reward and renewal

UNDP–UN Environment Poverty-Environment Initiative
Phase 2 Final Progress Report
2014–2018
The Poverty-Environment Initiative (PEI) of the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UN Environment) is a global United Nations effort that supports country-led efforts to mainstream poverty-environment linkages into national development planning. PEI provides financial and technical assistance to government partners to set up institutional and capacity-strengthening programmes and carry out activities to address the particular poverty-environment context.

Renewal and Reward: PEI Phase 2 Final Progress Report 2014–2018 is also available online at www.unpei.org.

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2018 marks the final year of the United Nations Development Programme–United Nations Environment Programme’s Poverty-Environment Initiative (PEI). This final progress report, Reward and Renewal, reviews the five-year Phase 2 (2014–2018) of PEI, covering operations in Africa, Asia and the Pacific, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean, as well as the global programme operated by the joint Poverty-Environment Facility, with an additional focus on achievements in 2018.

Our two agencies have been working jointly over the last 10 years in 29 countries to pioneer an integrated approach to poverty reduction and environmental and natural resource sustainability in national, sectoral and subnational development policy, planning, monitoring and implementation.

The 2030 Agenda for Sustainable Development and the Sustainable Development Goals—along with the other landmark global agreements of 2015, including the Addis Ababa Action Agenda on Financing for Development, the Sendai Framework for Disaster Risk Reduction and the Paris Agreement on Climate Change—unite economic and social development, environment and climate concerns in a comprehensive and integrated global agenda for change. However, environmental sustainability continues to lag behind and is often siloed in national efforts to implement the 2030 Agenda. As environmental degradation and the impacts of climate change continue to worsen across the globe, with the poorest and most vulnerable segments of the population bearing the greatest burden, the case for poverty-environment mainstreaming is stronger than ever.

Looking forward, and based on more than a decade of lessons learned, we will continue to support developing countries mainly in Asia and Africa to implement this integrated agenda through a new four-year joint programme—Poverty-Environment Action for Sustainable Development Goals (2018–2022). The primary focus of the new programme is to align finance and investment with poverty, environment and climate objectives for more coherent implementation and accelerated progress towards the Sustainable Development Goals and the Paris Agreement, and to extend our support to a wider array of countries through targeted technical assistance and South-South learning.

We would like to thank all PEI countries, partners and donors for their support and excellent collaboration, and we look forward to continue working with you in support of Poverty-Environment Action for Sustainable Development Goals.

Anne Juepner
PEI UNDP Co-Director

Isabell Kempf
PEI UN Environment Co-Director
The Poverty-Environment Initiative (PEI) is a global programme jointly implemented by the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UN Environment). PEI is a leading example of United Nations agency collaboration. It has demonstrated and continues to refine an integrated, programmatic approach to supporting country-led efforts to mainstream the poverty-environment nexus into national, sectoral and subnational development policy, planning, budgeting and monitoring frameworks – first in support of the Millennium Development Goals and now to help achieve the Sustainable Development Goals (SDGs).

The overall expected outcome of PEI 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 outcome is to be achieved through delivery of the following:

- Country-led poverty-environment mainstreaming programmes
- Joint UNDP–UN Environment regional support programmes and regional communities of practice on poverty-environment mainstreaming
- Global knowledge products and services on poverty-environment mainstreaming

Previous annual progress reports have highlighted achievements across PEI’s major areas of support to bring about better pro-poor environmental and natural resource management outcomes:

- Economic, social and environmental assessments to inform national, local and sectoral policy and planning
- Capacity building to enhance coordination and policy coherence across government institutions
- Support to a just transition to an inclusive green economy
- Promotion of gender equality and social inclusion
- South–South cooperation and partnerships
- Putting in place building blocks for implementation of the 2030 Agenda for Sustainable Development and the Paris Agreement
Also highlighted have been PEI’s ever-widening range of country, regional and global-level collaborations with government partners, donors, United Nations partner agencies, the private sector, civil society and research institutions – and how these engagements have served to leverage and extend PEI’s reach and impact.

This final report assesses progress and cumulative achievements over the five-year period of Phase 2 (2014–2018), in line with the PEI Results Framework. The report is divided into four sections:

- An overview of the context and PEI strategies for each of the four regions of PEI operation
- A review of performance against Phase 2 outcome and output indicators
- Lessons learned in applying an integrated programmatic approach to poverty-environment mainstreaming
- Looking ahead to how the lessons from PEI experience will be taken forward in the new joint programme Poverty-Environment Action for Sustainable Development Goals (2018–2022)

The target audiences for this report are countries seeking lessons on the application of integrated approaches to implementing the 2030 Agenda for Sustainable Development, the European Union and the Governments of Germany, Norway, Spain, Sweden and the United Kingdom, as well as practitioners of poverty-environment mainstreaming across the globe. A companion report for the wider public elaborates on the lessons learned over the course of PEI’s operation and will be available on the Poverty-Environment Action website.

From 2014 to 2018, PEI delivered full poverty-environment mainstreaming programmes in a total of 20 countries, and provided technical advisory services in an additional 9 countries. Sound progress continued to be made through 2018 against most outcome and output indicators, and PEI has broadly met its targets. Results have been achieved through the provision of an integrated approach to mainstreaming the poverty-environment nexus in 24 national and 4,214 local development plans for 17 countries, 93 sector strategies in 13 countries, 84 budget processes in 10 countries and 56 monitoring and evaluation systems in 12 countries.

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1 The project document was signed in July 2013 and began with an inception phase to December 2013. The implementation phase of the project was initiated in January 2014. In February 2018, the Initiative was extended to 31 December 2018. PEI ceased operations in Europe and the Commonwealth of Independent States on 31 March 2018; and in Africa, Asia and the Pacific, and Latin America and the Caribbean on 30 September 2018. The global programme remained in operation until 31 December 2018, at which time PEI completed all operations, except its fiduciary and reporting obligations which are to be fulfilled by 30 June 2019.
Of these, 5 national and 56 local development plans, 5 sector plans and 8 monitoring and evaluation systems integrated poverty-environment objectives and indicators in 2018 alone. The Initiative's main progress during 2018 has been reported at the outcome level, with three countries (Guatemala, Mozambique and Nepal) having advanced significantly in the application of poverty-environment approaches and tools for integrated development policies, plans and coordination mechanisms; and one country (Peru) having done so dramatically. Between 2014 and 2018, a total of five countries increased public sector expenditures for poverty-environment results.

PEI has substantially contributed to the integration of pro-poor environmental mainstreaming approaches and tools in United Nations and partners’ strategies and programmes at the country, regional and global levels—including 24 United Nations Development Assistance Frameworks and 24 UNDP Country Programme Documents over the life of the Initiative, 23 of which were concluded during Phase 2. PEI’s contributions to the post-2015 debates are amply demonstrated, and the production of influential knowledge products and their dissemination informed mainstreaming in target countries. In 2018, 18 new knowledge products were produced and applied to inform decision-makers and practitioners on the integrated approach to mainstreaming poverty-environment at all levels.

The numbers alone do not do justice to the larger picture of the Initiative’s success at mainstreaming poverty-environment and climate objectives into national policies, plans, budgets and programmes, nor to the challenges that still remain.

The face of global poverty has changed dramatically over the past three decades. In 2005, the first year of PEI, more than a fifth of the world’s population were in extreme poverty—living on $1.90 a day or less. By 2015, extreme poverty had been halved to 10 per cent. Yet 736 million people still live in extreme poverty. And while the rate of world poverty is declining, the distribution of poverty is rapidly changing.

At the end of 2018, while extreme poverty stood at its lowest level in recorded history, the risk of falling back into poverty in lower-middle-income countries remains a concern especially for the most vulnerable segments of society—those who left poverty since 2005 (mainly youth and women). Today, poverty is becoming increasingly concentrated in one region: Sub-Saharan Africa. The total number of extremely poor people in Sub-Saharan Africa grew from 279 million in 1990 to 413 million in 2015. By 2030, nearly 9 of every 10 people in extreme poverty will be living in Sub-Saharan Africa. Although the pace of poverty reduction is slowing, those living in extreme poverty are becoming harder to reach.²

PEI has pivoted during Phase 2 to **address the contours of the changing landscape of poverty, environment and climate**. Since 2014, the Initiative has placed greater emphasis on least developed countries, as well as on resilience and security. This renewal of effort was expressed in the 2015 revision of the Initiative’s performance indicators, which sharpened attention to alternative ways of measuring wealth and diagnosing poverty, including going beyond gross domestic product measurements and promoting gender analyses to inform policy and programming.

So too has a greater focus been given to **strengthening a rights-based approach and equity**, in recognition of the 2030 Agenda for Sustainable Development’s promise to leave no one behind. A more concerted effort to scale up poverty-environment work beyond the targeted country projects has been made through technical assistance, South-South cooperation and related efforts to integrate poverty-environment principles and tools into SDG implementation guidance and programming frameworks, including at the global level. Also, the Initiative began tracking guidance to private sector investment, in recognition of its increasing role in fulfilling the 2030 Agenda.

Above all, PEI has been about **transformative change made within the institutions of government** – a change that reoriented thinking among decision-makers about the role of the environment and natural resources in efforts to eliminate poverty and promote sustainable development. The false dichotomy of addressing poverty reduction or environment sustainability has given way to understanding the dependency of those living in extreme poverty on sustaining the environment and natural resources upon which their livelihoods depend. Investing in sustainable environment and natural resources has been demonstrated to be a leading strategy for reducing – and eventually eliminating – the most challenging part of the poverty landscape.

The story told in the pages that follow is one of reaping the rewards of this multi-year, complex effort to mainstream poverty, environment, climate, gender and equity into the heart of government. By continuing the pursuit of an integrated approach to poverty elimination and environmental sustainability and renewing our commitment to the 2030 Agenda for Sustainable Development, the PEI legacy can be expected to be profound.
abbreviations

ASEAN  Association of Southeast Asian Nations
EIA  environmental impact assessment
FAO  Food and Agriculture Organization of the United Nations
FYP  five-year plan
GDP  gross domestic product
MAPS  Mainstreaming, Acceleration and Policy Support
MPI  Multidimensional Poverty Index
OECD  Organisation for Economic Co-operation and Development
PAGE  Partnership for Action on Green Economy
PEI  Poverty-Environment Initiative
SDG  Sustainable Development Goal
UN  United Nations
UNDAF  United Nations Development Assistance Framework
UNDP  United Nations Development Programme
context

PEI regional strategies to support poverty-environment mainstreaming
From 2014 to 2018, the Poverty-Environment Initiative (PEI) of the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UN Environment) delivered full poverty-environment mainstreaming programmes in a total of 20 countries and provided technical advisory services in an additional 9 countries (Table 1.1).

Table 1.1  **PEI-supported countries in Phase 2 (2014–2018)**

<table>
<thead>
<tr>
<th>Africa</th>
<th>Asia and the Pacific</th>
<th>Europe and the Commonwealth of Independent States</th>
<th>Latin America and the Caribbean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full poverty-environment mainstreaming programme</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Burkina Faso</td>
<td>Bangladesh</td>
<td>Kyrgyzstan</td>
<td>Guatemala</td>
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<tr>
<td>Malawi</td>
<td>Bhutan</td>
<td>Tajikistan</td>
<td>Paraguay</td>
</tr>
<tr>
<td>Mali</td>
<td>Indonesia</td>
<td></td>
<td>Peru</td>
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<tr>
<td>Mauritania</td>
<td>Lao PDR</td>
<td></td>
<td></td>
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<tr>
<td>Mozambique</td>
<td>Mongolia</td>
<td></td>
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<tr>
<td>Rwanda</td>
<td>Myanmar</td>
<td></td>
<td></td>
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<tr>
<td>Tanzania</td>
<td>Nepal</td>
<td></td>
<td></td>
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<tr>
<td>Philippines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Targeted technical assistance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Benin</td>
<td>Thailand</td>
<td>Albania</td>
<td>Dominican Republic</td>
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<tr>
<td>Ethiopia</td>
<td></td>
<td>Armenia</td>
<td></td>
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<tr>
<td>Kenya</td>
<td></td>
<td></td>
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<tr>
<td>Uganda</td>
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In line with the PEI Phase 2 joint programme document, regional strategies and work plans were prepared to address the specific challenges and opportunities facing each region. The transition from the PEI scale-up phase (2008–2013) to Phase 2 was marked by a stronger focus on implementation of poverty-environment objectives, building on the Initiative’s strong track record in supporting countries to integrate poverty-environment objectives in national development planning processes:

- Making the case for poverty-environment mainstreaming through support for awareness raising and improved understanding of poverty-environment linkages
- Building country capacity to integrate poverty-environment objectives in key policy and planning frameworks
Some countries, such as Kenya, transitioned from a full programme to a technical advisory support programme in Phase 2. The effectiveness of providing more limited technical assistance depended on it being part of a well-funded, larger ongoing initiative—as in Kenya, where it was a component of a major UK Department for International Development–funded effort.

To better reflect the shift in emphasis towards implementation, an internal programme review was undertaken during 2015/2016. As a result, regional strategies, country work plan designs and the PEI monitoring and evaluation system were revised, including global and regional indicators, targets and activity results.

Africa context and regional strategy

Land and soils, forests, fisheries, water and biomass fuels are the principal sources of development for many women and men living in Africa. They provide income and social protection and create employment. Environmental degradation and the unsustainable use of natural resources and climate change are undermining these socioeconomic benefits, and are costing African countries 5–22 per cent of total annual gross domestic product (GDP), according to several PEI studies.

In contrast, investing in environmental and natural resource sustainability can yield high rates of social and economic returns and have a direct or indirect positive impact on poverty. Standard economic policy development and decision-making tools and processes generally fail to take these costs into account—and fail to identify the benefits of increased investment in environmental and natural resource sustainability. Similarly, national accounting systems do not sufficiently account for the short- and long-term costs and benefits arising from access to and use of natural wealth.

At the onset of the project, PEI Africa developed a theory of change outlined in the PEI Africa Regional Strategy 2014–2017. The key assumption behind this theory of change is that increased public expenditure on environmental and natural resource sustainability and climate change will enhance the stream of social and economic benefits on which the majority of the population— including vulnerable groups—depend for their incomes and livelihoods in Africa. The key desired impact (change) of PEI Africa was that environmental and natural resource assets be managed more sustainably resulting in improved livelihoods.

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1 Environmental degradation refers to the impact of negative externalities such as air and water pollution. Unsustainable use of natural resources refers to their use beyond maximum sustainable yields; for example, unsustainable agricultural practices reduce soil fertility and worsen soil erosion, overfishing reduces fish stocks and deforestation reduces forested areas.
Asia and the Pacific context and regional strategy

Asia and the Pacific is the world’s most densely populated region; it is both home to 66 per cent of the world’s poor and the growth engine of the world. The region is also most prone to climate-related disasters, with the largest number of people vulnerable to climate change. Environmental assets in this region continue to degrade at an alarming rate.

An urgent priority, therefore, is integrating poverty-environment nexus concerns into the mainstream of development policy, planning and investment. Particularly significant sectors include finance and economic planning, natural resource management, agriculture and rural development, water resource management, biodiversity and nature conservation, local government, infrastructure and transport, tourism, fishing and waste management. Key drivers such as climate change, investment (both domestic and foreign) and trade bring strategic challenges.

Environmental conditions and access to natural resources and other environmental goods and services are closely linked to the livelihoods, health and vulnerability of every person – specifically for those living in poverty, particularly women and children. Expanded public and private investment to improve the poor’s access to these environmental assets can generate strong returns for poverty reduction, contribute to pro-poor growth and accelerate progress towards attaining the Sustainable Development Goals (SDGs). PEI directly responds to the interconnectedness of the economic, social and environmental dimensions of the SDGs by focusing on an integrated approach for SDGs 1, 13, 15 and 17 in the region.

