E approaches and tools in UN and other UN development agency / strategies / plans. By the end of the project 382 references and 15 further citations were documented, well exceeding the target of 108 documented references and citations.

3.2.2 Likelihood of impact using Review of Outcome to Impacts (RoTI)

148. This section examines if the poverty-environment mainstreaming outcomes at country, regional and global level achieved by the project have resulted in poverty reduction coupled with environmental improvements and sustainability and, to the extent that this has not occurred, if PEI supported activities are on track to attain the desired impact.

149. Assessment of the likelihood of impact using a Review of Outcomes to Impacts (ROTI) approach is complicated by the fact that the project's TOC does not set out intermediate states. However, based on the information available the likelihood of impact is assessed as **Likely**. The project's intended outcomes were delivered, and were designed to feed into a continuing process, with specific allocation of responsibilities in a number of countries after the project. If the intermediate state is taken as *implementation* of P-E mainstreaming policies through secure (government) funding and the successful piloting of initiatives that have demonstrated economic, social and environmental benefits then there are indications that the project's measures can progress towards the intended long term impact.

150. Often projects would not expect to see the desired impacts coming to fruition within the lifetime of the project, but rather to be able to provide evidence that the project Outcomes, under the right assumptions and drivers, will progress towards the Impact. PEI is a process orientated project, and it is well acknowledged that P-E mainstreaming is a complex long term endeavour achievable over a 10-20 year time horizon. However, given that PEI has been operating for 13 years in some countries, there were expectations that impacts would be

evident in some countries. Questions raised in this context during the evaluation included - why hasn't it been possible to achieve the PEI objectives after two five year projects? Can countries do the work themselves or has the project built dependency? When are countries able to move on to a lighter form of assistance or continue the work of PEI independently?

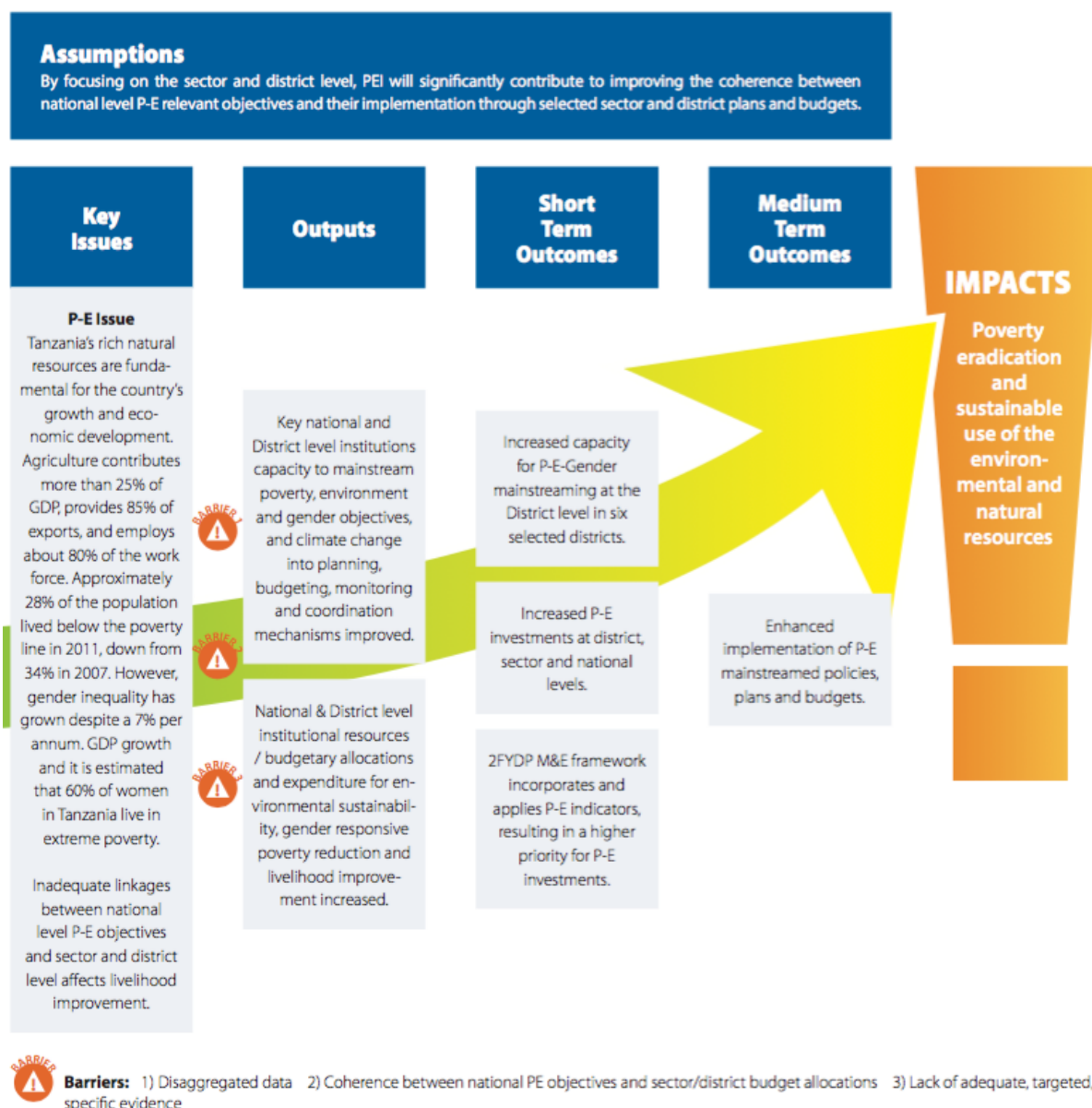
151. The abridged TOC for PEI is presented in Section 2, Figure 1. The Impacts specified in Figure 1 are: (i) Enhanced poverty reduction efforts: improved livelihoods and ENR management, sustainable natural wealth and human development; and, (ii) Equitable growth supported: communities / beneficiaries improved practices, policies and plans approved through increased \$ for poverty-environment at ministry/municipal level. In addition, since 2015, the Annual Reports, have presented a more detailed pictorial representation of the TOC as presented in Figure 2. The TOCs in the PEI Annual Reports 2016 and 2017 appear to have consolidated the 2015 version, which improved its clarity. Based on this the project is designed to lead to the following Impacts: (i) Environmental sustainability secured to sustain economic and social benefits for men, women, and vulnerable groups; and, (ii) Poverty levels of men and women reduced as measured by multidimensional indices. The TOC in the Annual Report does not set out intermediate states and does not clearly map to the outputs and outcomes in the Results Framework, making the analysis of impact difficult. It sets out the following overall assumptions: (i) national political will for implementing national development plans; (ii) Government support for improving environmental and natural resource sustainability; (iii) continued commitment to UNDP-UN Environment joint programming; and, (iv) Government commitment to achieve SDGs and adopt necessary integrated approaches. Drivers are not explicitly set out in the TOC, but could be related to the watering can symbol used in Figure 2: (i) capacity building for PE and gender mainstreaming, including South South learning; and, (ii) proactive use of outputs and support to national and local processes to implement reforms.

152. A more comprehensive, project specific and accountable global TOC could have been developed through an independent Mid-term Review (MTR). This would have specified in detail the assumptions and drivers associated with PEI moving from each of its Outputs to Outcomes and Outcomes to Impact, via likely intermediate states.

153. The indicators for Outcome 1 and Output 1.4 provide some measure of what remains to be done for countries to have the desired impact and the time needed to achieve this given that the majority of countries did not progress up a level in the past 5 years of the project and only one country is assessed to be at Level 5 for each indicator. Ideally all countries would reach Level 5 on both indicators.

Figure 3: TOC for Tanzania

Annex: ToC Diagram



155. By and large the project did not engage in impact evaluation and this needs to be given more emphasis under PEA. There is a need to understand the impact of PEI work, document changes reasonably attributed to PEI, and indicate needs, drivers and barriers. It would then be clearer what remains to be done and to thus to target and develop sustainable pathways with donors and other partners.

156. The key assumption behind the PEI Africa Theory of Change is that increased public expenditure on environmental sustainability and climate change will reduce environmental degradation and enhance the productivity of natural resources that vulnerable groups depend on for their incomes and livelihoods. The PEI Africa Final Progress report states that there are currently no clear methodologies or attempts for establishing the link between increased public environment and climate expenditure and reduced poverty, enhanced climate resilience and

improved environmental outcomes. In Africa expenditures have increased in 3 countries (**Tanzania, Malawi** and **Rwanda**) but no analysis has been undertaken to establish if that expenditure has had an impact on poverty and environmental outcomes. However, PEI Africa consider that they have catalyzed change in poverty and environmental outcomes through four main avenues: (i) by linking pilot interventions with district, sector and national policies (**Rwanda, Tanzania**); (ii) by ensuring the participation of local communities in the development of district and local plans; (iii) by providing support for the establishment and operationalization of environment funds and ensuring vulnerable groups access to such funds (**Burkina Faso**); and, (iv) by commissioning research and analysis (**Mauritania**) and supporting policy changes (**Malawi**) to inspire other actors to financially support poverty-environment actions. The project level cost-benefit analyses carried out in **Rwanda** and **Tanzania** concluded that poverty was reduced through sustainable ENR project investments – see Boxes 4 and 5 below.

157. The PEI Africa Final Progress report concludes that more thinking needs to go into how to analyze the links between increased environment and climate expenditure and reduced poverty, enhanced climate resilience and improved environmental outcomes. PEI Africa's work on including environmental aspects into [multi-dimensional poverty indices](#) can support this in PEA. Further, a better understanding is needed on how PEI has catalyzed actions that have an impact on poverty and environment outcomes on the ground to verify and or modify the project Theory of Change. This would help set out the drivers, assumptions and intermediate states to better grasp where countries are along the mainstreaming process and where support is most needed.

158. Boxes 4 and 5 provide an example of how cost benefit analysis (CBA) was used to demonstrate the social and economic viability / impacts of projects, and thus provide insights into PEI's impact.

Box 4: The social, environment and economic benefits of the Green Villages in Rwanda

The Rubaya green village was completed in 2011, through the collaboration of key government agencies in **Rwanda**, to demonstrate how poverty-environment challenges could be addressed using an integrated approach.

The project undertook an ex post [cost-benefit analysis](#) of the Rubaya Green village project and the benefits of scaling it up, which the government could then use to mobilize funding. The analysis highlights the economic, social and environmental benefits of addressing poverty-environment challenges and the value of taking an integrated, cross-government approach.

The village cost about US\$ 636,000 to construct and about US\$ 22,000 per year to run. Using conservative figures, the project demonstrates an internal rate of return (IRR) of 5.8 per cent, 7.7 per cent and 8.9 per cent over 15, 20 and 30 years, respectively. It improves food security and monetary incomes, decreases deforestation and saves each household an average of 175 minutes per day by alleviating the need to collect water and two hours per day by eliminating the need to collect firewood. This time is now available for farming, attending school and other activities. Women and children have particularly benefited from the supply of water and clean energy. Additional unquantified benefits include increased social cohesion and security and reduced downstream water pollution.

The study also estimated the benefits of investing in an additional 30 villages of 100 households each - a total of 3,000 beneficiaries, which would cost about US\$ 48 million. This would generate estimated net benefits of about US\$ 21 million at a 6 per cent discount rate over 30 years, generate further indirect economic benefits equivalent to 0.8 per cent of GDP and lead to a 0.71-percent decrease in the extreme poverty rate of 16.3 per cent (in 2015).

The success of Rubaya village prompted the government to require all districts in Rwanda to have at least one green village. It also catalyzed support from Sweden.

159. Notwithstanding the lack of specific impact monitoring, there are a number of examples, which highlight how impacts have been realized. The project had an increased emphasis on equitable benefit sharing for the poorest and marginalized populations, and supported initiatives to increase the resilience of local communities and promote sustainable livelihoods. Many of these efforts improved the livelihoods of the poor. For example, in **Peru**, PEI enhanced national and local capacity in the integrated management of solid waste through the incorporation of social, poverty and gender variables in local policies, instruments and tools. Actions to generate added value for recycled products, while providing greater access to markets, were also advanced, with a special focus on women. The initiative has improved waste collection and increased recycled waste, improved the economic standing of recyclers and reduced recyclers' exposure to health hazards.

160. There is also an extensive body of work supported by PEI which could lead to the desired impact, if implemented and upscaled, but the impacts on poverty alleviation and natural resources has not been measured. For example:

- In **Nepal**, the project worked closely with the Ministry of Federal Affairs and Local Development to prepare pro-poor, environmentally sustainable green recovery and rehabilitation plans for target districts, ensuring that the needs and priorities of the most vulnerable were identified through consultative processes. In the **Philippines**, the **Environment and Natural Resources Data Management Tool** is providing greater transparency and accountability. For example, in Taganito Barangay (province), 98 per cent of revenues come from the development and use of natural wealth such as mining, hydropower, forestry and fishery. The Local Government Code (289-294) stipulates that host local governments are to receive a 40 per cent share from the revenues from natural resources for local development and livelihood projects. In 2016, an estimated PhP3.3 billion (US\$ 60 million) worth of revenues have been earmarked for local governments as their share from national wealth. The economic development of the community will ensure jobs and local livelihoods and have positive effects on indicators such as education, health and overall resilience of local communities.
- In 2017, **Mozambique** reviewed revenue-sharing mechanisms in key natural resource sectors such as gas, mining and forestry and found that the main reasons for revenues not reaching communities are weak revenue systems and a lack of clarity over transfer mechanisms. One potential way to address the issue is to decentralize revenue collection from these natural resources to the district level to ensure proper collection, monitoring and distribution. **Malawi's** new forestry policy calls for better estimates of the poverty reduction potential of the sector. The revised policies include mechanisms for community benefit-sharing and community-based natural resource management.
- **Guatemala** strengthened local stakeholders' capacities for sustainable land use management. **Guatemala** has shown a great commitment to poverty eradication in the development of the nine municipal development plans and the Guidelines PDM-OT. These plans and guidelines have indicators with a strong component of social inclusion, poverty eradication and environmental protection. As an example, the **PDM-OT for Jocotán** has set goals to 2032 to significantly reduce unsafe, unsanitary and vulnerable housing, promote health programmes that respect indigenous beliefs, foster ecotourism, promote productive projects managed by women, increase natural forest by 800 hectares, and facilitate access to local communities.

161. **Tanzania** is a good example of how the project has placed greater emphasis on working at the sub-national level. PEI shifted emphasis to downstream interventions to help people get out of poverty. Box 5 provides an overview of the work at the district level in Tanzania and the tangible impacts this has had on poverty.

Box 5: Tanzania - natural resource based enterprises piloted in 6 districts

PEI supported the piloting of a number of natural resource based enterprises such as bee keeping, pond / cage fishing and bio-gas production, in 6 districts in **Tanzania** selected on account of their high poverty levels and rich natural resource base. The pilots were used to generate evidence on how investments in natural resources based initiatives can provide benefits, in order to influence policy and catalyze additional investments. At the outset **Mapping and Assessment studies** were undertaken by the **Economic and Social Research Foundation**, to understand the current situation and identify opportunities.

PEI supported the piloting of **fish farming (cages and ponds)** in 3 districts along Lake Victoria through the provision of funding for fish cages and feed and technical support. The Ministry of Fisheries was reluctant to support at first, but PEI were able to pilot 50 cages with the National Service, part of the Ministry of Defense, who were interested in the idea as a means of strengthening cross border security. Before the introduction of fish cages, illegal fishing in Lake Victoria was harming the environment and fish productivity was low. With the introduction of fish cages the ecology of fish breeding grounds improved, along with productivity, income (from 125 million TS a year to 300 TS) and food nutrition. There have also been social benefits as men have more time with their families as they do not have to spend as much time away fishing and women have become involved for the first time in the buying and selling of fish and fish processing. The Government have gained from having to spend less time chasing illegal fishing activities, and higher local revenue due to the increase in fish productivity. The success of the pilots led to the Government promoting fish cages / farming in all its waters. More support is however needed to construct more breeding ponds and transport fingerlings from the breeding ponds to the cages.

Bee Keeping has the potential to improve local livelihoods while at the same time helping to conserve the forest asset on which honey production depends, by reducing the pressure on the forest. The project provided a limited number of hives and protective gear to a number of districts. In **Illeje district** 25 groups were supported and for some people the impact of the pilots has been significant. For example, one women started with 1 bee hive and now has 150 and has been able to build a house and send children to school. In **Ikungi** district (visited as part of the evaluation) the community is very interested in bee keeping – before they were cutting trees to make charcoal. The district has a population of 300,000 people across 101 villages. Farming is the main source of livelihood supporting 85% of the population but very challenging in this semi-arid area. More than 60 people are now involved in bee keeping but additional support is needed to upscale this pilot activity. Each group of around 15 people has about 15 bee hives, but it is estimated that 20 hives per person are needed to be a bee keeper. **Maxingera Village** has a group of 20 people – 14 men, 6 women, who were provide with 15 modern bee hives. They are happy with the project, although production was hit by a drought in the previous season and it was only possible to produce enough honey for domestic consumption (20 kg). With drought there are less flowering plants forcing the bees to move to other areas. Water may therefore be a limiting factor in terms of honey production and requires investments in boreholes. When production is high the money derived from the sale of honey is divided equally among the group. Currently it is only possible to sell the honey locally along the roadside. There is a lack of transport facilities and collection centers to facilitate marketing. The main challenge however was considered to be **capacity building**. The district bee keeping officer has knowledge but cannot reach groups easily due to a lack of transport. Under the project it was only possible to train 2 people per group who were then meant to teach the whole group but the transfer of knowledge was low due to the difficulties in explaining concepts and reportedly because some people did not wish to share the knowledge. People who were not trained were unhappy because they do not have the know how. Skills development is a continuous process. Training is also need in marketing which should be based on a value chain study. There is an interest in establishing more groups and starting a demonstration farm as a training site. Currently the communities only produce honey but would like to explore the potential for wax, bee pulp for glue and bee venom for medical industries. The initiative is seen to link with the Government's industrialization strategy, but finance is needed to establish a processing industry.

The Government of **Tanzania** scaled up initial work on green energy and sustainable agriculture practices in three districts with support from the private sector. Preliminary assessments from an ongoing cost-benefit analysis indicate that the use of biogas systems have been particularly beneficial for users, as, for example, it has reduced their dependency on firewood. In turn, this has

reduced unpaid work and drudgery for women and girls and lowered their exposure to smoke, which has resulted in fewer eye infections and less smoking-induced coughing. Furthermore, the application of bio-slurry, which is the by-product of the biogas production, is expected to improve soil fertility, increase agricultural output and reduce the use of chemical fertilizers. This benefit has informed the prioritization of renewable green energy technologies in the new National Five-Year Development Plan II and similar local economic development initiatives. This information is trickling down to local communities through local radio programmes and is promoting discussion in support of sustainable development.

A [Cost Benefit Analysis study](#) showed that investments in nature based enterprises can lead to environmental, social and economic benefits. The pilot investments have had multiplier effects in terms of job creation – people making bee hives, fish cages, repairing fish to sell (done by women). The CBA reports have influenced Local Government Authorities (LGA) to support the natural resource enterprises. The work in Tanzania demonstrates how a small amount of money can lead to significant shifts in policy and people’s mindset. The pilots have provided an avenue for **private sector** investment, and there is already private sector interest in fish cages. There are opportunities to explore special purpose vehicles – where LGAs inter into Public-Private Partnerships, or Community-Private Partnerships. As these investments take off, there is a need to ensure that local people benefit from the investments.

Notwithstanding the success of the pilot studies in **Tanzania**, their reach has been very small – there are 264 districts in Tanzania, and even in the districts in which they are working they have benefited very few people. To ensure their **sustainability** they need to be scaled up and this requires attracting financing and/or partnering with other organizations. It remains to be seen if the pilots have been successful enough to attract other investors. The enterprises need to be viable and this to a large extent depends on there being an accessible market.

Source: Stakeholder interviews, Tanzania

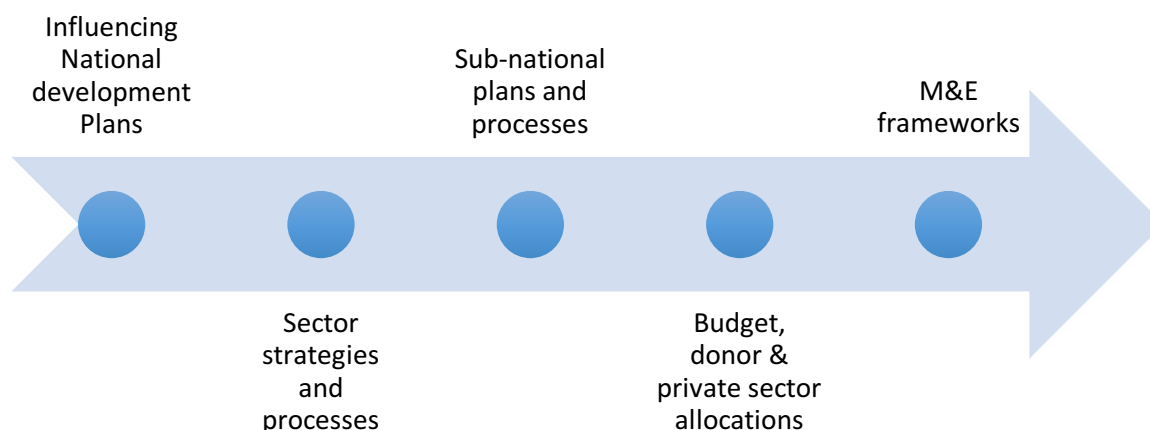
3.2.3 Achievement of project goal and planned objectives

162. The intended **Global Programme Outcome** of PEI (2013-2018) is: “Enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals.” This is considered to have been achieved.

163. This section looks at how successful the project was in supporting the SDGs and contributing to inclusive development through its ambition to increase the integration of political economy aspects into its work (i.e. governance, equity, gender, inclusive green growth, job creation, social protection and a rights-based approach). Sub-section 3.2.3.2. focusses on PEI’s work on gender.

164. Compared to the previous phase the project had a stronger focus on poverty and in general the work became more complex and costly as the project pushed into more difficult and less explored mainstreaming areas. Figure 4 presents a simplified mainstreaming process. Early Poverty-Environment Initiative work focused on influencing the national development plan, which requires engagement in one process, albeit with different components. The project worked with a variety of strategic sector processes (typically ranging between 4 or 5 sectors) and had a much stronger focus on the sub-national level. Poverty reduction targeting is quite costly at the district levels on account of the substantive data gaps in relation to poverty-environment linkages and capacity constraints.

Figure 4: Simplified P-E mainstreaming process



3.2.3.1 PEI and the SDGs

165. PEI has identified, and sought to fulfil, a demand from developing countries for support in Sustainable Development Goal implementation, particularly the integration of goals and targets into national development plans and monitoring systems.

166. In **Tanzania** there is a strong appreciation of how the PEI approach can support SDG delivery. PEI has helped review how the SDGs are linked to the 5YDP and how they can be integrated and monitored. In 2016 the Government with the support of PEI started a process to ensure that district plans include SDG targets and indicators, backed by budget allocations. Some indicators are already in the plans, such as health and education, the key gaps relate to environmental indicators. The 5YDP introduced the **LED (Local Economic Development)** approach to ensure inclusive development and implementation of SDGs. It is a development framework to ensure that SDGs are taken into account at the local level, working with Local Government to integrate SDGs into local plans and budgets and the private sector. The LED approach was developed and tested with some local councils in 2018, and will be rolled out in the next financial year.

167. Other examples of project support on the SDGs include:

- The project engaged with a number of **UN Mainstreaming, Acceleration and Policy Support (MAPS)** missions to help the localization of the SDGs and to ensure that the environmental dimension is not left behind. For example, in 2017 PEI participated in a MAPS mission to **Mali** to assist the country in identifying paths towards acceleration of SDG implementation. The mission reviewed the National Development Plan (CREDD 2016-2018) and existing strategies to assess their alignment with the SDGs, gaps in coverage and inter-sectoral linkages. It also held consultations with a broad range of stakeholders to inform identification of priority measures to accelerate SDG attainment through the CREDD.
- As discussed above the PEI has been referred to in a number of United Nations Development Assistance Frameworks (**UNDAF**) processes. **Mongolia's** draft UNDAF

includes the PEI as a flagship programme to be scaled up to support SDG implementation. It refers to the PEI as an example of One UN support to contribute to achieving SDGs 1, 8, 10 and 17. Under this new UNDAF, the PEI will support the development of integrated financing frameworks at the subnational level in line with the 2030 Agenda and with the Addis Ababa Action Agenda. PEI was also asked to support the new generation of UNDAFs for **Kyrgyzstan**, **Malawi**, **Mauritania** and **Tajikistan** to ensure that the poverty-environment-gender nexus is well reflected (AR, 2017).

- **Localization of SDGs** (i.e. embedding the SDGs and targets within the context of the national and sub-national development plans).
 - The Government of **Mozambique** is undertaking an SDG assessment to inform the development of its next national development plan. It focuses on how national development plan priority area number 3 (promote jobs creation, productivity and competitiveness — SDG 8) can be achieved in an environmentally sustainable manner (SDGs 14-15) and eradicate poverty (SDG 1). **Burkina Faso** assigned relevant SDG targets to the new national development plan priority areas. **Rwanda** began identifying environmental and climate change indicators for the SDG prioritization process. The Poverty-Environment Initiative supported the integration of SDGs into **Mauritania**'s new 15-year strategy 2016–2030.
 - In 2015, PEI conducted national consultations on the post–2015 process and adaptation of the SDGs to specific country contexts. These resulted in road maps in a number of countries. For example, in **Kyrgyzstan** under the leadership of the Ministry of Economy, a road map was presented at a stakeholder meeting led by the prime minister in December 2015. The framework for the SDGs is being institutionalized through a SDG Committee operating under the Prime Minister's Office. In **Tajikistan**, PEI has supported prioritization of the sustainable development agenda in the National Development Strategy 2016–2030 and the Mid-Term Development Plan 2016–2020. Environmental sustainability and gender are considered as cross-cutting issues in development areas and sectors, rather than separate chapters, for the first time.
- **Bhutan**, **Guatemala**, **Kyrgyzstan** and **Myanmar** analyzed [policy and legal frameworks](#) and carried out institutional reviews. This represents an important contribution to the achievement of SDG target 17.14 (policy coherence for sustainable development) from the perspective of the poverty-environment nexus. It is also an opportunity for the countries to identify other gaps in SDG implementation readiness and in their capacity to implement multilateral environmental agreements.
- **Conferences**. In 2016 PEI partnered with UNDP's Aid for Trade programme to hold the conference 'Exploring Opportunities to Accelerate SDGs Implementation in **Tajikistan**', attended by over 100 participants. Also in 2016 the regional conference 'Towards a Common Vision for the Agenda 2030 in Central Asia', co-organized with the Central Asia Regional Economic Cooperation Program (CAREC) and UN Women, discussed practical approaches to prioritize the environmental dimension of the SDGs in Central Asia. Its Outcome Document is being used as a foundation to strengthen the poverty-environment nexus in ongoing efforts to localize the 2030 Agenda
- **Knowledge products**. For example, the PEI publication 'Accelerating Sustainable Development in Africa – Country lessons from applying integrated approaches' sets out the work that African governments and the Initiative have done together and offers lessons on how to achieve the Sustainable Development Goals and Africa 2063 goals within national contexts.

3.2.3.2 Gender equality

168. It is apparent that the project greatly stepped up PEI's efforts to address gender issues as it sought to make **gender equality** a cross-cutting component of PEI's integrated approach. A range of gender initiatives were supported including:

- Collaboration with **UN Women**, **UN Environment** and **UNDP** gender and poverty specialists across the four regions.
- Providing evidence of the scientific, economic and policy interface on gender equality through sub-regional, national and local studies.
- Strengthening the environmental and gender dimensions of UNDAFs. As an example, **Malawi**'s new UNDAF includes evidence from the Soil Loss Study and the 2015 Cost of the Gender Gap study (PEI - UN Women - World Bank) to advocate for sustainable use of natural resources and gender equality in the fight against poverty and food insecurity.
- The **Dominican Republic** is the first country to include gender violence and entrepreneurship as poverty-related indicators in its multidimensional poverty index.
- Preparation of regional gender and equality strategies for use in integrated mainstreaming.

169. Assessments of the economic and social costs of the gender gap in productive sectors (e.g. agriculture, waste management, forestry and energy) have been particularly successful in mainstreaming gender into policies and strategies. However, it is also noted that the gender assessments and studies supported by the project typically revealed low levels of awareness and inadequate structures and **capacity** to integrate gender equality in the context of the poverty- environment nexus in development plans and budgets. Examples of studies include:

- *The Cost of the Gender Gap in Agricultural Productivity in Malawi, Tanzania and Uganda*, carried out with **UN Women** and the **World Bank**, has had a significant policy impact in **Malawi** and generated further demand in at least six countries in Africa, including **Rwanda** and **Ethiopia**. An additional US\$200,000 was mobilized to conduct follow-up work. The gender reports inspired regional dialogues, for example, the African Development Bank hosted an online discussion in June 2017 focusing on the gender gap in agricultural productivity. The study also influenced regional decision-making, for example: (i) it provided the context for a discussion aimed at shaping the African Development Bank's Feed Africa; and, (ii) the Libreville Statement resulting from the June 2017 Women Entrepreneurs and Sustainable Energy Workshop in Libreville, Gabon represents a commitment to empowering women's entrepreneurship towards the development of the sustainable energy sector. Findings of the reports were also highlighted in the UN Environment Global Gender and Environment Outlook by UN Environment's Executive Director in a blog post on the cost of the gender gap report, in a YouTube video on international women's day, and in the One Planet Magazine.
- In 2017, PEI supported combining research from *Gender, Poverty and Environment in Rural Kyrgyzstan* (UNDP–UN Environment PEI Kyrgyzstan, 2017) into a toolkit for secondary schools, with support from the Ministry of Education and other national initiatives, to strengthen the poverty-environment-gender interface in the framework of SDGs and in collaboration with **UN Women**. Furthermore, the Kyrgyz Ministry of Finance integrated poverty-environment-gender issues into its budget processes.
- In 2016, the Poverty-Environment Initiative supported **Indonesia**'s Ministry of Finance to assess the responsiveness of climate related budgets to gender inequality and poverty. The assessment showed that central government ministries lack awareness and technical **capacity** to effectively integrate poverty and gender issues into climate change related programmes and activities, despite the fact that the National Action Plan to Reduce GHG Emissions requires all line ministries to conduct a gender analysis before implementing climate change programme activities. Efforts are underway to better use existing performance-based budget systems to accelerate gender and poverty responsiveness and to improve cross-sectoral and multi-stakeholder collaboration.
- Other country examples highlighted in the PEI Annual Reports include: (i) A study commissioned in **Mauritania** to assist the government in better integrating gender and

social equity issues into environment and natural resources management; (ii) **Myanmar's** inclusion of differential impacts by gender in the ongoing integrated assessment on mining in two townships; (iii) **Rwanda** initiated capacity-building activities on gender and poverty-environment mainstreaming in policy, planning and budgeting linkages to increase the knowledge of policymakers in finance, local government, natural resources, environment, the Office of the Prime Minister and the Gender Monitoring Office; (iv) Inclusion of representatives from the National Commission for Women and Children in the **National Mainstreaming Reference Group** in **Bhutan**; (v) Training workshop in collaboration with the **United Nations African Institute for Economic Development and Planning** to build the capacity of government officials in West African countries to mainstream gender, environment and climate change into policy development and budgeting processes. Following the workshop, **Mauritania** established links with the Department of Planning of the Ministry of Women, Family and Children and has agreed to assist the Ministry of Economy and Finance in mainstreaming gender-environment-linked concerns into the forthcoming national development plan 2016–2030. In **Burkina Faso**, the delegation that participated in the training is now guiding members of the five-year development plan drafting committee to consider inclusion of gender-environment-related issues as a cross-cutting theme in the plan; (vi) In 2016 **Tajikistan** integrated a strong gender component into the **training module on SDGs** that focuses on the linkages among women, the environment and poverty reduction; and, (vii) **Peru's** Solid Waste Law and the National Solid Waste Plan integrated poverty-environment-gender objectives in a cross-government effort. The Ministry of Environment included social aspects into its legislation to improve the economic standing of the recyclers (with special focus in women) while decreasing their exposure to health hazards. Also, in 2016 **Peru** approved the **National Gender and Climate Change Plan**—the first such plan in South America.

