



# Horizons of Hope

Poverty-Environment Action  
for Sustainable Development Goals  
Annual Progress Report 2019

Poverty–Environment Action for Sustainable Development Goals of the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) promotes an integrated approach which contributes to bringing 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.

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# Foreword

**E**radicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge facing the world today and an overarching objective of the 2030 Agenda for Sustainable Development. The mainstreaming of poverty–environment objectives into policy, budgeting, programming and investments by the United Nations Development Programme–United Nations Environment Programme (UNDP–UNEP) Poverty–Environment Action for Sustainable Development Goals, launched in 2018, and its predecessor entity, the UNDP–UNEP Poverty–Environment Initiative (PEI), demonstrates how improved environmental sustainability can address this challenge and contribute to poverty eradication.

At the beginning of 2018, the United Nations General Assembly proclaimed the Third United Nations Decade for the Eradication of Poverty (2018–2027) under the theme “Accelerating global actions for a world without poverty,” in line with the 2030 Agenda for Sustainable Development.<sup>1</sup> It adopted a system-wide plan of action for poverty eradication to coordinate the efforts of the United Nations system to maintain the momentum generated by implementation of the Second Decade towards poverty eradication and ensuring that markets work better for people living in poverty.

The plan of action’s basic principles recognize that “Poverty is multi-dimensional in the forms it takes and its underlying causes, and new forms are emerging” and “Integrated economic, social and environmental policies are needed nationally and internationally.”<sup>2</sup>

At the beginning of 2019, while extreme poverty stood at its lowest level in recorded history, the risk of falling back into poverty in lower-middle-income countries remained a particular concern for the most vulnerable segments of society – mainly youth and women.

Poverty had become 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. With the global economic slowdown of the coronavirus emergency, which began in late 2019 and had yet to reach its peak during the first quarter of 2020, it is estimated that the number of people living in poverty could increase by 420–580 million globally,<sup>3</sup> undermining the progress that had been made in eradicating poverty in the 21st century.

The United Nations Environment Assembly has reaffirmed that poverty eradication, changing unsustainable and promoting sustainable patterns of consumption and production, and protecting and managing the natural resource base of economic and social development

are essential requirements for sustainable development. In a 2019 resolution on the poverty-environment nexus,<sup>4</sup> the Assembly recognized the important role of UNDP-UNEP Poverty-Environment Action in applying the innovative approaches and solutions which are necessary to move our world closer to the sustainable vision set out in the 2030 Agenda.

Livelihoods, poverty reduction and economic growth are highly dependent on the quality and availability of natural resources – the “gross domestic product of the poor” in least developed countries and the basis of the natural capital enjoyed by all countries which make human life possible.

Building on more than a decade of experience by its predecessor, PEI, Poverty-Environment Action seeks to strengthen integration of poverty, environment and climate objectives into the policies, plans, regulations and investments of partner countries to accelerate delivery of the 2030 Agenda and the Sustainable Development Goals.

The focus for Poverty-Environment Action is on deepening and broadening poverty-environment mainstreaming and aligning finance and investment with poverty, environment and climate objectives, in the face of the changing forms and conditions of poverty found in the world today.

The progress achieved by Poverty-Environment Action based on its proven model of integration in its initial year of operation is detailed in this report. Its success reveals new horizons of hope for eradicating poverty and achieving related Sustainable Development Goals – such as Goal 2, Zero Hunger – in least developed countries through targeted investment in sustainable management of the environment and natural resources.

As we operate in the shadow of COVID-19, the need is ever more urgent; and the relevance of Poverty-Environment Action never greater.



Anne Juepner

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# Executive Summary

In 2019, the United Nations Development Programme–United Nations Environment Programme (UNDP–UNEP) Poverty–Environment Action for Sustainable Development Goals initiated implementation of seven full-fledged country projects – in Lao PDR, Malawi, Mauritania, Myanmar, Mozambique, Nepal and Rwanda – and two technical assistance efforts – in Indonesia and Tanzania. The seven full-fledged country projects were drawn from a set of eight countries in which substantive gains had been made through Phase 2 (2014–2018) of the UNDP–UNEP Poverty–Environment Initiative (PEI), and that had high potential to deliver on the shift in investments expected from Poverty–Environment Action.