The main objective of PEI Asia and the Pacific was to improve pro-poor environment outcomes by mainstreaming poverty-environment issues into key policy and planning processes and their implementation such as national plans, sectoral strategies, economic decision-making and subnational planning. PEI in Asia and the Pacific promoted an integrated approach to core development planning and budgeting processes with a focus on two thematic areas: (i) managing investment in natural resources to achieve poverty reduction and maintain natural capital and (ii) integrated financing to address climate change and promote sustainable development.

PEI Asia and the Pacific contributed to mainstreaming, strengthening and prioritizing gender concerns in national policies for development, climate change and disaster risk reduction. Support was provided to enhance gender-disaggregated data generation, capacity-building activities for policymakers, developing and piloting gender-responsive planning and budgeting frameworks, and advocacy and awareness raising.
Europe and the Commonwealth of Independent States context and regional strategy

Central Asia has emerged as one of the world's fastest-growing regions since the late 1990s. The region is well endowed with natural capital, but water, forest and other resources are being overused. Major poverty and environment issues for the region include land degradation and desertification; the water-energy nexus; threats to food security and agricultural production; natural disasters; and the impact of climate change on environment, poverty, health and energy issues.

In Phase 2, **PEI Europe and the Commonwealth of Independent States aimed to integrate PEI into UNDP, UN Environment and other United Nations agency programmes focused on longer-term institutional change**, mainstreaming poverty-environment objectives in national and subnational development strategies and policymaking, and promoting natural capital approaches in the region. Gender and rights-based aspects and mobilizing additional resources at the regional and country levels, as well as partnership with regional institutions, were further focuses.

PEI Europe and the Commonwealth of Independent States sought to deepen the programme's potential impact by **introducing green economy accounting and “beyond GDP measurements” in the region**. Interventions were designed to work within existing structures and tailored to address specific national and regional priorities.

Latin America and the Caribbean context and regional strategy

Economic growth in Latin America and the Caribbean – where most countries are middle-income countries – has come at the expense of environmental degradation, high levels of inequality, and vulnerability to natural hazards and climate change. PEI Latin America and the Caribbean addressed the interlinkages and complexities between poverty and environment and helped governments identify the best ways for mainstreaming this linkage in the policymaking process.

In Latin America and the Caribbean, the state is the main actor in the provision of social services, and provides a variety of social protection programmes which channel a significant flow of resources to vast segments of low-income groups. The capacity to influence these flows, even at the margin, so as to make them more efficient, can result in significant positive impacts for their intended target groups. If these investments are better coordinated with public spending on environment, the capacity to exert a positive impact on livelihoods increases substantially. **One entry point for PEI was the demand for support to improve ongoing social protection programmes through better coordination between expenditure flows in the environmental and social areas.**
Many children living in villages in the hills of northern Rwanda haul water for up to three hours a day, leaving little time for schooling and community activities. Photo: UNDP-UN Environment PEI/Mónica López Conlon.
This section reviews progress, and highlights notable achievements, towards the PEI Phase 2 intended outcome of enhanced implementation of development policies, plans and budgets that combine environmental sustainability and poverty reduction to contribute to inclusive and sustainable development goals.

**Overall performance**

As shown in Table 2.1, PEI made significant progress against all three outcome indicators and associated output indicators and targets, achieving or exceeding almost all targets by 2018. The following subsections provide a more detailed review of PEI performance by outcome and output indicator together with highlights from Africa, Asia and the Pacific, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean.

<table>
<thead>
<tr>
<th>Table 2.1 Phase 2 outcome and output indicators and related achievements</th>
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</table>
| **Indicator** | **Target** | **Cumulative level of achievement (2014–2018)**
| **Outcome Indicator 1**: Level of application of poverty-environment approaches and tools for integrated development policies, plans and coordination mechanisms | At least 2 countries move up one level in 2016, and at least 3 countries move up one level in 2017/2018 | 2 countries advanced two levels and 11 countries one level from the 2015 baseline |
| **Output Indicator 1.1**: Number of national and subnational policies and plans that integrate poverty-environment objectives in target countries | 4,484 policies and plans integrate poverty-environment objectives | 24 national and 4,214 subnational plans include poverty-environment objectives in 17 countries |
| **Output Indicator 1.2**: Number of key sectoral policies and plans that integrate poverty-environment objectives | 91 sector policies and plans integrate poverty-environment objectives | 93 sector policies/plans integrate poverty-environment objectives in 13 countries |

(continued)
### Indicator | Target | Cumulative level of achievement (2014–2018)*
--- | --- | ---
**Output Indicator 1.3**: Number of monitoring and evaluation frameworks that integrate poverty-environment indicators into national and subnational monitoring and evaluation systems | 34 systems integrate poverty-environment indicators | 56 monitoring and evaluation systems integrate poverty-environment indicators in 12 countries
**Output Indicator 1.4**: Level of functional government-led cross-sector coordination mechanisms | At least 5 countries move up one level | 15 countries achieved Level 3 or above
**Outcome Indicator 2**: Increased public sector financial expenditure for poverty-environment results | At least 4 countries report increased expenditure | 5 countries reported increased expenditure
**Output Indicator 2.1**: Number of budgeting and expenditure processes that integrate poverty-environment objectives | 80 budgeting and expenditure frameworks support poverty-environment objectives in 14 countries | 84 budgeting and expenditure processes integrate poverty-environment objectives in 16 countries
**Output Indicator 2.2**: Number of countries introducing “beyond GDP” measurements | At least 3 PEI countries have introduced beyond GDP measurements | 5 countries 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 | At least 17 guidelines and tools to manage private sector investment decisions in 3 countries | 26 guidelines and tools integrate poverty-environment objectives in 4 countries
**Outcome Indicator 3**: Level of integration of pro-poor environmental mainstreaming approach and tools in United Nations and partner strategies and programmes at country, regional and global levels | Level 3 largely attained, with evidence of progress towards Level 4 | PEI has largely attained Level 3 with evidence of progress towards Level 4
**Output Indicator 3.1**: Number of UN Development Assistance Frameworks (UNDAFs) and Country Programme Documents that integrate poverty-environment objectives | PEI contributes to formulation of 47 UNDAFs and Country Programme Documents | Poverty-environment objectives included in 15 UNDAFs and 10 Country Programme Documents in 18 countries

(continued)
### Output Indicator 3.2: Number of United Nations strategic documents such as United Nations Development Group guidelines and post-2015 debate that reflect PEI inputs

**Target:** PEI inputs are reflected in 40 United Nations submissions on implementation of post-2015 development decisions.

**Cumulative level of achievement (2014–2018)**

91 strategic and post-2015 debate contributions documented, and SDG Mainstreaming, Acceleration and Policy Support missions in 3 PEI countries and 1 non-PEI country.

### Output Indicator 3.3: Number of PEI knowledge products shared with regional and global networks

**Target:** 65 products are shared and feedback from users is positive.

**Cumulative level of achievement:**

451 knowledge products, including 5 regional papers on integrated socio-environmental policy tools published in 2018.

### Output Indicator 3.4: Number of references to poverty-environment approaches and tools in United Nations and other development agency strategies/plans

**Target:** 108 references and citations are documented.

**Cumulative level of achievement:**

382 references and 15 further citations.

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**Legend:**
- partially achieved
- achieved
- exceeded

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### Outcome 1

**Outcome Indicator 1:** Level of application of poverty-environment approaches and tools for integrated development policies, plans and coordination mechanisms

**Target:** Six countries move up one level from previous year.

**Outcome 1** addresses the challenge of mobilizing political commitment and putting into place the building blocks for effective poverty-environment mainstreaming. Over the course of Phase 2, PEI support to partner countries continued to focus on building capacity to apply integrated poverty-environment mainstreaming approaches and tools. Partner countries reported significant progress towards integrating poverty-environment objectives in national, subnational and sectoral policy, planning and monitoring frameworks; and in strengthening cross-sector coordination mechanisms to more effectively address issues related to poverty-environment. The overall target for
the period was exceeded, with 11 countries advancing one level—1 country moving from Level 1 to 2, 5 from Level 2 to 3, 4 from Level 3 to 4, 1 from Level 4 to 5—and 2 countries advancing two levels, from Level 2 to 4. Table 2.2 describes the five result levels.

The case of Rwanda (Box 2.1) illustrates how an integrated approach to poverty-environment mainstreaming can create the enabling conditions needed to achieve national poverty-environment objectives and contribute to more inclusive and sustainable development.

**Output 1: Poverty-environment approaches and tools for integrated development policies, plans and coordination mechanisms applied**

Progress towards Output 1 is measured through four output indicators and targets focused on the integration of poverty-environment objectives in national, subnational

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>Little to no evidence of integration of poverty-environment objectives and use of poverty-environment tools; use of poverty-environment indicators in monitoring systems, or of intersectoral coordination. Policymakers lack relevant capacity.</td>
</tr>
<tr>
<td>2</td>
<td>Evidence of poverty-environment objectives and indicators is technically acceptable, and policymakers have developed capacities to make use of them. Poverty-environment tools referred to but not applied. Ad hoc intersectoral coordination. Poverty-environment referred to in monitoring systems.</td>
</tr>
<tr>
<td>3</td>
<td>Ample evidence of poverty-environment objectives and indicators but limited demand from policymakers. Intersectoral coordination established but is donor driven. Regular participation of line ministries in ministry of planning/finance planning and budgeting processes. Poverty-environment integrated in monitoring systems.</td>
</tr>
<tr>
<td>5 (intended result)</td>
<td>Government-led cross-sector coordination mechanisms actively promote the integration of poverty-environment targets across key ministries and related plans at national/subnational level, and sector plans enhance cross-sectoral policy coherence. National/subnational institutions systematically integrate and monitor poverty-environment objectives and targets in their policies and planning frameworks.</td>
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</tbody>
</table>
Box 21: Rwanda prioritizes environmental sustainability for poverty reduction and invests in actions on the ground

P
EI has partnered with the Government of Rwanda since 2005 to enhance national systems for environmental sustainability and poverty reduction. Several studies have been undertaken demonstrating the links between sustainable natural resource use and poverty reduction; and many tools for integrating poverty-environment objectives into national policy, budget and implementation frameworks have been developed. In 2018, this work contributed to the government’s making environmental sustainability, climate action and poverty reduction a top priority in its new National Strategy for Transformation 2018–2024. Priority Area 7 aims to “promote sustainable management of the environment and natural resources to transition Rwanda towards a green economy.”

The national strategy recognizes environment and climate change as a cross-cutting issue relevant for all sectors and districts. All of Rwanda’s 15 sector strategic plans and 30 district development strategies for 2018–2024 have integrated environment and climate issues, with specific attention to increasing investments for inclusive growth. For example, the Agriculture Sector Strategy focuses on promoting climate-resilient agriculture and sustainable crop production by promoting smallholder farmer access to and use of climate-resilient seeds and composite manure.

The district development strategies aim to up-scale green practices piloted in Rwanda’s green villages. The first such village was designed and implemented with PEI support to demonstrate an integrated approach to tackling Rwanda’s environment and poverty challenges. Today, around 44 green villages have been established benefiting some 2,020 households. Sustainable solutions include rainwater harvesting and water reservoirs; new agricultural practices such as agroforestry, terraces and soil erosion control; and biogas installation. The interventions have enabled community members to earn more money, improve nutrition and food security, protect natural resources and send children to school.

To reinforce environment and climate policy priorities, Rwanda’s 2018 national investment guidelines – developed with PEI technical assistance – require public projects to demonstrate that environmental and social safeguards are in place before a government institution can receive internal or external finance. This builds on the inclusion of a climate and environment checklist in Rwanda’s annual budget call circular over the past seven years, providing guidance to sectors and districts in budgeting for environment and climate actions. Application of the PEI-supported checklist has generated a sustained increase in government expenditure on the environment, natural resources and climate change: from 0.4 per cent of Rwanda’s total budget in 2009/2010 to 2.7 per cent in 2016/2017. The increased expenditure is contributing to progress on broader development goals. Poverty declined from 44.9 per cent in 2012 to 39 per cent in 2015, 2,400 hectares of ecosystems were rehabilitated and the number of people with access to electricity increased by 23 per cent.

Source: Ministry of Natural Resources Imihigo report 2015/2016.
and sectoral policy, planning and monitoring and evaluation frameworks, and functioning cross-sector coordination mechanisms for poverty-environment–related issues.

**Output 1.1**

<table>
<thead>
<tr>
<th>Output Indicator 1.1: Number of national and subnational policies and plans that integrate poverty-environment objectives in target countries</th>
<th>Target: 4,484 policies and plans integrate poverty-environment objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale:</strong> The number of policies and plans that integrate poverty-environment objectives should demonstrate the extent to which the government prioritizes pro-poor sustainable environmental and natural resource management, including poverty-environment objectives in (i) national and local development plans, (ii) economic development plans, (iii) poverty reduction strategy papers and (iv) planning/finance ministry guidance notes/ ministerial decrees/directives to sectors and local government on preparing sector and local development plans.</td>
<td></td>
</tr>
</tbody>
</table>


In Africa during the period 2014–2018, poverty-environment objectives/indicators were integrated into national development plans across all seven countries and subnational plans across five countries.

- **Malawi** has improved systems for sustainable environmental and natural resource management for poverty reduction. By building individual and institutional capacities for poverty-environment mainstreaming, vertical and horizontal coherence for poverty and environment–linked issues in Malawi have been created. Malawi’s new development strategy – MGDS III 2017–2020 – identifies environment and climate change as a cross-cutting issue to be considered in the strategy’s five key priority areas. To ensure operationalization of the environment and climate commitments in the national development plan through sectors, the Office of the President has – with PEI support – included an annex on environmental sustainability and natural resource mainstreaming in Malawi’s 2015 Guide to Executive Decision-Making. The guide outlines the processes and procedures to be followed in policy development in Malawi’s public service.

- **Mali’s** Strategic Framework for Economic Recovery and Sustainable Development (CREDD29) 2016–2018 has integrated strong poverty-environment linkages, including environmental indicators across the various priority areas. After adoption of the CREDD, SDG indicators related to Goal 13 (climate action) and Goal 15 (life on land) were integrated into the strategy’s
monitoring framework. The strategy is now 100 per cent aligned with SDG 13 and 90 per cent aligned with SDG 15.

- **Mauritania** has improved systems for sustainable management of the environment and natural resources for poverty reduction. Building on the inclusion of poverty-environment objectives in Mauritania’s poverty reduction strategy (CSDL) 2011–2015, Mauritania’s 15-year development vision – SCAPP 2016–2030 – includes a focus on environmental sustainability in its pillar on growth and governance as well as in its indicators. This includes a focus on sustainable agriculture, marine conservation and access to sustainable energy, as well as sustainable use and conservation of ecosystems and natural resources. The SCAPP is complemented by a national strategy on environmental and sustainable development 2017–2030 (SNEDD), aiming to promote sustainable management of natural resources and ecosystems and climate change resilience for the benefit of the poor, human well-being and local livelihoods across sectors.

- **Mozambique** has improved systems for sustainable management of the environment and natural resources for poverty reduction with PEI assistance. Building on the inclusion of poverty-environment objectives in Mozambique’s poverty reduction strategy (PARPA) 2011–2014, the sustainable and transparent use of natural resources was included as one of the five priority areas in Mozambique’s national development plan (PQG 2015–2019). The priority area and the PQG operationalization matrix make a direct link to poverty-environment issues through activities and indicators focusing on, for example, the empowerment of vulnerable communities to implement adaptation measures in response to drought, floods, cyclones and earthquakes; and promotion of the use of sustainable artisanal and small-scale mining practices and the establishment of associations and cooperatives of small-scale miners.

- **PEI** has worked with the Government of **Rwanda** since 2005 to enhance national systems for environmental and natural resource sustainability and poverty reduction. In 2018, this work contributed to the government’s making environmental sustainability, climate action and poverty reduction one of the top priorities in its new National Strategy for Transformation 2018–2024. Priority Area 7 aims to “promote sustainable management of the environment and natural resources to transition Rwanda towards a green economy.”