3.3 Sustainability

170. The sustainability of the project is rated as **Moderately Likely**. Key factors requiring attention in order to improve the prospects of sustainability are – more effective dissemination of the project's mainstreaming toolkit and know-how, funding, capacity building and partnerships..

171. This section complements the discussion on the likelihood of moving from the project's Outcomes to Impact presented above. While the indicator levels for Outcome 1 and Output 1.4 provide some measure of what remains to be done for countries to be on a sustainable footing also presented above. The issue of sustainability is also closely linked to the discussion on **catalytic role and replication** discussed in the next section 3.4. PEI as a relatively small project was designed to catalyze technical and financial support from a broad range of stakeholders and its sustainability is fundamentally linked to this. Sustainability is also linked to **country ownership** discussed in section 5.4. This section includes: (i) an overview of PEI's Exit and Sustainability Strategy; and, (ii) an analysis of the key factors influencing the project's sustainability – financial, institutional and socio-political.

172. The sustainability of PEI was a core discussion point of the evaluation. The sustainability of the project is on a fundamental level supported through the funding secured for the follow on project – PEA. PEA is designed to broaden and deepen the Outputs and Outcomes of the project. A key factor contributing to the sustainability of PEI's work is the working relationships it has established with Ministries of Planning / Finance, but it will depend on the capacity, financing and on going political will to support P-E mainstreaming. The partnership with UNDP COs also supports sustainability – for example, UNDP CO **Rwanda** formed a poverty-environment unit, based on the results of PEI support to the country and the Government's commitment to addressing P-E challenges. In some countries it is believed that the work will continued even without PEI support, for example in **Bhutan**, while in other countries partners will continue the work of deepening and upscaling PEI's achievements, such as PAGE in

Kyrgyzstan. However, for most countries on going assistance is considered to be needed to fully institutionalise P-E-G-C mainstreaming, especially in Africa.

173. A key question for DFID, addressed to the evaluation, is given the evidence, why does P-E integration not happen automatically, both at the country level and within the UN and broader development system? The reasons for this are discussed in this and other sections of this evaluation report and in summary include: (i) P-E mainstreaming is a 10 -20 year process of institutional change (IIED, 2009); (ii) PE mainstreaming is a complex process, which becomes more demanding as progress is made (e.g. see Section 3.2.3); (iii) there are capacity gaps especially at the sector and sub-national level and in Africa. Capacity development also takes time and requires investment beyond the means of PEI alone¹⁰; (iv) there remains inadequate co-ordination from national development plans to sector and the sub-national levels (vertical coordination) and also across government (horizontal coordination). Budgets are poorly co-ordinated with plans and / or may not be spent in a way that is consistent with the allocation; (v) Political-economy factors mean that reported development priorities may not reflect the 'real' priorities at either the senior official or ministerial level; (vi) inadequate motivation on the part of poorly paid civil servants to implement development plans and a high turnover of staff in key positions; (vii) Governments don't have the funds (in Africa) and donors do not prioritise supporting P-E investments in their own programmes at the country level; and, (viii) influencing UN institutions / programmes takes time and money and champions within the UN organisations, as discussed in section 3.4.1.

174. Another key question is when is a country ready *to independently* develop its P-E mainstreaming work or to benefit from a lighter form of assistance? This question was at the forefront of the evaluation given the reduced number of fully supported countries in PEA and the related discussions around the effectiveness of Technical Assistance as a 'lighter approach' (Box 6).

175. The PEI Africa countries are (more or less) continuing to strengthen the inclusion of P-E objectives in national development plans without much assistance, however assistance is still needed at the sector and sub-national levels where major gaps remain, and in the development of coordination mechanisms. The project is not considered to have built dependency, a concern that was raised, rather the project demonstrates how support has been refocussed to the increasingly complex stages and elements of mainstreaming as countries have progressed.

176. As country level examples, in **Tanzania** many on-going needs were identified including: (i) there is still a lot of work to be done on national coordination mechanisms to ensure Ministries and data are well linked up; (ii) Integration of the three pillars of SD within central Government and local government authorities is still highly needed; (iii) on-going engagement with Parliamentarians as a key stakeholder group is needed; (iv) work at the sub-national level - District – Ward – Village, is a challenge and needs a lot more support to establish the institutional linkages between local and central level; and, (v) a review of the legal framework is required. In **Bangladesh** areas where additional support are needed include: (i) targeted support to achieved LDC graduation; (ii) Data generation and support to the BBS; (ii) localization of SDGs; (iii) finance; and, (iv) application of a whole of society approach.

¹⁰ In **Rwanda** political-economy factors are aligned with addressing P-E challenges. The Government is strong and pro-active and there is a results culture at all levels. Furthermore donor allocations for implementing P-E objectives were significant. However, PE mainstreaming still did not happen automatically due to capacity weaknesses and the extent of the P-E challenges.

Box 6: Country Program Vs Technical Assistance (TA)

The following concerns over sustainability were highlighted through the consultations:

- There is a risk of pulling out too early from countries where capacity and institutional reform is still insufficient.
- Concern was expressed over a lighter PEI approach, which was seen by some to be incompatible with PEI TOC, which is based on continued support through a mainstreaming process. There is a need to sustain effort because of the iterative nature of PE mainstreaming.
- In Africa the scope for TAs is considered by some to be limited due to capacity constraints at Government level (especially at the sub-national level), the complexity of working across sectors and under developed co-ordination mechanisms. A full country programme remains the preferred model to generate results. TA is not seen as an appropriate vehicle for new PEI countries and there is a need to pilot new methodologies in existing countries. However, PEI Africa recommends that if an existing country is deemed to have either “graduated” from a P-E mainstreaming perspective or does not meet the criteria for the new programme, then it will be entitled to periodic technical assistance with the aim of ensuring that the Exit and Sustainability strategies are successfully implemented and monitored. Under this modality, PEI Africa will exit from **Mali** and **Burkina Faso**.

Technical Assistance is seen as a mechanism for broadening PEA influence, however it is generally agreed that ensuring the TAs are couched within the right conditions and context will be important for their sustainability and replication. Around 10 TA are to be funded over the course of PEA, covering country specific and regional level TA (which will include LAC and ECIS). Criteria have been drafted to help select countries where a lighter approach may be feasible. Views expressed in favour of TAs included:

- There are potentially interesting TA opportunities, but to be viable they need to be embedded in an existing / bigger programme, as in **Tanzania**.
- TAs could play a catalytic role, when a small technical assistance generates interest and funding by others to upscale and replicate.
- TAs can build on the relationships made through PEI and consolidate its work.
- TAs present opportunities to work in non-LDC countries, which is something that the donors are keen to see and allow the project to reach out to more countries and promote learning.
- LAC recognises the opportunities for TA, but also felt that having a PEI/PEA country within the region would have been good for raising the profile of the work.

Tanzania was a full country program under the project, but will be moving to the TA model under PEA. They are hopeful that results can be achieved with the reduced support, especially since PEA will be embedded in a larger UNDP project. Institutionalization is seen as key to sustainability and this is something Tanzania has been striving for since the start of PEI involvement. The Local Economic Development approach is about capacity building and institutionalization and is an area PEA could help support, along with the Poverty Reduction Action Plan (PRAP) and SDG localizations.

3.3.1 PEI Exit and Sustainability strategies

177. Initially it was not clear that there would be another PEI phase / follow on project and from the outset the project has had a keen eye on the sustainability of their outputs beyond 2018, as evidence in JMB minutes (17 September 2014).

178. In 2015 (as part of the Internal Mid-term Review) **Exit and Sustainability strategies** were developed for all countries, setting out the exit process and options for sustainability post 2018. All countries felt that a ‘hard PEI-Exit’ without any continuing TA would endanger sustainability.

179. According to the LAC Final Progress Report, to ensure country ownership of the projects and a sustainable transition during project closure, the Exit and Sustainability strategies were elaborated in close collaboration with the counterparts, following the PEI Global Guidelines.

The strategies helped the countries to have a better understanding of what needed to be achieved during the last year of project implementation.

180. In line with a request from the 2014 Donor Steering Group meeting, a **Sustainability Taskforce** (with regional representation and under the guidance of PEI Co-Directors) was set up in April 2015 to elaborate a sustainability strategy, including scenarios for PEI beyond 2018. The strategy clarified the roles and resources necessary for each agency to ensure sustainability of outputs beyond 2018. The strategy also considered how to address the unmet demand for PEI mainstreaming support, given that over 50 countries had requested PEI support.

181. A **Sustainability Report** was shared in April 2016 with the 8th PEI DSG, following which PEI received initial support from key donors for the development of a successor Global Programme. In Africa all countries requested on-going country support due to significant **capacity** constraints and financing needs, and on account of the support P-E mainstreaming work provides to SDG implementation. In Asia-Pacific all countries strongly indicated the need for continued PEI support post the project to refine and institutionalize tools and approaches related to cross-sectoral co-ordination, integrated planning, budgeting and investment management systems. Support was also requested in new emerging areas such as natural resource investment management, fiscal decentralization and integrated financing. In Latin America and the Caribbean, the view was that PEI support beyond the project would be most beneficial in terms of evidence-based policy advice related to thematic areas where P-E links are important such as economic evidence for sustainable resource use. In ECIS for many countries the task of P-E mainstreaming has not been completed, and there is high expectation that PEI will serve as a mechanism for national level implementation of the SDGs (PEI Sustainability Report, 2015). Generally, in ECIS there is more to be done and more money needed. For example, while there are overall PEERs in place, there is a need to look at specific areas such as biodiversity (ECIS, Final Progress Report).

3.3.2 Key factors influencing sustainability

3.3.2.1 Financial

182. The financial sustainability of the project is supported through the successor project PEA and increased allocation of public funding to PEI objectives. As discussed above, PEI achieved an increase in financing in a number of countries, through institutionalizing PE criteria into national budget processes.

183. However, additional funding is needed to institutionalize P-E mainstreaming and to leverage PEI tools and approaches to new levels, and at a faster rate, as discussed throughout this evaluation report. The need to secure new and additional funding is magnified by the budget cuts to UNDP country office funding. DFID consider the unwillingness of key development institutions, including but not limited to UN institutions, to fund activities through their core budgets as the main outstanding risk for ongoing work in support of countries' poverty-environment mainstreaming (DFID 2017, completion report). It was noted that DFID had requested that UNDP allocate core funds to PEI at the donor meeting in Glasgow but that UNDP did not think this was realistic.

3.3.2.2 Institutional Framework (including capacity)

184. The sustainability of outcomes depends on awareness at all levels of Government and among stakeholders, policy frameworks and legislation, processes, tools and systems for P-E mainstreaming and the capacity and knowledge to implement them. Just because tools are available does not necessarily mean that public officials and local administrations have the skills or knowledge to employ them or understand their relevance. For example, PEI invested large amounts in developing the **Mining Decision Making Financial Model** used in **Lao PDR** and **Myanmar** for the Department of Mines, but often the skills of government officials to

operate the tool were lacking. When PEI built capacity through training, often the trained government officials found another job with the newly acquired skills (such as excel).

185. Sustainability and the success of PEI's exit strategy will be reflected in the application of the acquired capacities to address other sustainable development issues and to mainstream P-E in additional sectors and to continue learning on the basis of experience. It requires that the PEI host institutions retain and enhance their capacity to respond to the unmet country demand for P-E-G-C mainstreaming without PEI support.

186. The project invested in capacity building of individuals and institutions, through tailor-made training programmes to government staff, and increasingly non-government actors. This training was often provided in partnership with local actors who could better communicate and guarantee long-lasting presence and assistance to ensure the sustainability of PEI's work and supported tools. However, in a number of cases it appears that this training was at a limited scale and follow on training is required to fully build capacity such that the work of PEI can be independently sustained. After the introduction of conceptual training, additional foundational, advanced and technical training is likely to be necessary. An example of this is the training curriculum on economic evaluation techniques to include environmental and social considerations. While this type of training is important to introduce concepts, additional foundational concepts are needed to make the lessons learned in the first training course better understood and more applicable. As another example, in **Bangladesh** the **National Academy for Planning and Development (NAPD)** trained 200 public officials in environment and climate change and Environmental Impact Assessment (EIA), through seven 3 day courses. Feedback on the course was that 3 days was too short and that such introductory courses can only serve to raise awareness. Follow up courses are needed to really build the capacity of practitioners. **Bangladesh** have a shortage of skills and knowledgeable manpower and continuous training is needed in many areas. For example, it is important to make officials more conscious of climate change and develop more people conversant in climate analyses across Government and in implementing projects taking into consideration the P-E-C nexus. Training is also required in Strategic Environment Assessment (SEA), which is not widely practiced.

187. Therefore, while PEI has built capacity at the individual, institutional, and system scale, further interventions are considered necessary to ensure capacity is developed to a level that allows countries to independently steer and implement integrated planning. It is beyond PEI/PEA to finance capacity building at the sub-national level beyond pilot districts and across all the necessary sectors and therefore support from partners is required.

188. Key capacity challenges include:

- Implementation of output indicator 2.2 was particularly challenging given the lack of expertise and capacity of local institutions in multi-dimensional poverty measurements and the valuation of ecosystems services, cost-benefit analysis, environmental accounting, and economic and social assessments (DIFID, 2015).
- There are some good people at the central level, but limited capacity at the **district level**. If technical support and capacity development is withdrawn too early before countries have the skills to address unforeseen obstacles there is a risk that mainstreaming efforts will halt or regress.
- Basic technical skills are lacking in some cases hindering analysis of P-E. For example, in **Tanzania** forest offices did not have the basic skills in excel needed to record data needed to map forest degradation
- Capacity to prepare project proposals to generate funding.
- Capacity to use the mainstreaming tools developed in some countries.
- Capacity to undertaken EIA and SEA is critical as the need for environmental and social safeguards is magnified as countries' industrialization processes pick up pace.

- In **Asia** country capacity varies, and some countries such as **Nepal** needed more support.

189. While high staff turn over is often cited as a challenge, there are potential benefits from cross organization fertilization. For example, within the timeframe of PEI many senior people associated with the programme have moved between ministries (e.g. finance and environment ministries) resulting in a significant PEI cross ministerial footprint, which should support the development and uptake of integrated approaches across Governments.

190. The PEI ECIS Final Progress Report states that if the current political climate and economic development conditions stay stable, and the necessary drivers are addressed, the sustainability of P-E integration into national policies in the region is positive. However, in ECIS sustainability is threatened by insufficient capacity and high government turn over and a gap between PEI's objectives with regard to policy making and their enforcement through action plans. Environmental protection and climate adaptation are cross-sectoral, requiring strong institutional capacity for mainstreaming, coordination, implementation and enforcement. However, in ECIS the efficiency and effectiveness around implementing public initiatives and programs, law enforcement and using existing environmental safeguards (such as environmental impact assessments) is weak. This is coupled with limited incorporation of goals and targets for environment and biodiversity protection and for climate change adaptation in public policies. In the area of District Development Plan (DDP) related work, inconsistency between indicators and monitoring systems at national and local levels leads to insufficient links between district-level planning and budgeting. To replicate the results of the DDP work in other regions, training is required for relevant M&E specialists at district and regional levels, but there are infrastructure challenges, including limited internet access and low-grade office equipment as well as adequate human and financial resources. Sustainability requires the support of a range of stakeholders and a range of **P-E champions** among political and society leaders.

3.3.2.3 Socio-Political

191. Political unrest and national elections impacted implementation of some PEI country programmes, for example, political unrest in **Bangladesh** and the internal government restructuring process following **Mozambique's** national elections in October 2014. Such challenges typically require revisions to work-plans and budget. An additional lesson learned from **Mozambique** is that the year after an election can be even more disruptive for the implementation of the PEI programme than the year of the elections as Government reforms and restructuring following the appointment of a new government often take some time to become operational. Consistent engagement with technical departments of government however, provides room for continuity even amidst political uncertainties. Elections in **Bangladesh** late December 2018 were expected to delay Bangladesh's preparations for PEA.

192. Changes in Governments and political unrest can therefore adversely affect the sustainability of the project's output. However, this is mitigated by the level of institutionalization achieved in countries, and high level political champions in key Ministries.

193. It was noted that a key reason why P-E mainstreaming is challenging at times is that the political-economy factors are not aligned with on-paper commitments to environment and natural resource sustainability in many countries. In **Africa** the fundamental importance of political economy factors continued to be recognized in PEI's work and was reflected in the decision to support international technical advisors at the country level who were embedded within government. In **Rwanda** a key reason for success was that political-economy factors are well aligned with development objectives, but this was not the case in all countries.

3.4 Catalytic Role and Replication

194. This section is closely aligned with the sustainability of PEI, discussed above. It looks at six core and interrelated ways the project can leverage its work namely through – mainstreaming PEI thinking and approaches into the UN, developing partnerships to augment and or take forward PEI initiatives, promoting South-South cooperation to spread viable alternatives across similarly matched countries, knowledge management to ensure the best information is reaching and influencing people at all levels, resource mobilization and replication.

195. Catalytic Role and Replication is rated as **Moderately Satisfactory**. The project had some success in promoting the adoption of poverty-environment objectives, tools and approaches across the United Nations system and within bilateral and multilateral partner agencies, but the widely held view is that this integration could have been more extensive / comprehensive. Some notable partnerships were developed and remain key to the sustainability of PEI. There is evidence of replication both within countries and across regions, and scope to enhance south-south learning as a means of catalyzing further uptake of PEI tools and approaches.

3.4.1 Mainstreaming into the UN

196. The project aimed to mainstream PEI thinking, approaches and tools into UN projects and programmes as a means of upscaling and sustaining PE mainstreaming efforts. The prospect of mainstreaming PEI within the UN has always been a strong rationale for donor support. Given that the project was the second five year PEI project to be funded, donors were keen to see, on the back of US\$12 million of funding annually, the integration of PEI into the strategic frameworks of UNDP and UN Environment. DFID's 2016 Annual Review of PEI strongly encouraged the UN institutions, particularly UNDP and UN Environment, to further mainstream climate and environment into their operations and support to country Governments. The mainstreaming of PEI work into the UN is the focus of Outcome 3. Despite the targets being achieved across Outcome and Output 3, many felt that this is an area where more could have been achieved. To be more fully mainstreamed into the UN, PEI would need to be achieving components of level 4 and 5 of Outcome indicator 3 (Table 5). A few elements of components 4 and 5 have been achieved as documented in the PEI Final Annual Report, 2018.

197. According to PEI's Management Response to the Scale up Phase evaluation UNDP's capacity for integrating P-E mainstreaming significantly improved following UNDP's 2014 restructuring and creation of the Sustainable Development (SD) Cluster. This structure was aligned to deliver on UNDP's Strategic Plan (2014-2017) and is measured against the Integrated Results and Resources Framework (IRRF). PEI is hosted within the SD Cluster and the Global Policy Centre on Resilient Ecosystems and Desertification.

198. There was scope in PEI project countries to build partnerships across UNDP and UN Environment interventions for programming and to reduce duplications at the country level, contributing to the One Programme pillar of the UNDG Delivering as One (DaO) SOPs (Standard Operating Procedures). PEI has contributed to UNDAFs and CPD and engaged with UN Mainstreaming, Acceleration and Policy Support for the 2030 Agenda (MAPS) led by the UN Development Group.

199. PEI's regional teams had the opportunity to be integrated into the work of the regional offices and were well positioned to generate synergies with UN Environment's regional engagement through integrated approaches to development planning and UNDAF formulation.

200. At the Global level, the UN Environment Co Director participated in a number of UN system wide mainstreaming activities raising the profile of PEI for SDG implementation such as the UN system wide action plan for the Third Decade on poverty eradication. She is also the focal point for UN Environment on the inter agency working group on equality and a rights Based Approach to the SDGs, and the Equity Focal point for the Global Environmental Outlook Report, in which PEI **Lao PDR** was highlighted as a best practice in the Land Management chapter. In November 2016, the Initiative participated in training of UN staff on land and natural resources organized by **UN-HABITAT** as part of the UN Regional Support to the Great Lakes Region.

201. The general view however is that there is not enough evidence that PEI has been mainstreamed into the UN, with PEI tools and guidance taken up by other divisions of UNDP and UN Environment and other UN agencies. It was widely felt that there is further scope to raise the profile of PEI across UNDP and UN Environment and the UN system in general, and to better integrate tools and approaches into projects on the ground. This could be facilitated by identifying champions within both organizations, willing and capable of building bridges and developing collaborative work within and across UN agencies. However, it needs to be acknowledged that influencing institutions / programmes takes time and money and the expectations as to what the project could achieve in terms of leveraging its tools and approaches have perhaps been overly ambitious for PEI as a small global project. It was also noted that PEI can also learn from other UN Programmes, for example the Global Environment Facility's (GEF) work on protected area financing and small grants. The fact that mutual learning is possible is all the more reason to find ways to facilitate such exchanges.

202. Opportunities for deepening mainstreaming within the UN include:

- The PEI Handbook was presented in New York. It also could be presented in other regional and country offices to build awareness and spark potential synergies with on-going and proposed programmes, potentially through 'brown bag' or similar events.
- Train staff in charge of country programmes, so that they can help mainstream PEI into country programmes and projects.
- The JMB emphasized that PEI work should, where possible, support UNDP's global research agenda for 2015-16 in the areas of: (a) The future of work; and, (b) Sustainable forest management through the Global Policy Centre on Resilient Ecosystems and Desertification in Nairobi (GPC-RED) (JMB, Feb, 2015). The Global Policy Centre is the focal point for the UN Conference to Combat Desertification (UNCCD) and ways in which PEI thinking can support the UNCCD and other work of the GPC should be explored.
- It was suggested that there may be opportunities in post-conflict countries in relation to equitable access to natural resources and synergies with UN Environment work and the use of PEI's experiences and lessons to reach more countries through existing programmes in line with the UN Secretary General focus on peace and security.

3.4.2 Partnerships

203. PEI recognizes that partnerships are essential to catalyze and sustain poverty-environment mainstreaming, and critical for implementing the SDG Agenda. PEI's sustainability strategy, supported the development of partnerships to collaborate and continue P-E mainstreaming. It committed PEI to expanding its partnerships with other UN agencies (UN-Habitat, UNCDF, UN-OHCHR and UN WOMEN), and identifying technical and financial partnerships at regional/country level¹¹.

¹¹ PEA is reported to be fully integrated with the sustainable finance team at UN Environment.

204. The project made efforts to explicitly set out its comparative advantage. For example this was formally set out in a strategic vision paper with PAGE and UN Environment Sustainable Consumption and Production (SCP) as discussed below. It was stated that some other programmes viewed PEI as competing for funds and did not agree with the PEI model of substantive engagement at the country level and working with Ministries of Planning/Finance. Overlap was not generally a problem at the country level as PEI had a different focus and therefore could complement the work of other programs. However concerns over duplication between similar finance / green economy partnerships programs remains an issues for PEA as discussed below. The value added of PEI was well appreciated by UNDP COs reflected in their willingness to support PEI and to integrate it into their portfolios, develop joint projects and make PEI an integral part of UNDAF clusters.

205. The project built a number of notable partnerships between 2013-18. These included partnerships with other UN agencies and projects (UN Women, FAO, BIOFIN, PAGE, UN Capital Development Fund) and Research and Knowledge Institutes – notably the International Institute for Environment and Development (IIED) and the World Conservation Monitoring Centre (WCMC). PEI has continued to build strong partnerships with Country Governments and under Output Indicator 2.3 there has been some recent in-country partnerships with the private sector.

206. Lessons from these partnerships include: (i) partners are very important when going into new areas and PEA needs to identify strategic partners; (ii) demonstrating things at the country level can bring teams together; (iii) partnerships are best started around something practical rather than a Memorandum of Understanding (MOU); (iv) partnerships are most effective when there is collaborative engagement and coordination in the design of initiatives in their early stages; (v) while there is a lot of interest in partnerships, cost-sharing is important, otherwise it is more difficult to go beyond conceptual discussions; and, (vi) resources and the time to brainstorm possible synergies with partners is necessary, but personalities matter too and staff skilled at identifying opportunities and building relationships are needed.

207. Many consultees felt that there was scope to build more partnerships under the project. For example, in Asia:

- PEI could be better integrated with the Climate Change portfolio of UN Environment.
- There were various country level projects which the project could have explored links with such as an ecosystem based project in Nepal and SCP in Bhutan.
- Work with UN Women was explored, but did not go forward.
- Potential partners going forward include International Finance Corporation (IFC), the Asian Development Bank (ADB), the World Health Organization (WHO) and the United Nations International Children's Emergency Fund (UNICEF).

208. Generally it was felt that there was scope to better exploit synergies with donors in PEI countries. This could contribute to the use and dissemination of tools, promote good practices, and support aid coherence and harmonization. It was recognized that this was a two way responsibility and donors could support better synergies at the country level through, for example, inviting PEI teams to P-E specific meetings at their embassies.

3.4.2.1 Overview of Partnerships

209. **Partnerships within the United Nations system** (excluding finance / green economy partnerships which are discussed in a separate section separately below) and summarized in this sub-section.

210. PEI has joined forces with a range of United Nations institutions to maximize impact and avoid duplication, leveraging respective comparative advantages. PEI expertise has been

sought on gender-environment nexus, environmental mainstreaming and the inter-linkages among the three dimensions of sustainable development. For example:

- **UN Environment** and the **United Nations System Staff College** drew on PEI expertise in integrated approaches when updating training material to strengthen sustainability and resilience in United Nations country programming processes to address implementation of Agenda 2030.
- **Food and Agriculture Organization of the United Nations (FAO)**
 - PEI Africa and FAO signed a UN interagency agreement in May 2015 to conduct a soil loss assessment in **Malawi**. Based on the work completed in 2016, FAO produced 10 district soil loss maps using its own funding. On the request of the Ministry of Agriculture, in 2017 the Poverty-Environment Initiative and FAO undertook an economic evaluation of soil and nutrient loss. The UN Resident Coordinator and FAO Resident Representative in **Malawi** expressed a desire to see collaboration deepen and be a feature of any successor programme to the Poverty-Environment Initiative in **Malawi** in line with the Delivering as One approach.
 - In 2017 PEI and **FAO** undertook a joint policy review for the National Forestry Policy of **Tanzania**.
- **UN Women**.
 - In 2014, PEI Africa established a technical and financial partnership with **UN Women's Regional Office for Eastern and Southern Africa**. In 2015, the partnership was expanded to include the **World Bank** to study and report on “**The Cost of the Gender Gap in Agricultural Productivity in Malawi, Tanzania, and Uganda**,” which was launched at the Committee on World Food Security meeting hosted by FAO in Rome in October 2015.
 - PEI Africa participated with **UN Women** in the gender pavilion hosted by **the Centre for International Forestry Research (CIFOR)** at the Global Landscapes Forum.
 - In collaboration with the **United Nations African Institute for Economic Development and Planning**, PEI Africa organized a Francophone gender-environment training inspired by the Gender and Economic Policy Management Initiative in June 2015.
 - PEI partnered with **UN Women in Kyrgyzstan** to address knowledge gaps on the links between gender equality, climate change and environmental sustainability in Central Asia. A joint high-level regional conference, “Gender Equality and Sustainable Development for Transformative Change,” was held in **Kyrgyzstan** bringing together 105 experts and representatives from government, UN organizations, civil society and academia. The conference outcome document provides recommendations on integrating poverty, environment and gender objectives into governance for the SDGs.
 - The PEI–UN Women collaboration is also active in Latin America and the Caribbean, where it is primarily operating through the UNDP and UN Environment Gender Units.
- PEI’s on-going partnership with the **United Nations Capital Development Fund** has been enhanced to align with **Local Climate Change Adaptive Living Facilities (LoCAL)** in both Africa and Asia Pacific. LoCAL awards grants and provides capacity building at the local level for climate change adaptation investment. This partnership, often delivered through joint missions, joint review and joint work-planning, has led to **efficiency** gains for partners.
 - Earlier work in **Bangladesh, Indonesia** and **Nepal** revolved around aligning local climate change adaptation investments and poverty-environment mainstreaming into local development plans and budgets to increase impact.
 - In **Nepal**, support was provided to post-disaster green recovery planning and budgeting processes for district development committees through coordinated support. Collaboration with LoCAL has been critical for **Nepal**, where the Ministry for Local Development has been attempting to design and implement a Transition

Support Programme under the new federal structure to ensure the sustainability of PEI interventions in implementing environmentally friendly local governance through greener planning and investments. The new programme was approved in November 2017 and is being implemented in all municipalities of the Sindhuli and Kabhrepalanchowk districts.