Progress toward achieving the overall Poverty–Environment Action 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 Sustainable Development Goals (SDGs) – is tracked through three outcome indicators, which comprise three outputs. Progress on these outputs is tracked through 11 indicators; together, the outcome, outputs and their respective indicators make up the Poverty–Environment Action Results and Resources Framework.

Modest progress was reported by Poverty–Environment Action under each of the three outputs, with notable contributions made in the areas of planning, budgeting, and knowledge production and dissemination. Delivery was impeded by delays in getting started in several participating countries; these delays are reflected in relatively low financial expenditures during 2019. Nevertheless, the foundation for future progress has been laid during the first full year of implementation. The delays have been addressed through recruitment of key staff, increased engagement with donor working groups, and expansion of UNDP and UNEP commitments to the project, as reflected in the embedding of Poverty–Environment Action within the new Ecosystems Integration Branch of UNEP and larger UNDP Country Projects in several countries.

Progress was achieved in the output indicators, the details of which are summarized in the body of the report. Highlights of early results from Poverty–Environment Action in 2019 include the following:

- Poverty–environment nexus indicators were incorporated into national, sectoral and district development plans in Myanmar and Rwanda.
- The Poverty Environment Action project in Mozambique supported the Ministry of Economy and Finance in updating its budget design module and budgeting and planning system to adjust to the new finance decentralized law and mainstreaming climate

objectives for poverty reduction. It supported integration of a poverty–environment planning component in the government’s information technology system, which now has holistic programmes which include an environment component. The updated module includes three of seven major programmes now linked to environmental sustainability. Development of the module was followed by capacity–building training for over 5,000 government staff on the use of the new budget design module.

Poverty–Environment Action also delivered technical assistance to Indonesia and Tanzania as part of its mission to further poverty–environment mainstreaming at the country, regional and global levels. The aim of its technical assistance is to catalyse poverty–environment action and broaden the use of poverty–environment mainstreaming tools and approaches through wider UNDP and/or UNEP programmes that contribute to overall Poverty–Environment Action outcome and outputs. Technical assistance is focused on countries which do not have a full–fledged Poverty–Environment Action country project.

The need for targeted technical assistance to selected countries, South–South knowledge transfer and cooperation, and proactive engagement with key global and regional actors supporting national SDG implementation and acceleration processes are among the lessons drawn from this year’s work. Assisting countries in promoting green business opportunities or in sensitizing agriculture – an important poverty–environment sector – to a gender perspective requires substantial support. Lessons learned from PEI’s experience are also highly relevant to successfully implementing Poverty–Environment Action.



# Abbreviations

ADB	Asian Development Bank
FONERWA	Rwanda Green Fund (Fond National de l'Environnement au Rwanda)
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
MPAT	Multidimensional Poverty Analysis Tool
PAGE	Partnership for Action on Green Economy
PEI	Poverty–Environment Initiative
SDG	Sustainable Development Goal
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme





# Report Overview

**T**his report covers progress on implementation of the United Nations Development Programme–United Nations Environment Programme (UNDP–UNEP) Poverty–Environment Action for Sustainable Development Goals (SDGs) through seven full-fledged country projects, as well as two technical assistance projects, under way in 2019. Table 1 presents a summary of these nine country initiatives.

During the inception phase (September to December 2018), the seven full-fledged country projects – in Lao PDR, Malawi, Mauritania, Myanmar, Mozambique, Nepal and Rwanda – were developed in consultation with national partners, governments and bilateral donor countries and approved to be part of Poverty–Environment Action. One additional country – Bangladesh – will participate in Poverty–Environment Action as part of broader SDG projects developed by the respective UNDP Country Office.

