

# Looking Back, Looking Ahead

**Lessons on Integrated Approaches  
to Sustainable Development from the  
Poverty-Environment Initiative  
2005–2018**



Looking Back,  
Looking Ahead

**Lessons on Integrated Approaches  
to Sustainable Development from the  
Poverty-Environment Initiative  
2005–2018**

First edition. Published 2019.

© 2019 United Nations Development Programme–United Nations Environment Programme (UNDP-UNEP)  
Produced by UNDP-UNEP Poverty-Environment Action for Sustainable Development Goals

The authors would like to acknowledge all Poverty-Environment Initiative colleagues at the country, regional and global levels for their valuable contributions to this report.

*Author:* Peter Hazlewood, under the guidance of the Poverty-Environment Action Co-Managers Isabell Kempf and Anne Juepner

*Design and layout:* Nita Congress

All dollars referred to in this publication are US\$, unless otherwise specified.

This publication may be reproduced in whole or in part and in any form for educational or non-profit purposes without special permission from the copyright holder provided acknowledgement of the source is made. The UNDP-UNEP Poverty-Environment Action Unit would appreciate receiving a copy of any publication that uses this publication as a source. No use of this publication may be made for resale or for any other commercial purpose whatsoever without prior permission in writing from UNDP and UNEP.

The views expressed in this publication are those of the author and do not necessarily reflect the views of UNDP and UNEP. The designation of geographical entities in this report, and the presentation of the material herein, does not imply the expression of any opinion whatsoever on the part of the publisher or the participating organizations concerning the legal status of any country, territory or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

While reasonable efforts have been made to ensure that the contents of this publication are factually correct and properly referenced, UNDP and UNEP do not accept responsibility for the accuracy or completeness of the contents and shall not be liable for any loss or damage that may be occasioned directly or indirectly through the use of, or reliance on, the contents of this publication, including its translation into languages other than English.

**T**he 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs)—together with the landmark Paris Agreement on climate change—unite economic, social and environmental concerns in a comprehensive and integrated global agenda for transformative change, with poverty eradication at the centre. However, environmental sustainability concerns continue to lag behind and often are siloed in national efforts to overcome poverty and 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 linking poverty reduction with environmental sustainability in national development is stronger than ever.

From 2005 to 2018, the Poverty-Environment Initiative (PEI) of the United Nations Development Programme–United Nations Environment Programme (UNDP-UNEP) supported countries in Africa, Asia, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean to mainstream poverty-environment objectives into their development planning and implementation frameworks—initially in support of the Millennium Development Goals and now to help achieve the SDGs. As countries struggle to translate the ambition and integrated nature of the SDGs into their own national development contexts—including the need to mobilize, align and effectively target much greater levels of public and private investment for their achievement—it is timely to synthesize PEI’s extensive country-level experience in applying integrated approaches and tools to more coherently and effectively address poverty and environmental sustainability concerns.

This report captures lessons learned through PEI experience over its 13 years of existence and is divided into three main sections:

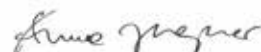
- **Overview: PEI 2005–2018** briefly reviews PEI’s conceptual and programmatic approach to poverty-environment mainstreaming
- **Looking Back** synthesizes 10 lessons learned and good practice from PEI country-level experience in mainstreaming poverty-environment objectives into national, sectoral and subnational development planning, implementation and monitoring systems and processes

About  
This  
Report

- **Looking Ahead** provides a snapshot of how the integrated approaches, tools and lessons from PEI experience can be leveraged to help strengthen and accelerate national SDG implementation, including through the successor to PEI, the new joint UNDP-UNEP programme Poverty-Environment Action for Sustainable Development Goals 2018–2022.

This report follows the recent release of PEI’s final global progress report *Reward and Renewal*. To access this and other PEI knowledge products on poverty-environment mainstreaming, we encourage you to visit [www.unpei.org](http://www.unpei.org).

We would like to thank all PEI countries, donors and other partners for their collaboration and support, and look forward to continuing to work in partnership to advance Poverty-Environment Action for Sustainable Development Goals.



Anne Juepner  
United Nations Development  
Programme



Isabell Kempf  
United Nations Environment  
Programme

Co-Managers, Poverty-Environment Action

**Note:** In this report “poverty-environment” refers to environmental and natural resource sustainability and climate resilience in relation to poverty eradication and the transition to an inclusive green economy.

This section provides an overview of the Poverty-Environment Initiative—a global programme jointly implemented by the United Nations Development Programme and the United Nations Environment Programme from 2005 to 2018—and its approach to poverty-environment mainstreaming. PEI’s overall aim was to bring about transformative change within the institutions of government and governance by re-orienting thinking and practice among decision-makers on the role of the environment and natural resources in tackling poverty and inequality, supporting the transition to an inclusive and climate-resilient green economy, and thereby accelerating sustainable development (see [illustration](#) next page of PEI’s transformative trajectory).

### Linking poverty eradication and environmental sustainability

As a leading example of UN system collaboration, PEI has pioneered the application of integrated approaches and tools for linking poverty eradication and environmental and natural resource sustainability objectives in national development planning and implementation (see [definitions of key concepts](#) on page 3). These approaches initially supported national efforts to meet the Millennium Development Goals, and are now a model for the kind of integrated approaches needed to implement the 2030 Agenda for Sustainable Development, including the SDGs and related global goals and targets under the UN Framework Convention on Climate Change Paris Agreement, the UN Convention on Biological Diversity and the UN Convention on Desertification.