- in **Mali** PEI and LoCAL jointly provided trainings in 2016 to local government decision makers on poverty-environment and climate mainstreaming in two communes where LoCAL is engaged. A joint programme agreement for long term collaboration is centered on strengthening capacity of local administrations to integrate pro-poor environmental sustainability and climate change adaptation into local development plans and to implement priority local actions and their monitoring.
- **Global Climate Change Alliance, UNDP ART GOLD and Global Environment Facility Small Grants Programme**, provides an examples of how the catalytic role of partnerships at the local level increases the desired impact on the livelihoods of the poor. PEI **Mauritania** worked with the Ministry of Environment and Sustainable Development, the local administration, UNDP ART GOLD (Articulating Territorial and Thematic Networks for Human Development) and the European Commission–funded Global Climate Change Alliance to prepare environmental profiles of two regions, Assaba and Brakna. The profiles provide updated information about the status of natural resources and linkages to livelihoods, gender and the local economy. The **Global Climate Change Alliance** committed EUR 1.6 million to a capacity-building programme for local planners based on the gaps identified in the environmental profiles. Building on engagement in the Brakna region, PEI **Mauritania** also partnered with the **Global Environment Facility Small Grants Programme**.

Bilateral and Multilateral development partners

211. A number of bilateral partners worked with PEI on specific technical activities and /or built on PEI achievements. Germany's **GIZ** and the United Kingdom's **Department for International Development** were strong technical partners and catalyzers of PEI work. For example:

- In **Mauritania climate vulnerability maps** were developed with the support of the PEI and the **Global Alliance against Climate Change** (a jointly funded project by Germany's GIZ and the European Union). The maps will inform the Global Alliance against Climate Change project on capacity-building for local planners with a budget of €1.6 million from the European Union. The project also worked with **GIZ** to assist the Government of **Mauritania** to develop the new National Strategy on Sustainable Development 2016–2030 and Environment National Action Plan 2017–2021.
- In **Malawi**, **GIZ** financed the review of the wildlife act inspired by the review of the national wildlife policy that the PEI assisted with.
- The project collaborated with the **GIZ** programme in the **Kyrgyz Republic** on data- and information-sharing.
- PEI coordinated a new partnership to strengthen the capacity of the **Kyrgyzstan** National Statistics Committee to introduce the SEEA that was launched with the **Czech Trust Fund** and GIZ in 2015.
- The **European Union** scaled up the work of the **Mainstreaming Reference Groups** at the local level in **Bhutan**.
- In **Malawi**, the national launch of the report on the cost of the gender gap was co-hosted by the **Government of Norway**.
- In **Nepal**, the **United Kingdom's DFID** collaborated with the Poverty-Environment Initiative through the Environment Friendly Local Governance Framework; this, along with the UN Capital Development Fund LoCAL, is a key programme to mitigate climate change and help communities adapt to climate change.

212. There is evidence of multi-lateral agencies building on PEI work. For example: (i) A [Global Environmental Facility](#) project in [Guatemala](#) on Conservation and Sustainable Use of Biodiversity in Coastal and Marine Protected Areas is using the result of the PEI supported [Targeted Scenario Analysis](#) to inform land use plans in the coastal area and to review environmental management plans; and, (ii) other studies have been taken up by the [World Bank](#) in [Malawi](#) to guide its country environmental analysis.

213. In 2016, PEI initiated a collaboration with the [UNDP Parliamentary Learning Centre](#), [Natural Resource Governance Institute](#) and the [World Bank](#) to deliver a learning seminar for parliamentarians - "The Myanmar Extractive Industries Transparency Initiative (MEITI) and Environmental Standards: An Introduction to Natural Resource Governance in Myanmar." The seminar was attended by 150 members, some 22 per cent of all members. PEI facilitated a presentation on environmental trends in [Myanmar's](#) extractive industries, how to apply the current environmental regulatory framework, and the implementation and monitoring needs of the country. The seminar contributed to participants' knowledge of Myanmar's national processes to improve resource governance, and assisted them in their work.

Research and knowledge institutions

214. The project partnered with a number of research institutions. For example, PEI Africa commissioned research to assess whether the existing [Multi-dimensional Poverty Index](#) (MPI) methodology can be adapted to include environmental and natural resource sustainability variables that impact on poverty. The report was prepared by the [Oxford Poverty Human Development Initiative](#) and [Cambridge University](#). PEI Africa supported further work to develop practical guidance on options for generating multi-dimensional poverty measurements, together with the [UN Environment–World Conservation Monitoring Centre](#) (WCMC) and the [Ecosystem Services for Poverty Alleviation Initiative](#) (ESPA).

215. The project engaged with the [International Institute for Environment and Development](#) on a range of analytical and technical services, including guidance and capacity building on public and private financial management and elaboration of a diagnostic tool for gauging institutional readiness for implementation of the SDGs.

216. PEI partnered with the [Korea Environment Institute](#) to build [Bhutan's](#) capacity to carry out a [strategic environmental assessment](#) for Thimphu under the leadership of the Ministry of Works and Human Settlements. This provided an opportunity to influence the long-term Thimphu Master Plan outlining the growth trajectory for the country's capital city and district.

217. PEI has participated in the [Poverty Environment Partnership \(PEP\)](#) annual meetings, facilitating the participation of government representatives, and regional and global experts on poverty-environment mainstreaming at these meetings. PEI staff hosted the PEP meeting in Nairobi in 2018. The Poverty-Environment Initiative **Technical Advisory Group meetings** were typically organized back to back to the PEP annual meeting, which benefited from bringing together the experiences of a wide range of policy makers, development practitioners and development agencies.

Green Economy – Sustainable Finance Initiatives

218. The new project PEA, with its increased focus on sustainable financing, investments and working with the private sector is moving closer to a number of on-going projects addressing similar issues e.g. the [Partnership for Action on Green Economy \(PAGE\)](#), the [Global Green Growth Institute \(GGGI\)](#) and [Wealth Accounting and the Valuation of Ecosystem Services \(WAVES\)](#). It is therefore important for PEA to be clear on its value added, how it complements other programmes and how it will avoid duplication. A recurring concern of donors is that they can justify their support to perceived similar programmes such as PEI and PAGE (DSG, April 2015). This concern was also raised at the PAGE's Mid-term Review.

219. In response to this concern, PEI took the lead on a strategic vision paper in collaboration with PAGE and UN Environment Sustainable Consumption and Production (SCP) which outlines the value added of each programme and areas of collaboration including joint work plans, staffing and division of labour. The DSG in 2015 suggested that the Biodiversity Finance Initiative (BIOFIN), UN Reducing Emissions from Deforestation and Forest Degradation (UN REDD) and potentially GEF be included in the PAGE-PEI-SCP collaboration paper and that it provide a summary table to show co-location, commonalities and differences. Such an exercise would be useful and could also include the UN Environment Finance Initiative (UNFI) and GGGI. There is competition for resources from the same donors and while PEI was encouraged to work in the same countries as PAGE by all donors, the EU has subsequently requested that a TA criteria for PEA be that work is *not* undertaken in the same countries as PAGE.

220. PEI, in partnership with others, has contributed to delivering an **inclusive green economy**, emphasizing the social inclusion aspects of this agenda, for example:

- In **Mongolia**, a strong collaboration between PEI and **PAGE** has resulted in the integration of poverty, environment and gender concerns in the action plan for the national Green Development Policy, which was endorsed by the Mongolian parliament in 2015. Joint training conducted with PAGE is improving the knowledge and understanding of planners and decision-makers in applying the Green Development Policy at the local level. PEI added value through a focus on inclusive green development, providing detailed guidance on poverty assessment related to global SDGs and indicators, including on green jobs and impacts from extractive industries on local economic, environmental and social development. Following the adoption of the Green Development Policy in Mongolia, PEI continued to work with stakeholders to incorporate poverty, environment and gender concerns in an action plan. As a result, the plan's fourth strategic objective is, in part: "...to promote and provide employment opportunities for vulnerable groups (unemployed, disabled, elderly and women) by creating green jobs through various initiatives and projects [and] ...to improve capacity of herders and local poor households to run green businesses and provide support through soft loan and equipment".
- In Latin America and the Caribbean, PEI joined the **PAGE Regional Forum**, adding value in terms of its expertise in poverty and inequality and identifying opportunities for collaboration in **Peru**.
- At **PAGE's** 2nd Global Academy on the Green Economy, a Delegation from **Kyrgyzstan** discussed building on the lessons and sustaining the work of the Poverty-Environment Initiative to launch **PAGE** in the country in 2017. PAGE was able to benefit from PEI's groundwork, both technically and in terms of establishing relationships with key Ministries.
- Building on initial efforts in **Burkina Faso**, PEI, **PAGE**, **SWITCH Africa Green** and **UNEP's Resource Efficiency** team coordinated to elaborate a joint work plan and budget for 2015 to provide the national government focal point and UNDP Country Office with a single coherent, coordinated programme of support. The joint programme focuses on integrating pro-poor environmental sustainability, inclusive green economy, and sustainable consumption and production in national development planning and implementation processes
- **UNDP's Biodiversity Finance Initiative (BIOFIN)** joined forces with PEI in **Kyrgyzstan** to deliver its first **Public and Private Environment Expenditure Review focused on biodiversity and climate change**. The findings informed the National Biodiversity Strategy and high-level environmental financing discussions. The Ministry of Finance integrated the poverty-environment-gender nexus into the newly adopted budget code that entered into force in January 2017. This work will be followed up by PAGE and BIOFIN to inform policy choices in the area of environment/biodiversity/climate change funding in Kyrgyzstan.
- **The Wealth Accounting and Valuation of Ecosystem Services (WAVES)**. PEI explored closer collaboration with WAVES in **Guatemala** and **Rwanda**, but this did not materialize into anything concrete.

221. The range of projects looking at green economy and sustainable finance need closer engagement going forward given their similar objectives, so that they can be mutually supportive and avoid duplication. Under the Addis Ababa Agreement member states committed to integrate finance across the UN system, but this is reportedly not very well advanced and there is therefore an opportunity to better coordinate and integrate on-going initiatives.

222. While it was not possible to explore the relationship between the different project in detail as part of the evaluation, the main synergies going forward include:

- PAGE responds to calls for support from countries wishing to embark on greener and more inclusive growth. These requests are mostly from upper middle income economies. The market-based instruments promoted by PAGE and investments promoted by UNF - including fiscal and trade policy, require fairly robust institutions. PEI has been characterized as PAGE for LDCs. PEI invests in institutional capacity building and policy development and has a longer term operational mode. Poverty-Environment Action can complement PAGE by offering cooperation on institutional transformation, which typically requires a sustained country presence.
- UNFI fosters country level dialogues on sustainable finance (mostly in high-income economies), the newly launched PEA project will build and strengthen national institutions and governance (mostly in low income economies).
- *BIOFIN* is focused on analysis and could use PEI in country to embed their work, building on PEI's relationship with Finance Ministries.
- Reducing Emissions from Deforestation and Forest Degradation (UN-REDD). PEI did not engage much with UN-REDD, but there are linkages with PEA in terms of stakeholder engagement and governance / finance aspects.
- PEA plans to use the economic analyses provided by TEEB to policymaking, particularly in low-income economies. A view was expressed that the environmental economics initiatives within the UN still operate in silos and that information needs to be better shared and integrated.
- WAVES and UN Statistics work on Natural Capital Accounting, opportunities should be explored, perhaps in relation to SDG delivery and monitoring.

3.4.3 South-South Cooperation

223. PEI has accrued a wealth of lessons learned, tools and best practices over the past 13 years that other institutions, governments and communities can benefit from. Fostering South-South Cooperation has been part of the PEI strategy and approach, as a means of facilitating learning and advocacy. However, there is considered to be a lot more scope to develop South-South learning at the regional and global scale, and a consistent request from regional and country teams was for there to be a better exchange of information and cross regional working (through document exchanges, visits, workshops, and training).

224. The following examples demonstrate the effectiveness of south-south learning:

- Latin America and the Caribbean promoted a series of South-South learning events. The Social Action Secretariat from **Paraguay** visited the Social Policy Coordination Cabinet from the **Dominican Republic** and signed a memorandum of understanding to learn from social protection programmes and initiatives with a special focus on gender, risks, environment and productive sectors. As a result, **Paraguay** adopted a **Multidimensional Poverty Index**. **Uruguay** also drew on the **Dominican Republic's** experience of designing a Vulnerability Index. The Social Development Ministry and the National Emergency System are jointly developing an online territorial analysis of flooding of vulnerable areas as a baseline to construct a **Vulnerability to Climate Hazards Index** for **Uruguay**. The focus on solid waste management in the PEI **Peru** programme originated from south-south exchanges with the successful work in

Uruguay. The IVACC of **Dominican Republic** and the experience in Arequipa, **Peru**, on waste management have created great interest and are being shared and analyzed in the region by international think tanks and international development agencies (PEI LAC Final Progress Report). There is considered to be much greater scope for South South learning and the team believe they are now ready to do this, for example **Guatemala**'s work on land management would be of interest to many people / countries.

- **Tajikistan** held a Regional Workshop on “Shared Environmental Information System and Environmental Statistics for SDGs”. At the event, it shared its experience in introducing its **System of Environmental-Economic Accounting** with the aim of improving reporting compliance on environmental statistics for the SDGs. **Tajik** officials participated in a three-day study tour in **Kyrgyzstan** to learn about green economy principles in the formulation of a country strategic framework.
- In Asia, **Bangladesh** learned about climate vulnerabilities in **Indonesia** and the policy and strategies adopted to finance both mitigation and adaptation actions and their potential application in the Bangladesh context. **Myanmar** applied tools and approaches to improve social and environmental sustainability of public and private investment projects, learning from **Lao PDR** and the **Philippines**. For example, **Myanmar**'s financial model to assess mining proposals draws heavily on one developed in **Lao PDR**. In **Lao PDR**, government/technical officials responsible for formulating the long-term and medium-term development strategies and plans learnt from **South Korea**'s experience in developing the institutional, legal and financial mechanisms around the National Green Growth Strategy. This experience contributed to the integration of green growth, equity and sustainable development as objectives of the 8th National Socio-economic Development Plan, and development of green growth criteria/indicators for public investment programmes. **Bhutan**'s policymakers learnt about best practices in strategic environmental assessments from **South Korean** counterparts. **Mongolia**'s work in mining sector planning and its related public investment management system was developed based on successful efforts in the **Philippines**.
- In Africa, **Burkina Faso** modelled its Environment Fund on **Rwanda**'s and continued to learn from **Rwanda**'s experience in addressing the poor quality of funding proposals when rolling out its Green Fund (FONERWA). The fund also granted around US\$ 700,000 to three districts so they could **replicate Rwanda**'s green village model. **Tanzania** has also initiated exchanges with **Rwanda** to learn how its Green Fund could potentially be adapted to the Tanzanian context. The **European Commission** invited the Poverty-Environment Initiative in **Malawi** to participate in its training on Greening National Development in **Lesotho** to share tools and approaches to inform the development of the country's second national development strategy. **Mauritania**'s adoption of a programme budget approach was inspired by **Burkina Faso**'s experience with its application in 2014.

3.4.4 Knowledge management

225. The PEI constituency is far wider than the countries it directly services and the project was designed under Global Output 3 to generate and disseminate knowledge products as a means of increasing the uptake of PEI's tools and approaches. DFID stated in 2016 that a large part of ensuring the legacy of PEI would be through feeding learning into other programmes and initiatives working on climate and environment mainstreaming and funding, and that this should be a high priority for PEI in its final year. Learning from PEI will also be taken forward into PEA, further emphasizing the importance of capturing the PEI knowledge in an accessible and user specific manner. The PEF was responsible for knowledge management, namely setting a strategic vision on the type and number of knowledge products to be developed and how the products could be best disseminated.

226. One view expressed through the consultations was that given its resources the project's achievements in terms of knowledge dissemination were reasonable and DFID consistently gave Output 3 related to knowledge management an 'A' rating in its annual reviews. The dominant view was however, notwithstanding the limited resources, knowledge management could have been better. A strongly expressed concern was that the range of examples and experiences at the country level were not reaching a broad enough audience. Knowledge management needed to be more strategic, coordinated and resourced. Some expressed a view that there was a difference in views between the agencies regarding the importance of Output 3. The knowledge management component was reportedly under resourced and downsized through the course of the project despite a strong and increasing demand. This meant that PEI was not able to meet many requests to speak at global and regional events (e.g. from PAGE) and it has been a challenge to secure the legacy of PEI, through key documents such as the PEI tools compendium.

227. PEI has produced a range of knowledge products which have been taken up by practitioners and policymakers. For example, the **PEI Handbook on mainstreaming**. The scale up phase evaluation recommended transforming the PEI Handbook into a living online and modular capacity development offer. PEI's 2009 handbook for practitioners on mainstreaming poverty-environment linkages into development planning was revised in 2015 to reflect new developments and contribute to the 2030 Agenda. PEI then explored options to transition the PEI Handbook into a capacity development tool available online and through training course modules for practitioners. An initial training module on Budget was prepared with IIED's support in 2016. In 2017 the interactive handbook '*Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development: The Interactive Handbook to Strengthen Planning and Budgeting Processes*' updated the Poverty-Environment Initiative's 2015 publication for the 2030 Agenda for Sustainable Development. It improved navigation of the contents offering 'Key concepts', 'Topics', 'Key messages', 'Takeaways', 'Multimedia', 'Tools', 'Results', a learning 'Activity' for small group discussion, and 'Further reading(s)'. In 2018 the handbook was translated into Arabic and disseminated in the Arab States¹². It is now available in Arabic, English, French, Russian and Spanish. Another significant publication was Stories of Change (2014).

228. Through partnerships with the **Poverty Environment Partnership (PEP)**, the **Organization for Economic Cooperation and Development (OECD)** and the **Green Growth Knowledge Platform (GGKP)** the project sought to share PEI country experiences and bring emerging issues into the global discussion.

229. The Poverty-Environment Initiative have shared lessons on their work at different **global and regional conferences / workshops**, many of which demonstrate the high regard for PEI's mainstreaming approach and experience and the leadership role PEI is able to play on these issues. For example: (i) in September 2018 PEI was invited to talk about their tools and experiences at an OECD peer learning Workshop on mainstreaming; (ii) PEI provided training at PAGE events in Turin and Columbia and at PAGE's Ministerial Conference; (iii) PEI participated in a workshop in Berlin in May 2016 convened by the **Green Economy Coalition** and hosted by the **Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)**. This workshop brought together the main international actors working to support green growth/inclusive green economy in developing countries to explore more effective ways to collaborate, particularly at the country level; (iv) a workshop organized by the **Office of the United Nations High Commissioner for Human Rights (OHCHR)** on climate change and human rights in October 2016, provided concrete examples of using an integrated approach in support of SDG implementation and was reportedly very much appreciated by Member States; and, (v) PEI participated, through the PEP, in a collective paper entitled "Getting to

¹² The Arabic version of the handbook was presented in the regional SDG forum in Beirut in 2018.

Zero” launched at the High Level Political Forum on Sustainable Development in July 2016 in New York City.

230. Examples at the regional / country level include:

- PEI in **LAC** contributed to the first meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development in April 2018 with the paper 'Articulating Social and Environmental Policy for Sustainable Development: Practical options in Latin America and the Caribbean'. PEI in LAC consider knowledge management as well as the communication of project results, to have been a major area of their work (LAC Final Progress Report). Five regional papers were produced on integrated socio-environmental policy tools, Conditional Cash Transfer Programmes, Gender analysis of the waste management sector, the IVACC tool and the Multidimensional Poverty Index.
- In Africa, PEI's and UN Women's experiences empowering women to uptake sustainable energy solutions to address climate change were presented at a side event at the UNCCC Conference of the Parties (COP) 21¹³. Accelerating Sustainable Development in Africa: Country lessons from applying integrated approaches¹⁴ was released at the Sixteenth Session of the African Ministerial Conference on the Environment (AMCEN) in June 2017. It also featured during the Nexus Dialogue on Poverty and Environment at the High Level Political Forum in New York. PEI's review of energy policies in East and Southern Africa was presented at a side event at AMCEN 2017¹⁵.
- In ECIS, 'Building an inclusive and climate-resilient future: An integrated approach to pro-poor sustainable development' (UNPEI Tajikistan, October 2017) was produced based on lessons learned from the ECIS portfolio.
- 'The Poverty-Environment Accounting Framework: Application to Inform Public Investments in Environment, Climate Change and Poverty: Integrated Planning, Budgeting and Investment Tools for Achieving the SDGs' was presented during the regional workshop on lessons learned for UNPEI Asia-Pacific. PEI participated in the Green Fiscal Policy Network regional workshop held in Bangkok sharing PEI experiences in **Lao PDR** and the **Philippines** in promoting a more transparent and effective use of revenues from the extractives industries.

231. The forthcoming **PEI Tools Compendium** reflects some of the difficulties facing knowledge management. In 2016, the Poverty-Environment Initiative reached out to a range of actors in sustainable development¹⁶ to develop a knowledge product that would summarize and analyze experiences in poverty-environment mainstreaming. This knowledge product was to develop a compendium of practical country level experiences that link tools and approaches to mainstreaming results in support of specific SDG targets. However, the compendium was not progressed with others and is yet to be completed after 2.5 years. The work has been hampered by a lack of strategic leadership needed to articulate the objective and common approach, management and coordination to ensure the right tools were efficiently captured

¹³ <http://unpei.org/knowledge-resources/publications/empowering-women-for-sustainable-energy-solutions-to-address-climate-change>

¹⁴: <http://unpei.org/knowledge-resources/publications/accelerating-sustainable-development-in-africa-country-lessons-from-applying-integrated-approaches>

¹⁵ <http://unpei.org/knowledge-resources/publications/gender-energy-and-policy-a-review-of-energy-policies-in-east-and-southern-africa>

¹⁶ The Convention on Biological Diversity (CBD), SwedBio, WCMC, WAVES, the International Institute for Sustainable Development (IISD), UN Women, the Intergovernmental Science-Policy Platform on Biodiversity (IPBES), UN Department of Economics and Social Affairs (UNDESA), IIED, the World Resource Institute (WRI), UN Institute for Training and Research (UNITAR), PricewaterhouseCoopers' (PWC) Climate and Development Knowledge Network.

from the PEI countries, and a realistic view of resources and time inputs required. In Asia some of PEI's tools are to be included in an Asian Development Bank (ADB) publication.

3.4.5 Resource mobilization

232. Donors see the value of investing in PEI due to the core contributions from UN Environment and UNDP Country Offices and the local resource mobilisation often achieved through PEI interventions. For the project, an average investment of US\$ 5 million per year by the global donors resulted in US\$ 13-15 million in expenditure. The Co-Directors highlight the mobilisation of core UNDP and UN Environment funds as a key management achievement. Others note that a high proportion of the core funds were raised at the country level by UNDP Country Offices, in which the PEF did not play a part¹⁷, and that within the PEF the role of the donor relations officer was highly significant in mobilizing and securing donor funds. There is also a view that PEI relied too heavily on the continuity of core donor funds and have restricted their ambition to this core donor funding rather than looking for new and additional money to extend their reach. Resource mobilization will be important for the follow on program, PEA, for which donor funding has been reduced.

233. The primary source of funding for PEI's Global Programme is linked to voluntary donor contributions (as detailed in Table 8). However, at the country level, the resources mobilized through UNDP TRAC or other local development partners constituted a key financial component contributing to the delivery of results. PEI's country projects have identified ways to partner with initiatives which complement PEI, leveraging resources and strengthening national ownership and partnerships, which should improve the sustainability of PEI interventions. Table 5 provides an overview of in-country donors based on the PEI Annual Financial Reports. Support from in-country donors has fluctuated over the project, ranging from around US\$6.3 million in 2014 (around 75% of which was support provided by DANIDA to **Bhutan**) and US\$0.5 million in 2016. These resources are not pooled under the PEI Atlas award, but received at the country level under other projects.

Table 5: Co-financing from in-country partners excluding UNDP TRAC

Country / region	Donor	2014	2015	2016	2017
Bhutan	DANIDA	4,679,100	1,258,000		
	EU	14,760			
	Switzerland (SDC)	577,108	503,000		
	UNCDF	250,000	250,000		
Lao PDR	Switzerland (SDC)		952,409	248,819	
Myanmar	European Commission	657, 625	11,663		
Kyrgyzstan	Global Environment Facility (GEF)		5,400		
	Naryn ADB Programme		905		
	Naryn State University		509		
	Global Environment Facility (GEF)		8,274		
	JICA One Village One Product			500	
	UN Women				5,000
	World Food Programme				500
Tajikistan	BIOFIN (Biodiversity Finance Initiative)				113,000
	Government of Turkey		1,671		
	Government of Czech Republic		8,680		
	Government of Finland			17,140	
Guatemala	Swiss Cooperation Office (SCO)			6,000	
	Global Environment Fund		20,000	150,000	69,000
	BIOFIN			25,000	
Paraguay	Global Environment Fund		60,000	65,000	170,000
Peru	UN Volunteer				2,732

¹⁷ UNDP core funds for PEI largely come from the UNDP Country Offices, which are part of the UNDP Regional Bureaus.

Mozambique	UNDESA	92,918			
	Sida				202,766 ¹
ECIS	CAREC			9,500	
ECIS	UN Women			25,000	
Africa regional	UN Environment–WCMC				53,700
	African Institute for Economic Development and Planning (IDEP)		11,750		
TOTAL		6,271,511	3,100,000	546,959	616,698

Source: PEI Annual Financial Reports, 2014-2017, data unavailable for 2013 and 2018.

Notes: This money reportedly went to the broader Sustainable Management of Natural Resources for Resilient and Equitable Growth and Development (SUNRED) project, not directly to PEI

234. Box 7 provides a summary of investments catalyzed by PEI Africa. For example, following the integration of poverty-environment objectives in the 2016 fisheries and forestry policies US\$ 16 million have been mobilized from the World Bank, Government of China and civil society organizations to implement inclusive and sustainable fisheries practices. In 2016, construction of 210 deep fish ponds benefitted local fishermen and led to an increase in annual fish production from aquaculture from 4,742 metric tonnes in 2014 to 7,646 metric tonnes. The implementation of these practices is already increasing fish production in selected districts and sustainable forestry is being applied more widely. These positive changes have motivated China to invest another US\$15 million for a drought recovery project that among other things will scale-up deep pond aquaculture (PEI Africa Final Progress Report). It is not clear why there are discrepancies between the amounts reported in Box 7 – namely a total of US\$163,900 from UN Women, the Food and Agriculture Organization of the United Nations–Kenya and UN Environment for joint research on the cost of the gender gap in agricultural productivity and the amount reported in the Global Financial Reports as presented in Table 5.

Box 7: Investments catalyzed PEI Africa

PEI Africa have inspired investments of US\$183.9 million by development partners and actors to implement poverty-environment actions and research, as summarized below.

- **US\$ 87 million** for **Rwanda’s** Green Fund – FONERWA – for the implementation of environmental sustainability and climate actions that help reduce poverty
- **US\$ 61 million** for the replication of green villages in **Rwanda**
- **US\$ 31 million** from the **Government of China** and the **World Bank** to implement inclusive and sustainable fisheries practices in **Malawi**
- **US\$ 3.5 million** through **Burkina Faso’s** Environment Intervention Fund. In 2018 the fund is expected to distribute US\$ 415 million for the implementation of environment projects.
- **US\$ 1.2 million** (1.2 million euros) by the **Global Climate Change Alliance/EU** to increase the climate resilience of 18,333 people in the Brakna and Assaba region of **Mauritania**.
- **US\$ 113,900** from **UN Women** for cost of the gender gap related work
- **US\$ 20,000** from **UN Environment Gender Unit** for cost of the gender gap related work
- **US\$ 30,000** **FAO Kenya** for cost of the gender gap related work
- **US\$ 52,000** (GPB 40,000) by **WCMC** to support work on integrating environmental sustainability into multi- dimensional poverty measures

Excludes actors such as FAO Rome who have also invested in poverty- environment actions following collaborations with PEI Africa, but whose financial contributions are not confirmed

Source: PEI Africa, Final Progress Report, 2018

3.4.6 Replication

235. A number of replication examples are provided under the section on South South learning illustrating how leaning can trigger replication and scale up activities. Other examples include:

- Based on PEI’s work in the Scale up Phase in Rubaya, **Rwanda**, Muyebe green village

was established in 2015 in Muhanga district with funding and technical assistance from the [Swedish International Development Cooperation Agency \(Sida\)](#) and UNDP. The [green village project](#) in [Rwanda](#) has through the district development plans and the Government of Rwanda's Integrated Development Programme since been replicated in 44 locations benefitting 2020 households supported by public investments of US\$25 million in 2016/17 alone and a grant of US\$36 million. The sustainable natural resource management solutions in the green villages are contributing to poverty reduction and include terracing, tree planting, installation of biogas and rainwater harvesting. Learning from the green villages integrated approach in [Rwanda](#), [Kyrgyzstan](#) improved the capacity of two districts to promote green villages by using renewable sources of energy and energy-efficient solutions.

- The sustainable fishing practices piloted in [Tanzania](#) have been up-scaled by the government as a result of evidence provided in 2017 on the environmental, poverty reduction and economic benefits of these initiatives (see Box 5). The Government of [Tanzania](#) is working with the [Small Entrepreneurs Loan Facility Micro Finance Fund](#) to bring the required finances directly to poor communities and empower them to continue and expand the sustainable energy, agriculture and fishing practices piloted.
- GIZ will build on PEI's work on waste management in [Peru](#).
- District Development Plans started in 14 districts in North [Tajikistan](#) have been scaled up by the Government and are now nationwide.

236. In general, however, while PEI has successfully piloted initiative in many countries, there are insufficient funds to upscale this work.

4 EFFICIENCY

237. This section describes cost or time-saving measures put in place in attempting to deliver project results within budget and on time. It also analyses how delays have affected project execution, costs and effectiveness. Overall the efficiency of the project is rated as '**Moderately Satisfactory**'. The collaboration between the agencies has resulted in efficiencies and country level work has on the whole worked well, but management challenges and cash disbursement issues have resulted in delays and inefficiencies. Many of the issues introduced here are elaborated on in section 5 of this report.