In **Asia and the Pacific**, a total of 184 national and subnational policies have been mainstreamed across eight countries. PEI Asia-Pacific has supported the development of five-year plans (FYPs) in Bangladesh, Bhutan and Lao PDR, as well as of the Monitoring and Evaluation Framework in Lao PDR and the National Development Planning Law in Mongolia.
In Bangladesh, through the Support to Sustainable and Inclusive Planning Project, PEI worked with the General Economics Division of the National Planning Commission to prepare the 6th and 7th FYPs (2011–2015 and 2016–2020, respectively). Additionally, the Ministries of Planning and Finance aligned their sectors to ensure planning and budgeting are more effectively linked. PEI also contributed to technical multidisciplinary background studies used by the Planning Commission to formulate chapters of the FYP and helped highlight the linkages between poverty and the environment.

In Bhutan, PEI developed a framework for mainstreaming poverty, environment and climate change into the 11th FYP (2013–2018). The framework focused on linking sector-specific environmental, climate and poverty issues, thereby enabling sectors to apply system thinking while designing their programmes, facilitating integrated planning. The environment, climate and poverty mainstreaming framework, with its general applicability, has been used to help develop both annual and subnational plans. The main challenge in the application of this tool has been in the capacity to link environmental, climate and poverty issues with sector programmes and budgets. PEI also supported the Gross National Happiness Screening Tool and Protocol for Policy Formulation, both of which integrate and approve Gross National Happiness objectives into all proposed government policies.

Also in Bhutan, village participatory planning guidelines (2009) were developed to support the government’s Rural Economic Advancement Programme (REAP) and to ensure that village plans were developed in a participatory manner and mainstreamed poverty and environment concerns. This PEI-supported tool guided the socioeconomic assessment which ultimately led to the formulation of the village development planning framework which now forms the basis for conducting assessments of targeted villages for REAP interventions. Field testing of the tool was important; this was initially done in 10 villages in 2008 to design the first REAP interventions. Since then, the approach has been scaled up by the government.

In Lao PDR, PEI worked with the Ministry of Planning and Investment on the formulation of the 7th and 8th National Socioeconomic Development Plans, using outcome-based planning. Social and environmental sustainability issues of foreign direct investment in natural resource sectors were included. To support plan implementation, inclusive green growth criteria were for the Public Investment Programme. PEI supported the plan’s consultation process and provided technical assistance in developing its monitoring and evaluation framework.

In Mongolia, PEI, together with other stakeholders, supported the drafting and subsequent adoption of the National Development Planning Law in 2016. Among other things, the law regulates development planning processes in a way that reflects poverty-environment linkages, implementation procedures, monitoring
and evaluation, reporting and information access processes to ensure better coordination and integration across different sectors and regions. A Sustainable Development Vision for the Uvurkhangai aimag (province) was developed as a long-term planning tool.

- PEI supported the preparation of Pro-poor Environmentally Sustainable Green Recovery and Rehabilitation Plans in the Kabharepalanchowk and Myagdi districts, Nepal, in 2015. This assistance was based on a PEI-supported geological survey, natural resource assessment and community needs of earthquake-impacted village development committees. Pro-poor climate-resilient water conservation and landslide control demonstration projects were successfully implemented in the selected committees (e.g. pond conservation, bioengineering, water source protection, water diversion canal construction) under local government leadership.

Also in Nepal, PEI supported since 2013 the Environmental Friendly Local Government Framework that was finally approved by the cabinet as the official policy of the government in 2017. The framework aims to (i) mainstream issues related to environment, climate change adaptation and disaster management into the local planning process, (ii) make all stakeholders responsible for environment-friendly sustainable development and (iii) encourage coordination and cooperation between the environment and development sectors and their respective stakeholders. Under this broader governance framework, various environmentally friendly development activities – such as pond conservation, renewable energy adoption and community-based solid waste management activities – were promoted across the 54 municipalities and 60 village development committees of 14 district development committees. The framework includes indicators for all sectors (forests, climate change, disaster management, renewable energy, solid waste management, water conservation, etc.) and emphasizes the need for cross-sectoral coordination and a coordinated framework from the local level to the central level.

In Europe and the Commonwealth of Independent States, 8 national policies and plans and 70 subnational policies and plans mainstreamed poverty-environment objectives and targets.

- In Kyrgyzstan, PEI’s most important result was the development of the National Strategy of Sustainable Development (NSSD) and the National Programme to Transition to Sustainable Development 2014–2017, led by the Ministry of Economy through interministerial coordination. Under Kyrgyzstan’s NSSD 2014–2017, a methodological framework on strategic planning of sustainable development has been adopted which integrates economic development, environmental sustainability and social inclusiveness. PEI contributed to the development of a post-2015 “road map” by the Ministry of Economy which includes green growth indicators as part of a wider set of indicators to monitor the strategy’s implementation.
In **Tajikistan**, 63 district development plans and the Socioeconomic Development Programme of Dushanbe City 2018–2025 mainstreamed poverty-environment objectives. The Dushanbe City Development Programme was elaborated with PEI support, taking into consideration SDG-related targets, and was aligned both with the SDGs and the National Development Strategy 2016–2030.

In **Armenia**, the Long-Term Development Strategic Programme 2014–2025 mainstreamed poverty-environment objectives. In **Albania**, PEI conducted an analysis of the policy barriers of the existing energy building code and policy recommendations for the design of a new energy building code.

In **Latin America and the Caribbean**, integration occurred at the national, subregional and local levels, most notably in **Guatemala** where the National Development Plan K’atun Nuestra Guatemala 2032, Region Oriente Development Plan and nine municipal development and land management plans were adopted.

### Output 1.2

<table>
<thead>
<tr>
<th>Output Indicator 1.2: Number of key sectoral policies and plans that integrate poverty-environment objectives in target countries</th>
<th>Target: 91 sector policies and plans integrate poverty-environment objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale:</strong> The number of sectoral policies that integrate poverty-environment objectives in target countries demonstrate the extent to which the Government prioritizes pro-poor sustainable environmental and natural resource management in sectoral policy processes.</td>
<td></td>
</tr>
</tbody>
</table>

The target for this indicator has been achieved, with 93 sector policies/plans integrating poverty-environment objectives in 13 countries – Bhutan, Lao PDR, Malawi, Mauritania, Mongolia, Mozambique, Nepal, Paraguay, Peru, the Philippines, Rwanda, Tajikistan and Tanzania. This represents an increase of 27 over the previous year, exceeding the target by 48 policies and plans.

In **Africa**, poverty-environment objectives were integrated into 66 sector policies and plans across five countries. Selected examples follow.

- **Malawi**'s agriculture sector policy includes poverty-environment-gender objectives and corresponding indicators. Informed by the findings of a 2015 study and with technical inputs from UN Women and PEI, the Government of Malawi included a **strong focus on empowering women farmers in its 2016 National Agricultural Policy**. The policy aims to empower youth, women and vulnerable groups and promotes investments in climate-smart agriculture and sustainable land and water management. Indicators to support those objectives include soil loss, area under
irrigation and the ratio of women to men who have access to, ownership of or control of productive agricultural assets.

The Government of Malawi also adopted a new soil loss baseline and soil loss map for which data are collected, as well as an improved methodology for developing and measuring drivers of soil erosion. This follows on from challenges faced in collecting data against the soil loss indicator included in the previous Agriculture Sector Wide Approach programme. In 2017, the policy objectives were further reinforced by two indicators in the policy’s monitoring and evaluation framework: one for a Technology Adoption Index (with data collection to enable disaggregation by sex and age); and one on the ratio of women to men with access to, ownership of or control of productive agricultural assets.

In Tanzania, PEI has contributed to ensure the integration of a poverty perspective in three key natural resource sectors – fisheries, forestry and the environment. The 2015 approved national fisheries policy commits to “foster investment in a sustainable manner as well as equitable and secure access to fisheries and aquaculture resources for food, income and employment and thus contribute to poverty reduction.” The draft of the forthcoming national forestry policy focuses on issues of land tenure and community-based forest management. It includes a set of socioeconomic indicators for poverty reduction such as number of forest products and services which could strengthen the local economy identified and made available to communities. The draft national environment policy emphasizes the need to integrate environmental concerns in all economic and social development actions.

In Asia and the Pacific, 34 sectoral policies incorporated pro-poor environment and climate change criteria.

Continuing the 2016 cooperation with the International Senior Lawyers Project, in April 2017 PEI Myanmar finalized a regulatory review report of the country’s existing policy and legislation covering the mining sector, regulation and protection of water, forests, wildlife, culture, health and labour rights affected by mining, pollution and waste management related to mining and issues relevant for mining and climate change. The Environmental Conservation Department has agreed to go ahead with next steps in the development of the National Environmental Policy Master Plan. For this activity, human rights are addressed through how labour rights and protections can be improved for the mining sector. The review refers to the objectives of decent work and reduction of environmental degradation which has indirect impacts on poverty reduction. There is gender discrimination in the existing mining rules, in that women are prohibited from working underground in mines, except to provide health or social services. Directly addressing this aspect is challenging in an overall context of strong existing cultural norms about what is considered appropriate work for men and women.
In Europe and the Commonwealth of Independent States, sector policies were successfully mainstreamed in both Kyrgyzstan and Tajikistan.

- The Law on Environmental Impact Assessment was adopted in June 2017 in Tajikistan. The law regulates all projects related to implementation of construction works, installations or schemes, or implied interventions into the natural and scenic environment which may have a negative environmental impact. Environmental impact assessment (EIA) will help integrate green economy targets and other sustainability issues into strategic and project-related decision-making to ensure that environmental and health implications are taken into consideration.

In 2017, PEI established, under the auspices of the Committee for Environmental Protection, a working group of independent experts on EIA and aided in the development of an online database for EIA documentation storage. PEI facilitated capacity and skills development of relevant EIA agencies in line with international standards with a focus on developing and implementing by-laws, rules, norms and standards as well as mechanisms to implement the new EIA law. Public hearings were held in all four provinces of Tajikistan and in Dushanbe to discuss the new law and three by-laws, making public participation more accessible and transparent, and significantly improving the national environmental legislation.

In Latin America and the Caribbean:

- The poverty-environment nexus was used in the elaboration of nine municipal development and land management plans in Guatemala (Figure 2.1) as well as a...

![Figure 2.1 Guatemala’s municipal development and land management plans](image-url)
Gender equality poses challenges in many countries and contexts. PEI helped support five country studies in Africa in the gender gap in agricultural productivity. Photo: FAO/Petterik Wiggers.
guide for their development. Efforts were made through the Municipal Directorate for Women to ensure equal participation of women and men in plan development. The plans incorporated gender analysis in the problem definition stage, studying the employment situation for women in Guatemala, as well as the division of labour, school attendance, management of household finances and reproductive health.

- In Peru, work has centred on strengthening institutional capacities, at the national (Ministries of Environment, Economy, Labour, Women and Vulnerable Population) and subnational (provincial municipality of Arequipa) levels, to improve integrated management of solid waste through the incorporation of social, poverty and gender variables in local policies, instruments and tools. Work has advanced on four major products: (i) updating and launching the national solid waste information system to improve data generation and collection; (ii) incorporation of social aspects in the incentive programme for the improvement of municipal management, in which resources are allocated to municipalities that formalize and train recyclers; (iii) elaboration of the Arequipa Municipal Plan for Waste Management, with an emphasis on social inclusion; and (iv) systematization of municipal solid waste management approaches and tools which can be replicated in other municipalities.

- Paraguay’s institutional coordination guidelines have been adopted by its two leading social programmes – Tenondera, its conditional cash transfer programme, and Tekopora, its food production programme – supported by enhanced capacity of the Ministry of Social Affairs on environmental issues and the creation of an environmental unit. PEI facilitated the Ministry of Environment’s initial training for Tenondera department and district coordinators.

### Output 1.3

**Output Indicator 1.3:** Number of monitoring and evaluation frameworks that integrate poverty-environment indicators into national and subnational monitoring and evaluation systems

**Target:** 34 systems integrate poverty-environment indicators in target countries

**Rationale:** This demonstrates the extent to which Governments can track implementation of pro-poor sustainable environmental and natural resource management. A poverty-environment indicator may be included in national, sectoral or subnational monitoring and evaluation frameworks. To the extent possible, reporting has captured the level at which the indicator has been integrated. Poverty-environment indicators may track the following:

- Progress/regress in sustainable environmental and natural resource management and use, including factors such as soil loss or deforestation/reforestation
- Progress/regress related to the poverty-environment nexus focusing on tracking poor/vulnerable groups, for example access to/control of natural resources or knowledge of/access to sustainable natural resource management practices and technologies
- Progress/regress relevant to the gender-environment nexus, for example: difference in women’s and men’s access to/control of natural resources; women’s burden related to water and firewood collection; difference in women’s and men’s productivity in agriculture or other relevant sectors
During Phase 2, poverty-environment indicators were integrated into 56 national and subnational monitoring and evaluation frameworks in 12 countries—Bangladesh, Bhutan, Guatemala, Kyrgyzstan, Lao PDR, Malawi, Mauritania, Paraguay, Peru, Rwanda, Tajikistan and Tanzania. This is an increase of 39 over the previous year's total, with 1 new integration reported in Bhutan and Tajikistan, 2 in Guatemala and 35 in Rwanda.

In **Africa**, 47 monitoring and evaluation frameworks across six countries (Malawi, Mali, Mauritania, Mozambique, Rwanda and Tanzania) were adopted.

- In **Rwanda**, the 2018 *National Strategy for Transformation includes poverty-environment indicators* as do the 30 aligned district strategies and 4 sector strategies (agriculture, energy, urbanization and industry). For example, in the agriculture sector a strong focus on climate-smart agriculture, resilience and agroforestry has been incorporated, with supporting indicators tracking the increased productivity, quality and sustainability of crop production.

In **Asia and the Pacific**, 54 monitoring and evaluation frameworks were mainstreamed with PEI’s support, an increase of 1 over the previous year.

- The **Bangladesh Bureau of Statistics** has completed preparation of the *Bangladesh Environmental Statistics Framework 2016–2030*. The framework provides a guideline for environmental data collection, analysis, sharing, and reporting and supports the SDGs, Sendai Framework for Disaster Risk Reduction 2015–2030, 7th FYP and other successive plans of Bangladesh.

- The **Environment and Natural Resource Data Management Tool (ENRDMT)** was launched in the **Philippines** in 2016 through close coordination and collaboration with the Department of Finance’s Bureau of Local Government Finance. The result is a platform that enables national government agencies, local governments and other stakeholders to monitor financial information related to local government unit shares of national wealth received from extractive industries. The tool has been rolled out to the 200 local government units receiving national wealth shares and was formally institutionalized at the local government level through Finance Department Order 49-2016, which mandates inclusion of environmental and natural resource data in the eSRE System for local treasurers. Local treasurers are required to upload annual financial reports and data every year.

In **Europe and the Commonwealth of Independent States**, five national and subnational monitoring and evaluation frameworks were established at the institutional level to support green economy policies and to measure progress of the sustainable development agenda in integrating poverty-environment indicators.
In Kyrgyzstan, the National Statistics Committee introduced and integrated green growth indicators into the monitoring system to influence policy choices on sustainable development and SDGs.

In Tajikistan, through direct PEI support, several monitoring and evaluation systems were established, resulting in poverty-environment indicators being integrated into national and subnational monitoring and evaluation frameworks, such as the Agricultural Census Database, the Manual on Elaboration and Implementation of the Social and Economic Development Programmes of Districts and Towns, the Monitoring and Evaluation Matrix of the Socioeconomic Development Programme of Dushanbe City 2018–2025, and the System of Environmental-Economic Accounting forms to track forestry and water accounts. In addition, poverty-environment indicators were reflected in the monitoring and evaluation frameworks of the National Development Strategy 2030 and the Midterm Development Plan 2020. Poverty-environment indicators were also introduced into the Living Standards Improvement Strategy of the Republic of Tajikistan for the period 2013–2015.