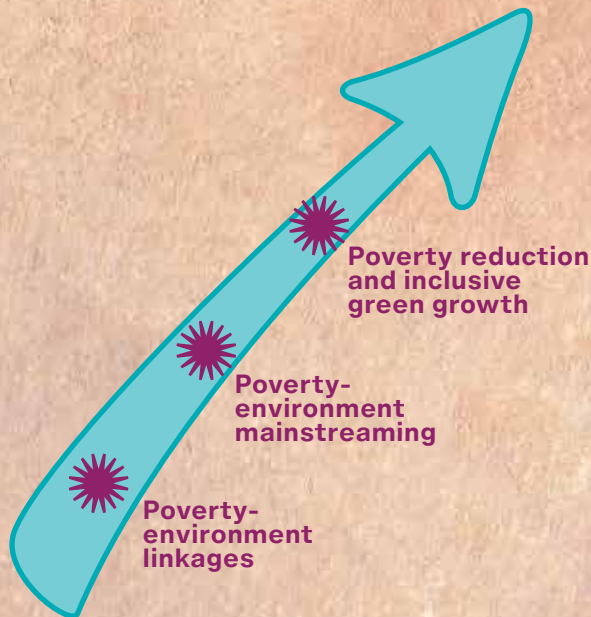
PEI’s conception of and approach to poverty-environment mainstreaming evolved in several significant ways. First, PEI implementation experience progressively revealed that country-led efforts to mainstream poverty-environment objectives are much more than a technical exercise. Rather, such **mainstreaming is a complex process of policy and institutional change** that relies on a programmatic approach working across government at the national and sectoral levels; it becomes still more demanding as progress is made and the focus shifts to the subnational level.

Second, there was growing recognition of the **need to more fully reflect the multiple poverty and equity dimensions of poverty-environment linkages**. This led to expanding support for applying multidimensional approaches to diagnosing poverty and measuring wealth; a stronger



PEI transformative trajectory

ACCELERATING SUSTAINABLE DEVELOPMENT



NATIONAL DEVELOPMENT CONTEXT

focus on addressing gender equality as a core poverty-environment concern; and, more broadly, incorporating a rights-based approach in poverty-environment mainstreaming efforts.

A third change was PEI's **growing focus on climate concerns** in recognition of the strong interlinkages with the poverty-environment nexus and the broader sustainable development agenda. This applied both in terms of the growing negative impacts of climate change on the environment and the poor, and the potential for synergies and “win-win” solutions that enhance environmental and natural resource sustainability, mitigate and strengthen resilience to climate change, and reduce poverty.

### PEI's integrated approach to poverty-environment mainstreaming

Effectively integrating poverty-environment objectives into a country's development planning, implementation and monitoring systems presents enormous challenges. Meeting these requires more horizontally and vertically integrated policies, institutions, capacities and ways of working. Responding to this complexity and the country-specific nature of poverty-environment mainstreaming, PEI developed and evolved a highly flexible programmatic approach offering practitioners a broad choice of activities, tactics, methodologies and tools to be tailored to specific country contexts.

PEI's programmatic approach comprised three core areas of mainstreaming activity; these are more fully detailed in the PEI 2015 flagship publication *Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development: A Handbook to Strengthen Planning and Budgeting Processes* and [illustrated](#) on the next page:

- **Making the case and finding the entry points**, which sets the stage for mainstreaming by engaging in stakeholder dialogue, mobilizing evidence on poverty-environment linkages, and assessing the institutional and political context
- **Mainstreaming into national planning, budgeting and monitoring processes**, which focuses on creating the policy framework and enabling conditions for implementing poverty-environment objectives at sector and subnational levels, and strengthening monitoring and reporting



## Key concepts in poverty-environment mainstreaming

**Poverty-environment linkages.** The multidimensional ways in which environmental conditions (including climate change) and access to environmental assets (natural resources; healthy ecosystems and ecosystem services) affect the well-being of poor and marginalized groups—particularly women and indigenous peoples—and their opportunities for a better and more secure life.

**Poverty-environment objectives.** Improving environmental and natural resource sustainability, adaptation and resilience to climate change impacts, and equitable access to environmental assets and benefits among poor and marginalized groups to reduce (multidimensional) poverty, improve equity and advance gender equality, and promote inclusive green growth.

**Poverty-environment mainstreaming.** A sustained iterative process of institutional change to integrate poverty-environment objectives into development planning, implementation and monitoring processes at national, sector and subnational levels—a multi-year, multi-stakeholder effort involving government, non-government and development actors.

**Integrated approaches and tools.** Processes and methods to assess poverty-environment linkages, mainstream poverty-environment objectives, and more effectively leverage synergies and manage trade-offs to enhance poverty-environment outcomes across the economic, social and environmental dimensions of sustainable development—and across national, sector and subnational levels.

- **Mainstreaming into sectoral and subnational planning and budgeting, monitoring and private investment**, which involves operationalizing poverty-environment objectives at sector and subnational levels

These components are not necessarily sequential; rather, they are implemented pragmatically and iteratively according to the national context. Underlying each is the need for wide stakeholder engagement, strengthened institutional capacities and effective coordination mechanisms to support more participatory and integrated approaches for achieving sustainable development.

3

PEI programmatic approach



# Looking Back

This section presents 10 overarching lessons from PEI experience in supporting a programmatic approach to poverty-environment mainstreaming across a diversity of national contexts, and in response to a range of policy, institutional and political economy challenges. PEI mainstreaming support to countries was delivered at three levels—country, regional and global:

- **Sustained support to country**-led poverty-environment mainstreaming programmes, together with more limited and targeted technical assistance support to other countries
- Joint UNDP-UNEP **regional support** programmes and communities of practice on poverty-environment mainstreaming
- **Global knowledge** products, services and knowledge exchange on poverty-environment mainstreaming

As described in the previous section, poverty-environment mainstreaming is a complex and context-specific process of policy and institutional change. It depends on country partner commitment, priorities and capacity. There are no standard recipes or quick fixes, and success requires a sustained commitment to an adaptive management approach—learning from and building on what does, or does not, work well.