As part of its inception phase, Poverty–Environment Action established baselines, indicators and targets at the global and country levels to create a results framework for all eight full-fledged countries and the two technical assistance countries. The framework sets forth the following overall intended outcome for Poverty–Environment Action:

**Strengthened integration of poverty–environment objectives into policies, plans, regulations and investments of partner countries to accelerate delivery of the 2030 Agenda and the Sustainable Development Goals.**

Progress towards this outcome is to be measured using three outcome indicators:

- **OUTCOME INDICATOR 1:** Number of countries demonstrating alignment between poverty–environment objectives in plans and related budget allocations
- **OUTCOME INDICATOR 2:** Number of countries with increased investments in support of environmental sustainability and climate priorities for poverty eradication
- **OUTCOME INDICATOR 3:** Number of tools and approaches applied by regional and global partners in support of poverty–environment nexus for SDG acceleration

The outcome is to be delivered through three interrelated outputs:

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

TABLE 1 Summary of Poverty–Environment Action 2019 Country Projects

Country	Project	Description
Lao PDR 	Improving Quality Investment for Achieving Sustainable Development Goals in Lao PDR	Strengthen government's regulatory capacity to coordinate and promote higher-quality investment; and improve ease of doing business, transparency, accountability and effectiveness of investment management for achieving the SDGs. Help government address and remove the investment regulatory and business barriers which currently hinder development of a healthy, vibrant, competitive business environment; while regulating compliance and obligation of investment projects to create more jobs for local people and build skills of national staff.
Malawi 	Poverty–Environment Action for the SDGs	Jointly implemented with the Food and Agriculture Organization of the United Nations and UN Women. Focuses on poverty–environment mainstreaming in broader national and sector policy and budget processes. Promotes climate–resilient and gender–responsive agriculture by influencing agricultural investments.
Mauritania 	Project d'appui a la mise en œuvre et au suivi des objectifs Pauvreté / Environnement de la SCAPP et des politiques sectorielles en relation avec les ODD en Mauritanie	Support implementation and monitoring of poverty–environment objectives in the national development plan and sectoral policies as a contribution to achievement of the SDGs.
Mozambique 	Sustainable Management of Natural Resources for Resilient and Equitable Development (SUNRED II)	Influence climate and environmental budgeting and expenditures across sectors and strengthen management of natural resource revenues to optimize revenue collection and benefit–sharing mechanisms with vulnerable groups to promote environmental sustainability.
Myanmar 	Governance for Resilience and Sustainability Project	Embedded in UNDP Myanmar Country Office's Governance for Resilience and Sustainability Project (2018–2022). Aims to promote (i) mainstreaming of environment and poverty considerations into investment and management systems, (ii) mobilization of green investments in environmental goods and services, and (iii) improved organizational performance by lead agencies responsible for environmental management and climate change.
Nepal 	Accelerating implementation of Sustainable Development Goals in Nepal	Enabling environment and capacity development to mitigate SDG financing gap as well as through accelerated implementation. Outcomes include (i) planning, budgeting, monitoring and reporting systems at all levels of government are SDG responsive and functional; and (ii) resilient and innovative financing available for SDG implementation.
Rwanda 	Poverty–Environment Action for SDGs	Direct private and public investments towards poverty–environment action by influencing investment incentive structures and guidelines and build capacity for the use of mainstreaming tools, including multidimensional poverty assessments which include an environmental sustainability perspective, in planning and budget processes.
Indonesia 	Sustainable Development Finance Facility (SDFF)	Supports outputs that will deepen sustainable finance at the provincial level through provincial budget tagging; strengthening gender–responsive climate change budgeting; and strengthening Indonesia's first Islamic Green Bond, granted in 2018.
Tanzania 	Mainstreaming Poverty–Environment–Gender–Climate Change into Local Economic Development and SDG Localization for Sustainable Development and Poverty Eradication in Tanzania	Support local government authorities and the central government in applying poverty–environment analytical tools in the implementation of district development plans, sector strategies and regional investment guidelines.