238. The PEI scale-up evaluation found that PEI was increasingly being recognized as best practice in terms of UN agency collaboration, and an effective mechanism to deliver poverty-environment mainstreaming capacity development support to countries for SDG implementation. Programme countries appreciate having a single system for programming, financial management and reporting. This view is still widely held. For example, DFID's annual review states: 'A particularly successful element of PEI is the joint working between UNDP and UN Environment. UNDP provides the reach and connection to country economic development planning through its larger set of Country Offices and UN Environment provides environment expertise'. PEI is seen as an example of inter-agency collaboration reducing duplications at the country level and leading on the Delivering As One agenda. The project has shared its model of inter-agency cooperation and best practices with other joint programs within UN Environment and UNDP. For example, it was invited by the new partnership on Green Cities between UN Environment and UN HABITAT to inform the design of their envisaged joint programme.

239. PEI is seen by donors to offer value for money as it has the potential to influence policy choices and budget decisions for poverty and environmental benefits through an established international network and by pooling donor funds. Alternative delivery options would lack reach and capability for the same price, and would lack leveraging opportunities with others donors and the UN system (DFID, 2016).

240. The project was extended by one year (as elaborated in section 5.5). Many activities at the country level were delayed due to late disbursements of funding as discussed in detailed below. The efficiency of the project was also affected by a number of management changes introduced from 2015, which took time to develop and implement, especially given the differences in views within the team as to their need and suitability. The management changes were seen to increase the workload of regional and country team, increase transaction costs and slow down country level implementation and results.

241. A number of efficiencies were realized at the country level through cost sharing arrangement with key partners, such as UN Women in Africa and PAGE in **Kyrgyzstan** and **Burkina Faso**.

5 FACTORS AFFECTING PERFORMANCE

242. This section looks at nine criteria which affect project performance and hence complements the evaluation of **efficiency** in section 4. The nine criteria are: preparation and readiness (project design); project implementation and management; partnerships; stakeholder participation and awareness; country ownership; financial planning and management; supervision and technical backstopping; monitoring and evaluation; and, reporting and communications.

5.1 Preparation and readiness – project design

243. Preparation and readiness is rated as **Satisfactory**. The design of the project built on the progress made in the Scale up Phase and as discussed above had a focus on implementation (see Table 1). The context, problem, needs and priorities were well analyzed and understood in the design of the project, building on the years of PEI experience and an understanding of global drivers. There was strong coherence and complementarity with existing partners and with other UN and donor funded activities. The project introduced regional strategies as an innovation, which have however been discontinued under PEA as it does not have a regional component.

244. The objectives of the project were clear at project design. A high level Theory of Change (TOC) was presented in the project document referred to as the 'Results hierarchy of P-E mainstreaming'. The Theory of Change was elaborated on in the annual progress reports, however this did not clearly set out assumptions and drivers associated with specific outputs and outcomes, and intermediate states between the projects overall objective / outcome and the desired impact of the project. This makes it harder to assessing progress towards impacts and identify reasons for particular successes or bottlenecks encountered, at the global, regional and country level.

245. The project document presents a global results and resources framework. However, many of the indicators were deemed to be unrealistic and / or underdeveloped in the first year of implementation, leading to a revision of the M&E framework as discussed in detail in section 4.7. The Results Framework targets and indicators were substantially revised in 2015. This was an intensive process, which took time away from other activities at the global and regional level.

246. The PEN study published in June 2012 and other lessons learned were partially incorporated into the 2014-2018 Global project document and Regional Strategies to consistently apply the PEI programmatic approach. The final evaluation of the Scale up Phase was a prolonged process and not completed until 2016, well into the implementation of the project 2013-2018. As such the recommendations from the final evaluation of the Scale up Phase were not influential in the design of the project, but informed project implementation. In

its management response to the Scale up Phase evaluation, the 59 recommendations were condensed into 5 core issues. Many of the recommendations of the Scale up Phase have been addressed as discussed in the relevant sections of this report and summarized in Annex 5.

5.2 Programme implementation and management

247. Project implementation and management is rated as **Unsatisfactory**.

5.2.1 Joint working

248. The Joint UNDP - UN Environment approach adopted by PEI has motivated donor support from the outset and places PEI at the forefront of the UN reform process. PEI has presented the two UN agencies with the opportunity to make use of their complementary strengths – namely UNDP's country operations and poverty expertise and the environmental expertise of UN Environment.

249. For UN Environment PEI is a vehicle for a broader engagement acting as a gateway to country level work and an opportunity to engage in the UNDAF process, which not many other projects are structured to provide (Box 8).

Box 8: Added value of UNDP-UN Environment partnership in support of UNDAF

By working through the PEI, UNDP **Mozambique** and UN Environment were able to substantially improve the inclusion of Environment and Natural Resources (ENR) sustainability outputs in the new Mozambique UNDAF. The PEI Africa team and the PEI Mozambique international technical advisor worked together to strengthen these outputs. The programmatic and financial resources of the PEI Mozambique project and its umbrella UNDP Country Office SUNRED (Sustainable Management of Natural Resources) programme provided both agencies with a strong platform on which to successfully argue for inclusion of ENR sustainability in the UNDAF. Another positive aspect of Mozambique UNDAF preparation involved cooperation between PEI and the **United Nations Development Group**. Specifically, the Group's Eastern and Southern Africa office worked with PEI Africa and the PEI technical advisor to conduct training for the UN country team on the environmental sustainability principle so they could see how environmental sustainability fits in with meeting Mozambique's development needs. This experience demonstrates how UN Environment, as a non-resident agency, can leverage increased influence at the country level through its PEI partnership with UNDP. For UNDP, the environmental support provided by UN Environment strengthened its ability to influence the environmental components of the UNDAF.

Source: PEI Africa Final Progress Report

250. Both UNDP and UN Environment experienced structural changes during the project period. The UNDP **Sustainable Development Group**, formed in 2014 and located in New York, is comprised of the Chief of Sustainable Development at UNDP's **Bureau for Policy and Programme Support** (BPPS). It is essentially a poverty environment group focused on how to bring social and environmental issues together, and to assist the organization towards the planning of development towards sustainable pathways. It is staffed with environment and poverty practitioners, and provides support to PEI initiatives. Support is also provided through the regional policy centers located in Addis Ababa, Panama, Bangkok and Istanbul. The Sustainable Development Group allows UNDP to work in a more integrated way on development planning issues inclusive of the PE nexus (JMB meeting minutes, 17 Sep 2014). UN Environment restructured to 7 sub-programmes¹⁸ responsible for the implementation of its Programme of Work, with sub-programme coordinators based in Nairobi and regional sub-programme coordinators. PEI is part of UN Environment's Ecosystem division. In view of

¹⁸ The 7 divisions / sub-programmes are: Communications, Economy, Ecosystems, Law, Science, Policy and Programmes and Corporate Services.

these changes it was expected that PEI would become more regionally based, which was viewed as a positive development presenting further opportunities for sustaining P-E mainstreaming efforts (JMB meeting minutes, 17 Sep 2014). Under its new corporate structure which came into effect in October 2014 UNDP co-management of PEI was transferred from New York to the new **Global Policy Center on Resilient Ecosystems and Desertification** based in Nairobi, Kenya (GPC-Nairobi). This presented the potential for closer coordination between UNDP and UN Environment and efficiency gains in programme delivery.

251. During the 2013-18 phase there has been successful joint working at the regional and country levels. However, at the global level the relationship has faced difficulties, which were not apparent in the Scale up Phase, as discussed below.

252. The realities of the two organizations and how this translates into their contributions to PEI explain some of the tensions that have faced the project, especially those associated with the changes in management processes introduced by the project discussed below. Joint-agency working is complicated by the fact that UNDP and UN Environment have different Administrative and Finance systems, and are structured and work differently. Country level operations are very important for UNDP, whereas UN Environment has a normative focus with its country work directed through regional offices (it does not have offices at the country level¹⁹). UNDP also works through regional hubs, but they do not have full time dedicated project staff at the regional level.

253. The PEI Co-Directors have very different time commitments and are also at different grades within the UN system. The UNDP PEI Director is head of the Global Policy Centre and has a large portfolio to manage, of which PEI is a part. However, PEI/PEA responsibilities have reportedly claimed 50% of Global Policy Centre Director's time over the period 2014-2018. The UN Environment Co-Director is full time. Therefore, there is a lack of equivalency in the operational focus the two Co-Directors can provide. The responsibilities of the two Co-Directors are also not the same, taking into account UNDP's MA role.

254. UN Environment had core funded 4 full time positions at the global level (Chief Technical Advisor - D1, Donor Relations Officer – P4, Communications – P3, and Program Assistant – G6). However, with the exception of the D1 position all posts were removed from the Environment Fund and put under project funds at the beginning of 2018. The P4 Donor relations post was cut in 2018. UN Environment also core funded full time staff at the regional level: (i) in Africa there was 1 P5, 1 P4 (until early 2018) and 1 G5. In addition, a P3 was paid for through the old PEI Africa UN Environment funds; (ii) in Asia, there was 1 P4 paid under the project (later replaced by a part time focal point for PEI and a communication consultant), and since April 2018 a JPO; (iii) in ECIS there was a P5 level cost shared with PAGE and the regional office, with 60-70% of the cost paid by the project; and, (iv) in LAC, there was 10% of a P4 level and a JPO from Spain since 2016. Full time UNDP posts funded by the project were a Project Management Specialist (P3) and a Finance Associate (G6 until 2016, and a consultant post thereafter). The UNDP-Co Directors time is core funded and the regional UNDP PEI leads have around 10% of their time allocated to PEI, core funded as part of UNDP contribution to PEI.

255. The different levels of core funding for PEI staff is a source of tension for some (including some donors), with a view expressed that more input was needed from UNDP. However, it seems unrealistic to expect this to change, given UNDP's move away from paying for staff through core funding. Therefore, in the spirit of joint working more appreciation and emphasis should be placed on the different contributions that are made by the two organizations, in line with their management structure / relative strengths. The difference should not become a

¹⁹ There are a few exceptions. For example, in **Tanzania**, where UN Environment have had an office since 2009 as one of the 8 pilot countries for delivering the UN Reform process of One UN.

source of tension or an unrealistic expectation that the two organizations can replicate their contributions (time and resources) in the same way, but rather part of the appreciation of how the two organisations can join forces building on their comparative advantage and operating strengths to deliver a holistic programme of work.

256. At the country level, projects are implemented through UNDP country offices, with significant TRAC resources provide by UNDP country offices to PEI, which exceeds UN Environment contributions to staff time. The issue of core funding was raised at the JMB in 2017. While JMB members reiterated their strong support for the Global Programme, both also raised the significant financial constraints and challenging contexts the UN currently faces and emphasised that the team will need to find innovative ways to take programming forward. It was confirmed that in PEA UN Environment will not be in a position to maintain the current level of core funding, particularly related to project staff funded on UN Environment Fund posts. It was expected that staffing arrangements for the next Global Programme would be reduced and tightened with possible changes to the structure and staff functions.

5.2.2 Global level analysis

5.2.2.1 The Poverty-Environment Facility (PEF)

257. The PEF is responsible for overall management and coordination of the programme, including financial operations. Under the project it consisted of the two Co-Directors, Programme Management Specialist, Financial Analyst, Donor Relations Officer, Knowledge Management Specialist, and Project Closure Specialist (although not all these staff members have been in place for the full duration of the project).

258. The original vision for the PEF was that it was to become an umbrella for deeper co-operation between UNDP and UN Environment. This is reflected by a Norwegian sponsored UNEP Governing Council decision in 2010 that the PEI example be adopted more widely across both organisations (UNEP GC26, 2011²⁰).

259. The PEF is recognized to have played a beneficial role in liaising with and reporting to the donors, which were cited as major successes at the global level. The global team also led on resource mobilization, increasing the visibility of PEI, knowledge management and monitoring and evaluation. They also had a role in providing technical support. These activities are assessed in other sections of this report, while this section is specifically focussed on management aspects. This section is also closely related to section 5.5 on financial planning and management.

260. The project encountered a range of operational difficulties / management challenges, most notably over the period 2014 to mid 2018. The key challenges included significant discord between PEF members which affected morale quite widely across the team, disagreements over the need for a range of new management mechanisms introduced, a reduction in PEF staff, a lack of technical guidance, and a lack of timely action by senior management to address difficulties. These challenges are elaborated on below, discussion on which dominated the evaluation consultations. An on-going difference in views was apparent through the evaluation process highlighting that many issues remain unresolved.

261. **Operational changes.** With the hiring of a new Programme Management Specialist in late 2015 a number of operational changes were introduced *including*: a more detailed Work Plan template; Exit and Sustainability templates; and, a new template for approving PEA. The

²⁰ GC26/11/6. *Urges* the United Nations Environment Programme to consider using the Poverty and Environment Initiative as a model for future collaboration with the United Nations Development Programme and with other United Nations agencies, where relevant, building on the comparative advantages of each organization

changes were driven by: (i) the new rules on EU PAGODA funds, which specified that certain activities could not be funded²¹; and, (ii) the need to bring PEI in line with UNDP rules and regulations as certain exceptions granted to PEI were to be discontinued under PEA. Upon the introduction of PAGODA rules in 2015, UNDP corporately took certain measures to safeguard against newly identified risks when implementing EU funds. UNDP corporately decided *not* to implement EU PAGODA funds through National Implementation (NIM) as this would necessitate a separate capacity assessment of the relevant government entity by the EU. PEI in line with this took the decision to: (i) implement EU funds as “multi-donor actions”; and, (ii) apply Direct Implementation (DIM) or National Implementation (NIM) with 100% CO support on all donor funds. The corporate directives employed in the implementation of PEI will also apply to PEA. PEI worked closely with the UNDP Brussels office as well as NY to develop guidelines to mitigate risks as much as possible when implementing EU funds.

262. There are very different perspectives on these changes. One view is that they were *all* necessary to bring PEI in line with UNDP standard procedures and with PAGODA rules. The counter view held by some of the regional teams and some UNDP COs is that *some* of the requirements introduced were not strictly necessary, excessive and complicated and caused delays and irritation at the country level. It was suggested that they had lessened enthusiasm for PEI in some country offices. The new procedures issued by PEF that some view as not required by UNDP or donor regulations and operational rules are: (i) The new workplan template which differed to the template routinely used by UNDP COs; (ii) The internal Mid-term Review template. It was felt that the standard quarterly and annual reports from country PEI projects would have been more efficient to use as the basis for the review, as they report against activities, outputs and indicators. It also for many reasons would have been better to have had an independent Mid-term Review as discussed below; (iii) The PEA proposal template, which required a huge amount of work. According to PEF management the PEA proposal templates were introduced and jointly discussed in a dedicated workshop in Nairobi. Others state that the proposal templates were objected to at this meeting by PEI Africa and others expressed concern and that there was no clear decision on their use. The templates are reportedly causing ongoing complications at the country level as they create a kind of parallel budget/programme management process; (iv) Requiring the proposals and other French language documents to be translated into English; and, (v) The introduction under PEA of a limit of 100,000 euros per country per year of EU funds to be spent on staff costs. This was introduced for PEA as the budgets are smaller (around US\$300,000 per year). The cap does not include service contracts, UNV or consultants. This rule is said to present difficulties for countries with small budgets who do not have the flexibility to pay for staff funding through TRAC money or other sources and restricts the hiring of International Technical Advisors (ITAs). Countries with ITAs have adjusted budgets to fit within this but they are not happy with this restriction given CO policy not to spend TRAC on staff. Conversely COs would be incentivized to put forward TRAC money if staff costs were paid by other projects. This restriction raised concerns in African countries and negotiations with **Malawi** are on-going on this matter.

263. While there is limited scope to digress from corporate instructions issued by UNDP which apply to the implementation of all UNDP projects, some countries have expressed the view that they do not see how PEA can succeed under the current conditions on spending, which suggests that PEA should seek to be flexible where possible in support of the COs. Under the multi-donor action adopted, non-EU donor funds are to be treated in the same way as EU funds. It may be possible to review this if non-EU funds reach at least 25% of the total PEA budget. Country Offices have raised concerns about PEA not permitting National Execution (NEX) advances to Governments, which in theory could come from (some) non-EU

²¹ The PAGODA General Conditions set out what costs are considered “eligible” by the EU. Where the guidelines are not entirely clear, UNDP has adopted a conservative risk management approach avoiding costs whose eligibility is ambiguous.

donor funds and is consistent with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. Some flexibility is available in that locally mobilized resources, including UNDP TRAC are not included in the multi-donor action restrictions.

264. The operational changes introduced increased the administrative burden for countries. This is especially true for countries with small PEI budgets, where the restrictions at the country level on the use of funds and the administrative burden related to the PEI new procedures relative to budget is disproportionate causing frustration. For example as PEF developed their own format, countries had to develop two work-plans – one approved at the country level and one approved in the PEI format. From the country perspective PEI has enforced a number of procedures which are inconvenient and require a lot of work, increase transaction costs and slow country implementation. This has caused tension at the country level as the administrative costs are high while PEI resources/funding is small (ranging from around US\$20,000 to US\$500,000 at the country level). Many feel that processes need to be more streamlined and proportionate.

265. Slow Annual Work-Plans (AWP) / budget approvals and cash disbursements were commonplace following the change in procedures. In many instances it took 2-3 months to approve work-plans, and many countries did not receive money until June (half way through the financial year). Often UN TRAC money was used to keep PEI operations moving, with the money being reversed mid-year when PEI funds materialised, creating extra work in country offices. This issue is elaborated on under financial management below.

266. UNDP and UN Environmental rules and procedures differ and this led to tensions as UN Environment tried to understand and influence PEI operational aspects, which are based on UNDP norms. As UNDP corporate instructions were in many cases conveyed to UNDP COs through the PEI regional teams (comprising mostly UN Environment staff), there was often a translation gap that caused the need for additional clarifications to be provided by the UNDP PEI Co-Director through the UNDP PEI Programme Management Specialist and Finance Analyst. There is a view that there should have been a stronger delineation of responsibilities between the Co-Directors, and PEI staff in general, to reflect UNDP's management authority and UN Environment's predominately technical support, and this is proposed for PEA. To help address this, under PEA, roles and responsibilities will be defined more clearly and a Standard UNDG Joint Programme MoU on the MA has been signed between the two organisations. However, others feel that this delineation has contributed to the breakdown of the joint programme spirit and that it is not practical to completely separate programme and operational management given the overlap between the two. It means that countries, unlike in the Scale Up Phase, deal with one person on programmatic issues and a different person on budget issues. Some stated that there was no tension over the difference between UNDP and UN Environment rules and procedures in previous phases of PEI or in the early part of this phase of PEI and thus the current tensions are more a reflection of the wider management issues referred to in this evaluation.

267. Disharmony within the PEF. It is clear that the manner in which the operational changes were introduced and the very challenging inter-personal relationships between staff, particularly over the period 2015 to mid 2018, caused extreme distress for a number of PEI staff members and discord within the PEF. It was felt that concerns were not addressed in a timely manner by management, despite the issues being raised and due process being followed in some instances, e.g. raising concerns about staff through performance reviews. Tensions between the Co-Directors were apparent. A number of staff stated they had approached the UN Ombudsman over various incidents relating to different combinations of UNDP and UN Environment staff, or had considered doing so.

268. A lack of consultation, transparency and teamwork within the PEF and regional teams. For example, the Africa regional team recommended that the new PEA country

proposal templates should not be applied as they were not a UNDP requirement or used by UNDP COs and would duplicate the standard UNDP Project document template, which they recommended should continue to be used. The PEA country proposal template was however enforced despite UNDP CO concerns that mirrored those of PE Africa and that CO and Governments had already drafted country PEA PRODOCs using the standard UNDP project template. In Africa the request for inputs into the PEA project document came with tight timelines and a lack of consistent strategic direction. This resulted in a lot of work for the regional team and did not allow time for consultation with the countries. There were also frequent changes of decisions from the PEF in terms of reporting and the carrying out activities.

269. Leadership concerns were raised by a range of consultees, including donors. Leadership has reportedly been weak with a lack strategic direction, limited technical support and an inability to quickly resolve differences in the spirit of joint working. As one consultee put it - 'there is a leadership vacuum'. The relationship between the two Co-Directors has not been harmonious, which is counter-productive for a small programme and affected morale. There is a need for senior management to be better appraised of the management concerns and to address issues in timely manner. Some felt that there had been a decline in senior management support over the project, for example consultees expressed concerns that UN Environment cut half the PEI posts and reduced soft earmarking for PEI towards the end of the project²² and that the UNDP JMB member delegated responsibilities to a more junior staff. Further, PEI staff alerted UNDP and UN Environment senior management of problems – including with staff and the drafting of the PEA project document – more than once but consider that no effective action was taken to address these concerns. Some of the staff concerns are mirrored in the email from the EU to PEF of April, 2018 which expresses concern about the drafting of the PEA project document. A strengthened role for senior management is considered to be critical through the PEA transition period to address the management challenges and champion PEI/PEA as a model for cooperation between UN Environment and UNDP.

270. A lot of staff have left because of uncertainty over contract extensions and / or because they are unhappy with the management. For example, in Africa, national co-ordinators and/or technical advisors have left in **Mozambique, Tanzania** and **Mauritania** (and will have to be replaced for the first two of these countries) and the regional technical assistance specialist left in March 2019. The generally high staff turnover substantially weakens the institutional memory of the PEI and its inputs into PEA and in Africa there are now concerns about the capacity to deliver PEA.

271. The Programme Management Specialist was responsible for improving the M&E systems for PEI Implementation, but was unable to do this due to a focus on procurement and budget revisions. This important work therefore had to be undertaken by other members of the PEF, in addition to their other responsibilities.

272. The **PEI Final Progress report for Africa** states that the 'increased transaction costs around budget and programme management between the PEF, regional and country teams took away time from programmatic work and was not cost effective. As compared to the implementation of the previous PEI phases, the implementation in 2014-2018 was hampered by delays in budget disbursements, gaps in financial monitoring leading to confusion around

²² In 2017 UN Environment could no longer support funding 6 full time positions and 3 staff members were reassigned within the Ecosystem Division. They are therefore well placed to help integrate PEI thinking into other parts of the business and this move was considered by senior management to therefore have strategic benefits, but was unpopular with some PEI staff who saw it as a reduction in support for PEI.

the actual resources available and more complicated budget revision procedures. Unclear requests and changing requirements and sometimes unnecessary requests around project management processes such as the internal review, theories of change and the proposal development for PEA took away time from programmatic work without adding substantial benefits to the programme’.

273. According to the **LAC PEI Final Progress Report**, due to a late decision in the approval of the no-cost extension for the project, there was uncertainty about how to proceed with closure activities and audit processes. The LAC regional team put forward the evaluation of the project (3 months prior to project end date December 2017) to ensure that the personnel in the offices were still around. The confirmation of the no cost extension arrived so late that all of the country staff had already left for new jobs. The remaining closure processes were managed by an administrative UNV who joined the team for the closing processes, and another staff member responsible for the coordination of several projects.

5.2.2.2 Joint UNDP/ UN Environment PEI Management Board

274. JMB meetings were used to prepare for DSG meetings, approve work-plans and budgets, discuss the strategic direction of PEI, and discuss attendance at high level meetings and conferences. Senior management presence on the board is seen as a strength and an indication of the two agencies’ commitment to PEI. Some felt that the involvement of senior management in PEI was proportionate to the size of the programme. However, others noted a decline in senior management focus through the current project and a lack of action on the management challenges facing the PEF.

275. Under PEA, the management board will have wider representation consisting of JMB / Executive Board, donors, and Regional Directors for UNDP and UN Environment.

5.2.2.3 Technical Advisory Group

276. The PEI TAG was set up to provide technical advice, for example on the PEI project document, the handbook and criteria for country selection. The TAG consisted of some 15 members, although precise membership is unclear. In 2016, the TAG membership was reportedly enlarged to include GGGI, OECD, and ESPA. The group has been fairly dormant and under-utilized with some members also feeling that their advice was not being heeded. Some members had very little involvement with the project and no minutes of meetings were made available. The TAG generally met face to face once a year linked to the **Poverty Environment Partnership** annual meeting.

5.2.2.4 DSG

277. Donors have invested in PE mainstreaming as a normative concept to be implemented at the country level as a ONE UN initiative focused on country demand. The PEI **Donor Steering Group** provided guidance on programme accountability and governance, and advice on strengthening linkages with respective donor programmes globally, regionally and at country level. It allowed donors to reflect on their investments in PEI and the partnership between UNDP and UN Environment. All contributing donor / partner agencies to the PEI global programme were considered a member of the Donor Steering Group and invited to participate in the meeting. The project donors were the Governments of Germany, Norway, Spain, Sweden, the United Kingdom and the European Union.

278. Key donors have been supporting the programme for many years. The relationship with the donors has been largely good throughout the project, steered by a strong donor liaison officer within PEF. Donors felt that PEI reporting was very good and appreciated the presence of senior UN staff at donor meetings reflecting a commitment on the part of the UN agencies. The DFID completion report concluded that the partnership between the UN institutions and other donors has been positive and effective. There was however a fairly high level of

frustration by some donors over the delays and poor quality of the early drafts of the project document for PEA.

279. The Donor Steering Group met annually in person and also engaged through interim virtual discussions and correspondence. The PEI team were generally receptive to steers from donors (e.g. for revision to the Results Framework). The 8th donor SG meeting was held in **Lao PDR** in 2015 and made a positive impression on a number of the donors. The focus of the **Lao PDR** PEI work on **quality investment** across three key mainstreaming ministries was appreciated and seen to align with many of the donor's wishes to support work on financing, investments and safeguards. An evolution towards encouraging sustainable investments was supported by, for example, the EU for PEA.

280. DFID is not funding PEA but remains very interested in the project. There are opportunities for engaging with DFID country offices that should be explored. For example there are synergies with PEA and UK's Africa Strategy, with its focus on climate change and natural resources. DFID noted that a change in Senior Responsible Owner (SRO) during the project presented some challenges to the continuity of DFID's role as a partner to UNPEI. Such staff changes are more notable for small programmes such as PEI where the SRO often fulfils all of the roles (programme management, advisor and SRO).

5.2.3 Regional level analysis

281. The project had teams in 4 regions. The objectives of the regional teams were to provide technical support, monitoring and reporting, to upscale PEI initiatives across the region and fund raise. PEI regional teams were governed by PEI **Regional Steering Committees (RSCs)** put in place as an additional quality assurance mechanism to discuss regional strategies, workplans, budgets, delivery and prioritization for decision-making. The RSCs are said to have met twice a year in AP, ECIS, and LAC and once a year in Africa, although only a few minutes of these meetings were made available to the evaluation.

282. The JMB sought to ensure consistency across countries and regions, while taking into account national and regional contexts and demands. However, during project implementation it was acknowledged that, due to the different realities and priorities of the various PEI regions, some work areas of the global programme may not be addressed to the same extent by all regions. The regional programmes differed in terms of their size and focus. Total budgets for regional teams were around US\$2.4 million in the Asia Pacific for nine PEI countries, US\$ 2.2 million in Africa for 9 PEI countries, US\$1.6 million in ECIS for 2 PEI countries and US\$ 0.9 million in LAC for 5 PEI countries. ECIS had a relatively high budget given that it covered only 2 fully supported PEI countries. This is said to be due to the higher staffing costs and TA activities in **Armenia** and **Albania**. LAC had less funding than Africa and AP per fully supported PEI country.

283. In **Africa**, poverty-environment mainstreaming gaps in the public policy and budget process were still considerable at the beginning of the project and needed to remain the focus of PEI Africa's work portfolio. **In Africa** the project had a strategic emphasis on (climate-smart) agriculture and gender, as a key policy driver and area on which the poor are highly dependent. There was continuing emphasis from 2013 on economics, with a number of studies completed, for example in **Rwanda** on cost-benefit analysis of the Rubaya green village and **Malawi's** economic analysis of soil loss in collaboration with FAO. Further there was increasing emphasis on influencing budget processes. Work around natural wealth and beyond GDP measures and the private sector was not made a priority. Further, the informal, highly distributed nature of many elements of the private sector in the agricultural sector in Africa, and the lack of suitable private sector umbrella organization relevant to key P-E sectors made it challenging for PEI to find entry points. The delays in starting the work to integrate environmental sustainability aspects in multi-dimensional poverty-measures that was intended

to inform PEI Africa's work on beyond GDP measures also contributed to the lower focus on this part of the global portfolio. In **Africa** PEI partnerships with UNDP country offices has generally been very strong and PEI Africa have been able to build relationships with Governments (in most cases with Ministries of Finance / Planning), influence policies and build capacity (individual and institutional). PEI has brought in international experts to partner with local institutions and organized exchange visits.

284. PEI in **Asia-Pacific** focused on two thematic areas: managing investment in natural resources to achieve poverty reduction and maintaining natural capital and integrated financing for climate change and sustainable development. Building on PEI Phase I, the project consisted of full country programmes in **Bangladesh, Bhutan, Lao PDR, Nepal**, and the **Philippines**. PEI was country led with countries choosing what to work on based on their priorities. Country-specific areas of focus were:

- Environmental and social sustainability of private investments in natural resources (**Lao PDR, Myanmar**).
- Transparency, benefit-sharing and use of revenues from natural resources (**Mongolia, Philippines**).
- Empowering local actors for pro-poor environment and climate actions through the decentralization process (**Nepal, Bhutan**).
- Integrated planning and budgeting for climate change (**Bangladesh, Indonesia**).
- PEI supported local Government work in **Nepal, Bhutan** and the **Philippines**

285. In **ECIS** the project focused on generating long lasting institutional change, introducing natural capital approaches and driving forward efforts to localize the Sustainable Development Goals (SDGs). The project provided technical assistance to **Albania** and **Armenia**, and supported fully-fledged country programmes in **Kyrgyzstan** and **Tajikistan**.

286. **LAC** consists of predominately middle income countries (with the exception of Haiti), hence economies and political system are fairly complex and P-E linkages vary depending on national / sub-national conditions and a high proportion of the population live in urban areas. Typically, the State is involved in a number of social assistance programs channeling significant flows of resources to low income groups. In order to build on the work in the Scale up Phase, in 2012 a call for proposal was offered to UNDP Country Offices. This resulted in 17 Country Offices submitting proposals, demonstrating the strong demand for PEI support. Three country projects were selected, all in different countries to the Scale Up Phase: **Guatemala**: 'Ecosystem Services Assessment of Development Planning Processes'; **Paraguay**: 'Green and Inclusive Economy for sustainable development and poverty reduction'; and, **Peru**: 'Integrated Management of Solid Waste for Sustainable and Inclusive Growth'.