The focus here is on **country-level lessons from applying proven approaches and tools** for integrating pro-poor environmental and natural resource sustainability objectives into the core development systems of government at national, sector and subnational levels and building capacity to ensure policy coherence. Based on the PEI programmatic approach, lessons are grouped into four interlinked dimensions of poverty-environment mainstreaming:

- **Integrating poverty-environment objectives in the national planning system**, encompassing national, sector and subnational policy and planning frameworks and coordination mechanisms—including early-stage activities on finding the entry points and making the case

- **Integrating poverty-environment objectives in the national financing system**, encompassing national, sector and subnational budgeting, financing and investment frameworks
- **Integrating poverty-environment objectives in the national monitoring system**, encompassing national, sector and subnational monitoring, evaluation and reporting frameworks
- **Cross-cutting issues in poverty-environment mainstreaming**, including promoting gender equality, integrating a rights-based approach and strategic communications

This synthesis of PEI lessons is based on a review of the PEI knowledge products, progress reports and evaluations listed in the References section at the end of this report. In particular, it draws on the PEI final global progress report *Reward and Renewal* and regional reviews for Africa, Asia and the Pacific, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean carried out during the final phase of PEI operations.

5

# Ten country lessons

## **NATIONAL PLANNING SYSTEM**

- 1 Making the poverty-environment mainstreaming case and identifying strategic entry points**
- 2 Integrating poverty-environment objectives in national planning frameworks**
- 3 Integrating poverty-environment objectives in sector and subnational planning**

## **NATIONAL FINANCING SYSTEM**

- 4 Aligning budgeting and public expenditure with poverty-environment objectives**
- 5 Aligning private sector investment with poverty-environment objectives**

## **NATIONAL MONITORING SYSTEM**

- 6 Improving integrated poverty-environment data and analysis**
- 7 Applying multidimensional poverty measurement**

## **CROSS-CUTTING ISSUES**

- 8 Promoting gender equality and women's empowerment**
- 9 Integrating a rights-based approach**
- 10 Facilitating change through strategic communications**

# Integrating poverty- environment objectives in the **national planning system**

A programmatic approach to poverty-environment mainstreaming needs to focus initially on integrating poverty-environment objectives into the national planning system—e.g. national, sector and subnational policy and planning processes and coordination mechanisms—as this provides the framework and enabling conditions for deeper mainstreaming efforts and implementation.

Common challenges include:

- Making the case for poverty-environment linkages as a priority development concern
- Raising awareness, mobilizing political commitment and setting poverty-environment objectives and targets
- Identifying strategic entry points and priority capacity development needs for mainstreaming poverty-environment objectives and targets
- Enhancing horizontal and vertical policy and institutional coherence for their implementation

**G**enerating robust evidence (see [illustration](#) next page) of the economic, social and environmental benefits and costs of poverty-environment linkages for poor and marginalized groups—and pro-actively communicating this evidence to decision-makers and the public (see [Lesson 10](#))—is essential in (i) making a strong case for poverty-environment mainstreaming; (ii) informing national debates on poverty, growth and development; and (iii) building political commitment and ownership of the mainstreaming process, and convincing decision-makers to commit the resources needed to address poverty-environment challenges.

In laying the groundwork for poverty-environment mainstreaming, initial poverty-environment assessment efforts should focus on collecting, synthesizing and packaging for decision-makers evidence from existing data sources that contributes to identifying and understanding the poor and their dependence on the environment and natural resources, including their vulnerability to climate risks. This evidence needs to be generated at the macro, sector and household levels, and should include the costs of environmental degradation and the benefits of investing in environmental sustainability—including analysis of local solutions with potential for replication and up-scaling. Some examples of key data sources include the following (see also [Lesson 6](#) and [Lesson 7](#)):

- National poverty monitoring data and analysis through the national household budget survey (or equivalent, and other relevant surveys such as agriculture sector surveys), the national census, participatory poverty assessments, multidimensional poverty assessments and other related data collection instruments
- Emerging efforts in a number of countries to incorporate natural capital/ ecosystem services accounting in national economic accounts (“beyond GDP” measurements)
- “State of Environment” reports and sector analyses such as agriculture and forest sector reviews
- Economic studies that demonstrate the development benefits of sustainable management of the environment and natural resources, including gender aspects
- Climate vulnerability and adaptation assessments

7

Lesson 1

**Making the poverty-environment mainstreaming case and identifying strategic entry points**

**A programmatic approach to poverty-environment mainstreaming in any country setting requires assembling and effectively communicating integrated evidence on the nature and scope of poverty-environment issues and how they are linked to priority development concerns, as well as a thorough understanding of the institutional and political economy context for mainstreaming.**

# Attributes of robust evidence

## Evidence needs to be:



**Credible**—in terms of sources and methods



**Integrated**—clearly demonstrating the economic, social and environmental dimensions of poverty-environment linkages and how they interact



**Disaggregated**—by income, gender and other key variables



**Strategically targeted**—policy relevant, addressing national and sectoral goals and targets



**Accessible**—user-friendly

## NATIONAL PLANNING SYSTEM

Often, it will be necessary to carry out additional poverty-environment assessment work to fill key data gaps and develop a more robust case. This includes the use of participatory approaches and methods for evidence gathering to more fully reflect the views and experiences of poor and marginalized groups in understanding poverty-environment linkages and setting poverty-environment objectives. However, these preliminary efforts should remain relatively limited in scope, depth and time frame to achieve the short-term objective of making the case and raising awareness; they can be supplemented by more in-depth analyses and assessments as part of the mainstreaming process.

Preliminary assessments to understand poverty-environment linkages must be complemented by institutional assessment to develop a shared understanding of the wider institutional, stakeholder and political context for poverty-environment mainstreaming at the national, sector and subnational levels. Analysis of the institutional context can inform the design of poverty-environment mainstreaming interventions by:

- Identifying critical gaps and barriers in policy, planning, budgeting and monitoring processes
- Assessing the presence and effectiveness of horizontal and vertical coordination mechanisms
- Identifying priority issues, strategic entry points and priority capacity development needs

A common weakness of institutional assessments to date is that they have made insufficient use of political economy analysis tools to identify poverty-environment mainstreaming drivers, opportunities and barriers—for example, analysis of potential “winners” and “losers” and the incentives/disincentives of key decision-makers in the political system with respect to implementing poverty-environment objectives.