In Latin America and the Caribbean:

Three monitoring and evaluation indicator modules were developed to follow up on the National Development Plan in Guatemala. These address SDG monitoring, national development plan monitoring, and territorial management systems. Additionally, Guatemala elaborated a natural capital ecosystem valuation, analysing different public policy scenarios for the Chiquimulilla Channel. The Chiquimulilla region is a high-biodiversity-value coastal ecosystem with a high incidence of uncontrolled intensive agriculture, an intensive shrimp industry and unsustainable tourism practices which seriously threaten ecosystem sustainability – and thus, the livelihoods of the local population. The study presents a valuation of the ecosystem services these areas contain, going beyond direct economic benefits. The study has been integrated into the Diploma in Planning and Sustainable Land Use in coastal marine areas targeting municipal representatives, supported by the General Planning Directorate, San Carlos University, the Global Environment Facility and PEI.

Work has been carried out in Paraguay to ensure the inclusion of environmental dimensions in the Life Quality Index. Furthermore, the social institution has increased expenditure towards institutionalizing environmental management, as can be seen in the 2017 institutional management accountability and transparency report from the Social Action Secretariat.

In Peru, the Solid Waste Management Monitoring System was created, integrating poverty-environment objectives.
Output 1.4

**Output Indicator 1.4:** Level of functional government-led cross-sector coordination mechanisms in target countries

**Target:** At least 5 countries move up one level (see Table 2.3 for result levels)

Over the life of the project, 15 countries achieved Level 3 or above, and 23 countries achieved Level 2 or above, nearly meeting project targets. During the last project year, four target countries had moved up one level: Indonesia and Myanmar from Level 1 to 2, Peru from Level 2 to 3, and Bhutan from Level 4 to 5. Following is the standing of all target countries by level, as of project closure in 2018:

- **Level 1:** None
- **Level 2:** 7 countries (Dominican Republic, Kenya, Indonesia, Mongolia, Myanmar, Nepal, Tajikistan)

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Government-led cross-sectoral coordination mechanisms non-functioning. Environment/natural resource management sector committee has limited representation of other key sectors (e.g. water, lands, etc.).</td>
</tr>
<tr>
<td>2</td>
<td>Government led cross-sectoral coordination mechanism partially functioning with participation of key sectors, and are partially linked to national development planning, budgeting and monitoring and reporting processes.</td>
</tr>
<tr>
<td>3</td>
<td>Government led cross-sectoral coordination mechanisms largely functioning with participation of key sectors, and are largely linked to national development planning, budgeting and monitoring and reporting processes.</td>
</tr>
<tr>
<td>4</td>
<td>Government-led cross-sectoral coordination adopt and implement cross-sector approaches for pro-poor environmental sustainability. Poverty-environment issues integrated into environment and natural resources and other key social sectors (health, gender) and/or objectives of national/subnational/sectoral plans and policies and national monitoring systems. Sectors are supported by the central planning agency to integrate Poverty-Environment in their respective planning and monitoring frameworks. Cross agency mechanisms established and operational for poverty-environment mainstreaming.</td>
</tr>
<tr>
<td>5 (intended result)</td>
<td>Government-led cross-sector coordination – e.g. sector plan implementation leads to mainstreaming poverty-environment across key ministries at national and subnational level. Sectoral and subnational planners are able to systematically integrate and monitor poverty-environment issues in their respective policies and planning frameworks. Poverty-environment reflected throughout long and short-term planning documents, e.g. vision documents, Poverty Reduction Strategy Papers, national and subnational plans and their implementation and monitoring frameworks.</td>
</tr>
</tbody>
</table>
Level 3: 12 countries (Bangladesh, Guatemala, Kyrgyzstan, Lao PDR, Mali, Mauritania, Mozambique, Paraguay, Peru, the Philippines, Tanzania, Uruguay)

Level 4: 2 countries (Burkina Faso, Malawi)

Level 5: 2 countries (Bhutan, Rwanda)

In Africa, seven countries achieved Level 3 or above. None moved up a level during the final project year.

In Burkina Faso, the Ministry of Economy and Finance has undertaken annual progress reviews of performance, including of cross-cutting thematic issues. A coordination mechanism related to the new development plan has been put in place and was functional in 2017. Following the endorsement of Burkina Faso’s five-year development plan (PNDES 2017–2022), which takes into consideration the SDGs and targets, the government finalized the formulation of indicators for the national monitoring system. PEI Burkina Faso facilitated intersectoral coordination between government partners in this process and promoted the use of recommendations from the PEI 2015/2016 study on integrating poverty-environment-linked indicators into the national household survey modules. These indicators have been integrated into the monitoring and evaluation mechanism of the National Development Plan 2016–2020.

In 2015, Mauritania adopted a programme-based budget approach to strengthen the link between national strategies and sector budgets and improve the quality of intersectoral coordination. The goal was to implement joint actions, for example in the field of poverty reduction and environment. As a result, four key natural resource sectors – fossil fuels, energy and mines (2015); fisheries and maritime economy (2015); environment and sustainable development (2015) and livestock (2017) – have integrated pro-poor environmental sustainability into their medium-term expenditure frameworks.

In Asia and the Pacific, four countries achieved Level 3 or above. None moved up a level during the final project year.

In the Philippines, the cross-sectoral Technical Working Group on Environment and Natural Resources Revenue Management was established in 2016, co-chaired by the Bureau of Local Government Finance and Bureau of Local Government Development. The Technical Working Group is working directly on two policies:

- Improvement of the Social Development and Management Programme (SDMP) Guidelines, which aim to align the private sector’s utilization of SDMP funds to complement local government units’ comprehensive development plans to help
alleviate poverty and improve environmental protection and management while mining operations are ongoing.

- Joint Memorandum Circular on the Shares of National Wealth, which intends to standardize distribution of local government unit shares from the national wealth, providing information on a quarterly basis, and streamlining the reporting mechanisms of the collecting agencies (Bureau of Internal Revenue/Bureau of Treasury) as reconciled with Environment and Natural Resource Data Management Tool reports, etc.

In **Europe and the Commonwealth of Independent States**, Kyrgyzstan achieved Level 3 and Tajikistan Level 2 by 2016.

- A **high-level multi-stakeholder coordination platform to support pro-poor and environment-oriented policies** in light of the SDGs was developed with PEI support. It will continue to deepen and scale up PEI achievements in Kyrgyzstan under the Partnership for Action on Green Economy (PAGE) until 2021. The interministerial coordination mechanism under the Ministry of Economy in Kyrgyzstan resulted in the establishment of the SDGs Coordination Committee under the Office of the Prime Minister. The Ministry of Economy and the Coordination Committee for Sustainable Development Adaptation, Implementation and Monitoring provided leadership for this process, with support from the State Agency for Environment Protection and Forestry and the National Statistics Committee on technical issues for the development of environmental sustainability indicators.

  The committee started work on adapting the global SDGs and promoting initiatives on their harmonization with long-term priorities of country development by 2040. In 2017, the government launched development of the first stage of the **SDG monitoring system**. Current work includes the inventory of existing indicators and identification of national indicators as so-called analogues for the SDG monitoring system, which require new data, indicators and capacity strengthening. Methodological guidelines, developed and issued by decree of the Ministry of Economy, are being applied in strategic planning of sustainable development at the sector level. Since 2014, the guidelines have been applied to more than 100 government strategic programmes, of which 58 were approved by 2018.

In **Latin America and the Caribbean**, Guatemala and Peru achieved Level 3, and the Dominican Republic and Paraguay achieved Level 2. The inter-institutional agreement SAS SEAM was developed in Paraguay, the Land Planning Commission was created in Guatemala, and an Incentives Programme for the Improvement of Municipal Management was adopted in Peru.
Outcome 2

**Outcome Indicator 2:** Increased public sector financial expenditure for poverty-environment results in target countries

**Target:** By end of Phase 2, at least 4 countries report increased expenditure

**Rationale:** Increased public and private expenditure on poverty-environment objectives should demonstrate implementation of poverty-environment related policy and planning reforms at national and/or subnational levels. Increased expenditure a function of:

- Budgeting and expenditure processes that integrate poverty-environment objectives;
- Increased expenditure arising from the adoption and application of “beyond GDP” mechanisms and tools (can also include as a proxy the economic valuation of ecosystem assets and services, and financial values of poverty-environment schemes);
- Increased expenditure from private sector as a result of adoption and implementation of guidelines and tools to influence private sector investment decisions.

Outcome 2 addresses the critical challenge of linking poverty-environment policies and priorities (addressed under Outcome 1) to budgeting and public expenditure, including the need to better align private sector investment decisions with poverty-environment objectives. Increased public and private expenditure on poverty-environment objectives at the national, sector and subnational levels is a key indicator of the effectiveness of poverty-environment policy and planning reforms, and of political commitment to their implementation.

Over the course of Phase 2, **PEI supported a number of countries in integrating poverty-environment priorities into various parts of the national budget process**, resulting in increased allocations and levels of environment and climate expenditure (see Box 2.2 for some examples). Between 2014 and 2018, five countries reported increased public sector expenditure towards poverty-environment objectives at some point – Indonesia, Malawi, Nepal, Rwanda and Tanzania – exceeding the target for the period. In addition, in Mozambique, the level of expenditure on the environment and climate was maintained in the state budget despite the severe financial crisis which hit the country in 2015 and subsequent budget cuts in many other government priority areas; it thus can be considered an outcome level achievement.

**Output 2: Cross-sectoral budget and expenditure processes and environment-economic accounting systems institutionalized**

Progress towards Output 2 is measured through three different output indicators with respective annual targets, focusing on budgeting and expenditure processes that integrate poverty-environment objectives, countries moving beyond GDP metrics of poverty to encompass environment and natural resource parameters, and the development of guidelines and tools to manage private sector investment decisions.
Box 2.2 Examples of increased expenditures as poverty-environment objectives are incorporated into national budget and expenditure processes

The following four examples illustrate how the integrated approaches to poverty-environment mainstreaming described in this report can provide the foundation for mobilizing increased levels of expenditure toward achieving poverty-environment objectives.

• In Rwanda, expenditure on the environment, climate and natural resource management increased from 0.4 per cent of Rwanda’s total budget in 2009/2010, to 2.5 per cent in 2013, and to 2.7 per cent in 2015/2016. While the expenditure is below the actual budget allocations for environment and climate of 6 per cent, it is significantly contributing to progress on broader development goals.

• In Malawi, the policy and budgetary changes PEI has helped influence led to a 1 per cent increase in government expenditure on the environment, climate and disaster risk reduction—from an average of 3.15 per cent in the period 2006–2012 to 4.15 per cent in 2016/17 of the total national budget (4.15 per cent of the 2016/2017 national budget was equivalent to MK 19.835 billion). In monetary terms this represent an increase of MK 12.8 billion, or about $17.6 million. Also, approximately $31 million has been catalysed from the Government of China and the World Bank to implement inclusive and sustainable fisheries practices.

• Support for poverty-environment mainstreaming in Burkina Faso, and shared experience from Rwanda, catalysed the design and operationalization of Burkina Faso’s Environment Intervention Fund. Since the launch of the fund in 2015, 173 environmental projects have been approved with an approximate total funding of $3.5 million. With PEI support, women’s and youth associations, civil society organizations and local municipalities from six regions have improved their capacity to prepare proposals for the fund, helping ensure that the fund reaches the poor and vulnerable.

• In Indonesia, PEI, through the Sustainable Development Finance project, has supported government efforts to develop and implement climate budget tagging and the use of performance-based budgeting. Through this engagement, the Ministry of Finance acknowledged the importance of budget tagging as a tool for tracking expenditures on climate change actions and for improving budget efficiency, transparency and accountability. Subsequently, the budget tagging system for climate mitigation and adaptation was rolled out to all sectoral ministries. A PEI-supported analysis revealed an increase of 13 per cent in public budget allocations for climate mitigation from 2016 to 2017. In 2017, the total public budget allocated for climate mitigation reached 81.79 trillion rupiah (approximately $6 million).
which integrate poverty-environment objectives. The first two of these indicators collectively provide evidence of progress towards institutionalizing processes which support increasing public sector expenditures on poverty-environment objectives; the latter builds upon the understanding that public investment needs to be complemented by private investment to achieve the 2030 Agenda.

Output 2.1

<table>
<thead>
<tr>
<th>Output Indicator 2.1: Number of budgeting and expenditure processes that integrate poverty-environment objectives in target countries</th>
<th>Target: 80 budgeting and expenditure frameworks support poverty-environment objectives in 14 countries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale:</strong> By integrating poverty-environment objectives in gender-responsive national and/or subnational budget and expenditure processes led by the ministry of finance, local government or local administrations, it is more likely that funds will be allocated and spent on poverty-environment linked results and activities. Budget and expenditure processes include the following:</td>
<td></td>
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<tr>
<td>• Ministry of finance/planning guidance notes/directives to budget heads on preparing public sector annual budgets</td>
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</tr>
<tr>
<td>• Local government and local administration guidance notes/directives to budget heads on preparing public sector annual budgets</td>
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<tr>
<td>• National investment plans</td>
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<tr>
<td>• Expenditure reviews assessing past expenditure and determining efficiency and effectiveness at national and/or subnational levels (i.e. expenditure tracking using budget codes, preferably gender sensitive)</td>
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</tbody>
</table>

The target of 80 was exceeded, with poverty-environment objectives integrated into 84 budgeting and expenditure processes in 16 countries: Armenia, Bangladesh, Bhutan, Burkina Faso, Indonesia, Kyrgyzstan, Malawi, Mali, Mauritania, Mozambique, Nepal, the Philippines, Rwanda, Tajikistan, Tanzania and Uganda. This demonstrates the impact and likely sustainability of the innovative tools and capacity building PEI has developed, applied and supported.

In Africa:

- Mozambique’s policy and budgetary changes have helped maintain government expenditure on the environment, natural resources and climate change at 0.45 per cent of the total national budget despite the severe financial crisis which hit the country in 2015, when GDP dropped from $16.9 billion in 2014 to $11 billion in 2016. While expenditure on the environment, natural resources and climate change have remained at 0.45 per cent of the total national budget, budget allocations actually increased from 0.45 per cent to 2.2 per cent of the state budget from 2014 to 2017. For climate change, the meticais budget allocations
by seven institutions increased from about $846,000 in 2014 to about $672,982 in 2017.

- As part of the Government of Kenya project Strengthening Adaptation and Resilience to Climate Change, funded by the UK Department for International Development Kenya and implemented by UNDP Kenya, PEI Africa provided technical and catalytic support (staff-time only) during 2015 and 2016 to integrate climate change in Kenya's planning and budget processes at the national and county levels. A Climate Public Expenditure and Budget Review report was issued in August 2016 and served to inform and influence the 2017 Budget Policy Statement. The statement integrates climate change by acknowledging its impacts on Kenya's economic performance, calling attention to the Climate Public Expenditure and Budget Review, budget coding and climate finance policy, and making a case for increased mainstreaming of climate change in budgeting processes in Kenya.

In Asia and the Pacific:

- Budget tagging expanded to include adaptation in Indonesia. At the national level, the Sustainable Development Finance project which combines PEI support and UNDP's Governance of Climate focused on the development and implementation of the climate budget tagging and performance-based budgeting system. Through this engagement, the Ministry of Finance acknowledged the importance of budget tagging as a tool for tracking expenditure on climate change actions; for improving budget efficiency, accountability and transparency; and for reporting on and monitoring implementation of climate change actions. Subsequently, the budget tagging system for climate mitigation and adaptation was rolled out to all sectoral ministries. PEI also provided policy recommendations for implementing climate change mitigation budget tagging at the provincial level.