287. **Paraguay** was selected because of the importance of transfer programmes as a vehicle for anti-poverty policies in the region. PEI-LAC worked with the government to increase the impact of two flagship programs aimed at supporting poor families in the rural sector. **Peru** presented new challenges: (i) the size of its economy was well above other countries in which PEI-LAC had worked; and, (ii) public policy runs through a complex web of government institutions that combine national, regional and local level. However, Peru has high levels of urbanization and offered strong opportunities for poverty-environment mainstreaming in urban settings in the informal waste collection sector. The inclusion of Peru in the regional portfolio allowed PEI-LAC to continue working on issues of poverty- environment in urban areas, apply the body of experience gained in **Uruguay** and foment South-South exchanges. PEI-LAC in **Peru** combines interventions at different government levels (local, national) reflecting the nature of policy making in the country.

288. PEI **LAC's** main areas of work relate to integrated waste management, sustainable land planning, multidimensional poverty measures, social protection, sustainable production and

consumption, and natural resources valuation. Within these areas of work gender equality and SDGs implementation were incorporated as cross-cutting themes. There was an emphasis on local pilots, which could then be scaled up, based on the appreciation that it is very difficult to have a policy impact in LAC if the results have not been demonstrated.

Evaluation of performance

289. Regional teams in general are considered to have worked well, although there were differences in experiences across the four regions.

290. Achievement / benefits of regional teams:

- **Regional strategies** were developed for each region linked to the Business Review (2012), which identified the staff requirements for the regions. The regional strategies helped to coordinate programmatic thinking and coherence and added value in terms of regional direction. In Asia It was felt that stronger management from the PEF to the regional team could have resulted in a stronger regional strategy and more focus was placed by the regional team on designing effective country programs. In LAC, two additional regional strategies were elaborated - a [gender](#) and a [communication strategy](#). This resulted in actions at the country level, for example, in **Peru** several articles were elaborated analyzing the challenges that women face in the waste management sector.
- The regional teams were key to global reporting, translating the results from the Country Offices into the global Results Framework, as discussed further below.
- Support to the Country Offices and projects in terms of technical support / quality assurance varied across regions. It was rated very highly in Africa.
- The involvement of senior management helped support joint working within UN. Furthermore, UNDP and UN Environment Regional Director's knowledge of PEI, facilitated integration of PEI and the championing PEI in some regions (e.g. Asia, LAC)
- Joint working was generally good at the regional level. In **Asia** a close / cohesive working relationships between UNDP and UN Environment was built facilitated by the fact that both organisational at the regional level are located in Bangkok. Weekly skype calls were held with countries including both UNDP colleagues and Government Ministries. In **Africa** UN Environment is in Nairobi and the UNDP regional office is in Addis Ababa, although the the Africa PEI regional team is collocated with the PEF in Nairobi. There is scope for enhanced involvement of the regional hub in Addis Ababa.
- Operational advantages include:
 - There are basic logistical advantages related to being on the same time zone and closer to the field.
 - Regional teams have a good grasp of the political economy at the country level.
 - Regional teams are better able to build relationship with UNDP Country Offices and Governments. Although it takes time to go and meet people in Country Offices this is considered to be important for delivery.
- The regional teams helped in decentralisation of the programme.
- They were important for knowledge management and communications, which is not resourced at the country level. For example, in LAC the regional team was active in communicating project results and progress. There were 25 new publications in 2017 on social media platforms like [Facebook](#), [Twitter](#) and [Youtube](#), and 60 national press releases. The regional team also supported the translation of documents produced by the COs into English so that they could be shared with a wider international audience
- **Support to UNDAFs**. For example, the PEI LAC regional team was closely involved in all the UNDAF process through UN Environment's regional coordination for development officer. A memorandum of understanding was signed with the RC Office to strengthen an integrated approach to sustainable development and the integration of the environmental sustainability and resilience principle in all processes. In Africa all PEI country projects were integrated into the UNDAFs.

291. Challenges

- **Leveraging country level work.** It was generally felt that more can be done at the regional level to showcase work, facilitate linkages between countries interested in carrying out similar work and leveraging support for similar work from other partners. The transfer of lessons and knowledge within and across the regions has been limited. The effective outreach of country level work was identified as one of the biggest challenges in **Africa**, where country level achievements, approaches and experiences have not been widely enough shared at the regional and global level. A more strategic approach and action plan is needed on how best to link together the work of different countries and regions on various tools and approaches and showcase.
- **Technical assistance.** Regional teams had mixed results in terms of providing technical assistance to countries. For example, PEI regional teams provided limited technical input to countries in Asia following staff cuts and changes and in LAC due to resource constraints.
- **Human resources.** The capacity of the regional teams was reduced under the project, especially in Asia where the team was smaller than in Phase 1, but the expectations of the regional teams were arguably higher. Regional teams were seen as under resourced for their ambition in some regions.
 - In Asia the project saw staff reductions coupled with high staff turnover (6 staff members left during the project). PEI had 2 managers at the regional level, but this dwindled to 1 manager funded by UN Environment and part time person at UNDP. The view that one manager was not enough to support 9 countries is supported by feedback that limited technical supported was provided to the countries in the later stages of the project. The regional team were unable to do everything – design, plan, budget, quality assurance, and technical and administrative support to country teams. However, others felt that the regional team was adequately resourced.
 - Africa also experienced staff cuts over the life time of the project. At the end of the project the team comprised of 1 core-funded P5, two P3 regional advisors, one funded from non-PEI funds by UN Environment and one UNDP staff funded by the project, and a temporary P3 hired to cover **Malawi** when the regional advisor was on maternity. In addition to cutting the UNDP P3 position, a UN Environment P4 position was cut and the responsibilities covered under this position around coordination, budget management, meeting PEF were taken over by the remaining team.
 - In ECIS technical assistance to the regional component and country programmes was led by a UN Environment Senior Advisor - P5 (70% of her time). Regional programme budget and expenditures were technically managed by the regional team, although in 2017 PEI ECIS was not supported by a dedicated Programme Assistant/Associate and direct support was provided by PEF Nairobi on financial management.
 - PEI LAC faced human resource issues. A JPO arrived in 2016, rather than at the start of the project, as the Spanish Cooperation arrangement took time to finalize. The UN Environment focal point for PEI provided 10% of her time to oversight. The team was not resourced sufficiently to ensure that everything was advancing properly, despite efforts to address shortcomings in the Scale up Phase (Box 9).
- **Disbursement issues affected the regional teams.** For example, in LAC there were a lot of financial disbursements issues, which was not well understood given that the work was funded through Spanish cooperation who disbursed their funding early on. The delays in disbursement were very challenging resulting in the work / hiring having to be put on hold and subsequently the need to constantly change milestones. PEI LAC did not want to ask Country Offices to advance money, so implementation was impacted and relationships between the Country Offices and regional team negatively affected. There were similar problems in the Africa region.

- **Limited success in fund raising** from public / private sources to support implementation. Funds catalyzed by PEI Africa are presented in Box 7, in Asia notable examples including SDC in **Lao PDR**. As discussed above there may be more opportunities for securing bi-lateral finance. Going forward it is important to ensure that in general PEA staff have the expertise to raise finance and are familiar with the processes of securing finance both public and private.
- Accountability and a lack of common vision between the two agencies was cited as a challenge to implementation in **Asia**. Greater clarity on the roles and responsibilities of the two agencies was needed.
- In Africa ensuring high quality technical as well as project management reports across the PEI Africa portfolio was a challenge. Some technical reports that PEI countries commissioned were of poor quality and could only be published after substantive technical inputs from the PEI regional and country teams, while others remained unpublished. The challenge to find qualified national and to some extent international consultants remains for the increasing specialized analysis needed to deepen P-E mainstreaming. (PEI Africa Final Progress Report).

Box 9: The strengthening of PEI LAC

In **LAC** the Scale up Phase evaluation recommended a review of the PEI LAC portfolio and increased support for management of the Regional Team by PEI senior management. The PEF allocated funds to strengthen the team with a full time P-3 and replacement of the former UN Environment LAC regional manager. From the end of 2015, the new UN Environment Regional Development Coordinator dedicated 15% of her time to improve quality assurance of country projects and link with UN Environment's regional UNDAF work. The increased support for the management of the RT by PEI Co-Directors (through Regional Steering committee meetings) and additional staff (a JPO from Spain) resulted in a successful PEI LAC portfolio and the integration of the PEI experience into the 2016 Regional Human Development Report (PEI Management response to scale up phase recommendations, 2018).

The PEI regional team worked to address the recommendations of the Scale up Phase in terms of communications, monitoring and reporting. The regional team's support included: development of the country project documents; coordinating with the PEF; guidance towards working with transitional and new governmental teams in **Guatemala** and **Peru** to ensure the maintenance of PEI themes among government's priorities; support to national PEI teams in operational, management and technical issues especially focused on the preparation for project closure and the implementation of the sustainability and exit strategies; strengthen virtual communication and working meetings throughout the year; three monitoring missions to **Guatemala, Paraguay** and **Peru**, which assessed progress, adjusted project budget and prioritized remaining activities, reviewed the sustainability and exit strategy with national counterparts and held working meetings with stakeholders (including donors) to increase their engagement; and, supported, two annual work plan and budget revisions, which were essential for ensuring efficient allocation of resources for achieving project results. (PEI LAC Final Progress Report)

5.2.4 Country level analysis

292. A key achievement of the project is its interventions at the country level, although the level of success varies across countries for a range of reasons. For example, in Africa success in **Rwanda** is due to the commitment of the Government, excellent working relationship with the UNDP office and a collective focus on results. On the other hand, difficulties were experienced in the previous phase in **Botswana** and **Kenya** due to changes in Government and a reduced level of commitment from the UNDP Country Office; work in these countries was discontinued prior to or during the project. **Mali** and **Burkina Faso** are not going forward due to the reduction in the budget for PEA.

293. In general, key factors explaining success at the country level are:

- **Government commitment.**
- **Stable Government and a PEI Champion in Government.**
- **Strong partnership with Ministry of Finance / Planning (MOF/P).** In Africa a key decision was for the PEI institutional home to transition from the Ministry of Environment to the Ministry of Finance / Planning (with the exception of **Rwanda** where PEI was working well). In **Mauritania** PEI was not progressing as planned in 2013 and the work was suspended until they accepted the Ministry of Finance (MOF) as the lead. In Asia, PEI are working with MOF/P in **Bangladesh, Nepal, Indonesia, Lao PDR.**
- **Good in house advisors within key Government ministries** are a key ingredient to PEI's success in Africa and Asia. TAs based in country Governments have been able to build and sustain relationships overtime and be fully integrated into the working and politics of the Ministry. The level of engagement that has been achieved is difficult to realize through *ad hoc* visits by technical staff and should not be underestimated, as one consultee put it - 'Diplomacy is more important than money', suggesting that such relationships are the cornerstone of influencing and realizing change. In **Tanzania** a full time technical advisor had been based in the Ministry of Finance and Planning for 3.5 years (but is now leaving).
- **Good relationships with UNDP CO.** In many countries PEI is embedded in a larger UNDP project, bringing a specific area of expertise and often an existing relationship with key Ministries valued by Country Offices and helping to build linkages with other areas of work. For example, in **Bangladesh** PEI was part of the Support for Sustainable Inclusive Planning (SSIP), in **Tanzania** it was part of the Pro Poor Economic Growth and Sustainable Development project, and in Myanmar PEI is embedded into the US\$15 million **Myanmar** Governance Programme.
- **Joint working.** There is generally good cohesion between UNDP Country Offices and UN Environment at the regional level.
- **PEI's long term engagement has resulted in PEI becoming a respected brand.** PEI is a well know programme on account of its long term engagement in countries. It has been 'persistent and present' and this has helped build trust and a legacy in areas where support is increasingly needed by Governments. In **Tanzania** PEI is a well respected and vibrant brand, which is well understood by decision makers. The mainstreaming work at the country level has been built up step by step building trust and helping to ensure the work becomes self sustaining.

294. A lot of the challenges at the country level are common with the regional level challenges and include:

- **Not enough emphasis on poverty.** A widely raised concern was that while PEI has been successful in terms of environmental mainstreaming, it has not been as successful on the poverty side.
- **Capacity constraints** is a big issue, especially in Africa (as discussed in Section 3.3)
- **Integration into new/existing country projects and UN Environment - UNDP joint working.** A dedicated resource person is needed to promote joint working and ensure that UN work is more joined up and that synergies and opportunities with UN and other partners are identified and developed.
- **Increasing public/private finance for implementation.** PEI did not work much with country donors to influence their programmes (exceptions include **Rwanda** and **Lao PDR**).
- **UN Environment visibility** is a challenge at the country level. PEI branding is adhered to but country teams could perhaps pay more attention to the jointness of the initiative at country level meetings and workshops.
- **Outreach of country level work.** As discussed above there is a lot of good and diverse work at the country level, but this has not been disseminated well enough.
- **Data is limited** and this limits economic analysis and monitoring. Environmental data is particularly lacking.

- **Change of Government.** Changes of government, can result in deep staff changes within Ministries, resulting in the loss of P-E capacity within PEI focal Ministries.
- **Budget planning could have been better from some countries.** Proposed budgets are based on annual work plans for PEI countries, regions and the Poverty-Environment Facility; these are aligned to country level project documents, regional strategies and the Global PEI Project Document, respectively. Country level budgets are based on allocations from the Global Programme and complemented by locally mobilized resources for country projects.

5.2.5 Adaptive management

295. The project has adapted its focus in response to political changes and environmental disasters. Some key examples of this include:

296. **Changes in technical advisory in Africa.** In the 2014-2018 PEI Africa regional strategy it was envisioned that regional technical advisory would be provided to the Government of **Kenya, Botswana** and **Mauritius**. While **Kenya** did receive technical advisory support that generated results, due to political changes and coordination challenges such support was not fully provided to **Mauritius** and **Botswana**. However, PEI Africa responded to a request from the Government of **Benin** for technical advisory support and have through its partnership with UN Women around the cost of the gender gap provided technical support to **Uganda** and **Ethiopia** (PEI Africa Final Progress Report, 2018). Several **non-PEI-Africa** countries have also benefitted from PEI organized regional trainings on poverty-environment budgeting and gender- environment linkages and these include **Benin, Kenya, Ivory Coast, Senegal** and **Uganda**.

297. In **Nepal** the Gorkha earthquake in late April 2015, led to the diversion of many ongoing projects towards disaster relief, recovery and rehabilitation. In response to this, PEI realigned its existing work plan to support the Ministry of Local Development in responding to the immediate and longer-term planning needs of local governments in the disaster context. This focused on developing pro-poor and green recovery and rehabilitation plans in selected districts and villages, integrating this into existing local development plans and budgets and facilitating implementation.

298. In terms of its project management, the project has also been adaptive. For example, it acted on the recommendations of Scale up Phase evaluation, responded to the need to adjust its M&E framework (as discussed in section 5.7) and brought in new closure arrangements.

299. **Closure arrangements.** The project hired a project closure specialist in December 2017 to ensure that the country and regional work was concluded on time and that the knowledge accumulated was captured and archived. This approach was actioned when it became clear that project closure would be too much work for the Programme Management Specialist alone. The closure specialist, who took over this responsibility from the Programme Management Specialist who left mid 2018, has also helped to set up PEA.

300. The country work closed at the end of June 2018 and regional activities at the end of September 2018. On the whole the closure process has worked smoothly. The requirements were specified in March 2018 and guidelines were produce for both countries and regions. A final report template was produced – which informed the global report. Not all countries had formal final board meetings as it was difficult to arrange these meetings if the project in country had ended a year or so before but all countries had some kind of operational closure meeting – e.g. closure was discussed and recorded in the final meeting held. Final SC meetings were also held at the regional level in September 2018.

301. A well managed project closure can support **knowledge management** by ensuring that key information is available in a structured way rather than scattered and difficult to find. All documents are being centralised and are to be available on Atlas and uploaded on the UN Website general access. This will enable PEI to take stock of where it is, ensure continuity and ensure information is not 'lost' between projects. It is also important to document the history of PEI, given that mainstreaming is process orientated.

5.2.6 Management Structure - Lessons for PEA

302. While not part of the project 2013-2018, a key area of tension within the PEF and regional teams during the project period was over the development of the PEA project document and specifically the PEA structure / organogram. While the 2013-2018 PEI project was a continuation of PEI Scale up Phase, the design of PEA was more challenging due to the need to: (i) design a new program at the request of the donors; (ii) define a new process reflecting the perspective from 2 regions, rather than 4; (iii) incorporate a new management agreement given that exceptions granted for PEI would not be granted to PEA. These challenges were compounded by the different views between UNDP and UN Environment, concerning the structure and content of PEA, and a lack of strategic leadership. With the knowledge that the PEI team had accumulated over 10 years of PEI it was felt that they should have had a clearer strategic vision on where to go next. Donors also expressed concerns about the drafting of the project document. The PEA project document was ultimately finalised successfully, with external consultancy support – although it was much delayed.

303. Donors are keen to see a 'deepening and broadening' of PEI's legacy under PEA. PEA is smaller and a reduced number of countries will continue with country programs (4 in both Africa and Asia) leading efforts to deepen PEI's work. PEI / PEA influence will be broadened through outreaching to existing and new countries through regional and country level technical assistance and leveraging partnerships. Knowledge management will be very important under PEA.

304. Under the proposed new management structure for PEA there will be no regional teams as such, with advisors / staff based in Nairobi and Bangkok responsible for providing global support. The PEF has also been disbanded, although most of the posts remain. In Nairobi there will be: 2 Co-Managers (D1 UN Environment, P5 UNDP); an Economic Advisor and Senior focal point for Africa (P5, UN Environment); a TA Specialist until the end of September 2019 (P3, UN Environment); a Reporting and Communications Officer (P3 – UN Environment) until September 2019 who will then be replaced by a person in Bangkok; a Project Management Specialist (P3); and, a Programme Assistant (G6 – UN Environment, funded through direct cost recovery from the project)²³. In **Bangkok** there will be: a Sustainable Finance Advisor and regional focal point for Asia (P4, UN Environment) who will be part time for PEA and cost-shared with other projects; a Sustainable Finance Consultant; a Knowledge Management Specialist (P3); Communications Assistant (P2) who is also part-time and cost-shared with other projects; and, a G-5 assistant. The Finance Associate is currently based in Europe.

305. The structure of PEA has been driven both by funding and lessons learnt. While there has been a lot of thinking put into the structure of the PEA and the PEA Project Document was signed in September 2018 following consultations, strongly opposing views remain as expressed by many consultees through this evaluation with some feeling that more radical changes are needed to ensure the successful the delivery of PEA. Table 6 provides a summary of the views expressed during this evaluation on PEA structure and possible alternative options.

²³ Both P3 positions in Nairobi are temporary additional core resources from UN Environment for 2019 only to support the transition to PEA staff.

Table 6: Summary of Views on Proposed Management Structure for PEA

Pros	Cons	Options
<ul style="list-style-type: none"> Aligned with PEA budget and strategy 	<ul style="list-style-type: none"> Top heavy, not cost effective Understaffed for delivery Key positions missing / under resourced Technical support needs to be strengthened Loss of regional teams is a risk to programme delivery Too centralized 	<ul style="list-style-type: none"> Co-Managers replaced with Project Manager Strategic decisions taken by PEA Management Board 'Specialist Experts' / roster of technical experts Technical oversight / Facility based in regional hubs

306. The main arguments against the PEA structure are:

- The programme is too top heavy and not cost-effective.** Overall there will be greater limitations in terms of finance going forward and having 2 Co-Managers (equivalent to the Co-Directors under PEI) is expensive. It is also questionable whether Co-Managers are now needed. Historically it made sense when dedicated resources were needed to develop the joint working concept, and establish a brand but it may no longer be necessary as PEA by extension will reap these benefits. The relationship between the current Co-Directors has also been problematic and counter-productive to the smooth running of the project. There are examples of decisions not being taken together or delayed. Alternatives suggested through the evaluation include:

 - 1 Director reporting to UNDP / UN Environment senior management. While suggested by some consultees this is not a popular option as it is widely felt that it is important to have a structure that champions jointness and equivalency, not one party potentially being more powerful. Further it was noted that with UNDP as MA, the Director would need to be the UNDP Project Manager with authority in ATLAS to approve payments, and accountable to UNDP.
 - Replace the Co-Managers under PEA (who are equivalent to the Co-Directors under PEI) with a Project Manager reporting to the PEA Management Board, with the main strategic decisions made at the Board level. This approach would be lighter and more standard - other joint programmes do not have Co-Directors and it is not a UNDP standard approach. Exceptions were made for PEI because it is an important partnership and the agencies were keen to see it work. This option would require the provision of more strategic and technical support at board level.
- PEA is understaffed for delivery** and 'more boots on the ground' are needed to deliver the work in the countries. It was argued that the structure more closely reflects an approach that failed in 2005, and was thus scrapped. Given the importance of the country level work, as the testing ground for PEI tools and approaches, from which lessons and achievements can be up-scaled, it is critical the work at country level is well resourced. This is linked to the previous point in that a more streamlined management structure could free up resources for country level implementation.
- Enhanced technical support is needed.** This can be provided through more technical leads in core areas of the programme, better use of the TAG and development of a roster of experts who can provide timely support across the regions. A Sustainable Finance and Investment specialist is part of the PEA global level, but it is questionable if one person will be enough. More expertise is most likely to be required given the very limited work PEI has done to date with the private sector, investments and sustainable finance. More emphasis needs to be placed on country

technical advisors. Technical support can also be provided through better peer to peer support and strategic partners.

- **Regional teams.** A strong view is that substantive back-up at the regional level is necessary, both in terms of technical support on specialist areas (e.g. gender, poverty, economics, finance) and in terms of results based reporting and quality control. A strongly held view was that the joint regional team concept should therefore be retained with devolved programming responsibility. UN Environment Regional Directors in Asia-Pacific and Africa noted their disagreement with the decision to abolish regional programmes and teams and their concerns about the associated reduction in staff at the regional level in 2017. However, while some feel regional teams are key to the delivery of PEA at the country level others think they are unnecessary for the reduced number of full country programs under PEA (i.e. four in each region). Regional staff fully financed by the project is seen as unaffordable, (however, no analysis of the relative cost-effectiveness of regional teams / different management structures was seen). While UNDP is moving towards a stronger regional presence this is based on staff funded through projects for a percentage of their time, not project specific staff financed from core funds. The PEA structure provides thematic experts in the regional office (working at the global scale) which allows the regional structure to continue to a limited degree.
- **Key positions missing / under-resourced**, for example:
 - Donor liaison at P4. Under PEA the reporting and M&E functions will be carried out by the Knowledge Management specialist in Bangkok with donors relations taken on by the Co-Managers. However, many felt that given the need to raise additional financing, a dedicated donor relations post was important.
 - Poverty specialists
 - Staff at regional level
- **The structure is too centralized** and should be decentralized as much as possible to deliver the work. The work should remain country led and this requires strong support at the country level. While the PEF has been discontinued²⁴ it is felt by some that the PEA structure, centralized in Nairobi with its global focus is essentially equivalent to an (enlarged) PEF.

307. The JMB recognized that the current PEI approach was insufficient to mitigate the risks in PEA and a number of changes have already been adopted:

- Based on HQ agreement the principle of a 'delegation of authority' approach to implement full-fledge country outputs. The delegated authority approach adopted under PEA is however understood to be more restrictive than the approach applied in the PEI 2013-2018 phase in **Mozambique** and **Tanzania**.
- The expansion of JMB membership, as a decision making body, to ensure representation from beneficiaries (Regional Bureau / Regional Office) and Suppliers (donors) in the planning and decision making.
- PEA will not apply previous General Management Support (GMS) sharing. UN Environment has been advised to directly recover any direct project costs from pooled donors' funds prior to pooling while at the same time ensuring that PEA has sufficient 'flexible funds' to implement EU contributions (at least 25% of budget must be non-EU).

²⁴ The view was expressed that the PEF under PEI had run its course given that there is no longer a commitment for it to serve as an umbrella for broader UNDP – UN Environment co-operation and it is not required purely for project management.

5.3 Partnerships and stakeholder awareness and participation

308. This section looks at how partnerships and stakeholder awareness and participation have been promoted by the project in support of the project's objectives. Partnerships have been discussed in detail in Section 3.4; this section therefore focuses more on the role of stakeholder awareness and participation. Partnerships and stakeholder participation and awareness is rated as **Satisfactory**.

309. The Scale up Phase evaluation set out a number of recommendations aimed at partnerships and stakeholder awareness. It recommended *'building upon and improving collaboration and partnership for P-E mainstreaming and sustainability of PEI project and programme results'* and *'the use of diverse fora to increase the exposure for PEI experiences and tools to other countries'*.

310. The importance of partnerships and stakeholder awareness and participation were acknowledged in the project design and during project implementation. For example, the Global project document required regional meetings as part of facilitating a community of practice. The DSG (2015) stressed the 'need to continue and expand meaningful participation of non-governmental actors - particularly civil society and private sector (both as donor and partner) in the future given their key role respectively in advocacy for transparency in the context of high level environmental governance and as driving force for a transition to more sustainable production and consumption/ green economy'. There are various examples at the country level of how the project has increased its engagement with civil society. Engagement with the private sector has however been fairly limited and this is an area that will need greater focus under PEA.

311. The project engaged with a wide spectrum of stakeholders – Government, parliamentarians, communities, NGOs and academia.

312. The project made efforts to engage more systematically with civil society and communities. Through its work at the community level the project engaged with smallholder farmers, waste pickers and poor communities in areas with potential to develop natural resource based enterprises. In **Tanzania** partnerships with **civil society** were stepped up under the project. For example, the **Africa Philanthropic Foundation** became co-convenor of the Tanzania Sustainable Development platform, serving to reflect the role of civil society in the implementation of SDGs. PEI has been engaged in the platform from its outset steering the process. In 2016 the first budget allocation analysis was undertaken by a civil society organization in **Malawi**, based on the findings from a PEI study. In **Malawi** PEI brought policy makers, civil society, academia, private sector and communities together to discuss the draft fishery and forestry policies, providing an opportunity for these stakeholders to contribute to their finalization. The meeting, which drew attention to the issues in local media, urged parliamentarians, traditional leaders and politicians to take action; to ensure the approval of the revised policies and facilitate the review of related acts. Also in **Malawi**, the revised national wildlife policy reflects the concerns of local communities, including references to community benefit sharing and compensation mechanisms, following a series of community consultation processes across the country.

313. In 2016 an independent radio station started in Bunda, **Tanzania**, which was reaching 5 regions and 2 million listeners. It was used to sensitize people on environment and social development (e.g. on best practices in farming and crop disease, messages from members of parliament and campaigns on tree planting) and to stimulate business through marketing. However, the radio station needs funding to continue its work now that PEI support has ended. A similar district council radio station in Illeje, also needs to find additional funding. Among other things the radio station has been providing an agricultural outreach service and helping communities in this mountainous area to sell crops, by providing information on crop prices.

314. **Engaging with parliaments.** In **Burkina Faso** the project facilitated the establishment of a network of 46 parliamentarians on environment, biodiversity and green-economy climate change. The network has led discussions and developed a roadmap to increase action and capacity on the poverty-environment nexus in relation to the SDGs. For example, they completed a parliamentary inquiry into mining titles and the social responsibility of mining companies. A monitoring committee followed up the work and proposed a new labor code in the mining sector to improve the working conditions and to combat fraud in the business. In **Malawi** PEI support to improve the capacity of the Parliamentary Committee on Environment and Climate Change Management on advocating for poverty-environment priorities facilitated the approval of sectoral policies on agriculture and forestry which had been stalled for over five years.

315. There has been limited direct engagement with the **private sector**. As an example, PEI **Rwanda** and the **Private Sector Federation** signed an MOU to advance the country's environmental sustainability agenda. PEI Rwanda trained 180 private sector representatives on how the private sector can support the implementation of the Rio conventions and opportunities related to carbon finance and renewable energy (DFID, 2014). The project has however worked with Governments in a number of countries to strengthen their safeguard mechanisms to ensure the approval and implementation of 'quality investments'. The most notable example in this regard is **Lao PDR**, where a number of tools have been developed and implemented.

316. In **Tanzania** to address a capacity gap in terms of business thinking among Local Government Authorities (LGA) and to provide a clear framework for investments, PEI supported the development of **Regional Investment Guides**. The objective of the guides is to provide investment information, enhance competitiveness, and increase productive capacity in key sectors, prioritize investments and support investors. In July 2018 at the National Investment Forum, the PM singled out Simiya region, one of the poorest regions in Tanzania, as the best performing due to its Regional Investment Guide and related marketing initiatives. All other regions were directed to follow Simiya's lead and to discuss with UNDP-PEI potential help. 10 Regional Investment guides have been completed. They identify potential areas for investments ranging from multi-million investments to small investments. Regional commissioners are tasked with attracting investors, and the investments guides are being sold to banks and the private sector and marketed internationally by Tanzania's diplomats through its Economic Diplomacy Initiative. They are aimed at achieving poverty reduction through business solutions. It is important to note that while the guides promote a number of natural resource based opportunities – agriculture, fisheries, livestock, tourism, they also include a number of classic polluting industries – textiles, tanneries, coal power. Therefore, safeguards will be critical to ensure investments overall are sustainable. While a number of consultees were keen to provide assurances that safeguard mechanisms were in place, a number of challenges were also evident. It was acknowledged that greater emphasis needs to be placed on: (i) Strategic Environment Assessments, as opposed to EIA; (ii) the distributional impacts of investments, such that communities benefit; and, (iii) developing a database of qualified consultants, that can cover the breath of expertise that may be required. In cases where local expertise is missing, expertise needs to be sourced internationally and training is required, especially at the Local Government level.

317. The project work with academia in a number of countries, for example the University of Dar Es Salaam on ecosystem valuation, and has also successfully embedded PEI materials into university curricula. For example, **Guatemala** elaborated a **natural capital ecosystem valuation**, analyzing the different public policy scenarios for the Chiquimulilla Channel - a coastal ecosystem with high biodiversity value under threat from intensive agriculture and shrimp production and unsustainable tourism practices. This study has been integrated into the Diploma in Planning and Sustainable Land Use in coastal-marine areas addressed to

municipal representative, that was supported by SEGEPLAN, San Carlos University, GEF and PEI.