Integrating poverty-environment objectives into core national policy and planning frameworks—such as national visions, national development plans, national sustainable development strategies—requires the leadership of the ministry of planning and/or finance given their central policymaking and coordinating role. This includes targeting existing planning 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 should be avoided. Institutionalizing these tools in the machinery of government, along with systematic capacity building in their application, can help overcome barriers related to high staff turnover and political changes. Ongoing skills development and monitoring can be integrated into staff and departmental performance management to help ensure capacity is sustained over time.

Lack of policy coherence within and between national, sectoral and subnational policy and planning processes limits the potential catalytic effect of mainstreaming and creates barriers to achieving poverty-environment objectives. National development plans set the framework and priorities for sector and subnational planning and budget processes. But just including poverty-environment objectives in national 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 implementation occurs. A well-established central coordinating mechanism with strong leadership and substantive support to specific sector and subnational processes are typically needed to ensure that poverty-environment objectives in the national plan are reflected in sector and subnational strategies (see [Lesson 3](#)).

Earlier poverty-environment mainstreaming efforts tended to focus on ministries of environment, which are often weak and function largely outside the centre of government power. While the emphasis has shifted to planning and finance as lead institutions, it is still important to strengthen the analytic and policy capacity of the environment ministry to address poverty-environment issues both within its own mandate 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—and strengthen the environment sector itself.

9

Lesson 2

## Integrating poverty-environment objectives in national planning frameworks

**Efforts to integrate poverty-environment objectives into national planning frameworks—and subsequently to deepen mainstreaming at sector and subnational levels and sustain mainstreaming results—cannot be effective without addressing policy and institutional coherence challenges. This takes central leadership and commitment, effective institutional coordination mechanisms, and ongoing capacity development to ensure uptake, implementation and further development of integrated policy and planning approaches and tools.**

# Lesson 3

## Integrating poverty-environment objectives in sector and subnational planning

**Mainstreaming efforts at sector and subnational levels can begin by targeting national policy directives and guidelines for sector and subnational planning and related coordination and accountability mechanisms. Deepening these mainstreaming efforts requires more in-depth and sector-specific data collection and analysis, targeted technical and capacity-building support to sector and subnational planning processes, and joint approaches with other development partners.**

## NATIONAL PLANNING SYSTEM

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 and budget 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 can be used to incentivize and monitor implementation—e.g. through sector performance reviews and staff performance contracts.

As progress is made at the national level and the focus shifts to deeper sector and subnational mainstreaming efforts and implementation, more detailed and targeted economic, social and environmental evidence is needed, along with appropriate analytic and assessment tools and technical and capacity-building support. Substantive engagement across multiple sectors and subnational entities is challenging and can be very resource intensive. Engaging in a small number of strategic sectors and pilot districts has proved to be a realistic and effective option. Attention should be focused on sector-specific policies and interventions—as in agriculture, forestry, fisheries or energy—that strongly influence the poor’s (particularly women’s) access to environmental assets, income-earning opportunities and markets. This typically requires participating in sector working groups and contributing to key sector policy, strategy and planning documents. Greater investment should be expended in gathering evidence on how poverty-environment linkages affect a sector’s goals and targets, as well as those of *other* sectors, which can galvanize cross-sector support in addressing poverty-environment challenges. Another effective strategy is to work with sector environmental focal points and build their capacity to integrate environmental and natural resource sustainability into sector policies, plans and budgets.

Work at subnational levels needs to be carefully designed, starting with institutional context analysis (see [Lesson 1](#)) to identify vertical and horizontal policy and budget coherence gaps and actions to address these. Comprehensive capacity-building packages are needed for district planning and budget officers across sectors to enable them to adopt integrated approaches to district development planning and to prepare quality investment proposals.

In working at sector and, especially, subnational levels, improving coordination and pursuing joint approaches with government and development partners can help overcome capacity and resource constraints and achieve greater reach and impact.



Implementing poverty-environment objectives starts with the national financing system and influencing the allocation of public and private resources. The national financing system comprises national, sector and subnational budgeting processes including budget planning and formulation, budget execution and implementation, and budget monitoring and accountability, together with public and private financing instruments and investment management frameworks—providing multiple entry points for poverty-environment mainstreaming.

Common challenges include:

- Linking poverty-environment objectives to national, sectoral and subnational budgeting, public expenditure processes and financing instruments
- Weak planning-budgeting coordination mechanisms, and the predominance of siloed sector-based approaches to budgeting
- The need for better performance tracking to improve the overall effectiveness of public resource use for poverty reduction and environmental sustainability
- Aligning and incentivizing private sector investment in support of poverty-environment objectives

# Integrating poverty- environment objectives in the **national financing system**

# Lesson 4

## Aligning budgeting and public expenditure with poverty-environment objectives

**Practical tools are available to more effectively link and track pro-poor environmental and climate policy priorities within existing budget and public expenditure processes. Public expenditure reviews can provide critical information on environment and climate expenditure patterns and implications for achieving poverty-environment objectives.**

## NATIONAL FINANCING SYSTEM

Linking poverty-environment policy objectives and priorities to the budget is a critical component of poverty-environment mainstreaming. It ensures that pro-poor environment and climate strategies are prioritized and costed, and provides benchmarks to help monitor budget allocation and expenditure (both proportional and total increases/decreases) and to measure performance. Many countries lack the coordination and monitoring mechanisms needed to ensure coherence between national development policies and plans and national, sectoral and subnational budget and expenditure processes, and to monitor the impacts of different types of finance. Overcoming this obstacle requires coordination by finance and planning ministries, with technical input from environment and other relevant sector ministries and the national statistics office.