- **OUTPUT 2:** Public finance and investment frameworks incentivize shift in public and private investments towards environmental sustainability and climate objectives for poverty eradication
- **OUTPUT 3:** SDG implementation and acceleration processes leveraged to scale up use of integrated poverty–environment mainstreaming approaches and tools

Each output comprises a package of key deliverables and technical advisory and capacity-building services to support poverty–environment mainstreaming for the SDGs, as detailed in the Poverty–Environment Action project document approved in July 2018.

The report begins with a review of the Poverty–Environment Action implementation by outcome and output indicator. It continues with an examination of the challenges encountered in 2019 to successful implementation and opportunities thus presented for strengthening project delivery. It concludes with lessons learned during the first year of implementation, a summary of key elements of the Poverty–Environment Action strategy, and the way forward.



# Outcome Performance

**T**his section reviews progress and highlights notable achievements towards the Poverty-Environment Action intended outcome of strengthened integration of poverty-environment objectives into policies, plans, regulations and investments of partner countries to accelerate delivery of the 2030 Agenda and the SDGs. The year 2019 marked the first full year of implementation of the Poverty-Environment Action project. Although limited progress was reported on achievement of its outcome during the year, the project put in place the building blocks of future achievement.<sup>5</sup>

Poverty-Environment Action's outcome is tracked through three interrelated indicators:

- **OUTCOME INDICATOR 1:** Number of countries demonstrating alignment between poverty-environment objectives in plans and related budget allocations
- **OUTCOME INDICATOR 2:** Number of countries with increased investments in support of environmental sustainability and climate priorities for poverty eradication
- **OUTCOME INDICATOR 3:** Number of tools and approaches applied by regional and global partners in support of poverty-environment nexus for SDG acceleration

In 2019, six countries demonstrated an increasing alignment between poverty-environment objectives in plans and budgets.

As for Outcome Indicator 2, Rwanda, for instance, continued to report progress, with a 0.6 per cent increase in expenditure, contributing to overall achievement of the outcome.

Other countries commenced preparatory work for integrating approaches and tools for mainstreaming environmental sustainability and climate objectives for poverty eradication in development planning and budgeting. This included development of tools which will contribute to mainstreaming environmental sustainability and climate objectives for poverty eradication in development planning and budgeting. Furthermore, these were accompanied by a variety of capacity-building initiatives at the country level.

Additional progress was achieved under Outcome Indicator 3, as Poverty-Environment Action joined the Green Economy Coalition's advocacy for transformational economic change at the High-Level Political Forum 2019. At the regional and global levels, the project established its voice at the intersection of the debates on inclusive green economy and natural resource management as a means to eradicate poverty – through, for example, its contributions to the development of transformative and inclusive green economy principles at the High-Level

Political Forum and co-convening the global Expert Group Meeting on Building Resilience for All: Poverty Reduction, Equity and Inclusion in Climate Change Adaptation.

In Malawi and Mozambique, the Poverty–Environment Action approach of using economic evidence to highlight how increased priority for achieving the environmental dimension of sustainable development can assist in achieving the economic dimension has contributed to United Nations (UN) Resident Coordinators supporting increased priority for environmental sustainability and climate resilience across the UN Country Team. The strengthening of the Resident Coordinators' role as part of UN reform offers significant opportunity to increase the priority attached to environmental sustainability in some countries.

# Output Performance

This section highlights selected results achieved by Poverty–Environment Action in 2019 by output. For each output, a description is given, followed by key deliverables associated with the output. The indicators are next described, with quantified performance data drawn from 2019 and further information on how these stack up against the targets set by the project. Table 2, at the end of this section, summarizes these achievements across all 3 outputs and 11 indicators. Note that some countries had planned for results in subsequent years and thus have not yet reported against some of the project deliverables in 2019.