5.4 Country ownership and drivenness

318. As discussed above strong country ownership is a key factor explaining the success of PEI at the country level, without which it is hard for P-E mainstreaming to progress. Country ownership is essential to ensure the uptake of the financial tools and instruments developed with Poverty-Environment Initiative's support. Further, the level of Government commitment affects implementation given the complexity of P-E mainstreaming which requires time to engage with multiple ministries and their departments and projects. Country ownership is rated as **Satisfactory**.

319. The work in many PEI countries is typically closely linked to country priorities as expressed by the Governments themselves, thus facilitating ownership and support. Furthermore, the fact that PEI is based in important parts of Government (Ministry of Finance / Planning), increases the chances of it being endorsed and adopted by all Ministries. Increased ownership and leadership on sustainable and inclusive development was achieved in many countries during the project. For example:

- **Kyrgyzstan** established a high-level political body - the National Council on Sustainable Development, to guide and oversee the process of implementing its national sustainable development 2013–2017. The council was initiated with PEI support and integrates the key elements of sustainable development - economic growth, environmental sustainability and social inclusion.
- **Lao PDR** institutionalized environmental and social impact monitoring, which resulted in the monitoring of 287 projects in 17 districts in 6 provinces to promote quality investment across the country.
- **Bhutan's mainstreaming reference group** (MRG) was established at the national level with PEI support in 2011, and was followed by the establishment of Local MRGs in all 20 districts. The **European Commission in Bhutan catalyzed** this work through the implementation of a local development and capacity programme to ensure the functionality of the local MRGs. Each local MRG has developed an annual action plan, the implementation of which is supported by approximately US\$16,000 of Government funding. The ownership and leadership of the government (outside of PEI project-level activities and advisory services) are evidence of the **sustainability** of PEI efforts.
- There is increased coordination in the **Philippines** between the Bureau of Local Government Development and the Bureau of Local Government Finance, leading to multiple government stakeholders using the **Environment and Natural Resources Revenues and Expenditures Data Management Tool** to inform national policies. A new policy mandates local treasurers to use the tool to report on revenue collection and fund utilization as a share of national wealth. In light of its positive impact on coordination, policies and budgets, the Department of Finance mobilized US\$36,000 from the Philippines Extractive Industries Transparency Initiative to upgrade the platform hosting the tool.

320. More "PEI Champions" are needed at national policy level and regional level. While champions of PEI are evident across central Governments, more work is needed to change the mindset and expand the support of political leaders at the sub-national / district level, where the policies are largely implemented.

321. The support received from government counterparts, in cash and in-kind, increased over the project period and is an indication of growing ownership at the country level, as presented in Table 7.

Table 7: Government contributions (in cash and in kind)

Government	Amount (USD)			
	2014	2015	2016	2017
PEI co-funding in-country government in cash				
Government of Burkina Faso		50,000	11,740	50,075
Tanzania	39,163			
Government of Mali	19,846	164,000	226,970	280,280
Government of Mauritania	54,060	50,000	54,000	50,935
Government of Peru			150,376	120,000
Government of Turkey			11,075	
Total in cash contributions	113,069	264,000	454,161	501,290
PEI co-funding in-country government in kind				
Government of Bhutan	122,000	120,655		
Government of Peru			121,000	151,000
Government of Guatemala		200,000	200,000	200,000
Government of Lao PDR	179,330	179,330	179,330	179,330
Government of Philippines				48,973
Government of Kyrgyzstan		1,200	500	2,000
Government of Mali	57,800	14,400	14,400	14,400
Government of Paraguay		72,581	24,134	55,444
Government of Rwanda	40,000	40,000	40,000	
Government of Burkina Faso				46,415
Government of Malawi				16,400
Government of Mauritania		9,300		5,000
Total in kind contributions	457,130	637,466	579,364	718,962
Total government contributions	570,199	901,466	1,033,525	1,220,252

Source: PEI Annual Financial Reports. Data for 2013 and 2018 unavailable.

5.5 Financial planning and management

5.5.1 Overview of financial management

322. PEI contributions from donors and other sources are pooled and programming is undertaken as a single award (budget) in the UNDP-ATLAS system. UNDP serves as the Managing Agent of the pooled fund (PEI ATLAS Award). The financial management of PEI therefore follows UNDP's rules and procedures at the global, regional, and country level. UN Environment channels funds to the PEI account in UNDP's ATLAS system where it becomes part of the pooled funding, resulting in one project at all levels and ensuring a 'One UN' approach seen from a programmatic as well as an operational perspective. This differs to other UN multi agency projects such as the UN REDD programme for example, which operates with 3 workplans and budgets. Financial planning and management is rated as **Moderately Unsatisfactory**.

323. The PEI prepared a resource mobilization strategy for PEI 2013 – 2018, with a target of US\$ 12 million per year, consisting of US\$ 4 million from core UNDP and UN Environment funding, and US\$ 8 million from PEI bilateral development partners. Under the Scale up Phase bilateral development partners provided approximately US\$ 6 million per year, but more bilateral funding was required by the project to continue activities in Africa which had previously been funded by the UN Environment Africa Pilot programme, but was ending.

324. Both UN Environment and UNDP worked hard to mobilise support in the order of US\$2 million from core-resources. UNDP's efforts were to be focussed on the mobilization of country, regional and / or global TRAC resources for the implementation of PEI. However, as a result of the restructuring of UNDP, the Administrator committed 88% of its core funds to the

Country Offices. Therefore, the network of UNDP offices and TRAC (= core) funds continued to be UNDP's major contribution to PEI, and were focused on country level delivery. Over the 4 year period (2013-2017), for which data are available, around 68% of UNDP core funding to PEI were mobilised at the country level, with the support of the country and regional teams (see Table 8). UN Environment core funds comes mainly from its Environment Fund and was used for both staffing and activities (JMB, September 2014).

325. The project document for PEI 2013 - 2018 was signed in June 2013 and the transition into the new phase was carried out without any interruption of activities thanks to the sustained support from DFID, the European Commission, Germany, Norway, Spain and Sweden.

326. The UK ended its contribution to the project in 2017, in line with the original programme closure date of December 2017. The unspent UK contribution as of 31 December 2017 was returned to DFID, amounting to US\$ 54,257.

327. Other donors with remaining uncommitted funds as of December 31 2017 (Norway, Sweden and EU) agreed to a no-cost extension of 9 months, from the 1 January to 30 September 2018, with 3 months for financial and operational closure to the end of December 2018. The extension was endorsed by the JMB in October 2017. The financing of the no-cost extension was covered by un-committed global PEI funds amounting to US\$ 4.8 million and around US\$ 406,420 of residual funds from the UN Environment PEI Africa project (PEI Approved Revision 2, December 2017).

328. The delays and associated underspend as of December 2017 were explained by various country-specific reasons including political instability and elections, changing Government institutional arrangements and staff departures and recruitment of replacements, but are also partly related to the project's cash flow challenges.

329. The extension allowed for key global, regional and country level activities to be completed that were also essential for ensuring a smooth transition to the start up of PEA. Country level activities centered on achieving key milestones of their Exit and Sustainability strategies (elaborated in mid-2016) in order to achieve Outputs and Outcomes of existing Country Results Frameworks. For counties not supported by the PEA project the no-cost extension provided additional time to complete main activities to sustain PE mainstreaming approaches by Government institutions and their partners including the UNDP Country Offices. For those countries to be supported through PEA the extension assisted with sustained PE environment mainstreaming actions and maintaining the country level staff until the new PEA project started.

330. At the regional and global levels, the extension allowed: (i) the completion of regional consultations with national partners on project closure, final reporting and evaluation, lesson learning and planning for the start of PEA; (ii) provision for the demonstration, dissemination and use of online capacity building and information services (PE mainstreaming handbook and Compendium on PE mainstreaming Tools, Experiences and Results), however, these outputs were still not finalized at the end of 2018; (iii) completion of knowledge products on PEI achievements and lessons learned, and for project staff to communicate and inform the design and implementation of UN Environment programmes that adapt and apply P-E mainstreaming approaches and tools in support of integrated approaches for strengthening the environmental dimensions of the SDGs. However, some knowledge products on lessons learned were still not finalized at the end of 2018.

331. Final financial reporting for the PEI 2013-2018 is expected to be available in June 2019, i.e. post this evaluation. The evaluation is therefore based on financial data for the period 2013-2017. There is reportedly expected to be an unspent UN Environment balance.

332. In September 2018 US\$1.7 million remained unspent. US\$1.4 million of which was committed based on global and regional work plans. An approval of an additional allocation of US\$78,000, in line with the approved work plans, was requested. The balance of US\$290,000 would be pulled under the global component in a budget revision. It was also requested that US\$350,000 in UNDP TRAC Programme funds utilized under PEI be reimbursed to the UNDP COs in support of Poverty-Environment Action country level interventions. For the Poverty-Environment Action inception, travel from October to December 2018 was increased to US\$50,000 (JMB, Meeting Minutes September 2018).

333. A full time PEI Financial Analyst was hired in 2016 responsible for financial analysis, budget allocations and revisions, reporting to donors and financial tasks related to closure. She is part of PEI Global programme (PEF) and works remotely from Bratislava. The financial analyst works with the Co-Directors on finances and budget allocations, which are then discussed at JMB meetings. The financial analyst links directly with operational specialist in New York. The Global Policy Center's procurement / travel assistant and Finance Associate allocate a percentage of their time to the project. With the hiring of the full time Financial Analyst the Finance Associate's time has been largely focussed on supporting procurement. The project's closure specialist (also located in Europe and part of the PEF) has also been involved in budget management.

334. For many at the regional and country level financial management was reported to be very frustrating and an area needing a lot of improvement going forward. Difficulties related to financial planning and management include the issues highlighted below.

335. **Delays in budget approvals and disbursements**, which have taken longer with the introduction of the new systems. PEI was the first agreement signed under the new PAGODA rules which caused delays at the beginning of the project as processes were established for allocating EU money, as per EU and UNDP rules. It was argued that now that these processes have been established, finances would run more smoothly. The disbursement of funds has reportedly improved since 2016/17 but is still not as good as it should be, and it was felt by some that the problem was not the introduction of the PAGODA rules, on which the UNDP GPC staff received training, but on weak (financial) management. At the start of the year, PEF promised money in February / March, but at best money was disbursed in April, and often not until June / July. This money covers staff contracts not only implementation. Many UNDP CO lent PEI money, which was reimbursed later. The feedback given to this evaluation is that this is not at all popular with Country Offices and would be best avoided. Some COs have formally stated that they have faced major implementation challenges as a result of the repeated late cash disbursements, late budget revisions and approvals and the need for repeated reversals causing stress and delays and affecting implementation. The delays have affected Country Offices and relations with Government.

336. It is stressed by the PEF team members responsible for financial management that funds can only be allocated once received by UNDP and that there are other factors, such as the UN Environment system migrating to UMOJA which affected disbursements of funds during the project period, that were out of their control. UN Environment funds (once received from their donors) are pooled along with contributions received directly by UNDP on the basis of standard agreements. The project faced various issues due to **delays in UN Environment contributions** (Box 10 summarises these challenges as recorded in Joint Management Board Minutes, 27 January 2017). UN Environment pledged money but there was no agreement on the terms of payments. If pledged funds are pooled late or at reduced amounts, then the ensuing cash flow issues are said to have been pro-actively managed by the Co-Directors. As a result of this dependence on funds being pooled on time, it is argued that cash flow issues

cannot be entirely ruled out and that is a live issue under PEA²⁵. Others feel that the delays are only partly due to cash-flow issues arising from the late receipt of funds and that there is a systematic problem with budget management reflected in the late completion of budget revisions and poor monitoring of cash availability. For example, in **Tanzania** in one year the budget was approved early in the year, but funds were not disbursed until September.

337. **Budget discrepancies.** In February 2018 countries were told by the PEF that they had to cut their work-plans due to funding shortages and in Africa, for example, national steering committees were held in country offices to do this. However, two weeks later it was announced that this was incorrect and that there was in fact a surplus of US\$ 878,000 of unallocated funding. It was difficult for some countries to spend additional money at this stage as the country projects were winding down and it was not possible to plan and implement activities in the short time remaining. The money was used in various ways, for example to extend some staff positions or to prepare for PEA as in **Bangladesh**. However, it was suggested that some of this money was not used in the best way. Some felt that the 'rediscovered' funds were a key example of the ongoing budget management capacity challenges that the PEF was facing. Countries had asked for more money in 2017, but were told that it wasn't available and so reduced their budgets, which took quite a bit of work. They were then told in late February / March 2018 that they could have more money, but that they would have to spend the money by June 2018, so another budget revision was necessary. One country noted that they were informed on April 4th 2018 that cash for activities in Quarter 1 and 2 of 2018 was available, and that activities had to be completed by June 30 2018. The discrepancy of US\$878,000 in February 2018 therefore took up project time to revise workplans unnecessarily and resulted in what some considered were rushed decisions on project spending. Countries with delegated budget authority, such as **Tanzania and Mozambique**, were not affected by this accounting anomaly.

338. According to the project management team the US\$878,000 'discrepancy' was at no point 'unknown' and was due to a number of factors, which should be viewed in the context of UNDP's standard work-planning and budget revision process. As part of the regular work planning process, the countries were asked in late 2017 to prepare the 2018 annual work plans. The amount of funds to be budgeted for 2018 was based on the responses and budget forecast from the COs regarding their planned utilization of 2017 funds and the resulting budget balance to be used in 2018. The countries at that time predicted that they would fully spend the 2017 funds allocated. Initial 2018 budgets were planned for essential staffing only and activities resulting from 2017 commitments with the plan to allocate further available funds that would be known once UNDP's 2017 books were closed. According to the PEF the additional available funds resulted from: (i) under-delivery of 2017 funds; (ii) a conservative approach taken to the 2018 budget, since 2018 was the last year of project implementation and hence over-budgeting needed to be avoided; (iii) the early departure of an International Technical Advisor in **Burkina Faso** in 2018 resulting in a saving of US\$100,000; (iv) releasing not needed outstanding NIM balances that were originally reported as needed by the countries for 2018; (v) the revised 2018 PEF budget for activities; and, (vi) rounding figures for additional requests from the countries plus some reserve. It is also argued that insignificant under-delivery at the individual country level can be cumulatively significant for the programme as a whole given that it deals with 25 countries. Once 2017 UNDP books were closed, the final balance was analyzed and a plan was made as to how to distribute and deliver the remaining balance in March 2018.

²⁵ With the signed MA MoU between UNDP and UN Environment under PEA the schedule of payment stipulates that at the end of December of the same year, the funding will be pooled to UNDP. In the case of PEA, about US\$1 million of pooled funds are scheduled to be transferred to UNDP every year for four years. To date only US\$196,000 have been transferred to UNDP for 2018, as UN Environment is waiting to receive remaining funds from its donors (personal communication).

339. PEI contributions are small relative to a Country Office's total portfolio, and are often a component of a larger UNDP project. For example, the SSIP in Bangladesh is US\$2.2 million, of which the PEI component is around US\$300,000. The delays in funding were seen to be putting at risk multi-million dollar projects and UNDP's reputation at the country level. Therefore, PEI's risk mitigation approach should take into consideration the wider picture of UNDP.

340. **Capacity of UNDP staff to implement PEF rules and regulations.** Money is transferred by the PEF from the UNDP Bureau for Policy and Programme Support (BPPS) in New York to UNDP Country Offices, with Country Offices then advancing a portion of the funds to the Government implementing partner. At all levels (global, regional, country) working with PEI required an understanding of the way the UNDP-UN Environment joint programme is managed under UNDP rules. PEF money to countries could be comprised of money from more than one donor with different restrictions required for each donor, so an understanding of how funds could be spent was needed (although all donor funds were treated the same under PAGODA rules from 2015, which also needed to be understood). Capacity in Country Offices in terms of understanding these requirements is often limited, requiring oversight from the regional team. A further complication was that UN Environment regional staff did not have enough understanding of ATLAS (as UNDP's corporate ERP system) to adequately advise UNDP COs which contributed to misunderstandings at the country level despite well-intentioned efforts. However, there were differences of opinion on whether the capacity of UNDP and UN Environment staff was the main issue and it was indicated that there were not such capacity related problems in terms of applying UNDP rules and regulations in the first half of this phase of PEI or in the previous phase. Under PEA, quality control will be done globally. However, training is needed at the country level to formally orientate staff and ensure efficient financial management, such as capacity building workshops, rather than relying on learning by doing.

341. A number of consultees felt that it would better to have a National Financial Analyst located in Nairobi (rather than in Europe) enabling face to face meetings on complex financial aspects, keeping costs down and building team spirit and a shared understanding of P-E mainstreaming. This may be a consideration for PEA. However, the UNDP Co-Director, in support of the current arrangement, stated that she has not experienced any negative impact of the Financial Assistant being home-based and joint discussions via skype and selected missions were organized as needed.

342. Constant budget revisions were needed. For example, there were three budget revisions over a period of 6 months in 2016. This is a complex process, because if one budget line needs to be changed all budget lines have to be adjusted. The budget revisions also often took too long – sometimes 3 months, and caused a lot of upset at the country level. The PEF's position is that there were on average 5 budget revisions per year between 2014 and 2016, which is not considered to be a high number for such a complex programme. The budget revisions serve to address requests from the countries and to adjust budgets to align with received contributions.

Box 10: Management account of financial challenges as reported in Joint Management Board Minutes, 27 January 2017

PEI encountered significant cash flow challenges in **2016** due to UNDP restrictions on implementation of EU PAGODA funds for NIM Advances and the receipt/delay of UN Environment 2015 pooled funds (from Norway and Sweden) compounded by financial administration/UMOJA transfer issues for the UN Environment Norway 2015 US\$2 million contribution.

In **2016** PEI confronted challenges in the application and management of the Project Delivery Report (PDR) modality, used primarily to fund UN Environment PEI Project contracted staff, due to delays

in receipt of UN Environment funding¹. At the start of 2016, PDR reporting by UN Environment was outstanding, reducing the value that UNDP per HQ regulations could advance. UN Environment PEI PDR was submitted in September 2016 with an update in January 2017. However, the expenditures in both submissions did not fully align to the UN-to-UN agreement (submissions included unapproved expenditure and amounts in excess of PDR agreement approved amounts) nor were they matched to the corresponding PEI ATLAS project budget (donor and budget description). This caused PEI significant programme and financial management issues. Additionally, PEI's cash flow issues related to 2015 Norway contributions created complications for available resources to pay the PDR.

In 2016 UN Environment put in place measures to try and mitigate the cash flow situation advancing US\$1 million at the end of April 2017 - where a joint management decision was taken to prioritize application of the US\$ 1 million to country project budgets and delay a PDR payment; and US\$1 million at the mid/end June 2016, with a parallel joint decision taken to budget the PDR with EU funds in the August budget revision (in early July based on changes to PAGODA I implementation arrangements PEI negotiated to apply EU funds to PDR payments).

It was recommended to engage specialized financial/technical assistance from UNDP HQ to verify the accuracy of PDR figures and propose a resolution for UN Environment action on the reporting reconciliation needed to properly account for expenditures related to the PEI UN-to-UN agreement(s). Both agencies acknowledged that the PDR modality was not ideal for the payment of PEI project staff and agreed to look into alternative options for future programming.

Source: Joint Management Board Minutes, 27 January 2017

Note: 1/ A comment was received that this is incorrect and that PDR was paid from EU funds as its expenditures are EU eligible. UNDP only paid the PDR very late in the year, which meant that UN Environment had to pre-finance salaries for most of the year, this also led to incorrect reporting as actual salary costs were different from those in the PDR based on standard costs and had to be absorbed by UN Environment.

343. **Delegated Authority (DA)** operated in **Tanzania** and **Mozambique** and is seen to be a more efficient way of managing money (reducing programming and transaction costs) and is very much supported and widely requested by the countries. It serves to strengthen the ownership and engagement of the UNDP CO in the PEI project which is very important given the significance of CO TRAC contributions and/or the benefits of PEI/PEA being embedded in larger CO projects, and is consistent with the Delivering as One approach. The fact that without Delegated Authority the PEF/ BPPS carry out budget revision related to combined PEI and TRAC funds is a source of frustration for countries, especially when these revisions are slow. Under this arrangement, authority is granted to UNDP Country Offices to directly establish and approve budgets, with the overall financial management responsibility continuing to rest with UNDP as the Managing Agent. PEA is planning to move to this arrangement for all countries, however the form of delegated authority to be applied under PEA is to be more restrictive (based on a comparison of the PEI and PEA DA agreements for **Tanzania**). For example, under PEI **Tanzania** could carry out budget revisions and the budget was not managed by PEF.

5.5.2 Expenditure and Income 2013-2017

344. Proposed budgets are based on annual work plans for PEI countries, regions and the Poverty-Environment Facility (PEF); which are aligned to country level project documents, regional strategies and the Global PEI Project Document respectively. Budgets in Atlas match the proposed annual work plan with cash only disbursed once all anticipated income is received from donors to cover the proposed budget. Thus, when funding tranches were delayed, PEI faced cash flow challenges that restricted implementation of activities. Cash flow issues were further aggravated by delays in budget revisions. PEI Project level budgets are based on allocations from the Global Programme and complimented by locally mobilized resources for country projects. The analysis in this section is based on financial data for the

period 2013-2017. Data for 2018 / project closure was not available for this final evaluation, as the final financial report is expected around June 2019.

345. PEI total expenditure per full year of operation ranged from US\$ 11,866,258 to US\$ 15,986,759 (Table 8).

346. Table 8 includes in-kind contributions from UNDP and UN Environment towards staffing and operational support. UN Environment as a non-resident UN agency brings value through staffing and operations at the regional/global levels, whereas UNDP as a development agency embedded at the country level provides both services and mobilization through core allocations.

347. In 2014 and 2015, PEI staffing included one full time Junior Professional Officer (JPO) funded by the Government of Sweden and recruited through UN Environment, who worked under the PEI Africa regional programme. The PEI ECIS regional programme was also supported by one JPO funded by the Government of Greece offering 25% of staff time from January to July 2014 recruited through UNDP. In 2016 and 2017, PEI staff included one JPO funded by the Government of Spain and recruited through UN Environment, who worked under the PEI LAC regional project.

Table 8: Expenditure from all sources

Source of funding	Amount (US\$)				
	2013	2014	2015	2016	2017
UNDP–UN Environment PEI Atlas award					
- Donors	4,744,181	4,997,185	6,046,030	5,554,506	6,526,244
- UNDP core resources	237,022	375,834	180,203	537,182	357,467
- Other initiatives	431,673	230,797	31,773	375	—
UNDP and UN Environment core resources staffing and operational expenditures					
- UNDP	307,741	384,050	293,211	355,215	335,628
- UN Environment ^a	1,547,338	1,924,112	1,735,949	1,895,037	1,687,244
JPO Programme		72,558	9,805	5,951	115,196
UNDP in-country core resources		1,160,513	1,402,645	1,937,506	1,765,941
UNDP in-country co-funding other projects & partnerships		6,271,511	3,124,154	546,959	616,698
Government counterparts (cash and in kind)		570,199	901,466	1,033,525	1,220,252
Total		15,986,759	13,725,236	11,866,256	12,624,669

Source: PEI Financial Reports

Note: Expenditure against sources of funding other than the UNDP PEI Atlas award are also reflected as income in this section, in that these funds are not remitted to UNDP PEI Atlas accounts. In-kind and parallel contributions and expenditure towards PEI initiatives are therefore considered as income.

a/ For 2014, this excludes UNDP staff time contributions by UNDP Country Offices but includes UNDP Sustainable Development Group staff time contributions based at Headquarters, Regional Service.

Table 9 provides a breakdown of expenditure as recorded under the UNDP–UN Environment PEI Atlas award.²⁶

²⁶ These figures include two Country Offices (**Mozambique** and **Tanzania**) with Delegated Authority. Income is first recorded under PEI pooled accounts and later transferred to the Country Office under the delegated authority agreement against an approved annual work plan.

Table 9: Breakdown of expenditure as recorded under the UNDP–UN Environment PEI Atlas award

PEI component	2013	2014	2015	2016	2017 ^a	Total
Expenditure against UNDP Atlas award^b						
GLOBAL	394,414	488,645	423,653	394,432	492,751	2,193,895
<i>Subtotal Global</i>	<i>394,414</i>	<i>488,645</i>	<i>423,653</i>	<i>394,432</i>	<i>492,751</i>	<i>2,193,895</i>
REGIONAL AFRICA	288,501	452,409	304,259	379,083	830,455	2,254,707
Botswana	23,793	20,641	—	—	—	44,434
Burkina Faso	239,788	347,917	224,397	302,233	474,477	1,588,812
Kenya	71,700	—	—	—	—	71,700
Malawi	310,483	309,790	570,734	304,517	365,780	1,861,304
Mali	281,543	120,583	276,995	394,640	292,221	1,365,982
Mauritania	58,014	98,636	151,350	58,704	113,326	480,030
Mozambique	160,443	149,150	232,112	361,609	452,200	1,355,514
Rwanda	130,182	191,055	202,242	488,005	484,102	1,495,586
Tanzania	46,140	342,325	495,778	275,570	270,349	1,430,162
<i>Subtotal Africa</i>	<i>1,610,587</i>	<i>2,032,506</i>	<i>2,457,867</i>	<i>2,564,361</i>	<i>3,282,910</i>	<i>11,948,231</i>
REGIONAL ASIA PACIFIC	519,200	331,668	417,964	601,565	558,910	2,429,307
Bangladesh	116,705	45,260	34,156	75,198	41,678	312,997
Bhutan	123,560	76,982	67,586	69,898	92,223	430,249
Indonesia	—	82,458	113,305	80,033	71,961	347,757
Lao PDR	226,545	193,015	241,271	125,832	165,146	951,809
Mongolia	—	56,456	89,833	68,653	30,782	245,724
Myanmar	—	110,864	112,497	60,405	115,933	399,699
Nepal	88,421	46,067	39,584	54,407	29,658	258,137
Philippines	48,992	24,592	59,392	67,714	51,398	252,088
Thailand	61,936	—	—	—	—	61,936
<i>Subtotal Asia Pacific</i>	<i>1,185,359</i>	<i>967,362</i>	<i>1,175,588</i>	<i>1,203,705</i>	<i>1,157,689</i>	<i>5,689,703</i>
REGIONAL EUROPE & CIS	371,771	281,647	476,303	302,935	230,368	1,663,024
Kyrgyzstan	284,071	255,193	360,899	208,893	198,233	1,307,289
Tajikistan	291,068	224,607	366,455	279,080	241,036	1,402,246
<i>Subtotal Europe & CIS</i>	<i>946,910</i>	<i>761,447</i>	<i>1,203,657</i>	<i>790,908</i>	<i>669,637</i>	<i>4,372,559</i>
REGIONAL LAC	191,751	159,228	202,073	187,432	227,425	967,909
Dominican Republic	80,912	84,793	—	—	—	165,705
Guatemala	126,633	172,321	207,887	166,983	185,348	859,172
Paraguay	—	145,929	191,793	70,394	243,109	651,225
Peru	35,967	184,955	184,796	176,290	267,375	849,383
Uruguay	171,648	—	—	—	—	171,648
<i>Subtotal LAC</i>	<i>606,911</i>	<i>747,226</i>	<i>786,549</i>	<i>601,099</i>	<i>923,257</i>	<i>3,665,042</i>
Total	4,744,181	4,997,186	6,047,314	5,554,505	6,526,244	27,869,430
Expenditures against pooled UNDP core resources^c						
Burkina Faso	49,989	96,897	47,953	69,586	50,464	314,889
Malawi	167,904	194,795	38,513	315,744	220,601	937,557
Mauritania	—	73,761	93,737	141,577	71,046	380,121
Kyrgyzstan	19,129	10,382	—	—	—	29,511
Mali	—	—	—	5,393	41	5,434
Bhutan	—	—	—	4,882	15,315	20,197
Total	237,022	375,835	180,203	537,182	357,467	1,687,709
Expenditure against inputs from other initiatives^c						
Botswana	309,798	140,018	—	—	—	449,816
Burkina Faso	118,700	—	—	—	—	118,700
Malawi	3,175	—	—	—	—	3,175
Peru (UN Volunteer)	—	90,780	31,773	375	—	122,928
Total	431,673	230,798	31,773	375	—	694,619
Total expenditures - UNDP core resources & other initiatives	668,696	606,632	211,976	537,557	357,467	2,382,328
PEI total expenditures - UNDP Atlas award	5,412,877	5,603,818	6,259,290	6,092,062	6,883,711	30,251,758

Source: PEI Annual Financial Reports, 2013-2017

Note: CIS = Commonwealth of Independent States; LAC = Latin America and the Caribbean. Expenditure figures are exclusive of UNDP general management support (GMS) charges of 8%. a. Excluding commitments. b. Excluding UNDP core resources (TRAC) and other sources of funds. c. Countries with delegated authority (Mozambique and Tanzania) not included.

348. Total budgets for **regional teams** ranged from US\$2.4 million in Asia Pacific to around US\$0.9 million in LAC. Taking into account the number of PEI countries in each region, the regional team budget for ECIS were disproportionately high, explained by higher staff costs

and TA support in 2 countries. The Africa region delivered the highest levels of expenditure against funding from PEI donors and in country core resource allocations, reflecting the Global Programme Project Document country funding allocations. PEI country-level programming remained stable. Atlas awards at the country level ranged from US\$1.8 million in **Malawi** to US\$44,000 in **Botswana**, who left the programme in 2014. **Malawi** also mobilized the most money at the country level.

Expenditure by category

349. The PEI Financial Reports present expenditures by seven broad activity categories: (i) International staff and consultants; (ii) National staff and consultants; (iii) Training/workshops/conferences; (iv) Travel; (v) Operational costs; (vi) Contractual services and, (vii) Publications/translation/reporting. Expenditure by category, 2014-2017, is presented in Table 10.

350. As a programme delivering policy advisory services, the human resource-intensive nature of PEI is reflected in its expenditures, with the highest percentages going towards staff and consultants, followed by travel, training/workshops/conferences, and contractual services. The recruitment of vacant posts from 2015 resulted in an increase in expenditure on international staff and consultants in 2016. PEI promoted South-South cooperation across regions and countries as reflected in the training/ workshops/ conferences category. It was noted that all PEI staff fly in economy class to be cost-effective.