Two sets of tools have emerged as particularly effective in influencing budget allocations and expenditure—the use of **budget checklists, sector budget call circulars and guidance, and budget codes** (or budget tagging), and **public environment and climate expenditure reviews** of various types. These tools have been used to:

- Help establish a baseline for environment and climate budget allocations and expenditure
- Assess budget allocations in relation to poverty-environment and climate policy and planning priorities
- Identify significant gaps between budget allocations and actual expenditure
- Improve the overall efficiency, transparency and accountability of budgeting and expenditure processes

Budget guidelines, sector budget checklists and budget codes, along with relevant, timely and sustained technical support, can facilitate the integration of poverty-environment objectives into budgeting and expenditure frameworks—particularly medium-term expenditure frameworks, a multi-year budget planning and preparation process commonly used by countries to link expenditure allocations to government policy priorities. 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 any discrepancies between the two more transparent 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 of staff responsible for budget preparation and of sector environmental units/focal points, so they can identify and correctly assign environment and climate budget codes.

Periodic public reviews of the financial management systems, institutional arrangements and policy directives for environment and climate change budget allocations and expenditure are a powerful tool for improving the evidence base on how and where (and sometimes how equitably) public funds are used. Public expenditure review findings often reveal the inadequacy of funding in relation to the importance of environmental assets or the threats posed by climate change to national development objectives. Although these reviews have tended to focus more on the quantity of expenditure than the quality, they are a useful tool in advocating for and better targeting increased budget allocations; in enabling better alignment of budgets and expenditures with national environment and climate policy priorities and targets; and in helping set a baseline against which future expenditures can be measured and monitored. They also can serve to strengthen ties between the ministries of finance/planning and environment.

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 expenditure areas key to poverty-environment objectives. Because these periodic reviews can be time-consuming and costly and generally are not institutionalized, improving budget tracking through the introduction of environment and climate budget codes should continue to be a high priority.

The impact of different financing flows should be monitored to assess whether and in what ways increased public environment and climate expenditure is socially inclusive, has enhanced local access and control, and has led to improved poverty and environmental outcomes (see [illustration](#)). Ongoing efforts to incorporate environmental aspects into multidimensional poverty indices may be useful in this regard (see [Lesson 7](#)).

Monitoring financing flows



# Lesson 5

## Aligning private sector investment with poverty-environment objectives

**Given the scale and diversity of the private sector—which ranges from micro, small and medium-sized enterprises to large international firms—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.**

## NATIONAL FINANCING SYSTEM

Private sector investment needs to be a key contributor to achieving poverty-environment objectives and was an emerging area of focus for PEI. Influencing private sector investment has two primary objectives: (i) effective management and regulation of investments to minimize adverse impacts on the environment and local communities, and (ii) incentivizing the private sector to invest in activities supporting poverty-environment objectives. PEI experience mostly focused on the first objective, primarily in Asia, with several PEI-supported countries successfully applying a variety of approaches and tools to improve investment management processes and decision-making. Tools and techniques used included:

- Integrating pro-poor environmental and social sustainability criteria and guidelines into the system for investment proposal screening, appraisal and approval
- Guidelines on safeguards and quality investments, such as for environmental and social impact assessment and initial environmental examination processes, and environmental and social standards/safeguards
- Investment tracking tools and web-based database tools to improve the transparency of the approval process and to 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 investment in support of poverty-environment objectives, together with other measures and tools to improve transparency in the management and distribution of natural resource revenues so as to help reduce poverty and improve environmental sustainability.

Strengthening poverty-environment monitoring and measurement in national monitoring systems—e.g. national, sectoral and subnational frameworks and processes for data collection, synthesis, analysis and reporting—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.

Common challenges related to strengthening the national monitoring system include the following:

- Data gaps on who and where the poor are and on the multiple dimensions of poverty, combined with often weak environmental monitoring
- Weak or absent indicators for monitoring and measuring poverty-environment linkages and tracking progress toward poverty-environment objectives
- Weak data collection and analysis capacities

## Integrating poverty- environment objectives in the **national monitoring system**

# Lesson 6

## Improving poverty-environment data and analysis

**Long-term engagement with the national statistics office and agencies responsible for data provision is needed throughout the monitoring and reporting cycle. Integrating poverty-environment objectives into the national monitoring system to improve the availability of high-quality, timely and reliable data serves several critical functions, including (i) better understanding of the multidimensional significance of poverty-environment linkages and how they can be measured; and (ii) improved understanding of poverty-environment mainstreaming quality, effectiveness and impact to better inform development policy and planning and guide budget and resource allocation.**

## NATIONAL MONITORING SYSTEM

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 prerequisite for incorporating poverty-environment concerns in the framework of the national monitoring system—and a strategic entry point for PEI support—has been identifying and validating poverty-environment indicators. Such 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, from the household/local level to the national level; help track and assess progress against poverty-environment objectives; 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 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) the growing use of multidimensional poverty measurement and indices (see [Lesson 7](#)).

Supporting the development of a more comprehensive national monitoring system requires institutional capacity development for the national statistics office and delegated agencies responsible for data collection and analysis. This includes the need for strengthened technical capacity and improved coordination of data collection and analysis activities, particularly cross-sector analysis and reporting. Because strengthening data collection systems and capacities is a major undertaking, partnerships and joint efforts with larger actors such as the multilateral development banks and bilateral donors are needed for meaningful impact.

Integrating poverty-environment objectives into development planning and implementation 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 remain focused on a limited range of socioeconomic factors, notably income and consumption measurements.