Identifying ministry/agency outputs related to climate mitigation from six respective ministries was successfully conducted through a PEI-supported analysis. The results show that there has been an increase of 13 per cent – to approximately $6 million – in public budget allocation for climate mitigation from 2016 to 2017. The largest allocations were received by the Ministry of Public Works and Housing and the Ministry of Transportation, to speed support for public infrastructure.

The analysis report also identifies the amount, structure and patterns of public financial budget and expenditure related to climate mitigation, as well as performance-based budgeting, which was based on the climate budget tagging results of 2016–2017. This was completed in 2017 and will serve as a basis for policymakers (and future analysis) to evaluate budget allocations for climate change and consider strategic fiscal instruments needed in the future to narrow the financing gap.
Tanzania’s Bukoba District development and investment plans were informed by pilot projects and cost-benefit analyses conducted under PEI to support sustainable use of natural resources. Photo: UNDP-UN Environment PEI Tanzania.
In Europe and the Commonwealth of Independent States:

- PAGE is building on PEI’s work in Kyrgyzstan by contributing approximately $280,000 in 2017, mainly directed to green economy–relevant initiatives begun by PEI at policy and sectoral levels. Some of the main activities will be greening the government policy and plans, including a green sustainable development action plan and a green learning strategy.

In Latin America and the Caribbean:

- Efforts in Paraguay have been undertaken to ensure the inclusion of the environmental dimension into the Life Quality Index. In 2017 the Social Action Secretariat increased expenditure towards institutionalizing environmental management.

Output 2.2

<table>
<thead>
<tr>
<th>Output Indicator 2.2: Number of countries introducing “beyond GDP” measurements in target countries</th>
<th>Target: At least 3 PEI countries have introduced beyond GDP measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rationale: Adoption of beyond GDP approaches and tools includes measures to more fully account for natural assets and multidimensional poverty in policy and decision-making, such as the following:</td>
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<td>• Values of priority natural assets in systems of national accounts</td>
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<tr>
<td>• Instruments such as wealth accounting and valuation of ecosystem services</td>
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<tr>
<td>• Strategic environmental assessment, environmental auditing</td>
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<tr>
<td>• Multidimensional Poverty Index embedded in the evidence base for national/subnational development plans, economic development plans, poverty reduction strategies</td>
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</table>

This indicator had been achieved, with five PEI countries introducing “beyond GDP” measurements by the end of the project – Bhutan, the Dominican Republic, Guatemala, Kyrgyzstan, Tajikistan – exceeding the project target of at least three countries. An additional three countries (Bangladesh, Malawi and Rwanda) have piloted multidimensional poverty measures or valuation of ecosystem services. Mozambique and Tanzania have requested support to pilot multidimensional poverty measures.

In Africa:

- Multidimensional poverty measures currently encompass social and economic dimensions, but fail to adequately capture the environmental dimensions of poverty-environment linkages. In 2016, PEI Africa partnered with the Oxford Poverty and Human Development Initiative to assess whether environmental and natural resource concerns could be integrated into the Multidimensional Poverty Index
This work indicated that a more practical option was to **combine or overlay environmental and natural resource data with household socioeconomic survey data to measure (multidimensional) poverty-environment linkages.**

Subsequently, in 2017/2018, PEI partnered with the UN Environment World Conservation Monitoring Centre (UNEP-WCMC) and researchers from Cambridge, Southampton and East Anglia universities and the Ecosystem Services for Poverty Alleviation programme. With additional funding of $52,000 mobilized by UNEP-WCMC, the team worked with government officers and local communities in **Malawi** and **Rwanda** to identify country-specific poverty-environment indicators and develop guidelines and build capacities on integrating environmental and natural resource concerns into country-specific multidimensional poverty measurements. The guidelines explore how these measures could be incorporated in national statistics and reporting to support government efforts to achieve and monitor progress towards the SDGs.

**In Asia and the Pacific:**

- Building on PEI's engagement with the Bangladesh Bureau of Statistics from 2016, the bureau is currently undertaking a rapid assessment and has developed a work plan to **strengthen poverty-environment statistics** in Bangladesh. The work plan sets a course to pilot the Poverty-Environment Accounts Framework (PEAF) in collaboration with PEI and ESCAP Statistics Division. The PEAF is an adaptation of the System of Environmental-Economic Accounting that can be used to generate information for specific poverty-environment-nexus indicators. Integrated data will better demonstrate the causal relationships between environment and poverty and help in quantifying, monitoring and reporting on these relationships to inform policymaking and investment decisions. Discussions are ongoing about undertaking a forest socioeconomic survey of 12,000 households to assess the value of ecosystem services. Pilot accounts for social forestry have been developed and are currently under review with the Bureau of Statistics. Capacity for undertaking poverty-environment accounting was steadily built through a series of workshops in 2017, which have inculcated greater sensitization within the government to undertake poverty-environment accounts and linking this to the monitoring framework of the 7th FYP and the SDGs.

**In Europe and the Commonwealth of Independent States:**

- The Government of Kyrgyzstan issued a decree to **adopt a matrix of indicators** – an adapted version of the Organisation for Economic Co-operation and Development's (OECD's) Green Growth Indicators – to measure progress towards sustainable development. National experts conducted a detailed analysis of national and sector statistics in line with the OECD's five blocks of green growth indicators, including carbon and energy efficiency, natural assets, environmental
quality of life, economic opportunities and policy responses, and socioeconomic context and characteristics of growth.

In Latin America and the Caribbean:

- PEI pioneered a joint effort with the Dominican Republic aimed at increasing the efficacy of government transfers (conditional and non-conditional) by including elements of vulnerability to extreme environmental events (floods, draughts, etc.). The project worked hand in hand with the institution that evaluates which households qualify for government transfers (SIUBEN) so vulnerability could be part of the criteria for selection and assistance. PEI Latin America and the Caribbean supported the government in implementing pilot surveys to test new indicators before their adoption. This work was combined with support to the planning office to diminish vulnerability of poor groups and to include environmental vulnerability criteria into territorial planning policies. Over time, this joint approach should help families use a higher proportion of conditional and non-conditional transfers to build household capital instead of using these resources to replace capital lost during climate events.

- As noted above, Guatemala elaborated a natural capital ecosystem valuation, analysing different public policy scenarios for the Chiquimulilla Channel. The Chiquimulilla region is a high-biodiversity-value coastal ecosystem with a high incidence of uncontrolled intensive agriculture, an intensive shrimp industry and unsustainable tourism practices which seriously threaten ecosystem sustainability – and thus, the livelihoods of the local population. The study presents a valuation of the ecosystem services these areas contain, going beyond direct economic benefits. The study has been integrated into the Diploma in Planning and Sustainable Land Use in coastal marine areas targeting municipal representatives, supported by the General Planning Directorate, San Carlos University, the Global Environment Facility and PEI.

- Uruguay provided an appropriate setting to build knowledge and experience in the mainstreaming of poverty-environment linkages in urban settings – specifically, in the informal waste collection sector. Most of the poor are found not in the countryside, but in cities. The Government of Uruguay requested specific policy advice in mainstreaming poverty-environment policies, including better coordination of activities and expenditure streams among the National Directorate of the Environment, the Ministry of Social Development and the Office of Planning and Budget. PEI supported local technical teams in developing innovative survey instruments that revealed opportunities for concrete poverty-environment policies. As a result of this intervention, environmental criteria were incorporated into the National Public Investment System, and the budget allocated to policies in the informal waste collection sector increased sixfold.
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

Rationale: The number of countries where government has taken the initiative to integrate poverty-environment objectives into the management of private sector investments, for example:

- Number of national guidelines and tools to manage private sector investment decisions that integrate poverty-environment objectives
- Number of benefit-sharing mechanisms established or improved to share private sector revenues from natural resource extraction for social development and sustainable environmental management
- Number of public-private agreements promoting pro-poor environment, natural resource or climate change management
- Number of governments that have committed to include private sector expenditure in CPEIRs/PEERs

This indicator target was achieved, with 26 guidelines and tools in four countries: Lao PDR, Myanmar, the Philippines and Tanzania.

In Africa:

- In 2018, Tanzania integrated poverty-environment objectives in four regional investment guides targeting the private and public sectors. The investment guides target investors across the value chain with the aim of attracting sustainable investments into the region. The guides highlight the need for investments in poverty-environment actions such as fish cage farming, bee keeping and biogas technologies, informed by the demonstration of the social and environmental benefits from PEI-supported pilot interventions.

In Asia and the Pacific, PEI supported governments in developing a wide range of guidelines and tools to better manage private sector investment decisions which take into account poverty-environment objectives. Achievements include the following:

- A total of 34 national and subnational budgeting and expenditure processes integrate poverty-environment objectives.
- A total of 26 guidelines and tools to manage private sector investment decisions integrate poverty-environment objectives at the national and subnational levels.
- In Lao PDR, investment promotion, screening and monitoring tools were implemented which take into account poverty-environment objectives. A model
Villagers discuss environmental and social safeguards with the visiting delegation of the PEI Donor Steering Committee hosted by the Government of Lao PDR in April 2016. Photo: UNDP-UN Environment PEI Lao PDR.
contract/template for investments in the agriculture, forestry and hotel have been consistently used by the Investment Promotion Department during contract negotiations; and staff have received training on the use of the model contracts.

More broadly, provincial investment strategies are used to conceptualize the needs of the specific province and to identify realistic development goals, the systems and tools necessary to achieve them and to ultimately align these with the National Investment Strategy—which in turn is linked to other plans such as the 8th National Socioeconomic Development Plan (2016–2020). Four provincial investment strategies are being implemented by the Department of Planning and Investment. The Vientiane Provincial Investment Strategy was approved by the provincial governor in December 2017 and implementation has begun.

In Latin America and the Caribbean:

- Peru has mainstreamed gender in its national and municipal waste management plans. Among the indicators included in the plans is the percentage of men and women trained in solid waste management and gender equality. This will indicate progress towards strengthening the capacities of authorities, workers and recyclers regarding continuous improvement of solid waste with a gender approach. PEI also supported elaboration of a guideline to municipalities to mainstream gender into new plans. Public recognition and environmental certifications were identified as good practices in ensuring private sector involvement in municipal recycling programmes.

Outcome 3

| Outcome Indicator 3: Level of integration of pro-poor environmental mainstreaming approach and tools in UNDP, UN Environment and partner strategies and programmes at country, regional and global levels | Target: By end of Phase 2, Level 3 largely attained with evidence of progress towards Level 4 |

Throughout the term of the project, PEI support proved increasingly catalytic in promoting and sustaining poverty-environment mainstreaming efforts across and beyond the countries in which it operated. By the end of Phase 2, PEI had largely attained Level 3 with evidence of progress towards Level 4. Table 2.4 describes the five result levels. Following are highlights of experience in this regard.

Poverty-environment tools have been adopted in United Nations Development Assistance Framework (UNDAFs) in PEI and non-PEI countries. Since PEI inception, poverty-environment objectives have been included in 24 UNDAFs and 24 UNDP Country Programme Documents in targeted countries. PEI has engaged with several UN-supported Mainstreaming, Acceleration and Policy Support (MAPS) missions.

UN guidelines on mainstreaming have incorporated a poverty-environment approach. PEI contributed to the UN’s *Mainstreaming the 2030 Agenda for Sustainable Development Reference Guide to UN Country Teams* (2016). In Tajikistan, UNDP’s Rapid Integrated Assessment tool was applied to assist in mainstreaming SDGs into the national development plan.

UN Environment and UNDP have incorporated poverty-environment mainstreaming tools in at least two thematic programmes.
- PEI Africa has contributed to and informed UN Environment’s gender tools and policy documents, helping to ensure a gender perspective in UN Environment’s broader environmental work. The experiences and research undertaken by PEI Africa are 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 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.


- The UN Environment staff member from Europe and the Commonwealth of Independent States managed jointly by the PEI and PAGE programmes in Kyrgyzstan made important contributions to mainstreaming poverty-environment objectives in national decision-making.

- PEI, in partnership with UN Women and the World Bank, undertook research on the cost of the gender gap in agricultural productivity in three countries (Malawi, Tanzania and Uganda), and then continued the research in two additional countries (Ethiopia and Rwanda) in Africa. The research contributed to a resolution on poverty and environment at the Fourth Session of the United Nations Environment Assembly proposed for adoption in March 2019.

- PEI Europe and the Commonwealth of Independent States partnered with PAGE in Kyrgyzstan and Mongolia. PEI Africa also partnered with PAGE in Burkina Faso and with the UNDP component of the UNDP–UN Environment Joint Green Economy Programme in Kenya and Mozambique.

Regional institutions have piloted poverty-environment mainstreaming in collaboration with PEI.

- In 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.
PEI Nepal won the Global Leadership Prize during the Global South-South Development Expo 2013 hosted by the United Nations Environment Programme in Nairobi. Photo: UNDP–UN Environment PEI.
The Asian Development Bank, as part of its technical assistance project Supporting Implementation of Environment-Related SDGs in Asia and the Pacific, partnered with UNDP and UN Environment to compile tools policymakers and government officials can use to apply an integrated approach to development policies, plans, programmes, budgeting and investment management. The publication, Strengthening the Environmental Dimensions of the Sustainable Development Goals in Asia and the Pacific: Tool Compendium (2019), includes tools developed by PEI.

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. Also, Peru is highlighted as a case study in the 2018 report, Challenges and Strategies for Sustainable Development in Latin America and the Caribbean.


PEI’s approach has been used by other organizations.

PEI has proven to be a useful platform for other regional and global institutions to promote sustainable development and has garnered interest from a substantial number of actors at the local, national, regional and international levels to pilot its integrated approach for SDG implementation. These organizations include the African Institute for Economic Development and Planning, the Association of Southeast Asian Nations (ASEAN), the Centre for International Forestry Research (CIFOR), the Danish International Development Agency (Danida), Ecosystem Services for Poverty Alleviation, the Food and Agriculture Organization of the United Nations (FAO), Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), the Global Environment Facility (GEF), the International Union for Conservation of Nature (IUCN), the Oxford Poverty and Human Development Initiative, the Poverty Environment Partnership, the Swiss Agency for Development and Cooperation, the Swedish International Development Cooperation Agency (Sida), the United Nations Capital Development Fund (UNCDF), the United Nations Department of Economic and Social Affairs (UN DESA), the UN Environment World Conservation Monitoring Centre (UNEP-WCMC), the UK Department for International Development (DFID), UN Women, the United States Agency for International Development (USAID) and Wealth Accounting and the Valuation of Ecosystem Services (WAVES, a World Bank–led partnership).

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 2017, the Environmental Management Group organized, together with PEI, the Nexus Dialogue 2: Poverty and Environment in the Sustainable Development Goals. The Nexus Dialogue technical segment presented the new project Poverty-Environment Action for Sustainable Development Goals and shared relevant lessons from the Initiative’s decade-long experience in promoting integrated approaches to achieving sustainable development in least developed countries and countries with emerging economies in the developing world.

In 2018, PEI co-organized the UN Environment and UN Environmental Management Group Expert Group Meeting on Integrated Approaches to Implementing the 2030 Agenda which was held back-to-back with the High Level Political Forum. By contributing to the High Level Political Forum discussion its depth of experience in the use of an integrated approach, PEI was able to show the relevance of applying such an approach to SDG implementation.

Output 3: Poverty-environment approaches and experiences documented and shared to inform country, regional and global development programming by the United Nations and Member States

In 2018, PEI continued contributing to the uptake of a poverty-environment perspective and the integration of poverty-environment mainstreaming approaches by UN and other actors at the regional and country levels. PEI has contributed to the development of new UNDAFs and Country Programme Documents following adoption of the SDGs, with the Dominican Republic, Kyrgyzstan and Mauritania concluding frameworks during the last year of the project. PEI also contributed new training material to strengthen sustainability and resilience in UN country programming processes in Latin America and the Caribbean. At the country level, PEI’s strategic engagement with Resident Coordinators and UN Country Teams remained strong throughout 2014–2018. Collaborations with global and regional partners were ongoing in 2018 and will continue to deliver benefits in capacity for mainstreaming poverty-environment objectives to target countries.