351. Staff time is managed according to the rules and procedures of the UN, and monitored accordingly. Contracting is governed by UN procurement rules, which involves screening of applicants in terms of both technical quality and financial proposals, with final selection based on a combination of the two. Technical advisors have been relatively more expensive in Africa as they are typically international hires. Asia, where capacity is higher, have been able to draw on more national technical advisors.

Table 10: PEI expenditure by category

Category	2014		2015		2016		2017	
	Amount	%	Amount	%	Amount	%	Amount	%
International staff and consultants	1,518,485	30	1,773,772	29	2,555,383	46	2,863,029	44
National staff and consultants	1,057,559	21	1,273,030	21	1,190,691	21	1,442,343	22
Travel	657,711	13	751,585	12	556,950	10	669,049	10
Training / workshops / conferences	600,516	12	634,911	11	398,775	7	524,045	10
Contractual services	535,442	11	633,661	10	369,054	7	654,387	8
Operational costs	438,612	9	605,526	10	238,987	4	168,529	3
Publications/translation/reporting	152,005	3	234,900	4	167,504	3	204,862	3
Grants	36,855	1	138,645	2	77,163	1	-	-
Total	4,997,185	100	6,046,030	100	5,554,506	100	6,526,244	

Source: PEI Annual Financial Reports

Donor contributions

352. The project received financial support from the European Union, Germany, Norway, Spain, Sweden and the United Kingdom. At the end of 2018 total donor contribution in support of the project was US\$ 28,776,948. Projected income for any given year is based on signed agreements, of which the tranches are either received or scheduled for receipt as per

respective contribution agreements and indications from UN Environment related to core fund contributions.

Table 11: Donor contributions received in 2013–2018 (US\$)

Donor	2013	2014	2015	2016	2017	2013–2017	2018	2013–2018
Gross donor income								
European Union								
EC – EuropeAid/DCI–ENV/2007–143935/TPS	352,021	—	—	—	—	352,021	—	352,021
EC – ENRTP	700,742	—	—	—	—	700,742	—	700,742
EC – PAGO DA	—	—	1,124,859	3,253,796	4,490,950	8,869,605	245,000 ^a	9,114,605
Germany	135,685	137,931	—	—	—	273,616	—	273,616
Norway	2,000,000	2,000,000	—	2,000,000	1,714,108	7,714,108	200,000 ^b	7,914,108
Spain	456,225	137,552	280,584	109,649	—	984,010	—	984,010
Sweden	738,170	379,750	674,218	591,693	978,938	3,362,769	—	3,362,769
United Kingdom	—	4,812,450	—	1,262,626	—	6,075,076	—	6,075,076
Total	4,382,843	7,467,683	2,079,661	7,217,764	7,183,997	28,331,948	445,000	28,776,948
Net donor income (excluding GMS)^c								
European Union								
EC – EuropeAid/DCI–ENV/2007–143935/TPS	327,379	—	—	—	—	327,379	—	327,379
EC – ENRTP	651,690	—	—	—	—	651,690	—	651,690
EC – PAGO DA	—	—	1,051,270	3,040,931	4,197,150	8,289,351	228,972 ^a	8,518,323
Germany	126,187	128,276	—	—	—	254,463	—	254,463
Norway	1,840,000	1,840,000	—	1,851,852	1,587,137	7,118,989	185,185 ^b	7,304,174
Spain	419,727	126,547	259,800	101,527	—	907,601	—	907,601
Sweden	679,116	349,370	624,276	547,864	906,424	3,107,050	915,167	3,107,050
United Kingdom	—	4,475,579	—	1,180,025	—	5,655,603	—	5,655,603
Total	4,044,099	6,919,772	1,935,346	6,722,199	6,690,711	26,312,126	414,157	26,726,283

Source: PEI Annual Financial Reports

Notes: Data for 2013–2017 are actual; figures for 2018 are projected.

a. Final/pre-financing tranche from the European Union to be received in 2019 depending on the final total delivery.

b. The contribution was received by UN Environment in 2017 but has not yet been pooled to the Joint UNDP–UN Environment PEI Programme.

c. GMS = general management support charged by UNDP against income received from PEI donors in accordance with UNDP's Harmonized Conceptual Funding Framework and Cost Recovery Methodology approved by the Executive Board.

UNDP core resources (TRAC) at the Country Office level

353. At the country level the project benefited from core allocations from eleven UNDP Country Offices (TRAC) demonstrating their commitment to PEI. National ownership of the poverty-environment agenda in some countries is also reflected through in-kind, cost-sharing and parallel funding arrangements. Total core contributions from UNDP TRAC resources ranged from US\$ 1.1 million – US\$1.9 million (Table 12). In addition, UNDP's network of Country Offices (COs) provide both programmatic and administrative support to PEI which is not included in the TRAC allocations.

Table 12: UNDP Country Office core resources – TRAC Co-funding

Country	Total TRAC allocation (USD)			
	2014	2015	2016	2017
Philippines	35,544			
Mali	73,316	315,290	337,423	148,465
Mozambique		-	750,145	510,851
Rwanda	183,491	183,491	108,280	262,587
Tanzania	610,887	610,887	684,021	666,589
Kyrgyzstan	10,450		-	81,040
Lao PDR	160,897	68,309	57,637	96,409
Asia-Pacific Regional		43,241		
ECIS Regional	8,067			
Bangladesh	64,361	36,630		
Bhutan	13,500	20,000		
Indonesia		81,556		
Nepal		43,241		
TOTAL	1,160,513	1,402,645	1,937,506	1,765,941

Source: PEI Annual Financial Reports

5.6 Supervision and technical backstopping

354. Supervision and backstopping is rated as **Moderately Satisfactory**.

355. As discussed above, while senior management involvement is considered to have been a strength of the project, many held the view that senior management support had dwindled over the project period and that the pronounced management challenges were not addressed.

356. A clear message from the evaluation consultations was that project technical support fell short, especially from the PEF Co-Directors. The general feeling was that technical support and leadership had not been provided by the Co-Directors, who had very much focused on operational delivery (budgets and reporting) while feedback on technical reports had not been substantive and without strategic guidance. This focus may have been the result of the management difficulties the project faced for much of its 5 years of operation, but the capabilities of some staff was also questioned.

357. The PEF reportedly provided limited technical guidance / backstopping to the regional teams. Interactions with PEF was reportedly limited to Steering Committee or special meetings. One explanation for this is that they had a lack of time, while others felt that the PEF lacked the appropriate kind of capacity and that the technical support had been better in the previous phase of PEI. The Co-Directors reviewed and endorsed all the country level projects, but feedback was reported to be often slow and minor due to time constraints and PEF capacity challenges. The Co-Directors state that they made themselves available to provide technical support when requested, but only received requests from the ECIS and Asia regions. The LAC regional team did acknowledge support from the PEF in terms of communications, gender and exchanges of experiences.

358. As discussed above, from the country perspective good technical support was provided by the regional team in Africa, but less so in LAC and Asia. For example, in **Bangladesh** the view was that while technical support from the regional team had been strong at the start of the project, the emphasis later in the project had been more on reporting and accountability than technical quality, and response rates were slow. The work could have benefitted from technical support and the sharing of experiences from other countries in the region.

359. PEI Africa faced challenges to effectively deliver technical assistance to **Mauritius** and Botswana relating to changing political priorities, challenges with UN coordination and limited

staff and resources for meaningful technical advisory support. However, technical assistance was successfully provided to other countries (Kenya, Uganda, Ethiopia and Benin) where PEI Africa could better leverage partnerships (PEI Africa Final Progress Report).

360. A strong technical team and the resources to provide technical backstopping services at the regional and country scale will be very important for PEA, especially as it moves into areas PEI has relatively less experience, which are also complex and path breaking.

5.7 Monitoring and evaluation

361. Monitoring and Evaluation is rated as **Satisfactory**.

5.7.1 Revisions to the Results Framework

362. The transition from the PEI Scale-up Phase to PEI 2013–2017 shifted the emphasis of the initiative, and the M&E system was adjusted accordingly. Indicators focusing on awareness raising and improved understanding of poverty-environment linkages, which reflected the need to make the case for poverty-environment mainstreaming and to integrate poverty-environment objectives in key planning frameworks, were replaced by a new indicator set addressing **implementation** of poverty-environment objectives. However, on endorsement of the project, a number of issues were raised over the Results Framework presented in the project document including: (i) the need to align indicators under each of the outputs in an aggregated manner, so that these could in turn align with the outcome indicators; (ii) the original Results Framework implied each activity would be carried out in every country, which was unrealistic; and, (ii) the country project documents and Results Frameworks were not aligned with global indicators. Concerns over the Results Framework were raised in the DFID annual review (2014) and the donors pushed for its revision.

363. Considerable effort was put into revising the indicators and targets. The PEF convened an M&E Working Group to review and revise the global indicator and targets, which met for the first time in December 2014 and subsequently held a number of meetings focused on revising the Results Framework. The meeting minutes and reports of PEI M&E Working Group detail the work carried out. The revision of the project's M&E system was developed in the first half of 2015, successfully piloted between June and December 2015 and concluded in May 2016 with the approval by the Joint Management Board.

364. **PEI indicator definition sheets** were developed for each indicator at the Outcome and Output level by June 2015. The main purpose of the sheets was to ensure a common and consistent interpretation of each indicator across countries and regions by providing a full description of the indicator in terms of its links to its related upper level indicator, its relevance/rational, and what needed to be included in the reporting. This was very important because the regional teams had to transpose country results against global indicators. The definition sheets were included in the 'Guidance Note on PEI's Monitoring and Evaluation Framework 2014–2017'.

365. Regional teams provided critical support to global reporting, ensuring that the country level reports aligned with the Global Results Framework. Countries were incentivized to report their achievements by the potential opportunity to have their stories included in PEI publications and Annual Reports. Data sheets were introduced to complement the (bi) annual progress reports to collect quantitative information about results / achievements.

366. Based on the recommendation of the M&E working group the following revisions to the Global Results Framework were introduced: (i) Baselines, Milestones and Targets were provided for each Project Outcome and Output Indicator; (ii) Outcome Indicators 1 and 2, and Output Indicators 1.1, 1.2, 1.3, 1.4, 2.1, 2.2 and 2.3 were revised; (iii) Some targets were

adjusted, taking into account the number of countries where PEI was operating in 2015 (24). The main changes are further elaborated below (detailed in the M&E Working Group minutes):

- **Outcome Indicators 1 and 2** were revised to distinguish them from the related Scale-up Phase Indicators 7 and 8; for continuity, these continued to be tracked as part of the PEI data sheets.
- **Output Indicator 1.1** was split into two to better track work at the national and subnational level. This change required the regional teams to compile the history of that information.
 - Sub-Output Indicator 1.1.1: Number of national policies and development plans that integrate P-E objectives in target countries.
 - Sub-Output Indicator 1.1.2: Number of subnational policies and area development plans that integrate P-E objectives in target countries.
- **Outcome Indicator 2:**
 - There was a mismatch between the outcome indicator 'amount of public expenditure' versus the reporting (Output) Indicator 'number of countries reporting an increase in public allocation'. The **Outcome** Indicator was therefore reformulated to capture increases in public expenditure.
- **Output Indicator 2.2 & 2.3.** The original indicator in the project document, related to the number of countries integrating wealth values into national accounting, was driven by a potential partnership with WAVES in a couple of PEI countries (**Botswana, Rwanda** and the **Philippines**). Given the challenges to delivering this work, the indicator was reformulated to better reflect what countries could realistically achieve within the project. The usefulness of the indicator was also questioned given that it could only be reported on by a maximum of 4 countries; it was nonetheless agreed that this ongoing work still needed to be tracked. The PEF proposed to merge original Output Indicators 2.2 and 2.3 under a revised Indicator 2.2 'Number of countries introducing 'beyond GDP' measurements'. The rationale is that both MPI and natural wealth valuation related work refers to measurements that complement GDP with indicators that are more inclusive of environmental and social aspects of progress. In this way, the target was relevant to just under half of the portfolio of countries.
- **Output Indicator 2.3** was introduced to capture government engagement in identifying private sector expenditure.
- **Output Indicator 3.3 and 3.4:** In November 2014, PEF reported to DFID that 81 new PEI knowledge products had been shared between January 2013 and October 2014, with evidence of positive feedback in communications, web traffic statistics, social media engagement and published testimonials. DFID recommended *"to review options for gathering feedback more formally and routinely on the value of PEI products, and report to the Donor Steering Group (by Sept 2015)"*. In a subsequent exchange with DFID, online user surveys were discussed but found wanting as a means of measuring the impacts of PEI knowledge products. For future publications it was felt that there should be a means of auditing impact. For example, in addition to tracking the number of State and non-State actors trained on the use of the revised Handbook, evidence would be collected on the application of lessons learned from the Handbook and how these were applied in their actions or activities. Ideally, feedback would be collected on how the knowledge product contributed to meeting one or more of the other indicator PEI targets, demonstrating a causal link. Regional and country teams were therefore encouraged, when reporting on the other output indicators, to document the influence of PEI knowledge products on the outcomes. However, it is not clear to what extent this actually happened.

367. In response to requests from regional teams a user-friendly electronic reporting system, was established within the PEI web platform Teamworks. PEF and regional team members semi-annually reported through this space on the data sheets and the number of PEI knowledge products shared with regional and/or global networks, and the number of references to P-E

approaches and tools in UN and other development agencies/strategies/plans. The reporting user space was launched by 23 January 2015, and a guidance on its use was developed. However, it was also reported that limited use made of Teamworks.

368. An exchange with the UN Programme on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD) took place in the context of these indicator revisions, and it was found that the UN-REDD indicator definition sheets had been based on the PEI template.

369. The PEI monitoring and evaluation working group continued to meet regularly during 2017 with a focus on applying lessons learned to the development of the Results Framework for Poverty-Environment Action 2018–2022. For PEA country results relate more clearly to global outputs and the PEF have been more rigorous in approving country project documents. This has also been a more manageable job given that there are only 8 fully fledged countries under PEA.

370. Regarding Outcome Indicator 2 - increased public sector financial expenditure for P-E results in target countries, The Annual Report 2016 noted that increased expenditure is unlikely to be achieved during an economic crisis. However, the project could still influence an increase in the proportion of the budget being spent on inclusive and sustainable environment and natural resource management. Thus a better performance measure in future would capture both the proportion and total increase budget allocations. Poverty-Environment Initiative countries were encouraged to collect data on the percentage of the budget allocated to implement poverty-environment objectives to provide qualitative context (i.e. proportion) to expenditure data reporting under the current programme. The Annual Report 2016 states: 'Monitoring performance in relationship to expenditures tracking in the new programme and programmes with similar objectives will require a more nuanced and consistent approach that balances quantitative and qualitative aspects'.

371. The quantification of the indicators helped to provide an objective framework to review the country reports and standardize the reporting. The project's Results Framework only captured the attained results, with process changes captured in the narrative reports. However, various indicators were also designed to provide a more qualitative assessment – for example Outcomes Indicators 1 and 3, and Output indicator 1.4 which each set out 5 levels of achievement and thus provide an indication of progress towards Outcomes and Impact. The extensive revisions to the Results Framework since project design (indicators, baselines targets), coupled with various inconsistencies between reporting years, clouds a clear picture of the changes made to the Results Framework, despite the efforts that were made to document the changes.

5.7.2 [Review of scale up phase evaluation recommendations on M&E](#)

372. The PEI Scale-up Phase evaluation put forward a number of recommendations related to M&E. This sub-section addresses how they have been addressed through the project.

373. '*Channel improvements for PEI Global, Regional and Country level RBM management and results delivery*'; and, '*PEI to improve monitoring on the application of PEI tools (guidelines, templates, databases, indicators, etc.) for **impact monitoring***'. According to the PEI management response, in Asia the PEF took forward initial work to consolidate analysis on PEI tools and linkages to results, which the PEF will incorporate in a global mapping exercise. It is assumed that this relates to the tools compendium, which was progressed in Asia by the regional team, and is in the process of being finalized at the global level. The PEF in partnership with regional teams planned to work together to develop an approach to PEI impact monitoring with countries that have achieved sufficient maturity for assessment, however this was reportedly not done.

374. The revised M&E framework enhanced efforts to collect qualitative data to improve monitoring against programmatic indicators. As discussed in section 3.2 a challenge has been to evaluate the impact of PEI in terms of poverty reduction, given that its purpose is environmental management for poverty reduction. It is a challenge to track the impact of financial flows from PEI work towards P-E related investments, and the related reductions in poverty, although expenditure reviews and the tracking of budget codes are a good way of tracking P-E related investments.

375. *'Improve programmatic approach on **national capacity for data collection and P-E indicators** selection to strengthen the M&E component of the programmatic approach'*. According to the management response the PEI's Results Based Management (RBM) / M&E Programme Management Specialist was to support regional teams and selected countries on demand for a variety of M&E functions including indicators for localization of the SDGs, investigate options for a complimentary P-E Measuring framework, introduce methods for measuring capacity and improving country level project M&E. However, there is no evidence that this took place, and the M&E Programme Management Specialist was not able to undertake this work due to a focus on procurement and budget revisions.

376. *'Apply and use TOC at CO, Regional and Global level as a part of project management'*. As part of the PEI Internal Mid-term Review of the project, TOCs for the 20 country projects were developed. The TOCs informed the implementation of P-E sustainability/PEI exit strategies. The TOC at the global level lack drivers, assumptions and intermediate states making it hard to clearly identify where the project stood on the continuum from output to impact, at the project's various levels and for each key component.

'Increased application of Results Based Management (RBM) principles in project cycle management (work planning, reporting, M&E, target setting, quality assurance, etc.) and in data collection for results reporting and improved evidence-based project management'. Through the Internal Review (2015/2016) and revision of the Global Programme M&E Framework (2014/2015), PEI has put in place a more realistic and thorough approach on targets, indicators and reporting. New work-plan templates were introduced in 2016, although as discussed above there was a fair amount of internal conflict and resistance to these. Guidance and training on RBM/M&E was reportedly provided by the Programme Management Specialist to PEI regional Teams throughout 2017/18.

5.7.3 Internal Mid-term Review and regional –country terminal review process

377. The PEI global programme M&E plan included a Mid-term Review (MTR) and final evaluation (page 47 in PEI project document 2013-2017). Given the intensive nature of mid-term evaluations and the time they therefore can take away from project implementation, the PEI Co-Directors decided to conduct the review internally, with the PEF supporting regional and country teams through the process. This decision was probably also influenced by the fact that the Final Evaluation of the Scale-up Phase was significantly delayed and only finalized in 2016 – completion was originally planned for December 2014. This meant that the Scale-up Phase Final Evaluation and MTR for the second phase overlapped. The decision to settle for an internal review at mid-term was regrettable in that many of the management issues would have been very apparent at the mid-term and presumably would have been captured more candidly through an independent evaluation. This would have provided evidence to support swifter decisions by management and for a more informed discussion on the management structure for PEA. The internal MTR also took up a lot of regional and country time, taking country and regional teams away from project implementation to a far greater extent than would have been the case through an independent MTR.

378. The internal MTR consisted of the following key steps:

- An initial outline guidance drafted by PEI Africa (not the PEF) was circulated to all teams in October 2015 and revised following feedback from regional / country teams in January 2016.
- Internal review reports were finalized in Quarter 3 of 2016.
- All country office projects were advised that any changes to the Results and Resources Frameworks (RRFs) proposed in the internal MTR reports, must be approved through a substantive project document revision through a project board at the CO / project level.
- Based on the internal MTR Reports as part of the response to the Donor Steering Group meeting request, the PEF created a set of 20 TOCs for the active CO projects. The TOCs were to focus on how PEI country programme impact will be sustained beyond 2017.
- Exit/sustainability strategies for the current country programs were elaborated based on the internal review and consultations on remaining demand for P-E mainstreaming that were carried out as part of the review.

379. The internal Mid-term Review was targeted at the country level, with no evaluation of the effectiveness of the PEF and regional teams. It was used as a vehicle to develop country level TOC and sustainability and exit strategies, which were needed in any event. It is not clear how candid the MTR was given its internal nature. Findings from the country evaluations were highlighted in relevant sections of the AR report, 2017.

380. Independent terminal evaluations were prepared for **Mozambique, Rwanda, Mongolia, Malawi, Indonesia, Peru, Paraguay** and **Guatemala**. These evaluations have informed the findings of this report. In LAC, one evaluator carried out the three national evaluations to ensure a homogenous approach to facilitate the development of an aggregated strategic view of PEI in LAC and facilitate the interaction with the evaluation reference / working group.

5.8 Reporting and communications

Reporting and communications are rated as **Satisfactory**.

5.8.1 Reporting

381. An *ad-hoc* meeting with DSG members followed up on the 2014 DSG meeting where it was agreed the communications of PEI results needed to improve. DSG members agreed to PEI's proposal to produce from 2014 onwards: (i) One narrative report (in line with PEI's Results Framework) and one financial report for donors; and, (ii) a short publication highlighting progress, achievements, opportunities and challenges for outreach purposes.

382. The PEF agreed to ensure that PEI annual reports strengthened the message of coherence and synergy between regions. The annual reports aimed to present the diversity of experiences grouped under relevant PEI themes in line with PEI's Theory of Change and to highlight South-South cooperation experiences and lessons (JMB, February 2015). Following the adoption of these improvement the donors have consistently commended the project on its high quality reporting linked to the Results Framework with concrete examples, and recommended that PEI share it with other programmes as best practice for UN reporting. The Donor Steering Group members also commended the inclusion of a dedicated section on gender equality in the report (DSG Minutes April, 2015 and May 2017).

383. There is a set format for the regional annual reports. In 2014 it was agreed to also capture challenges to account for indicators for which no achievement/progress is reported under a Risk Analysis subsection in section 3. Final Progress Reports were prepared at the regional level for all the regions. They include sections on lessons learnt, challenges and recommendations.

384. According to the Final Progress Report for the Asia Pacific different requirements set out in country project documents for audits and project board meetings led to problems during project closure. A standardized set of requirements across countries, and ensuring that Mid-term Reviews were carried out at the same time in a standard format would make it easier to compare across countries and aggregate findings.

5.8.2 Communications

385. **Internal communications** could have been stronger throughout the project. It was felt that the Co-Directors had not clearly communicated or spoken with one voice, with different messages on occasion having been received from each. In Asia it was felt that not enough updates were provided and improvements in communications were needed. The regional team was provided with an indication when things might happen rather than concrete information and communications were often piecemeal without context and in a language which not everyone understood. There are numerous references in project related email exchanges regarding the need for enhanced consultation and transparency on the part of the PEF, and a more considerate and collegiate communication style. PEA needs to set an enabling environment for better internal project communications.

386. Regional steering committee meetings provided a channel for internal communications, but will not be part of PEA. A view was expressed that the regional steering committees made PEI one of the most integrated global programs within UN Environment regional offices and allowed for joint decision making and adaptation to regional priorities as well as shared staff. However the regional steering committees in Africa are reported not to have worked due to the different locations and the lack of any substantive working relationship between Nairobi and Addis Ababa.

387. According to the LAC Final Progress Report a key priority has been to team build across all levels of project implementation, by building trust through closer communications between the COs and the global team during missions and meetings. A regional retreat facilitated knowledge exchange and aligned the different country views towards a common understanding of the project's approach, along with the identification of South-South cooperation opportunities. Post PEI opportunities for the LAC region were also explored.

388. Operational and management issues identified by regional teams were discussed at the PEI global retreat in Nairobi (February 2017) and mitigation and prevention measures were agreed. A closer engagement and communication between PEF and regional teams was also agreed, in particular in budget management and in the development of key strategic documents. However, regional teams consider that many of these measures were not implemented, as reflected in subsequent communications with the PEF and to UNDP and UN Environment senior management.

External communications

389. A main messages document and communications and outreach strategy was elaborated by the PEF and shared with all regions. Nonetheless, a view was expressed that a lot more could be done in terms of PEI brand building, visibility and story telling, but there was a lack of leadership on communications at the global level. Links between regional and global communication teams were weak and there was no vision on what to communicate (messaging), target audiences and media channels to focus on. As discussed above it was felt that knowledge management was under resourced, and that there was a lack of staff resources to manage an effective communications campaign.

390. The **PEI website** could have been better maintained and presented. The brochures on countries relate to the Scale-up Phase and some of the information is out of date, with a limited

number of documents uploaded for the 2013-2018. A lot of the links do not work anymore. The decision on the migration of website took 1.5 years.

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

391. PEI is a well lauded programme, which has achieved groundbreaking work with a relatively small budget. It has developed specialized know-how, a comprehensive P-E mainstreaming tool kit and a number of strong case studies which can inspire others. The demand for PEI's services remains strong, especially given the recognized support PEI can offer on SDG implementation. PEI UNDP-UN Environment collaboration is a leading example of joint working at the forefront of the UN reform process towards a One UN.

392. PEI's work has demonstrated how mainstreaming poverty-environment objectives into planning, budgeting and investments can help ensure sustainable natural resource management and how this is inextricably linked to eliminating poverty and achieving sustainable inclusive growth.

393. The project's achievements in countries reflect the maturity of the services provided by PEI, which have evolved over 13 years. The project saw the deepening of PEI's efforts in mainstreaming into sectors and budgets (e.g. the development of PEERs in a number of countries) and increasing activity at the subnational level. More attention was placed on the political economic aspects of poverty-environment mainstreaming, including equity and the social inclusion of marginalized groups (especially women). The project facilitated Government's efforts to localize the SDGs, a role highly valued by countries. In a discreet number of cases it is possible to link PEI's policy work, often initiated in the previous stage of PEI, through to improvements in the lives of the poor.

394. One view is that the PEI approach was not thematic or strategic enough. The global logframe presents a broad framework, and work at country level went in many different directions. The majority view however is PEI's **flexibility** was a clear advantage, allowing the work to be tailored at the country level to the priorities and the interests of the Government, thus building ownership. It allowed PEI to be light on its feet and opportunistic. The regions had a different focus. For example, in Asia work across countries varied considerably – with **Bangladesh** focused on climate change, the **Philippines** on minerals and **Lao PDR** on investments, while in Africa the project had more of a focus on planning and budgeting processes. While each country project was tailored to meet specific country demands, the overall aim of the project was to scale-up the impacts and generate lessons learnt to be applied in other countries and regions.

395. Gaps still exists in mainstreaming poverty-environment within countries' policies, plans, budgets and monitoring and evaluation systems and external support is still needed. For example, country evaluations have identified inadequate coordination mechanisms between sectors, between national plans and budget allocations and between the national and subnational levels as key challenges. For the new follow on project it is important to safeguard the expertise built as well as to inject new expertise into the programme as it moves on to challenging and relatively new areas of focus for the team in terms of sustainable finance and private sector engagement / investments. PEA needs to be equipped with the right expertise and to attract more funding.

396. The opportunities and challenges facing the project, as articulated by the project itself in its Annual report 2016, are summarised in Table 13. The key achievements and challenges facing the project based on the evaluation findings are provided in the sub-sections below, are consistent with these.

Table 13: PEI 2013-2018 – Opportunities and Challenges

Opportunities	Challenges
<ul style="list-style-type: none"> • The alignment between PEI work and the new global development agenda • The proven experience in the development and application of an integrated approach to deliver on the three dimensions of sustainable development • The use of lessons and experiences to inform a future Programme • Our contributions to regional and global platforms and debates around the new development agenda 	<ul style="list-style-type: none"> • Adequate level of integration of our integrated approach to mainstreaming in the core business of UNDP and UN Environment • Expanding partnerships for sustainability allowing others to capitalize on PEI achievements • Establishing partnerships to deliver on the future programme • Expanding on participation of marginalized groups • Raising an adequate level of resources to fund a new programme

Source: PEI Annual Report, 2016

6.1.1 Key Achievements

397. **The project Outcomes and Outputs have been attained.** It should be noted that Outcomes 1 and 2 and their associated Outputs relate to achievements at the country level. Outcome 3 and its associated Outputs relate to a mix of global, regional and county level achievements. For example, work on the UNDAFs, was undertaken at the country level with support of the regional teams. It is also fair to say that the project benefitted from the work and momentum of the Scale-up Phase, deepening P-E mainstreaming in many countries.

398. **Value for money.** PEI has punched above its weight - its outputs are considerable measured against the financing it receives. In many countries PEI's small contribution has had lasting impact.

399. **Joint working between UNDP and UN Environment.** PEI presents an example of joint working and is the only practical UNDP - UN Environment collaboration. Joint working has been particularly successful at the country and regional level.

400. **Toolkit for P-E mainstreaming.** PEI's impact on institutions, policies and investments derives from a diverse range of interventions including: capacity building for decision makers in sustainability and climate change adaptation; economic research and analysis; tracking public spending on climate change; and improving enforcement of environmental regulations. PEI's extensive toolkit is an asset for the whole development community. However, there is the view that the tools are not widely enough understood and used.

401. **Considerable success at the country level.**

- **PEI has a good reputation** and is held in high esteem in several countries. Through its persistence and presence PEI has become a valued institution that people understand.
- **Relationship with Ministry of Finance / Planning.** The PEI has strategically worked to break down the marginalization of the environment. It has done this by not solely working with stand-alone and generally less well-resourced environment departments, but by convincing more influential Government departments such as the Ministry of Finance / Planning of the importance of P-E-C-G mainstreaming. The PEI has built strong relationship with Ministries of Planning / Finance in the countries in which it works – something that most other environmental initiatives have been unable to do. The PEI has achieved this by putting in place strong technical advisors, who have been able to build trust through their long term presence and clear understanding of Government priorities, and through the development of tools that can help these Ministries reach their objectives. Engagement with these ministries greatly facilitates the mainstreaming of P-E-C-G into

plans and budgets and is resulting in higher country level investments in and budget allocations for poverty-environment objectives and climate change adaptation (AR, 2013, 2014).

- **Funding at the country level.** A considerable amount of TRAC money has been provided by UNDP at the country level, supporting country level operations, and demonstrating commitment to the joint project.

402. Demonstrating the importance of the budget processes for prioritizing expenditure. The 2013-2018 phase has seen a breakthrough in terms of the uptake of [expenditure tracking tools](#) and the use of these tools to augment finance directed towards P-E-C. PEI has helped to illustrate that plans, which have been successfully integrated into P-E thinking in many countries, are only as good as the budgets supporting them. Finance is necessary to realise change.