PEI and its partners have begun testing ways to integrate environmental and natural resource sustainability into new approaches and tools for multidimensional poverty measurement such as the Multidimensional Poverty Index. Initial country-level experience has shown the potential for strengthening the poverty side of poverty-environment mainstreaming, and for generating the kind of disaggregated data needed to more effectively monitor poverty-environment linkages and progress toward poverty-environment objectives. Continued development and testing of practical methodologies is needed to demonstrate proof-of-concept and to scale up application.

Lesson 7

## Multidimensional poverty measurement

**Multidimensional poverty measurement is 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 poverty-environment mainstreaming.**

# Cross-cutting issues in poverty- environment mainstreaming

The three cross-cutting issues highlighted here are integral to PEI's programmatic approach and to enhancing the effectiveness and sustainable development impact of poverty-environment mainstreaming efforts:

- Promoting gender equality and women's empowerment
- Integrating a rights-based approach
- Achieving change through strategic communications



There is a substantial body of evidence on the importance of gender equality and women's agency to overcoming poverty, boosting economic growth and contributing to broader development outcomes. PEI's programmatic approach to poverty-environment mainstreaming provides a useful framework not only for taking into account the significant linkages between poverty, environment and gender concerns in development planning and implementation, but also for advancing gender mainstreaming and women's empowerment more broadly.

Integrating gender into poverty-environment mainstreaming needs to start at the initial stage of making the case and finding the entry points. Existing gender analysis approaches and tools (such as gender gap analysis) can be applied in gathering economic, social and environmental evidence on poverty-environment linkages and in assessing the policy and institutional context for poverty-environment mainstreaming (see [Lesson 1](#)). Targeted studies, including the use of participatory research methods, can be undertaken in cases where there are critical data gaps, particularly for gender-disaggregated data. Building on this work, other gender mainstreaming tools can be incorporated in efforts to integrate poverty-environment objectives into the national planning system (gender mainstreaming guidelines and checklists), the national financing system (gender-responsive budgeting and auditing, including gender in public environmental expenditure reviews) and the national monitoring system (gender-sensitive poverty-environment indicators).

Lesson 8

## Promoting gender equality and women's empowerment

**Gender equality concerns are an essential component of a multidimensional approach to understanding poverty-environment linkages; defining and mainstreaming poverty-environment objectives in national planning, financing and monitoring systems; and ultimately improving poverty-environment outcomes.**

# Lesson 9

## **Integrating a rights-based approach**

**Integrating a rights-based approach enhances the multidimensional focus, inclusiveness and effectiveness of poverty-environment mainstreaming, and the potential for improving poverty reduction and environmental sustainability outcomes.**

### CROSS-CUTTING ISSUES

Integrating a rights-based approach can strengthen poverty-environment mainstreaming in several significant ways:

- Strengthening the case for and credibility of poverty-environment mainstreaming by aligning poverty-environment objectives with internationally agreed-on human rights principles for guiding development programming
- Focusing attention on dimensions of poverty and environment which play a significant role in shaping the challenges, opportunities and vulnerabilities of poor and marginalized groups, but often would be neglected without an explicit focus on poor peoples' rights and capacities
- Engaging a wider circle of stakeholders in poverty-environment mainstreaming by addressing broader issues related to transparency (access to information) and accountability, participation in decision-making and access to justice

**D**espite its importance, strategic communications has often been treated as an afterthought in development programming. A strategic communications strategy should be developed early on as a core component of a programmatic approach to poverty-environment mainstreaming, with sufficient time, capacity and funding allocated to ensure its effective implementation. Tools used for effective advocacy and outreach include fact sheets, policy briefs, working papers, press releases and media advisories, and social media platforms.

Strategic communication objectives for reaching and affecting target audiences and supporting poverty-environment mainstreaming processes include the following:

- Helping make the case and promoting a strategic vision for poverty-environment mainstreaming
- Raising awareness among decision-makers and the general public, building political commitment for action, and helping overcome staff turnover and political change
- Mobilizing and supporting high-profile champions of poverty-environment mainstreaming
- Helping ensure effective participation by all stakeholders
- Supporting capacity strengthening
- Facilitating knowledge sharing on lessons and good practices

Implementation of the strategic communications strategy should be monitored and its effectiveness assessed in order to adapt to changing circumstances and needs and lead to improved results.

Lesson 10

## Facilitating change through strategic communications

**The strategies and tools for effective advocacy and outreach to key target audiences are an essential component of the poverty-environment mainstreaming toolbox in helping bring about the policy, institutional and behavioural changes needed to achieve and sustain poverty-environment objectives.**

Looking  
Ahead

The 2030 Agenda for Sustainable Development and the SDGs provide a comprehensive, integrated and ambitious global agenda for economic, social and environmental change with poverty eradication and the transition to inclusive, climate-resilient green economies 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 that leaves no one behind—including mobilizing and effectively targeting greater levels of finance and investment.

The previous section points to the substantial body of country-level experience in applying integrated approaches and tools for poverty-environment and climate mainstreaming upon which governments and other stakeholders can draw. A concerted effort is now needed to help countries leverage and up-scale this experience in support of national SDG implementation. This is the aim of the successor to PEI—the UNDP-UNEP joint initiative on Poverty-Environment Action for Sustainable Development Goals 2018–2022.

Building on PEI lessons and experience, Poverty-Environment Action will follow a two-pronged strategy of **deepening** and **broadening** mainstreaming support to countries (see the [Poverty-Environment Action expected results](#) beginning on the next page). These two complementary tracks will:

- Deepen mainstreaming efforts across national planning, financing and monitoring systems in a limited number of countries—initially in Africa and Asia—with a focus on aligning public and private finance and investment with poverty-environment and climate objectives to accelerate SDG implementation
- Broaden the uptake of integrated poverty-environment and climate mainstreaming approaches and tools beyond the targeted country projects through technical assistance to selected countries, stepped-up efforts in knowledge management and sharing, and proactive engagement with key global and regional actors supporting national SDG implementation

Moving forward, the following highlights priority areas for action at the country, regional and global levels to enhance Poverty-Environment Action’s effectiveness and reach in both

deepening and broadening mainstreaming efforts and influencing public and private finance and investment flows in support of poverty-environment and climate objectives.