Overall, the indicator performance analysis reflects modest progress in project implementation: two out of seven performance indicators were fully achieved by the end of 2019.<sup>6</sup> Most of the results are at the output level and are largely prerequisite to the intended project outcome. There is a need to scale up efforts in implementation in 2020 to meet the set targets by identifying the underlying challenges and addressing them.



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

Output 1 focuses on strengthening the policy and institutional framework and capacities for poverty, environment and climate mainstreaming in partner countries. “Planning” here encompasses relevant policies, plans and strategies at the national, subnational and sectoral levels, in line with country demand/needs. “Environmental sustainability” includes sustainable management of the environment and natural resources and pollution reduction. Reflecting the primary focus of Poverty–Environment Action, key deliverables and services under Output 1 are aimed at helping to establish the enabling conditions for aligning public and private finance and investment with environmental sustainability and climate objectives for poverty eradication (Output 2).



**INDICATOR 1.1: Number of planning frameworks, legislation and regulations that integrate the poverty–environment nexus (per country)**

**Global target: 95; 2019 target: increase of 25.** This target was not achieved, as only 5 were recorded in the reporting period, for a total of 27 (over the baseline of 22).



To achieve this deliverable, countries embarked on processes to conduct analysis which would provide linkages, trade-offs and synergies to support identification, prioritization and sequencing of poverty, environment and climate-related interventions. These include conducting capacity assessments within government counterpart departments and outlining strategies to address capacity gaps.

Four assessments were conducted to establish gaps in government systems in addressing poverty–environment linkages and gender. These assessments were used to formulate tailor-made strategies to build capacity. **Myanmar** conducted an organizational capacity needs assessment of its Environmental Conservation Department that resulted to identification of capacity needs used in developing a comprehensive organisational capacity and human resources development strategy for the department. **Rwanda** conducted an environment and gender gap assessment. **Indonesia** conducted a gender-responsive public climate budgeting assessment. **Tanzania** undertook a poverty diagnosis using the Multidimensional Poverty Analysis Tool (MPAT) developed by the International Fund for Agricultural Development and established baselines in respective target areas.

Also in **Rwanda**, an integrated approach was used to build required capacity through training of 22 key government planners on how to incorporate poverty–environment issues into sector plans, including establishment of poverty–environment indicators and how to monitor their integration. In **Mauritania**, targeted community groups, including 60 gold miners, were trained on the health impacts of mercury use linked to the environment; 176 fishers were trained on sustainable fishing techniques.

Six countries – **Indonesia, Lao PDR, Malawi, Mauritania, Rwanda** and **Tanzania** – have developed tools which contribute to mainstreaming environmental sustainability and climate objectives for poverty eradication in development planning and budgeting. In 2019, the **Lao PDR** project developed the Provincial Investment Strategy annual reporting template to monitor strategy implementation in Oudomxay and Vientiane Provinces. The draft report based on the tool's use is currently being reviewed by the Oudomxay Department of Planning and Investment. In **Mauritania**, the project supported the directorate responsible for monitoring and coordinating Mauritania's Development Plan for 2016–2030 (Stratégie de Croissance Accélérée et de Prospérité Partagée) in reviewing and updating strategy indicators. The project also contributed to the preparation of the plan's implementation report for 2018 and helped the Ministry of Finance in implementation of the new organic law relating to finance laws. This support consisted of revising the budget preparation application, TAHDHIR, which aims to (i) improve the quality of work of the various actors in preparing the state budget, (ii) producing all restitution statements needed for budget preparation and (iii) making it possible to shorten the deadlines for work executed at each stage and to anticipate the evolution of budgetary nomenclature, in particular the programme budget.

**INDICATOR 1.2: Policy positions(s) on poverty–environment issues formulated by non-government actors**

**Global target: 7; 2019 target: increase of 1.** This target was not achieved.



In **Malawi**, a Sector Working Group on Agriculture in Malawi – a group of government ministries, non-state actors and development partners with an interest in agricultural development – was established. In **Myanmar**, an Environment Management Fund preparation working group was set up to draft regulations for fund establishment and governance. Policy launches and awareness raising were key initiatives undertaken in other countries to accelerate implementation of environmental sustainability and climate objectives for poverty eradication.