Output 3.1

<table>
<thead>
<tr>
<th>Output Indicator 3.1: Number of UNDAFs and Country Programme Documents that integrate poverty-environment objectives</th>
<th>Target: PEI contributes to formulation of 47 UNDAFs and Country Programme Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale:</strong> Cumulative number of UN strategic documents that have adopted poverty-environment objectives, activities, targets, tools and approaches. Documents include UNDAFs, UNDP Country Programme Documents and related action plans.</td>
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</tbody>
</table>
Poverty-environment objectives have been integrated in a cumulative total of 48 UNDAFs and Country Programme Documents since the inception of PEI, including 15 UNDAFs and 10 Country Programme Documents in Phase 2.


- In **Asia and the Pacific**, four UNDAFs were mainstreamed under Phase 2 in Bhutan, Indonesia, Lao PDR and Mongolia. Most of the other PEI countries in the region had incorporated poverty-environment elements in their respective UNDAFs in Phase 1 with PEI help. A total of 18 UNDAFs and Country Programme Documents were mainstreamed from 2009 to 2017.


### Output 3.2

**Output Indicator 3.2**: Number of United Nations strategic documents such as United Nations Development Group guidelines and post-2015 debate that reflect PEI inputs  
**Target**: PEI inputs are reflected in 40 United Nations submissions on implementation of post-2015 development decisions  
**Rationale**: Cumulative number of UN strategic documents such as United Nations Development Group guidelines and post-2015 development agenda input documents contributing to the debate that reflect PEI inputs, including at country-level submissions.

Ninety-one strategic and post-2015 debate contributions were documented, including to the African Development Bank Feed Africa Strategy and the Declaration of Panama of the Tenth Ministerial Forum for Social Development in Latin America and the Caribbean.
Thirteen new inputs were reflected in post-2015 decisions and debates during the final project year. The project target was exceeded by 51.

The influence of these strategic interventions often manifest in long-term changes in the orientation of institutions, as seen in the adoption of a resolution or policy which may be expected to orient a future programme of work and funding, e.g. the forthcoming 2019 United Nations Environment Assembly resolution on poverty and environment.

**Global networks.** PEI participated actively and consistently in the PAGE Ministerial Conference, Green Economy Coalition meeting, High Level Political Forum on Sustainable Development and Poverty Environment Partnership meetings to connect with other organizations globally and regionally. These experiences helped the Initiative build broader networks and distribute the valuable knowledge gained through our activities, as well as to learn from our partners.

- **High Level Political Forum on Sustainable Development.** In 2015, PEI hosted two high-level side events at the UN Summit on Sustainable Development in New York. The first, Powered by Inclusive Sustainable Growth: Why and How We Decided to Alter Course, was a round-table discussion hosted by UN Environment, the Government of Germany and UNDP, and was co-organized with PAGE. The second, Scaling Up the Sustainability Ladder: Least Developed Countries and Their Specific Environmental Challenges in Implementing the 2030 Agenda for Sustainable Development, was co-organized with the Government of Belgium.

- In 2016, PEI hosted a side event that shared country experiences of implementing the SDGs on zero poverty, zero net greenhouse gas emissions and zero net loss of natural capital. At the same time, a report by the Poverty Environment Partnership, *Getting to Zero: A New Poverty, Environment and Climate Agenda for the Sustainable Development Goals*, was launched.

- **PAGE and the Green Economy Coalition.** PAGE is another important partner of PEI, which participated in its Ministerial Conference and the Green Economy Coalition Meetings regularly. The Green Economy Coalition is an alliance of civil society organizations which aims to accelerate the transition towards a greener and fairer economy.

In October 2014, PEI provided a well-attended session on social inclusion during the PAGE Academy in Turin, Italy. In November 2015, during the PAGE Academy in Colombia, PEI presented the Spanish version of the *Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development Handbook*.

In 2016, PAGE hosted a special event at the second United Nations Environment Assembly, at which PEI participated, together with the Green Growth Knowledge
Platform, UN-REDD, and the 10 Year Framework of Programmes for Global Action on Sustainable Consumption and Production Patterns.

In 2017, PEI hosted an inclusive growth session on Migration, Environmental Sustainability and Action for Inclusive Green Growth: Addressing the Drivers of Migration through Sustainable Development, Climate Resilience and Inclusive Growth at the PAGE Ministerial Conference. This interactive dialogue highlighted the importance of poverty-environment mainstreaming in debates over human rights and migration. It also introduced successful policies and programmes that have begun to transform economies in ways that open opportunities to the poor and marginalized communities most at risk from climate, disaster and conflict-induced stress.

Collaboration with PAGE and the Green Economy Coalition has led to strengthening of the social inclusion dimension in international debate and in the work of both organizations.

- **Poverty-Environment Partnership.** PEI’s participation in the Poverty Environment Partnership allowed for the exchange of experiences between government representatives and practitioners and led to important new partnerships.

In 2018, PEI hosted the Poverty-Environment Partnership meeting in Nairobi, Kenya on the topic of Investment and Finance Impacting Ecosystems: Links to Poverty, Gender, Climate and Sustainability, during which government representatives from ministries of finance exchanged experiences on budgeting and investments.

- **PEI demonstrated a widening Influence in the global debate in 2018.** Also in 2018, PEI participated in the inter-agency expert group meeting in support of the Third UN Decade for the Eradication of Poverty (2018–2027). We presented the links between environment and poverty eradication based on the experience of PEI and UN Environment’s wider work, especially TEEB, The Economics of Ecosystems and Biodiversity. PEI’s active engagement contributed to the development of the system-wide plan of action for the Third UN Decade for the Eradication of Poverty adopted by the General Assembly at its 73rd session.¹

- PEI presented its experience and lessons learned to the OECD Development Assistance Committee peer learning meeting in Paris in October, and European Commission DEVCO experts workshop on climate programmes in Brussels in February 2018.

**Championing the human rights-based approach and equity.** PEI promoted the human rights-based approach and equity in sustainable development through technical assistance, awareness-raising and capacity building. In 2014, PEI participated in the work group that developed the UN Environment’s Environmental, Social and Economic Sustainability Framework. In 2015 and 2016, PEI provided direct training to UN Environment staff in Bahrain, Bangkok, Geneva, Paris and Nairobi on the environmental, social and economic safeguards, including a stakeholder grievance procedure, incorporated in the Sustainability Framework. PEI partnered with SwedBio/Stockholm Resilience Centre, the International Development Law Organization and Natural Justice on a peer-to-peer forum on tools and strategies for implementing a human rights–based approach to the environment in Nairobi in November 2017.

- **Global Environmental Outlook 6.** PEI, serving as an advisor to the Global Environment Outlook co-chair, contributed to the establishment of the Equity Dimension Authors Team. The Initiative joined three sessions of the authors of *Global Environmental Outlook 6* (forthcoming in 2019) in Istanbul, Turkey, Guangzhou, China and Singapore during 2017 and 2018 and helped guide development of the equity cross-cutting theme in the Outlook report. PEI’s experience with safeguarding community interests in natural resource management was incorporated into the Equity Case Study: Strengthening Foreign Direct Investment Management and Social and Environmental Safeguards in Lao PDR in the land management chapter of report.

- The UN System Chief Executives Board (CEB) adopted the “Statement of Commitment: Putting the Imperative to Combat Inequalities and Discrimination at the Forefront of UN Efforts to Support Implementation of the 2030 Agenda for Sustainable Development” in April 2014. PEI contributed to the UN Environment Discussion Paper “Human Rights and Equity through Environmental Sustainability for the Post 2015 Agenda in 2015” and to the CEB progress report on system-wide implementation of the “Shared UN System Framework for Action on Leaving No One Behind: Equality and Non-Discrimination at the Heart of Sustainable Development.” The progress report noted that UN Environment had provided tools and examples on inclusion in PEI.

**Support to MAPS.** In both Mali and Tanzania PEI teams have engaged with the MAPS for localisation of the SDGs. As part of this framework, the PEI Tanzania team made a presentation to members of the parliamentary committee on environment and natural resources, trade and industry focusing on the integrated approach of the SDGs to environmental, social and economic sustainability and the role of the parliament and the government in implementing and monitoring all aspects of the SDGs. The presentation was complemented by PEI Tanzania’s wider support on SDG monitoring as detailed in Output 1.3. In Mali, the PEI team prepared briefing materials based on PEI studies to inform the UNDP MAPS mission and participated in two technical working sessions on SDG integration that took place in the reporting period.
At the country level:

- **PEI Africa** secured almost $10 million in co-financing from UNDP TRAC for implementation of PEI project documents. Four new UNDP Country Programme Documents (**Burkina Faso**, **Mauritania**, **Mozambique** and **Tanzania**) included a focus on environmental sustainability for poverty reduction in the period 2014–2018.

PEI Africa has influenced **three regional and global policy decisions** to include poverty-environment linkages. These include the African Ministerial Conference on the Environment (AMCEN) Decision Africa’s Engagement in the Fourth Session of the United Nations Environment Assembly of the United Nations Environment Programme, 2018, the AMCEN/16/L.4: Libreville Declaration on Investing in Innovative Environmental Solutions, 2017, and Resolution A/HRC/RES/38/4 – Human Rights and Climate Change (see **Box 2.3**).

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**Box 2.3 PEI Africa influences regional and global policies**

Humans Rights Council Resolution A/HRC/RES/38/4 – Human Rights and Climate Change – and its corresponding report (A/HRC/39/34) were adopted on 5 July 2018. The resolution 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 in both rural and urban areas to respond to the adverse impacts of climate change. PEI Africa informed the resolution by presenting work by PEI and UN Women 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).

African Ministerial Conference on the Environment (AMCEN) Decision 5 on Africa’s Engagement in the Fourth Session of the United Nations Environment Assembly of the United Nations Environment Programme, 2018, requests the African Group to include issues of common interest to Africa in the United Nations Environment Assembly 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.”

APEI Africa’s analytic work on gender, energy and climate linkages helped inform African Ministers of Environment in formulating their 2017 Libreville Declaration on Investing in Innovative Environmental Solutions. This is a 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.
The African Development Bank used the PEI Africa, UN Women and World Bank study on the cost of the gender gap as the basis for a global dialogue aiming to inform the Bank’s Feed Africa Strategy in 2017 (Box 2.4). In Malawi $16 million was mobilized from the World Bank, the Government of China and civil society organizations to implement inclusive and sustainable fisheries practices which PEI helped to get included in the 2016 national fisheries and aquaculture policy. Moreover, the World Bank used PEI Malawi economic assessments on poverty-environment linkages to inform the World Bank’s Country Environmental Analysis.

The quantitative research on the cost of the gender gap in agricultural productivity spurred a demand at the country level in Malawi, Tanzania and Uganda to further explore the drivers behind the gender gap in agricultural productivity through qualitative research. The follow-up work attracted co-financing from UN Women regional and country teams of around $113,900 and $20,000 from the UN Environment Gender Unit. In addition, FAO Kenya is, together with UN Women, replicating the studies and have invested an additional $30,000. The qualitative reports were launched in late 2018.

In Asia and the Pacific, PEI Asia-Pacific Compendium of Mainstreaming Tools and Approaches for SDGs (2017) provides a comprehensive overview of the diverse range of mainstreaming tools and approaches initiated and developed through PEI’s long-term country engagement in the region. The compendium seeks to

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**Box 2.4 Gender and agriculture**

PEI, in partnership with UN Women and the World Bank, undertook research on the cost of the gender gap in agricultural productivity in five countries in Africa. The research provides a unique quantification of the costs in terms of lost growth opportunities and an estimate of what societies, economies and communities would gain were these gender gaps addressed. Due to gender gaps in the sector, adverse environmental and climatic conditions such as climatic variations disproportionately increase the challenges faced by women and other marginalized farmers.

The research in Ethiopia, Malawi, Rwanda, Tanzania and Uganda found that the agricultural productivity gap varied in these five countries between 11.7 and 28.0 per cent of total output. If this gap were closed in these five countries, an estimated 3.86 million people would be lifted out of poverty.

The research has been presented in national and international forums, such as the Committee of Food Security (Rome, 2015), the African Economic Conference (Addis Ababa, 2017), and the Intersessional Expert Meeting on the full enjoyment of human rights by all women and girls (Geneva, 2017) to generate policy discussions and changes on the role of women in sustainable agriculture.
meet the requests of country and development partners for practical insights on how to apply integrated approaches in development planning, budgeting and investment management systems, including the challenges and lessons learned. The compendium also seeks to highlight how these tools and approaches can help countries operationalize an integrated approach in planning, financing and monitoring in support of the SDGs. The compendium was developed through a consultative process with PEI country teams.

PEI was highlighted at the 6th ASEAN–UN Summit held 12 November 2014 in Nay Pyi Taw, Myanmar. The meeting was chaired by U Thein Sein, president of Myanmar, and attended by the ASEAN heads of state/government and Ban Ki-moon, UN Secretary-General. Le Luong Minh, Secretary-General of ASEAN, was also in attendance.

In his statement at the summit, the president of Myanmar spoke of the cooperation between the UN and ASEAN to address climate change through the Poverty-Environment Initiative, stating: “The Summit reiterated the urgency to step up cooperation between the UN and ASEAN in addressing climate change through, promoting, among others, the Poverty and Environment Initiative, implementing the 10 Year Framework of Programme on Sustainable Consumption and Production, and implementing multilateral environmental agreements, including the UN Framework Convention on Climate Change, the Convention on Biological Diversity, the Montreal Protocol, and the regional seas conventions and action plans.”

PEI, in partnership with the UNDP Extractive Industries Team, hosted a South-South exchange and Training Workshop in October 2015 that brought together representatives from 12 countries in the region to share knowledge, practical tools and experiences to meet the rising challenges that extractive industries pose today. Participants shared knowledge and best practices on environmental and social impact mitigation, management of revenues, creation of jobs and livelihoods, development of local content and governance, and human rights issues in the extractives sector.

- In Europe and the Commonwealth of Independent States, the Gender Equality and Sustainable Development for Transformative Change Conference in November 2015 at the American University of Central Asia in Bishkek focused on Agenda 2030. The conference was jointly organized by PEI in the Kyrgyz Republic, UN Women and the American University of Central Asia. The agenda included issues on the relationship between economic growth, social development, environment and the empowerment of women.

Roza Otunbayeva, the former president of Kyrgyzstan and the founder of the Public Foundation Initiative of Roza Otunbayeva, stated, “The world's scientists and experts have established a relationship of gender equality and sustainable
development between a wide range of areas such as energy, health, education, food security, climate change, human rights, consumption, production patterns and urbanization. Years of development of different countries, sectors and regions show how women, having equal access and equal opportunity for control over resources, are able to not only improve the lives of individuals, families and peoples, but also to help ensure the sustainability of the environment.

- In Latin America and the Caribbean, the Guatemalan experience was presented during the Environment Management Group Nexus Dialogue: Poverty and Environment, an activity hosted alongside the High Level Political Forum 2017. The SEGEPLAN has been leading institutionalization of poverty-environment approaches and tools within the national planning methodology and processes, including those related to the SDGs. The event was broadcast internationally and shared in the media.

Output 3.3

<table>
<thead>
<tr>
<th>Output Indicator 3.3: Number of PEI knowledge products shared with regional and global networks</th>
<th>Target: 65 products are shared and feedback from users is positive</th>
</tr>
</thead>
</table>

**Rationale:** Publications, launch events, web-based platforms/knowledge communities, e-Library entries (i.e. country-level studies, guidance documents and fact sheets) are classified as “knowledge products” – as well as capacity-building/training and awareness-raising events and meetings that make use of PEI knowledge products.

In 2018, 18 new knowledge products were logged, including several which summarize major results from Phase 2. Five regional papers on integrated socio-environmental policy tools were published in 2018. The cumulative total of 451 knowledge products exceeded the target of 65 by 386.