## Country level

**Deepen links to jobs, growth and inclusive green economy policy agendas**, including by linking local poverty, environment and climate solutions with national, sector and subnational policy, planning and financing processes to catalyse bottom-up change.

**Advance the integration of poverty-environment and climate linkages in multidimensional poverty measurement**, and support the establishment of economic-environment accounting ('beyond GDP') metrics and methods.

**Identify and cost actions to achieve poverty-environment and climate objectives**, and mobilize new and innovative financing sources, instruments and mechanisms—both public/private and domestic/international—such as climate finance, blended finance, public or private green bonds, and national funds to support integrated poverty, environment and climate solutions.

**Strengthen efforts to empower poor and vulnerable groups** and ensure their effective participation in poverty-environment and climate mainstreaming through inclusive programming approaches, including deeper integration of gender and rights-based approaches.

**Strengthen links with civil society, the private sector and the national media** to promote their engagement in poverty-environment and climate mainstreaming—through support for multi-stakeholder dialogue and learning processes, networking and other means of engagement.

**Ensure more systematic and strategic engagement in government-UN-donor coordination mechanisms** and programming frameworks (in particular, the UN Sustainable Development Cooperation Framework), and other platforms and processes to support national SDG implementation, including development of national integrated financing frameworks.

Poverty-Environment  
Action expected results

**Outcome:** Strengthened integration of poverty-environment-climate objectives into policies, plans, regulations and investments of partner countries to accelerate delivery of the 2030 Agenda and the SDGs

**Output 1:** Development planning, budgeting and monitoring systems integrate environmental sustainability and climate objectives for poverty eradication

### Indicators:

- **Number of planning frameworks, legislation and regulations that integrate the poverty-environment nexus (per country)**
- **Policy positions on poverty-environment issues formulated by non-government actors**
- **Number of government-led intersectoral coordination mechanisms that promote coherence of planning frameworks, legislation and regulations**
- **Number of countries where environmental/social/economic data are collected, analysed and reported applying a poverty-environment nexus perspective through national development and SDG monitoring systems**

**Output 2: Public finance and investment frameworks incentivize shift in public and private investments towards environmental sustainability and climate objectives for poverty eradication**

**Indicators:**

- **Number of key budget policy documents that reflect environmental sustainability and climate priorities for poverty eradication (per country)**
- **Number of countries with increased annual and medium-term sector budget allocations (including national and subnational levels) that reflect environmental sustainability and climate for poverty eradication**
- **Number of countries with fiscal instruments (tax, incentives, user fees, etc.) adopted in policies and regulations that prioritize quality investments**
- **Number of guidelines and tools to manage private sector investment decisions that facilitate or prioritize quality investments**

**Support more integrated and synergistic approaches to implementing national commitments and plans**

under the Convention on Biological Diversity (national biodiversity strategies and action plans), UN Framework Convention on Climate Change and the Paris Agreement (nationally determined contributions, national adaptation plans) and the UN Convention to Combat Desertification (land degradation neutrality targets and measures) in line with national SDG implementation.

**Partner with in-country donors to mobilize additional financing** to help governments scale up action to achieve poverty-environment and climate objectives and sustain mainstreaming results over the longer term.

**Regional and global levels**

**Strengthen collaboration and coordination** with the UN regional commissions, regional intergovernmental organizations, the regional development banks and other key regional actors and policy processes supporting national SDG implementation.

**Strengthen strategic partnerships and improve coordination** by building on earlier PEI collaborations to leverage synergies, avoid duplication of effort, and enhance Poverty-Environment Action's capacity to effectively deliver and scale up country-level support in the priority areas identified above.

**Engage with new development finance and investment frameworks** (such as the new EU external investment plan) to ensure they address poverty-environment and climate objectives.

**Improve access** to poverty-environment and climate mainstreaming approaches, tools and experience:

- Systematize knowledge management and sharing and promote South-South exchange.
- Expand training opportunities for countries and within the UN system.

- Integrate poverty-environment and climate mainstreaming principles, approaches, tools and lessons into SDG implementation guidance, programming frameworks and country support. This should be accomplished through strengthened engagement with the UN Sustainable Development Group, the UN Development Coordination Office (tasked with providing substantive guidance and support to UN country teams on delivering integrated support across the SDGs), the UN Department for Economic and Social Affairs, the UN Institute for Training and Research, and other key global actors and policy processes supporting national SDG implementation.

In performing the above, Poverty-Environment Action will rely on the continuing partnership between UNDP and UNEP as strategic actors within the UN system to advance the environmental dimension of the 2030 Agenda and the SDGs.

25

**Output 3: SDG implementation and acceleration processes leveraged to scale up use of integrated poverty-environment mainstreaming approaches and tools**

**Indicators:**

- **Number of Poverty-Environment Action knowledge-sharing and learning products that are referenced by regional and global networks**
- **Number of countries adopting Poverty-Environment Action tools/approaches resulting from South-South knowledge collaborations**
- **Number of regional and global Poverty-Environment Action partner programmes and agencies that apply an integrated mainstreaming approach**

# References

## PEI Guidelines, Lessons and Case Study Reports

- PEI. 2009. [Guidelines for Assessing Impacts of Media Activities in the Poverty Environment Initiative \(PEI\)](#).
- PEI. 2009. [Making the Economic Case: A Primer on the Economic Arguments for Mainstreaming Poverty-Environment Linkages into Development Planning](#).
- PEI. 2011. [Enabling Local Success: A Primer on Mainstreaming Local Ecosystem-Based Solutions to Poverty-Environment Challenges](#).
- PEI. 2011. [Managing Private Investment in Natural Resources: A Primer for Pro-Poor Growth and Environmental Sustainability](#).
- PEI. 2011. [Poverty-Environmental Mainstreaming Training Handbook for District Development Plans Elaboration, Tajikistan](#).
- UNDP. 2012. [What drives institutions to adopt integrated development approaches? The poverty-environment nexus and analysis of country evidence from the Poverty-Environment Initiative](#). Discussion Paper.
- PEI. 2014. [Building Inclusive Green Economies. Stories of Change from the Poverty-Environment Initiative in Asia-Pacific](#).
- PEI. 2014. [Stories of Change from Africa](#).
- PEI. 2015. [Mainstreaming Environment and Climate for Poverty Reduction and Sustainable Development: A Handbook to Strengthen Planning and Budgeting Processes](#).
- PEI. 2017. [Accelerating African Sustainable Development: Country Lessons from Applying Integrated Approaches](#).