**INDICATOR 1.3: Number of government-led intersectoral coordination mechanisms that promote coherence of planning, frameworks, legislation and regulations**

**Global target: 35; 2019 target: increase of 7.** Three coordination mechanisms were established, and the indicator target was not achieved.

Poverty–Environment Action countries have taken steps towards strengthening coordination mechanisms to ensure coherence between planning and budgeting processes. During the reporting period, three countries (**Malawi, Mozambique and Myanmar**) commenced work with their government counterparts to establish relevant coordination mechanisms in mainstreaming poverty–environment objectives at all levels of government.

**Malawi** and **Mozambique** focused on establishing relevant working groups to enhance coordination. In Mozambique, Poverty–Environment Action supported establishment of a National SDG Reference Working Group that assesses the capacity of the National Statistical Institute for data collection using SDG indicators. The working group identified a total of 204 indicators (out of 232) which were considered applicable. It also developed a roadmap to improve data collection on SDGs; this includes identifying and sharing experiences with countries similar to Mozambique which intend to submit voluntary reports.

In **Myanmar**, significant technical support was provided to the Environmental Conservation Department to lead mainstreaming of environmental indicators throughout the Myanmar Sustainable Development Plan and its associated National Indicator Framework. This overarching, long-term development plan guides all government ministries and sectors. In addition to a dedicated section of the plan which addresses environmental conservation, the draft National Indicator Framework incorporates sustainability indicators.



**INDICATOR 1.4: 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**

**Global target: 7; 2019 target: increase of 3.** This target was achieved.

As noted under [Indicator 1.1](#), four assessments were conducted (**Indonesia, Myanmar, Rwanda and Tanzania**) to establish gaps in government systems in addressing poverty–environment linkages and gender. These assessments were used to formulate tailor–made strategies to build the required capacity.

Notably, Poverty–Environment Action in **Tanzania** supported the conduct of a multidimensional poverty analysis and baseline survey for formulation and implementation of climate-smart and gender-responsive intervention in two regions and five districts. This analysis used the MPAT. The purpose of the survey was to analyse gaps and best practices and recommend prioritized climate-smart and gender-responsive interventions to be implemented in selected villages and wards for sustainable development and poverty eradication.

The study found that poverty at the district level remains high (60–80 per cent of the population), with pockets of extreme poverty, particularly in female-headed households. In general, crop yields remain low, with low soil fertility being the main challenge constraining crop production – partly because of soil erosion and poor farming practices. Use of farmyard manure and other soil management practices was also very low. Further, the lack of women's empowerment contributed to unsustainable land use and poverty. The study recommends a number of climate-smart priority interventions as measures to address the identified challenges in the various poverty dimensions, ranging from increasing income through growing high-value crops to strengthening value-addition initiatives. The next steps will include engaging the targeted districts in developing an implementation framework for these priorities and aligning them to district development planning processes.

In **Indonesia**, a study on gender-responsive public climate budgeting found potential activities to be tagged into the co-benefit theme for gender and climate change in the national planning and budgeting system. The study reviewed the expenditures of two ministries – the Ministry of Environment and Forestry and the Ministry of Energy and Mineral Resources – over the 2016–2018 period. The final report was approved by the Ministry of Finance and the Ministry of Women Empowerment and Child Protection.

These results have furthered the integration of approaches and tools for mainstreaming environmental sustainability and climate objectives for poverty eradication in development planning and budgeting. More specifically, they will assist in better targeting initiatives to enhance environmental sustainability, that will contribute to multidimensional poverty reduction in a gender-sensitive manner.