**PEI Handbook.** One of PEI’s most influential publications is *Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development—A Handbook to Strengthen Planning and Budgeting Processes* published in 2015. Over the years, this publication has been expanded and built on to become a more powerful tool. Designed as guidance for policymakers and practitioners to transform institutions through mainstreaming pro-poor environment objectives into planning, budgeting and monitoring processes, the handbook is based on PEI’s experience across 28 countries over the last 10 years.

The second edition of the flagship publication was launched officially at the 20th Poverty-Environment Partnership meeting in Edinburgh in May 2015. Regional launches of the handbook followed in Kigali and New York. The New York launch – highlighting PEI’s successful work in integrating pro-poor environmental sustainability objectives
into national, subnational and sectoral development policies, plans and budgets—was at a side event to the 2015 Sustainable Development Summit during the UN General Assembly, thus demonstrating the strong connection between PEI work and the new UN development agenda.

In November 2017, the handbook was released as an online interactive version which can be used for capacity development trainings; it includes an index as well as activities and further reading materials to deepen reader understanding of the topic. The advantages of this were demonstrated during a regional capacity development training on finance and budget, organized in cooperation with the UNDP Regional Hub in Istanbul, in 2017.

In April 2018, the Arabic version of the handbook was presented at the Arab Forum for Sustainable Development on Natural Resources, Future Generations and the Common Good in Beirut.

Today, the handbook is available in Arabic, English, French, Russian and Spanish, to increase the global reach of the lessons learned. The outstanding work done by the second phase of PEI builds largely on the tools described in the handbook, and broadening our reach through knowledge sharing has become easier than ever through this widely used publication.

The *Compendium of Poverty-Environment-Climate Mainstreaming Tools, Experiences and Results* (2018) was presented by PEI to the Poverty Environment Partnership and then distributed to the Initiative’s regional teams. As a living document, it will complement the online *Interactive Handbook on Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development* (2017) when the new Poverty-Environment Action website is launched in 2019.

**2018 publications released and disseminated.** All PEI regions, as well as the global facility, released additional publications in 2018 that will extend our legacy. Globally, our publication *Reaping the Harvest* summarized our 2017 achievements and actions and introduces the successor of the Initiative, Poverty-Environment Action for Sustainable Development Goals. The brochure, *Poverty-Environment Action for Sustainable Development Goals*, was published and distributed to the OECD Development Assistance Committee peer learning meeting in Paris, and European Commission DEVCO experts workshop on climate programmes in Brussels in October 2018.

- In Africa, *Gender, Energy and Policy: A Review of Energy Policies in East and Southern Africa* (2017, disseminated in 2018) was published. This paper reviews the integration of gender objectives in energy policies in East and Southern Africa, considering data from 15 of the 22 countries in the region. Gender-responsive energy policy assesses gender gaps, identifies actions to close them and promotes women’s engagement in the energy sector, including in decision-making processes.
Shitaye Temam of the Poverty-Environment Facility displays the PEI handbook’s Arabic, English, French, Russian and Spanish translations during the Third United Nations Environment Assembly, 4–6 December 2017, Nairobi. Photo: UNDP–UN Environment PEI.
In Europe and the Commonwealth of Independent States, PEI Kyrgyzstan published *Poverty, Environment and Gender: A Teacher’s Handbook* (2018). This handbook addresses the poverty-environment-gender nexus, with case studies by PEI and full lesson plans for graduate studies. Additionally, a gender teaching toolkit for secondary students was released in Russian.

PEI Tajikistan released an extensive report on the country’s System of Environmental Accounting of the water sector in the form of a situation analysis and roadmap. The document provides a wide-ranging overview of the region’s water sector and can be used as a framework for future public environmental expenditure reviews.

Building an Inclusive and Climate-resilient Future: An Integrated Approach to Pro-poor Sustainable Development (2017) was published by PEI Tajikistan and became a useful resource for practitioners and policymakers alike, based on lessons learned in Europe and the Commonwealth of Independent States.

In Latin America and the Caribbean, PEI published the report *Vulnerability to Climate Hazards Index (IVACC): Lessons Learned and Systemization of the Design Process* (Índice de Vulnerabilidad ante Choques Climáticos Lecciones Aprendidas y Sistematización del Proceso y Aplicación del IVACC en República Dominicana) in 2018. The study was prepared between 2014 and 2017, and aims to integrate links between poverty, the environment and climate change adaptation into development processes and social protection strategies; to reduce the level of vulnerability among poor rural households; and to increase their resilience to climate hazards such as tropical storms, droughts and floods.

The region released two publications concerning Environmental Variables in Multidimensional Poverty Measurement—A Practical Guide with Examples (2018), available in English and Spanish, and an interactive online training, available in Spanish only. These publications aim to distribute practical knowledge about the application of the MPI internationally and to share lessons learned. There are nine countries in Latin America and the Caribbean that have developed a national MPI, putting the region at the forefront of development of multidimensional poverty measurement systems. In view of the growing regional interest in sustainable development, the PEI team prepared the guide with the aim of analysing the different experiences. The document also provides a methodological contribution, in the form of guidelines outlining a path for other countries to develop their own MPIs that integrate environmental factors, or for revising their methodologies.

The Latin America and the Caribbean region elaborated an analysis of the gender approach applied to integrated solid waste management in Peru. The publication extracts the lessons learned from public planning processes and the application of the gender approach, as well as defining concrete proposals to
guide and improve the work of the institutions involved – recycling associations and private companies, among others.

PEI Latin America and the Caribbean Regional Programme contributed in 2017 a strategic document, "Articulating Social and Environmental Policy for Sustainable Development: Practical Options in Latin America and the Caribbean," and presented it at the first meeting of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development in Mexico City (26–28 April 2017). The report presents cases of integration and complementarity between public policies on social protection and environmental sustainability.

This year, final publications on PEI lessons learned became available. The PEI Latin America and the Caribbean Regional Programme published a compendium of the different tools developed by PEI in the region and identifies the lessons learned during the period.

**Output 3.4**

<table>
<thead>
<tr>
<th>Output Indicator 3.4: Number of references to poverty-environment approaches and tools in United Nations and other development agency strategies/plans</th>
<th>Target: 108 references and citations are documented</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rationale:</strong> Cumulative number of references to poverty-environment approaches and tools promoted by PEI or the wider poverty-environment community of practitioners in UN and other development agencies, including through their strategies or plans.</td>
<td></td>
</tr>
</tbody>
</table>

The number of references to PEI publications or citations to poverty-environment approaches and tools increased to 382 during the final year of the project. Forty-four references (and 15 further citations in 2018 alone) were recorded, exceeding the target by 274. Included among the 2018 references were the following:

- The **UN Environment** publication *Environmental Law Making and Oversight for Sustainable Development: A Guide for Legislators* (Milligan and Mehra, 2018) cites PEI among the entities for “guiding and oversight of government decision-making.”

- The **International Institute for Environment and Development** (IIED) publication *Ecosystems, Poverty Alleviation and Conditional Transfers* (Porras and Asquith, 2018) draws lessons from experiences which have achieved scale by moving beyond pilots or projects into established programmes. Successful conditional transfers/payments for ecosystem services schemes exhibit a series of enabling conditions: high-level political support, sustainable financing streams, lean institutional set-ups, tools and systems for effective implementation, and a clear ability to demonstrate impact. The **2015 PEI Handbook** is cited among useful toolkits available for payments for ecosystem services and poverty.
The UNICEF 2017 research paper “Linking Social Protection with Disaster Risk Management and Climate Change Adaptation Strategies with a Focus on Children in Latin America” analyses seven case studies in Latin America of the linkages between social policy and resilient development efforts, with a special focus on the rights of children from the region. One of the tools analysed in the paper is the Dominican Republic’s Vulnerability to Climate Hazards Index.
Artisanal mining, as practiced in Burkina Faso and elsewhere, raises issues of environmental sustainability and sustainable livelihoods. Photo: World Bank.
lessons

integrated approaches to poverty-environment mainstreaming for sustainable development
Over the past decade, PEI has pioneered integrated approaches to poverty-environment mainstreaming in national, sectoral and subnational development planning and implementation—first in support of national efforts to achieve the Millennium Development Goals, and now as a model for the integrated approaches needed to implement the 2030 Agenda and the SDGs.

This section presents an overview of the substantial and continually evolving body of lessons from the poverty-environment mainstreaming experience PEI has generated across diverse regional and country contexts and in response to a range of policy, institutional and political economy challenges. The next and concluding section of the report takes a forward-looking perspective on the implications of these lessons and challenges for the successor to PEI—Poverty-Environment Action for Sustainable Development Goals (2018–2022).

**Poverty-environment mainstreaming: an evolving concept**

**Lesson 1: The concept of poverty-environment mainstreaming has evolved and broadened over time.** PEI’s conception of and approach to poverty-environment mainstreaming has evolved in three significant ways:

- PEI implementation experience has progressively revealed that mainstreaming poverty-environment objectives into the core development policies and activities of government is much more than a technical exercise. Rather, it is a complex and demanding process of policy and institutional change requiring a programmatic approach which can take up to 15–20 years to fully achieve. Addressing development and environment challenges and their linkages requires working across government at national and sectoral levels, and becomes more demanding as progress is made and the focus shifts to subnational and local levels.

- PEI initially focused primarily on integrating environmental and natural resource sustainability into national, sector and subnational planning and budget processes. As PEI evolved, there was growing recognition of the need for a broader and more balanced approach to mainstreaming which gives equal emphasis to the multiple dimensions of poverty and environment, implying a sharper focus on poverty,

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equity and gender concerns. This is reflected in the growing number of activities and targeted studies and assessments which have clearly demonstrated how improved environmental sustainability can reduce poverty and advance gender equality in multidimensional terms.

- The PEI focus on climate has grown in recognition of the strong interlinkages with the poverty-environment nexus and the broader sustainable development agenda— in terms of both the growing negative impacts of climate change on the environment and the poor, and the potential for synergies and “win-win” solutions which benefit the environment, climate and the poor.

**Supporting integrated approaches to poverty-environment mainstreaming**

**Challenge: Mainstreaming poverty-environment objectives in key national, sectoral and subnational policy and planning frameworks and enhancing their coherence**

**Lesson 2: Develop an in-depth understanding of the institutional context for poverty-environment mainstreaming.** Institutional assessment is a critical tool for developing a shared understanding of the institutional context and priority capacity development needs for poverty-environment mainstreaming. Analysis of the institutional context can identify critical gaps in horizontal and vertical policy, planning and budget coherence. It can also provide a common basis for identifying strategic entry points in the design of poverty-environment mainstreaming interventions at national, sectoral and subnational levels. However, a common weakness of institutional assessments to date is they have not sufficiently addressed political economy issues— for example, analysis of potential “winners” and “losers” with respect to poverty-environment objectives and actions, or of vested interests that pose a challenge to poverty-environment mainstreaming efforts.

**Lesson 3: Integrated evidence is important in making the case for poverty-environment mainstreaming and to reflect the views and experiences of poor and marginalized groups in policy- and decision-making.** Generating robust evidence of the economic, social and environmental benefits and costs of poverty-environment linkages for poor and marginalized groups is essential to making a strong case for poverty-environment mainstreaming, building political commitment and ownership of the process, and convincing decision-makers to commit the resources needed to address poverty-environment challenges. To support more evidence-based, integrated and inclusive policymaking, planning and implementation, evidence needs to be credible (sources and methods), integrated (clearly demonstrating poverty-environment linkages), disaggregated (by income, gender and other key characteristics), strategically targeted (policy relevant, addressing national and sectoral goals and targets) and accessible (user friendly).
Some tools that have proven effective in generating integrated evidence for better policy- and decision-making include integrated ecosystem assessment, poverty-environment mapping, strategic environmental and social assessment, gender analysis, and environment and climate public expenditure reviews (see Lesson 10). However, as mainstreaming progress is made at the national level and the focus shifts to deeper mainstreaming efforts at the sector and subnational levels, more detailed and targeted economic, social and environmental evidence and appropriate analytic and assessment tools are needed, combined with technical and capacity-building support.

**Lesson 4: Poverty-environment mainstreaming cannot be effective without addressing policy coherence challenges.** Lack of policy coherence within and between national, sectoral and subnational policy and planning processes limits the potential catalytic effect of poverty-environment mainstreaming and creates barriers to implementing poverty-environment actions. National development plans set the framework and priorities for sector and district-level planning and budget processes. However, the inclusion of poverty-environment objectives in national development policies and plans does not automatically lead to their integration across key sectors (horizontal policy coherence), or down to the subnational and local levels (vertical policy coherence) where national development and sector policies and plans are turned into action and change can happen. PEI has had to provide substantive support to specific sector and district processes to ensure that poverty-environment objectives in the national plan were also reflected in sector and district strategies. Substantive engagement in many sectors, districts or provinces went beyond PEI staff and financial resources. Engaging in a small number of strategic sectors and pilot districts, and seeking to integrate poverty-environment objectives more broadly through inclusion in central government guidelines for sectors and subnational entities, has proved to be the most realistic and effective option.

**Lesson 5: Work through existing government planning, budgeting and institutional coordination mechanisms and build government ownership of the mainstreaming process.** Integrating poverty-environment objectives into core national policy and planning frameworks—national visions, development plans, sustainable development strategies, etc.—requires working with and through the ministry of planning or finance given its central policymaking and coordinating role. This includes targeting existing planning, budgeting and institutional coordination mechanisms as entry points for integrating poverty-environment tools into the mainstream machinery of government, and supporting an integrated cross-sectoral approach. Creating parallel processes or mechanisms outside existing national systems is to be avoided. A one-off technical assistance intervention is unlikely to generate adequate results, compared with multi-year technical assistance. Thus, a key recommendation followed in the design of the new Poverty-Environment Action is to identify relevant large UNDP or UN Environment projects at the country level and support these. Institutionalizing these tools in the machinery of government, combined with systematic capacity building in their
application, is the most effective approach and can help overcome barriers related to high staff turnover and political changes.

**Lesson 6: Strengthen capacities of ministries of environment to engage in poverty-environment mainstreaming.** Earlier poverty-environment mainstreaming efforts tended to focus on ministries of environment, which often are weak and function largely outside the central corridors of government power. While the focus has shifted to planning and finance as the lead institutions, it remains important to strengthen the analytic and policy capacity of ministries of environment to address poverty-environment issues both within their own mandates and by engaging with planning, finance and key sector ministries. This approach can accelerate and strengthen the integration of sustainability objectives in national development and sectoral planning and budgeting as well as strengthen the environment sector itself.

**Lesson 7: An effective starting point for mainstreaming efforts at the sector and subnational levels is to target national policy directives and guidelines for sector and subnational planning and related coordination and accountability mechanisms.** For a relatively small project like PEI, an effective way to influence adoption of an integrated approach in sector and subnational planning is to work through ministries of finance and planning and integrate poverty-environment objectives into the policy directives and guidelines they issue for preparing sector and subnational strategies, annual plans and budgets. Once such objectives are integrated in sector and subnational plans, existing coordination and accountability mechanisms are used to incentivize and monitor implementation – for example, through sector performance reviews and staff performance contracts.

**Lesson 8: More in-depth and sector-specific data collection and analysis, targeted technical and capacity-building support, and joint approaches with other development partners are needed to deepen mainstreaming efforts at the sector and subnational levels.** A substantially greater investment of time and resources is required, and for a project like PEI implies focusing support on a few key sectors (such as agriculture, forestry, fisheries, mining or energy) and pilot districts to have a meaningful impact. While each sector has its own processes, this typically requires participating in sector working groups and preparing or contributing to key sector policy, strategy and planning documents. This, in turn, requires greater investment in gathering evidence demonstrating how poverty-environment linkages affect a sector’s goals and targets – and, importantly, the objectives of other sectors which can galvanize cross-sector support to address poverty-environment challenges. Another effective strategy is to work with sector environmental focal points and build their capacity to help integrate environmental and natural resource sustainability into sector policies, plans and budgets.