6.1.2 Key Challenges

403. Management

- **Change Management.** PEI 2013-2018 faced a period of management changes (from 2014 to mid 2018), which caused division and adversely affected morale particularly among the global team (PEF) and the Africa regional team who are co-located in Nairobi. The main changes were: (i) Changes to PEI rules and procedures to better align with UNDP procedures and new requirements on EU PAGODA funding; (ii) PEF staff changes, resulting in a significant disruption in team working relations, and staff losses within the global and regional teams; (iii) changes to budget management procedures, including a more centralised approach; (iv) additional procedures and requirements such as the PEA proposal templates; and, (v) the uncertainty associated with the transition to PEA.
- **Delays in disbursements** to regional and country teams affected delivery and caused inefficiencies and frustration.
- **Strategic leadership** was lacking in a number of areas including: (i) development of the project document for PEA which took 2.5 years to finalise; (ii) knowledge management and communications; and, (iii) timely actions to identify and address management issues affecting the project.

404. Leveraging PEI. The success and sustainability of PEI was to a large extent dependent on its ability to leverage its work. The Programme has operated in the context of millions of dollars as opposed to the billions of dollars channeled through the GEF and Green Climate Fund. The aim of PEI was to influence catalytic interventions that could have a major impact in the quality of the trillions of investments made by the private sector (DSG, May 2017). As a small program therefore PEI was designed to act as a catalyst and to leverage the small resource it had through partnerships and spreading the word on PEI achievements at the country level, so that they could be take-up by others. It was generally felt that the many avenues for leveraging PEI's work were underexploited such as: (i) integrating PEI into other UN Environment / UNDP programs and projects; (ii) developing partnerships; (iii) knowledge management, including South South learning; and, (iv) resource mobilization.

405. Lack of focus on poverty dimension. Many felt PEI did not have a strong enough focus on poverty. Progress was made through PEI's increased focus on a rights based and gender approach, which aimed at better identification and targeting of the poor, and work on multi-dimensional poverty in PEI Africa and LAC. However, the links between natural resources and community development / poverty alleviation were not consistently or explicitly enough set out and tested, and there was not enough engagement with Ministries with a social profile such as Labour and Health. The focus on the environment side of P-E mainstreaming and dominance of environment experts within most PEI teams was seen to have diluted the poverty / social angle of the programme and UNDP's poverty expertise was considered to have been under exploited. While national development plans usually indicated that poverty

reduction is a prime priority, the application of poverty assessments and poverty reduction targeting is weak or largely absent. The tools to undertake such assessment are available but the capacity to apply them is weak.

406. **Private sector engagement.** The private sector is an important in terms of its potential environment and social impacts, available finance and potential role in developing technological solutions. The project worked with Governments on the regulation of private sector investments, for example extractives in [Lao PDR](#) and [Myanmar, Rwanda](#), but has had very limited experience working directly with the private sector. The informal, highly distributed nature of many elements of the private sector in Africa, in particular in the agricultural sector, and the lack of suitable private sector umbrella organizations relevant to key P-E sectors made it challenging for PEI to find entry points. In ECIS economic instruments and incentives to simulate private sector participation in environmental conservation and climate change adaptation are missing. In some cases, Government's did not welcome UN involvement in processes guiding private sector investments, for example in the extractives sector reflecting higher level political-economy and governance barriers.

407. Other identified challenges include:

- Procurement of well qualified and experienced consultants, especially in Africa. Identifying and recruiting the right kind of staff at regional and country level was challenging. This sometimes led to long delays and having to repeat recruitment processes.
- The unavailability of data necessary for economic analysis and monitoring. There is limited data to make the case and support redesign of policy, strategies and their implementation. Furthermore, data analysis can be demanding and expensive as it requires a range of data - bio-physical, economic and social, and an understanding of how they inter-relate. Increasingly data needs to be collected and analyzed in a disaggregated manner, including gender disaggregation.
- Changes in government priorities and the frequent changes in Government staff at high levels.
- Capacity gaps for P-E mainstreaming and development planning and implementation in general, particularly at the sector and sub-national levels, are evident in most countries, but especially in Africa.

6.1.3 Summary of Evaluation Ratings

408. Table 14 provides a summary of the ratings of the project against the evaluation criteria. Overall the project is evaluated as **Satisfactory**. The evaluation findings can appear somewhat inconsistent, as while (virtually) all the project's targets were reached, the project is rated as Moderately Unsatisfactory in terms of management (implementation and financial). Notwithstanding a strong performance in reaching its targets across all Outcomes and Outputs, the project faced prolonged management difficulties, which have severely affected morale and efficiency. It is probable that the project's achievements could have been even better were it not for an extended period of operational challenges which blighted the efficient running of the programme. These issues need to be addressed so that PEA can regain the momentum and make the optimal use of its available resources. The successful delivery at the country level (against which the majority of the targets depend) occurred despite the management difficulties, but it cannot be assumed that this will be the case for PEA.

Table 14: PEI 2013-2018 Overall Rating Table

Criterion	Summary Assessment	Rating ¹
A: Strategic relevance	The project is closely aligned with the global development agenda, country and donor priorities and the One UN approach.	Highly Satisfactory
B: Effectiveness: Attainment of project outputs, outcomes and results		Highly Satisfactory
Achievement of direct outputs and outcomes	The outputs and outcomes were achieved at the global, regional and country level, with the exception of a just missed target related to the development of government led cross sector coordination mechanisms globally and the introduction of budget and expenditure processes in a couple of the regions. In many cases the targets were exceeded.	Highly Satisfactory
Likelihood of impact	The project sustained the momentum in P-E mainstreaming with considerable success at the country level. In addition, examples of poverty reduction related to the P-E related policy changes / initiatives are evident. However, understanding the livelihood of impact is complicated by the fact that the project did not engage in impact assessment and the intermediate states and the drivers and assumptions associated with the various stages of the mainstreaming process are not clearly set out. Furthermore, the examples of impact are typically small scale and need to be funded / up scaled by others.	Likely ²
Achievement of project goal and planned objectives	The project can be seen to have evolved from the previous phase moving into more complex areas of mainstreaming including gender equality, sub-national and sector analysis, and climate change. The project has had a strong focus on SDG delivery.	Highly Satisfactory
C: Sustainability	The follow on project PEA provides a level of sustainability to PEI's work. However, given the scale of the tasks remaining catalyzing other sources of funding and technical support is critical to sustainability at the country level. Capacity gaps are also a key risk to sustainability.	Moderately Likely ³
D: Catalytic Role and Replication	There is evidence of replication both within countries and across regions, and scope to enhance south-south learning as a means of catalyzing further uptake of PEI tools and approaches. The project had some success in promoting the adoption of poverty-environment objectives, tools and approaches across the United Nations system and within bilateral and multilateral partner agencies, but the widely held view is that this integration could have been more extensive / comprehensive.	Moderately Satisfactory
E: Efficiency	The collaboration between the agencies has resulted in efficiencies, but financial disbursement issues and management challenges have resulted in delays and inefficiencies.	Moderately Satisfactory

F: Factors affecting project performance / efficiency		
Preparation and Readiness (Project design)	The project document builds on the work of the PEI Scale-up Phase (2008-2012). More attention could have been paid to the Theory of Change (TOC) and the Results Framework to assist project management and reporting.	Satisfactory
Project implementation and management	There has been a range of management challenges at the global level, which have affected morale and delivery of the programme.	Unsatisfactory
Partnerships	Some notable partnerships were developed (e.g. with UN Women) and remain key to the sustainability of PEI.	Satisfactory
Stakeholder participation and awareness	The project stepped up its engagement with communities, civil society and parliamentarians and Government at the sub-national level. There was limited direct engagement with the private sector.	Satisfactory
Country ownership	Country ownership has been a key determining factor in the success of the project at the country level. The majority of countries demonstrate high ownership reflected through champions of PEI within national Government, cash and in kind support and the uptake of tools and approaches.	Satisfactory
Financial planning and management	Delays in cash disbursement caused difficulties and frustration at the regional and country level. In many cases implementation was delayed and work plans had to be revised.	Moderately Unsatisfactory
Supervision and technical backstopping	Senior management involvement was a strength but the response to the challenges facing the project was slow. Technical support at the global level has been weak, and has varied at the regional level. It was rated very highly in Africa, but lacking in Asia.	Moderately Satisfactory
Monitoring and Evaluation	Considerable effort was placed on improving the Results Framework as presented in the project document. The Results Framework consequently set quite manageable targets for the project, many of which were quantitative and thereby on their own provided little insight into their impact. Impact monitoring was a challenge and could have benefited from a clearer and more comprehensive presentation of the TOC.	Satisfactory
Reporting and Communications	Since 2014 Annual Reports have been considered by donors to reflect best practice. Internal communication has not always been consistent, timely and clear.	Satisfactory
Overall project rating		Satisfactory

Notes: 1/ six-point rating scale: Highly Satisfactory (HS), Satisfactory (S), Moderately Satisfactory (MS), Moderately Unsatisfactory (MU), Unsatisfactory (U), Highly Unsatisfactory (HU); 2/ six-point rating scale – Highly Likely, Likely, Moderately Likely, Moderately Unlikely, Unlikely, Highly Unlikely; 3/ four-point rating scale: Likely (negligible risks to sustainability); Moderately Likely (moderate risks); Moderately Unlikely (significant risks); Unlikely (severe risks).

6.2 Lessons learned

409. PEI has accrued a wealth of lessons through its 13 years of implementation that can inform the mainstreaming work of others and the strengthening of the UNDP-UN Environment joint-work modality. Nine key lessons are presented below, based on the evaluation interviews

and a review of lessons presented in PEI documents. Annex 6 provides a summary of the lessons learnt by region. In addition the PEI Annual Report 2018 sets out thirteen lessons which broadly speaking have a technical focus, with some overlap with the lesson presented here.

410. PEI as a small project needed to be strategic and catalytic. PEI with its small budget could not do everything, therefore PEI needed to be clear on the most strategic entry points, and catalyze support from strategic partners to ensure its sustainability. However, the identification of synergies with on-going and planned activities across different sectors at the local, national and regional levels can be time consuming and needs to be assigned to capable people and resourced.

411. P-E mainstreaming requires long term support. P-E mainstreaming is complex, it involves understanding inter-actions and feedback loops between bio-physical, economic and social factors and working across different sectors of Government at the national and sub-national level. P-E mainstreaming becomes more demanding as progress is made along its key stages, which can be broadly characterized as: (i) integrating P-E objectives into a national development plan; (ii) integrating P-E objectives into a range of sector plans, policies and strategies, while concurrently engaging in influencing national the sector budget and monitoring processes; and, (iii) integrating P-E objectives and implementation at the sub-national level. It is a long-term process of institutional change across Government and capacity building. Sustainable shifts in the approach of country governments therefore require long term funding to undertaken technical studies, broaden ownership, develop co-ordination mechanisms, build capacity and develop and embedded tools and approaches²⁷.

412. Integrated approaches should target existing processes rather than creating parallel systems. The most effective way to promote integrated approaches will usually be by targeting existing planning, budgeting and institutional coordination mechanisms and tools and enabling them to better respond to the three dimensions of sustainable development. Creating mechanisms outside routine national systems or parallel processes can be counterproductive.

413. Without finance, plans cannot be implemented. Working with the Ministry of Finance and tracking expenditures are both key to increasing budget allocations to P-E.

- There is often a gap between the ambitions for environmental protection as articulated in national plans and policies and the resources allocated to this in budgeting and expenditure processes. PEI has demonstrated that increasing the ownership of environment by finance ministries and the institutionalization of mechanisms to track spending, can close this gap. Broadening ownership of climate and environment, with a particular focus on Ministries of Finance, is therefore critical.
- The financial challenge is more acute at **the sub-national level**, where the links between planning and budgets are weak and there is limited capacity / understanding of P-E mainstreaming. It is therefore important to support Governments to ensure that the delegation of powers to the sub-national level is accompanied by relevant budgets - including target transfers from national to local budgets (AR, 2017).

²⁷ 'Supporting satisfactory implementation of P-E objectives at sector and district level is time and staff intensive. It usually requires engaging in a minimum of 4 sectors (e.g. agriculture, forestry, fisheries, energy) and associated budget processes. This requires actively participating in sector working groups, preparing or contributing to draft documents, generating evidence and a fair amount of tenacity and persistence, given the many competing demands for funds'. (PEI Africa Final Progress Report). 'P-E and gender integration and application cannot happen quickly, it is a multi-layered and multi-party process requiring substantial resources'. (PEI ECIS Final Progress Report).

- Presenting environmental losses in financial terms helps provide an entry point to discussions as does making the business case for poverty-environment investment projects.

414. The inclusion of P-E objectives in national development plans does not automatically lead to their integration in sector and sub-national plans. If the national poverty-environment objective is not transformed into concrete actions through sector and district plans, change is not realized. Realistically, substantive engagement in many sectors, districts or provinces is beyond PEI staff and financial resources. Engaging in a small number of pilot districts and sectors and seeking to integrate P-E objectives more broadly through the inclusion of P-E elements in central Government guidelines to all districts, provinces and sectors has proved to be the most realistic option in Africa. In Asia Pacific investment in local government is considered to be critical given the evolving decentralization taking place in the region. To incentivize local governments mainstreaming objectives should be tied to M&E systems or performance assessment systems at the local government level.

415. **Influencing policy is very much relationship based.** Technical studies may be done by short term consultants, but they are best ‘sold’ to Government by colleagues with an established relationship with policy makers. As expressed by one consultee ‘diplomacy is more important than money’ and a small contribution can have a big impact if good relations with the Government exists. Effective technical assistance requires patience, perseverance and presence. A long term presence allows a Technical Advisor to be perceived more as part of the Government team, rather than an outsider, and better able to understand the sensitivities around policy changes and how systems operate. Understanding the political economy and vested interests is key to progress. P-E mainstreaming is a technical demanding process that requires proactive tactful staff who win the confidence of implementing partners. “Success with P-E mainstreaming is all about managing relationships” – building and maintaining a collegial and trusted working relationship with government is essential.

416. **Pilots can be powerful tools for shifting policy.** Buy-in at National Government level is important and pilots can be used to test ideas and build a business case which can be used to influence policy. For example, in **Tanzania**, PEI pilots on fish farms led to their inclusion in its Fisheries policy on account of the demonstrated environment, social and economic benefits.

417. Capacity gaps are substantial in the Least Developed (LDCs) and Lower Middle Income Countries (LMICs) especially at the local level, and on-going training and capacity building is required to ensure skills and expertise are broad and deep enough to sustain P-E-C-G mainstreaming.

- Often, public officials and local administrations do not have the skills or knowledge to employ the mainstreaming tools or understand their relevance. It is therefore important to assess capacity to apply tools in advance and, if necessary, include capacity-building support as an integral part of the activity to develop and apply the tools. Working with and through relevant government agencies and processes is vital when introducing new and complex tools, which are likely to require considerable support to ensure institutionalization and sustainability (AR, 2017).
- The introduction of poverty-environment guidelines in sector planning manuals and/or in the budget call circulars requires follow-up capacity-building and fine-tuning for effective application. On-going capacity building is needed to ensure that sufficient capacity to sustain application and implementation are in place.
- Institutional capacity- building should be the priority, reflecting that poverty-environment mainstreaming is a long-term process of institutional change and that institutional weakness are a key barrier to effective change.

418. Data gaps are a key challenge and efforts are needed to build up data needed for policy design and monitoring purposes, especially environmental data.

- Governmental action is more likely to be triggered if the analysis has used data regularly compiled by central government agencies, with inputs from local government units (for example, data collected through the national development plan monitoring system or the national census). However, poverty-environment-related data are often lacking or inadequate. Furthermore, the inclusion of a poverty-environment objective or indicator in a monitoring framework does not automatically mean that data towards the indicator will be collected. For example, while household surveys collect poverty related data, environmental data are usually not collected. Government therefore need to develop relevant poverty-environment indicators and support their application as part of their core programme budget

6.3 Recommendations

419. The recommendations set out in this section are intended to inform PEA (the follow on project to PEI) as well as other projects focussed on the integration of poverty, environment, climate and gender across Government policy processes. The recommendations are broadly categorised under – management, leveraging of PEI and developing sustainable pathways, and implementation of the SDGs. It should be noted that concerns over the management challenges that faced PEI dominated this evaluation as many felt that PEA delivery would be compromised if they were not addressed. Recommendations around management are therefore the priority. It should also be noted that there is a view that many of the management issues are on-going and have not yet been satisfactorily resolved.

6.3.1 Management recommendations

420. **Strengthened strategic leadership at senior management level.** Leadership and a clear strategic vision is critical going forward given the management difficulties PEI faced and the need to start PEA on a secure footing. The success of PEA depends on the high level political commitment from both organisations. The spirit of joint working was eroded through the past phase but can be rebuilt to be even stronger based on the lessons learnt through the project. This requires:

- Greater participation of senior management²⁸, especially in the start up phase of PEA, to ensure that they fully understand the remaining management issues and action changes to best position PEA at the outset to flourish, build morale and set the strategic direction.
- Senior management and PEA management / Co-Managers²⁹ to identify and nurture champions in UNDP and UN Environment to broaden UN uptake of PEI tools and approaches and involvement in PEA. This is important for the integration of PEI / PEA into the organization and sustainability of the PEI/PEA approach.
- Time needs to be allocated and budgeted for operational and technical oversight from senior management.
- Early action needs to be taken by senior managers to address issues (e.g. to understand and act swiftly on issues of staff underperformance, and cases where the level of discord is affecting delivery / moral). This requires being better appraised of the management aspects and swift follow up on concerns raised.
- PEA management need to speak in one voice and clearly communicate on all aspects of the project (financial, administrative, strategic, technical).

²⁸ Senior management refers to Director level / most senior UNDP and UN Environment representative on the PEA Management Board.

²⁹ PEA Management refers to the Co Managers under the current PEA organisational structure

421. Ensure that the management structure of PEA, and staff hired for each post under PEA, are compatible with its efficient and effective delivery.

- Senior management to urgently review and address management challenges at the global level and ensure that the PEA structure and associated team members are best suited to efficiently and cost-effectively deliver PEA. The views of consultees indicate that this requires a substantively more comprehensive review than is reflected in the revised organigram. This should take into account the evaluation findings and options presented in Section 5.2.6 and bear in mind that cohesion among global team members, especially between the Co-Directors (Co-Managers) which was problematic during the project and counter productive to the smooth running of the programme, is critical for efficient and effective delivery of PEA. A number of consultees are of the view that new leadership is required. Leadership needs to have the capability to inspire and move the programme forward and champion joint-working, and the working culture should be open and foster fairness. The cost-effectiveness of the PEA structure should also be considered and whether there is the right balance and combination of junior and senior members and country level support.
- It is critical that PEA staff have the right skills / expertise to deliver. A careful review of TORs and skills required to deliver PEA is recommended. Clear roles and responsibilities for all PEA members should be set out. In particular, the structure and capabilities of the global team should be reviewed to ensure it can provide strategic leadership, technical advice, and engage globally to enhance the project's reach and impact through wide uptake within the UN systems, partnerships, mobilization of funding and knowledge management.
- Under PEA there is to be a clear delineation of responsibilities with UNDP staff leading on all operational management issues and UN Environment staff leading on technical / programmatic issues. This arrangement however should be implemented in the spirit of joint working, with an appreciation that technical focal points need to be well appraised of operational issues to best support the work on the ground and build relations with country level staff. This requires a move to a more integrated and harmonious working relationship between programmatic and operational teams.
- The work at the country level is the foundation of PEI. It is thanks to the country level achievements that the regional and global teams have the information needed to upscale the work through knowledge dissemination and other means. The country level work therefore needs to be properly resourced and supported. It is therefore recommended that the allocation of resources between the global and country level activities ensures country level delivery. This allocation should bear in mind the lessons of the project in terms of the complexity of mainstreaming and the data and capacity challenges.
- At the country level staff should be embedded in the lead government ministry – which should be the ministry of planning/finance.

422. Strengthened technical support is recommended going forward especially as PEA moves into new challenging areas, where PEI has had limited engagement to date. Suggestions to enhance technical capabilities include:

- Establish a long-term agreement at the global/regional level with consultants in the areas of expertise where the project needs support. A PEA **roster** could be established to allow quick access to qualified international/national consultants as needed. This would need to be established in the first year of the programme to be of most use.
- Assess the role of the TAG and how this can be called upon to provide more technical advice / peer review going forward.
- Build strong relationships with technical advisors in regional hubs and look at ways of drawing on their technical expertise (this may need to be funded).
- Link PEA technical advisory to larger UN Environment, UNDP or other partner support to countries to ensure impact and ability to deliver.

- To ensure PEA gets off to a strong start hire temporary outside technical support if required.

423. **Financial Management**

- PEA needs to ensure that it does not suffer with the same disbursement issues as the project.
- Countries should be empowered with Delegated Authority (DA) that is consistent with the Delegated Authority that applied to **Tanzania** and **Mozambique** under PEI. (**Tanzania** has indicated that the current approach is more restrictive than the previous version of DA).
- The rules and restrictions on the use of funds need to be better communicated and understood by all parties, given the high level of frustration the existing PEI system, introduced under the project and proposed for PEA, has caused. Regional focal points and Country Offices and Governments need to be clear on the restrictions on donor funds and on UNDP/PEA restrictions.
- PEA should ensure that it adopts the most streamlined and cost-effective financial management structure as possible. If in any case the restrictions and requirements are not donor or UNDP requirements, they should *not* be applied unless there are compelling reasons to do so and the UNDP Country Offices are consulted and agree to them in advance of their adoption. Maintaining strong relationships with the Country Offices is key given the core role country activities play in the programme and the significance of CO TRAC funding. In any event the project should consider whether the administrative burden is proportionate given the level of funding and the significance of this funding within the context of UNDP country programs, and if anything can be done to reduce this burden to alleviate frustration at the country level and operate more smoothly and cost-effectively.
- It is recommended to carry out training on UNDP and donor rules at the regional and country level (especially for financial staff) setting out what can and cannot be done, so people are clear. This will be important under the current proposed structure for PEA, as Country Offices may not have a full grasp of donor rules and PEI/PEA procedures.
- In Africa PEI funding was reasonable – US\$ 250,000 – US\$ 400,000 per country a year from PEF plus additional TRAC resources contributed by the COs. However, in Asia it was below US\$50,000 a year for a number of countries and from a country's perspective was hardly worth the effort, especially in light of the high administrative burden experienced with the change in project procedures. A minimum level of financial engagement of US\$100,000 per year per country is recommended, to make the engagement worthwhile, given the administrative costs associated with PEI /PEA.

424. **Results based management / M&E** needs to be strengthened to provide a clearer picture of how the project contributes to the impact it is designed to reach, and what aspects need particular attention to ensure the project is on track. By and large PEI did not engage in impact evaluation and this needs to be given more emphasis under PEA.

- **TOC** should be more developed at the global and country level for project management purposes; the high level TOC can be used for communication purposes. The TOCs should include information on the drivers and assumptions associated with each Output and Outcome and any intermediate states envisaged linking Outcomes and the project's desired Impact. The TOC should provide a clear picture of the obstacles that need to be overcome to progress. Country TOC should provide information on the specific country processes the project is trying to influence and be accompanied by explanatory narrative. These TOCs at the country, (regional) and global level should also be standardized and connected.
- **Results Framework**

- Ensure clear linkages between country and global Results Frameworks at design phase / outset.
- The indicators should facilitate an assessment of P-E mainstreaming progress and align with the project impact. The RRF for the project tried to capture this through Outcome/Output indicator 1, where a numerical number or level change was associated with a characterization of progress,
- **Independent Mid-term Reviews**, led by the Evaluation Offices, are recommended to ensure a candid and comprehensive review of the project at the important mid-term stage. They are important to signal any changes that may be needed at mid-term to ensure the smooth running of the project and to maximize the project's ability to achieve its goal and objectives.

6.3.2 Levering PEI/PEA and developing sustainable pathways

425. More emphasis on resource mobilisation to increase financial allocations to implement Poverty Environment Action.

- The Resource Mobilization strategy needs to be completed and to include both regional and in-country mobilization efforts to assist with up-scaling of pilot activities and co-financing. It should also consider options for diversifying funding beyond the current PEI/PEA DSG members at the global level and potential in-country donors. Increasing the proportion of non-EU funds through a more diversified funding base could allow PEA to revisit some of the restrictions on non-EU donor funds, which would be welcomed by the UNDP Country Offices and Governments.
- Ensure PEA team have the skill set to mobilize funding
- Explore opportunities with regional development banks. A donor expressed the view that PEA's role is not to mobilize funding from development banks, but rather to help countries put in place the policies and systems to attract investments that integrate PE and ensure appropriate impact assessment and control on these investments. However, PEA can play a role in raising awareness of PEA work with the development banks and helping draw out possible investment opportunities that will help countries accelerate their PE mainstreaming objectives.
- Strengthen Engagement with donor country offices / embassies
 - Better synergies at country level with bi-lateral donor programmes
 - Donors can also help integrate PEI / PEA into their country office work

426. Involvement of private sector is crucial going forward. Work with the private sector is a core focus for PEA and important for generating new and additional finance. To date PEI has largely been working with Governments to strengthen the quality of investments and to institute safeguards (albeit in a small number of countries), and this will remain the focus of PEA. Strategic investments need to be identified that benefit Government, communities and private sector. It is important to ensure that the PEA team has the skills to undertake this work and create synergies with other projects undertaking similar work across the regions. Here linkages with blended finance initiatives by PEA donors such as the European External investment plan will be vital.

427. Links to other programmes and partnerships to be actively promoted and strengthened. PEI/PEA should play more of a role in connecting the dots between other projects, programmes and potential partners in order to catalyze investments.

- PEA needs to actively promote its agenda through increased efforts to engage with other UN agencies, non-UN projects / programmes and partners with compatible objectives and donors. This needs to happen at the country level through in-country teams, and regionally across both PEA and non-PEA countries through regional based staff involved in PEA. It is recommended that a more systematic approach be adopted to achieve which could include – a review of on-going/planned projects at the country /regional, level, the identification of opportunities for joint working, efforts to influence

proposals upfront, regular meetings to brainstorm on opportunities, and training at country level on how P-E-C-G mainstreaming may be integrated into programmes / projects.

- PEI / PEA needs to be better integrated with other UN programmes and projects so that PEI / PEA thinking can be replicated into other areas of work and attract new funding. Anchoring the new programme in the UN agencies' agendas at the highest level requires the commitment of PEA management and Board to champion and push the work and identify new opportunities. Specific actions include: linking with directors in other units of UN Environment / UNDP; involving Regional Bureaus in determining the entry points and priority areas to be addressed in each region in addition to consultation with global and regional centers; and, consulting with Resident Representatives on how PEI can help achieve crosscutting and multidisciplinary work to address national development priorities consistent with UNDP's new approach to work³⁰.
- It is recommended to deepen the engagement with other on-going initiatives with similar mandates as PEA (e.g. PAGE, BIOFIN, UNFI, UN-REDD) with the objective of increasing the effectiveness and efficiency of services offered to countries, and avoiding duplication. PEI should take a pro-active role in identifying synergies with these programmes along with opportunities for developing joint packages of services and cost-sharing, joint programming and missions³¹.
- A more systematic visibility of PEI/PEA in the countries in which PEA donors are active is recommended along with a collaboration and exploration of how the tools and approaches developed could be used to better influence bi-lateral programmes in country. The joint project and the donors can both play a more active role in facilitating this.
- Strengthen stakeholder engagement. It is recommended that PEA continue to expand the participation of civil society given their key role in advocacy and the importance of promoting transparent environmental governance.

428. **Knowledge management** will be very important under PEA and more emphasis needs to be placed on it than in the project to both increase the visibility of PEA and package knowledge products in a way that can be easily accessed and inform specific areas of interest.

- Ensure knowledge management is properly resourced and strategically planned. PEA should set out a knowledge management strategy, which accounts for resource constraints and specifies the number and nature of priority knowledge products to be developed over the course of the project, and an efficient approach to their generation and dissemination. The knowledge management strategy should also specify how the knowledge and tools generated under the previous PEI, will be disseminated through a well designed knowledge platform, south south cooperation and other means.
- Ensure knowledge management has high level strategic leadership.
- Consider whether it would be better to have others take over the dissemination role if resources are limited. For example: (i) UN Environment and UNDP Communications have a wider reach and resources and could be paid to disseminate work; and / or, (ii) Green Growth Knowledge Platform (GGKP) potentially through a dedicated window on PE mainstreaming.
- Tools and methodologies need to be disseminated in a more targeted way. For example, portfolios for analysis, learning and experience exchange could be developed around key areas of interest to countries. For example, a portfolio could be focussed on Expenditure and Budget reviews, which would be useful to Finance Ministries and financial reform processes.

³⁰ See also opportunities highlighted in Section 3.4.1.

³¹ See also lessons on Partnerships in Section 3.2.2

- Develop South South cooperation. It is recommended that such exchanges are structured and strategic. They could be based on a topic of interest to a region and engage regional consultants to deliver training or seminars in addition to the sharing of printed materials. Opportunities for civil servants from PEI/PEA countries to share their knowledge and experiences on PE mainstreaming with administrations in similar countries interested in applying the approaches and tools should also be identified and supported with technical assistance as necessary.

6.3.3 SDG and other

429. PEI has extensive experience in integrated policies and their implementation, but this needs to be highlighted much more at the UN corporate level if PEI is to establish itself as a delivery platform / approach for the SDG. This requires much stronger and strategic engagement with senior SDG actors within the UN system, which is contingent on UNDP and UN Environment senior management / PEA Board members lobbying for PEI / PEA. The PEI poverty-environment mainstreaming model should be better promoted as a model for SDG implementation support to countries, and better integrated into SDG support structures at the country level. While there has been some progress in integrating P-E into the UNDAFs, in general there is still much to do to ensure that the environment does not get left behind (for example in general there is not much mention of P-E in Voluntary National reviews for the SDGs).

430. There is a need for a stronger focus on poverty at the strategic and implementation level. This needs to be resourced. More poverty assessments and distributional impact analysis of actions are needed to address P-E challenges.

431. **Capacity building** needs to be a component of PEA. Addressing the capacity gaps for vertical (national, regional, local) and horizontal (sectoral) planning and implementation of sustainable development plans/programmes is a fundamental issue, especially in the light of the SDGs localization and implementation. Targeted capacity building programmes for governmental staff at all levels remains critical in many countries.