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



Output 2 reflects the Poverty–Environment Action focus on shifting finance and investment towards environmental sustainability and climate objectives for poverty eradication and improving the environmental sustainability of current investments. Support will address both (i) the links between public and private investment (e.g. using public finance and investment to leverage private finance and investment; improving regulations which apply to public, private and joint ventures), and (ii) approaches which are specific to influencing public and private finance and investment (e.g. public investment decisions need to be better linked to the planning process; while incentives, regulations, etc. need to be in place to mobilize and shift private sector investments).



**INDICATOR 2.1: Number of key budget policy documents (e.g. budget statements, economic surveys, budget call circulars) that reflect environmental sustainability and climate priorities for poverty eradication (per country)**

**Global target: 25; 2019 target: increase of 13.** Only three were achieved in 2019: **Rwanda's** environment and climate change checklist and public expenditure review, **Indonesia's** budget tagging guidelines, and **Myanmar's** regulations for the establishment and governance of the Environment Management Fund.

In **Mauritania**, a study on environment and ecology was conducted to support the Directorate General of Taxes in introducing ecological taxation into the national tax system through funding development of a database identifying projects/programmes which integrate poverty–environment objectives in Mauritania.

In **Rwanda**, Poverty–Environment Action has conducted an expenditure review of the 2017/18 fiscal year on indicator integration and the budget spent on the environment and climate change. The assessment indicated that integration of environmental and climate change indicators was at 57.8 per cent in 2017/18, up from 51.3 per cent in 2016/17 – an increase of 6.5 per cent. Using this review as well as an environment and climate change checklist developed, Poverty–Environment Action built the capacity of 60 district planners and environmentalists, who were trained in using the checklist while preparing their annual action plans. The training increased planners' understanding, as was evident from the quality of their work plans in incorporating environmental and climate change elements.

In **Indonesia**, Poverty–Environment Action developed a guideline/methodological note for climate budget tagging at the subnational level. The guidance document is currently being piloted at the subnational level in two provinces – Riau and Gorontalo – through UNDP.



**INDICATOR 2.2: 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**

**Global target: 6; 2019 target: increase of 1.** This modest target was met.

In **Rwanda**, Poverty–Environment Action reviewed the budget allocation for fiscal year 2019/20. The review indicated a slight increase in the budget allocation for the environment and climate change from 6.2 per cent (2018/19) to 6.8 per cent (2019/20). The assessment was based on the environment and climate change checklist which was developed as a tool to support effective mainstreaming. Furthermore, Rwanda built the capacity of 102 private sector enterprises in the environment and climate change; 34 of these have begun to implement resource efficiency and cleaner production techniques. An environmental audit of eight large companies – Imana Steel Rwanda, Steel Rwanda, Roto Ltd, Skol Brewery, Bralirwa, Horizon Sopyrwa, Utexrwa and Kigali Leather – was conducted by a consulting firm to enhance their compliance. This initiative is part of a sensitization process aimed at promoting continued business investment in more sustainable or green interventions. A training workshop was held for representatives from the private sector and the Chamber of Industries on environmental

and climate change mainstreaming, resource efficiency and cleaner production, This training on new environmental laws and standards was conducted by Poverty–Environment Action, in collaboration with the Rwanda Resource Efficient and Cleaner Production Centre–Ministry of Trade and Industry and the Rwanda Standards Bureau, and was aimed at increasing environmental awareness within the private sector.

In **Indonesia**, as noted under [Indicator 2.1](#), Poverty–Environment Action developed a guidance document for climate budget tagging at the subnational level, which is currently being piloted through UNDP.

### INDICATOR 2.3: Number of countries with fiscal instruments (tax, incentives, user fees, etc.) adopted in policies and regulations that prioritise quality investments

**Global target: 3; 2019 target: 0.** The 2019 target did not foresee an increase over the indicator’s baseline of 0. In subsequent years, an annual increase of 1 is targeted. This target was achieved in 2019 as well.