Work at subnational levels needs to be carefully designed and should include capacity building. Institutional context analysis that identifies current vertical and horizontal
policy and budget coherence gaps, trickle-down barriers and actions to address these is needed to inform the design of interventions. Comprehensive capacity-building packages are needed for district planning and budget officers across sectors to enable them to adopted integrated approaches to district development planning and to prepare quality investment proposals.

Improving coordination and pursuing joint approaches with other relevant UN agencies such as FAO or UN Women – and with bilateral and multilateral donors – enables a mainstreaming project like PEI to overcome capacity and resource constraints and achieve greater reach and impact in working at the sector and, in particular, subnational levels.

Challenge: Linking poverty-environment policies and priorities to budgeting and public expenditure

Lesson 9: Practical tools are available to more effectively link and track pro-poor environmental and climate policy priorities within existing budget processes. Linking environmental and climate policy objectives and priorities to the budget is a critical component of poverty-environment mainstreaming – ensuring that environment and climate strategies are prioritized and costed, and providing benchmarks to help monitor budget allocation and expenditure (including proportional and total increases/decreases) and to measure performance. In many countries, the coordination and monitoring mechanisms are inadequate to ensure coherence between national development policies and plans and national, sectoral and subnational budget and expenditure processes. This requires coordination by finance and planning ministries with technical input from environment and other relevant sector ministries.

Simple and practical tools such as budget guidelines, sector budget checklists and budget codes (often referred to as budget tagging), along with relevant and timely technical support over a sustained period, can facilitate the integration of poverty-environment objectives into budgeting and expenditure frameworks. The inclusion of pro-poor environmental and climate objectives in budget call circulars and guidelines and sector budget checklists can help ensure that budget allocations are in line with national and sector policy objectives. Environment and climate budget coding can help improve tracking of both budget allocations and actual expenditures, and thereby make more transparent any discrepancies between the two and help justify the need for higher investments. Once a time series is built up, budget codes can help improve the efficiency of expenditure allocation between national, sectoral and subnational levels and to different institutions and projects (in line with their environmental performance). This will require substantial capacity building among staff responsible for budget preparation and of sector environment units/focal points so they can identify and correctly assign environment and climate budget codes.
**Lesson 10: Public expenditure reviews can provide critical information on environment and climate expenditure patterns and implications for achieving poverty-environment objectives.** Periodic public reviews of environment and climate change expenditure are potentially powerful tools for improving the evidence base on how and where (and sometimes how equitably) public funds are used. Review findings often reveal the inadequacy of funding in relation to the importance of environmental assets or climate change threats to national development objectives. Although public expenditure reviews have tended to focus more on the quantity of expenditure rather than the quality, they are an important tool in advocating for and better targeting increased budget allocations, enabling better alignment of budgets and expenditures with national environment and climate policy priorities and targets, and helping set a baseline against which future expenditures can be measured and monitored.

While the budget process is led by finance and planning ministries, public expenditure reviews demonstrate the need to work with local government, social protection, infrastructure and other line ministries responsible for key expenditure areas in relation to poverty-environment objectives. However, as these periodic reviews can be time-consuming and costly and generally are not institutionalized, a high priority should remain on improving budget tracking through the introduction of environment and climate budget codes.

There are no clear methodologies for analysing and assessing whether and in what ways increased public environment and climate expenditure has led to improved poverty and environmental outcomes across sectors, including with respect to gender equality. The work PEI is doing with regard to including environmental aspects into multidimensional poverty indices may be a step in the right direction (see Lesson 13).

**Challenge: Mobilizing and aligning private sector investment in support of poverty, environment and climate objectives**

**Lesson 11: Aligning private sector investment with poverty-environment objectives requires an approach that targets strategic entry points in a country’s investment management system and/or focuses on private investment in priority poverty-environment sectors.** Private sector investment needs to be a key contributor to achieving poverty-environment objectives and is an emerging area of focus for PEI. It must take into account the scale and diversity of the private sector – ranging from micro-, small and medium-sized enterprises to large international firms. Influencing private sector investment has two primary objectives: (i) effective management and regulation of investments in order to minimize adverse impacts on the environment and local communities and (ii) incentivizing the private sector to invest in activities which support poverty-environment objectives. Experience to date has been primarily in Asia, with several PEI-supported countries having successfully applied a variety of poverty-environment mainstreaming approaches and tools – noted below – to improve investment management processes and decision-making:
● Integrating pro-poor environmental and social sustainability criteria and guidelines into the system for investment proposal screening and appraisal

● Guidelines on safeguards and quality investments, including guidelines on environmental and social impact assessment and initial environmental examination processes, environmental and social standards/safeguards

● Legal templates for investment project agreements which incorporate poverty-environment considerations

● Investment tracking tools and web-based database tools to improve transparency of the approval process and support investment monitoring and compliance with environmental and social policies, laws and regulations

● Annual investment reporting templates for key sectors such as agriculture, hydropower and mining

Environmental fiscal reform offers an entry point for incentivizing private sector investments in support of poverty-environment objectives, together with other measures and tools to improve transparency in the management and distribution of natural resource revenues in a manner which helps reduce poverty and improve environmental sustainability.

Government initiatives to improve investment standards in specific sectors provide another opportunity to align private sector investment with poverty-environment objectives.

Challenge: Integrating poverty-environment linkages into national, sectoral and subnational monitoring and reporting systems to better inform development policy, planning and implementation

Lesson 12: Strengthening poverty-environment monitoring and measurement in national monitoring systems is one of the most powerful tools to help drive poverty-environment mainstreaming, and is essential to continually improve and sustain mainstreaming efforts over the longer term. Better monitoring and availability of high-quality, timely and reliable data (disaggregated by income, gender and other key characteristics in national contexts) enables policymakers to demonstrate the impact of interventions, share lessons learned, adapt policies as needed, and more effectively guide budget and resource allocation. Improving poverty-environment monitoring and measurement requires long-term engagement with the entire monitoring and reporting cycle – from data collection and synthesis to more integrated analysis and reporting.

A strategic entry point for PEI support – and a prerequisite for incorporating poverty-environment concerns in the framework of the national monitoring system – has been
identifying and monitoring poverty-environment indicators, from indicator selection and validation to systematic data collection and integrated analysis. Poverty-environment indicators need to capture the multidimensional nature of both poverty and environment, support better understanding of the interplay between environmental factors and dimensions of poverty, help track the dynamics of poverty at the local and household levels, and provide the basis for quantifying and reporting on poverty-environment impacts. Ideally, poverty-environment indicators should be developed as part of the monitoring framework for national development plans and relevant sector strategies.

Other means for improving poverty-environment data collection and analysis within the framework of the national monitoring system include (i) poverty assessments—in particular the use of participatory poverty assessment approaches and tools—carried out periodically to support the monitoring system and to inform development strategies, policies and plans; (ii) household surveys, which are the primary means for collecting data on poverty and living standards; (iii) poverty mapping and other geo-spatial tools; and (iv) multidimensional poverty measurement and indices (see Lesson 13).

Supporting development of a more comprehensive national monitoring system requires institutional capacity development involving the national statistics office and delegated agencies responsible for data collection and analysis. This includes the need for strengthened technical capacity and improved coordination and management of data collection and analysis activities, in particular cross-sector analysis and reporting. However, strengthening data collection systems and capacities is a major undertaking and well beyond PEI capacity and resources, underlining the need to form partnerships with much larger actors such as the multilateral development banks and bilateral donors to have a meaningful impact.

Lesson 13: The growing use of multidimensional poverty measurement provides a key entry point for generating the kind of integrated economic, social and environmental data and analysis needed to demonstrate the links between poverty and environment and help drive mainstreaming. Integrating poverty-environment objectives into development policy, budget and investment frameworks requires tools and analysis which integrate environment, economic and poverty data. Household surveys are the primary means for collecting poverty-related data, but they are focused on a limited range of socioeconomic factors, in particular income and consumption measurements. PEI and its partners have been testing the use of new approaches and tools to strengthen the poverty side of poverty-environment mainstreaming and to help meet the need for disaggregated data on poverty-environment linkages. Initial country-level experience integrating environment and natural resource sustainability into multidimensional poverty measurements has shown potential, but continued development and testing of appropriate and practical methodologies is needed.
The relationship between environmental vulnerability and poverty is illustrated in María Trinidad Sánchez Province, Dominican Republic. Photo: Mario Peiró, UNDP–UN Environment PEI LAC.
way forward

the 2030 Agenda and the SDGs: meeting the implementation challenge
The 2030 Agenda and the Sustainable Development Goals provide a comprehensive, integrated and ambitious global agenda for economic, social and environmental change with poverty eradication at the centre. To accelerate progress towards achieving the SDGs, countries face an enormous implementation challenge in finding and applying integrated solutions to overcoming poverty, ensuring environmental sustainability and tackling climate change – as well as mobilizing and effectively targeting much greater levels of finance and investment.

This final PEI progress report presents many promising examples from around the world of applying integrated approaches to address the multidimensional linkages between environmental sustainability and poverty eradication. Nevertheless, investment in environmental sustainability to help combat poverty continues to lag behind and often remains siloed from the mainstream of national development. As environmental degradation and the impacts of climate change continue to worsen across the globe, with the poorest segments of the population bearing the greatest burden, the case for poverty-environment mainstreaming is as strong as ever – as is the need for the kind of integrated approaches and practical tools championed by PEI to help meet the SDG implementation challenge.

In response, UNDP and UN Environment are launching the successor to the Poverty-Environment Initiative: Poverty-Environment Action for the Sustainable Development Goals.

**Poverty-Environment Action pathways for scaling up integrated approaches to national SDG implementation**

Building on the PEI legacy, Poverty-Environment Action is strongly positioned to help improve and accelerate national SDG implementation processes by continuing to support and scale up integrated approaches to mainstreaming poverty-environment linkages, including related climate concerns. In particular, Poverty-Environment Action will focus on helping countries create an enabling policy, regulatory and institutional framework for aligning public and private finance and investment with national poverty-environment and related climate objectives for achieving the SDGs.

Poverty-Environment Action will implement this new focus through a two-pronged strategy of deepening and broadening support to countries, in particular least developed countries in Africa and Asia:
Tegegnework Gettu, UNDP Associate Administrator, and Erik Solheim, Executive Director of UN Environment, at the Third United Nations Environment Assembly, 5 December 2017, Nairobi. Photo: UNDP–UN Environment PEI.
Deepen mainstreaming efforts to address the implementation gap by integrating poverty-environment and climate objectives into development planning, budgeting and monitoring systems and—in line with the new focus of Poverty-Environment Action—into public and private finance and investment frameworks and management systems.

Broaden the dissemination and use of integrated poverty-environment and climate mainstreaming approaches and tools beyond the targeted country projects, including through stepped-up efforts in knowledge management and South-South knowledge transfer and cooperation, targeted technical assistance to selected countries, and proactive engagement with key global and regional actors supporting national SDG implementation processes.

Through this two-pronged strategy, and drawing on PEI lessons and results, Poverty-Environment Action will pursue six key pathways to accelerate and scale up poverty-environment and climate mainstreaming, finance and investment for the SDGs.

1. **Generating more and better integrated economic, social and environmental evidence** on the multidimensional benefits and costs of addressing poverty, environment and climate linkages to achieve national goals and targets linked to the SDGs. In particular, Poverty-Environment Action will continue to support integration of environmental sustainability into multidimensional poverty measurement and other poverty and gender diagnostics, and generating more detailed and sector-specific economic and social evidence to make the case for shifting public and private finance and investment towards implementation of poverty-environment and climate objectives—and to ensure policies and investment include and better target poor and marginalized groups. These efforts will be complemented by a stronger focus on strategic dissemination, communication and engagement to broaden awareness and accelerate the use of integrated evidence.

2. **Supporting horizontally and vertically integrated approaches** to mainstreaming poverty-environment and climate objectives into national, sectoral and subnational development policy, planning and budgeting with a focus on influencing public and private finance and investment flows. This includes continued strengthening of institutional coordination mechanisms and greater use of integrated approaches and tools to break down institutional silos and improve policy coherence and implementation. The new programme will continue to work with ministries of planning and finance given their central coordinating roles, with ministries of environment and other key sector ministries, and with subnational and local governments.

3. **Mobilizing adequate finance and investment** to implement poverty-environment and climate objectives. This includes continued work on ensuring adequate and targeted financial allocations through government budgets, and tracking
actual public investments, through tools such as public environment and climate expenditure reviews and budget codes. Other areas of focus include mobilizing private sector finance through environmental fiscal reform and other incentive measures, more effectively combining public development finance and private finance (“blended” finance), integrating poverty-environment and climate objectives into management systems for private and foreign direct investment, and expanding access to international funding (in line with national priorities) through global and national environment and climate funds and new sustainable investment instruments such as public or private green bonds. In all these areas, Poverty-Environment Action will work to ensure that finance and investment—in particular private finance and investment—is socially inclusive, is environmentally sustainable and reaches the local level where change happens.

4. **Broadening metrics and monitoring and reporting systems** to better capture poverty-environment and climate linkages and trends, and to monitor progress towards poverty-environment and climate objectives, including in relation to national SDG targets and indicators. This requires more focused support for monitoring poverty-environment indicators— including selection and validation of indicators, systematic data collection and integrated analysis. More broadly, Poverty-Environment Action will build on earlier work supporting the application of “beyond GDP” measurements, such as multidimensional poverty indices and ecosystem accounting methodologies, that provide a more holistic view of economic, social and environmental performance.

5. **Supporting the participation and empowerment of local communities and marginalized groups, particularly marginalized women**, to enhance their role in policy- and decision-making and to catalyse bottom-up change. This cuts across all four of the pathways above. Poverty-Environment Action will undertake a more rigorous and systematic approach to integrating gender and rights-based approaches in poverty-environment and climate mainstreaming processes and to monitoring related progress and outcomes. This means a greater focus on addressing issues such as land and natural resource rights; and ensuring that rights-based principles such as participation, transparency and accountability are being applied in policymaking, planning and investment.

6. **Strengthening strategic partnerships and improving country-, regional- and global-level coordination and collaboration** to avoid duplication of effort, maximize opportunities for synergy and to scale up impact and—importantly—help sustain poverty-environment and climate mainstreaming results. At the country level, this will include strengthening links with civil society and the private sector, more systematic and strategic engagement in government-UN-donor programming frameworks and coordination mechanisms, and partnering with in-country donors to mobilize additional financing to help governments scale up action to achieve poverty-environment and climate objectives. At the regional level,
Poverty-Environment Action will work through the UNDP and UN Environment regional centres to strengthen collaboration and coordination with the UN regional commissions, and to seek a closer partnership with the regional development banks. At the global level, Poverty-Environment Action will strengthen existing partnerships, starting with the UN Environment-led Partnership for Action on Green Economy (PAGE) and the UNDP-led Biodiversity Finance Initiative (BIOFIN); seek new strategic partnerships and collaborations with other key development actors and initiatives within and outside the UN system; and engage with new development finance and investment frameworks (such as the new European Union external investment plan) to ensure they include poverty-environment and climate linkages and objectives. Lastly, Poverty-Environment Action will continue to engage with key global networks such as the Poverty-Environment Partnership and the Green Economy Coalition, in particular, to continue supporting the participation of developing country partners and to facilitate sharing of country-level experiences.

**Conclusion**

In pursuing these six pathways to accelerate and scale up poverty-environment and climate mainstreaming, finance and investment in support of SDG implementation, Poverty-Environment Action will continue to strengthen partnerships with member states, within the UN system and with donors, building on the PEI foundation of lessons and results.
With many thanks to our partners

European Union

Norwegian Ministry of Foreign Affairs

Spanish Ministry of Foreign Affairs and Cooperation

Swedish International Development Cooperation Agency

UK Department for International Development

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