PEI. 2017. [Articulating Social and Environmental Policy for Sustainable Development: Practical Options in Latin America and the Caribbean](#).

PEI. 2017. [Building an Inclusive and Climate-Resilient Future. An Integrated Approach to Pro-Poor Sustainable Development](#).

PEI. 2017. [Integrated Planning, Budgeting and Investment Tools for Achieving the SDGs: PEI Asia-Pacific in Focus](#).

PEI. 2017. [PEI Regional Results and Lessons Learned Workshop: Public and Private Investments for Achieving the SDGs](#). Report of the PEI Asia-Pacific Regional Meeting.

PEI. 2017. [Poverty-Environment Accounting Framework \(PEAF\): Application to Inform Public Investments in Environment, Climate Change and Poverty](#).

PEI. 2019. Poverty-Environment Initiative Africa: Achievements and Lessons Learned 2005-2018.

## PEI Annual and Progress Reports

PEI. 2014. [PEI Annual Progress Report 2013](#).

PEI. 2015. [Sustaining Resources, Improving Lives. PEI Annual Progress Report 2014](#).

PEI. 2016. [PEI Annual Progress Report 2015](#).

PEI. 2017. [PEI Annual Progress Report 2016](#).

PEI. 2018. Africa Region. Final Joint Project Progress Report.

PEI. 2018. Asia-Pacific. Final Joint Project Regional Report.

PEI. 2018. Europe and CIS. Final Joint Project Progress Report.



PEI. 2018. Latin America and the Caribbean Regional Support Programme. Final Joint Project Progress Report.

PEI. 2018. [PEI Annual Progress Report 2017](#).

PEI. 2019. [Reward and Renewal: PEI Phase 2 Final Progress Report 2014–2018](#).

### PEI Evaluations

Bass, S., and Y. Renard. 2009. [Evaluation of the UNDP-UNEP Poverty-Environment Initiative \(PEI\) Partnership with Norway 2004–2008](#). Report to Norwegian Ministry of Foreign Affairs.

PEMCONSULT. 2011. [Mid Term Review of the UNDP-UNEP Poverty-Environment Initiative \(PEI\) Scale-Up](#). Main Report.

Tavera, C., C. Alderman and N. Nordin. 2016. [Independent Evaluation of the Scale-up Phase \(2008–2013\) of the UNDP-UNEP Poverty-Environment Initiative](#). Final Report.

### PEI Technical Reports

PEI. 2006. [Economic Analysis of Natural Resource Management in Rwanda](#).

PEI. 2011. [Economic Analysis of Sustainable Natural Resource Use in Malawi](#).

PEI. 2011. [Évaluation économique de l'environnement et des ressources naturelles au Burkina Faso](#).

PEI. 2012. [Environmental economic analysis of natural resources management in Mozambique](#).

PEI. 2012. [The role of poverty-environment indicators in the national and local government monitoring frameworks in Tanzania](#).

PEI. 2014. [Relevance and effectiveness of poverty and environment indicators from MKUKUTA II and FYDP monitoring systems](#).

UN Women, UNDP-UNEP Poverty-Environment Initiative and the World Bank. 2015. [The cost of the gender gap in agricultural productivity in Malawi, Uganda and Tanzania](#).

PEI. 2016. [Overcoming Poverty in Malawi through Sustainable Environment and Natural Resource Management: Identifying Policy Options to Accelerate Poverty Reduction](#).

PEI. 2017. [Assessment of the economic, social and environment benefits of the Rubaya green village in Gicumbi district, Rwanda, and benefits of project replication](#).

### Other

Ituarte-Lima, C., and M. Schultz (eds.) 2018. [Human right to a healthy environment for a thriving Earth: Handbook for weaving human rights, SDGs, and the post-2020 global biodiversity framework](#).

Thiry, G., S. Alkire and J. Schleicher. 2018. [Incorporating environmental and natural resources within analyses of multidimensional poverty](#). OPHI Research in Progress 50a, University of Oxford.

UNDP Evaluation Office. 2010. [Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus](#).

UNDP and ODI. 2012. [Climate Public Expenditure and Institutional Review \(CPEIR\): A Methodological Note](#).

UN Environment. 2019. [Global Environment Outlook – GEO-6: Healthy Planet, Healthy People](#).

# References

The United Nations Development Programme–United Nations Environment Programme Poverty-Environment Action for Sustainable Development Goals (UNDP-UNEP Poverty-Environment Action) is a global project which promotes an integrated approach that brings poverty, environment and climate objectives into the heart of national and subnational plans, policies, budgets and public and private finance. To strengthen the sustainable management of natural resources and to alleviate poverty, Poverty-Environment Action provides financial and technical assistance to government partners to align public and private finance and investments with poverty, environment and climate actions to accelerate implementation of the Sustainable Development Goals.



European Union



UK Department for International Development



Norwegian Ministry of Foreign Affairs



Spanish Ministry of Foreign Affairs and Cooperation



Swedish International Development Cooperation Agency



**Poverty-Environment Action**  
*for Sustainable Development Goals*



*Empowered lives.  
Resilient nations.*