In **Rwanda**, FONERWA, the Green Fund established with PEI support, continues to fund projects to improve environmental sustainability and climate resilience. Poverty–Environment Action’s technical support to the Ministry of Environment and FONERWA has resulted in a draft ministerial order which imposes a fee of \$300 for large projects and \$200 for small projects. Poverty–Environment Action’s support included drafting a policy brief on environmental impact assessment fees to support the Ministry of Environment and FONERWA in mobilizing internal resources, mainly fees and fines. A meeting between the ministry and the Rwanda development board agreed in principle on the proposed fees. The draft ministerial order is pending approval.

### INDICATOR 2.4: Number of guidelines and tools to manage private sector investment decisions that facilitate or prioritize quality investments

**Global target: 24; 2019 target: 0.** The 2019 target did not foresee an increase over the indicator’s baseline of 1. In subsequent years, an annual increase of 8 is targeted. The 2019 target was exceeded, with seven guidelines and tools adopted or promulgated.

Notably, in **Indonesia**, the development of green bonds (*sukuk*) worth \$107 million has been supported by Poverty–Environment Action, building on PEI work. Green *sukuk* is a sovereign Islamic bond issued by the government to support Indonesia’s climate change action plans, in accordance with Islamic law principles. The project provided technical assistance and capacity building for the purpose of developing a second impact report on the green *sukuk*. Poverty–Environment Action also supported development of an impact manual methodology and a green *sukuk* standard operating procedure for the government’s Green Sukuk Taskforce to utilize.

In **Rwanda**, as noted under [Indicator 2.2](#), Poverty–Environment Action has supported government engagement with the private sector in enhancing environmental sustainability in investments. This initiative has included capacity building of 102 private sector enterprises,



an environmental audit of eight large companies to enhance their compliance and a training workshop.



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

Output 3 focuses on enhancing the spread (in support of the Poverty–Environment Action broadening strategy) and effectiveness (in support of Outputs 1 and 2) of poverty–environment mainstreaming by better capturing, assessing and documenting good practices; by linking with ongoing work of key global and regional actors supporting national SDG implementation and acceleration processes (e.g. national SDG platforms, regional SDG knowledge exchanges); and through South–South cooperation.



#### INDICATOR 3.1: Number of Poverty–Environment Action knowledge-sharing and learning products that are referenced by regional and global networks

**Global target: 26; 2019 target: 5.** The target for knowledge products was partially achieved, with one product developed and referenced by regional networks.

Under this output, Poverty–Environment Action organized global expert group meetings; presented at international sustainable development forums; and published three landmark guidance and lessons learned documents capturing poverty–environment mainstreaming experience, methods and results.

Poverty–Environment Action co-organized the global Expert Group Meeting Building Resilience for All: Poverty Reduction, Equity and Inclusion in Climate Change Adaptation, hosted by the United Nations Research Institute for Social Development in Geneva on 13 September 2019. The meeting was attended by experts from 20 countries.

Poverty–Environment Action disseminated the publication [Looking Back, Looking Ahead: Lessons on Integrated Approaches to Sustainable Development from PEI \(2005–2018\)](#) to the UN Environment Management Group, the UN Department of Economic and Social Affairs, and the Asian Development Bank (ADB). The reports [Strengthening the Environmental Dimensions of the Sustainable Development Goals in Asia and the Pacific: Tool Compendium](#) and [Reward and Renewal: UNDP–UN Environment Poverty–Environment Initiative Phase 2 Final Progress Report 2014–2018](#) were also published and disseminated. Notably, the latter report features a composite table summarizing Phase 2 outcome and output indicators and related achievements, and almost 10 pages of lessons on integrated approaches to poverty–environment mainstreaming for sustainable development.

The integrated approach of PEI and Poverty–Environment Action has been incorporated by the UN Environment Management Group and the UN Department of Economic and Social Affairs in the Workshop on Integrated Approaches to Implementing the Sustainable Development Goals at the 2018 and 2019 UN High-Level Political Forum on Sustainable Development.



The joint Poverty–Environment Action–ADB publication [Strengthening the Environmental Dimensions of the Sustainable Development Goals in Asia and the Pacific: Tool Compendium](#) was launched in February 2019.

PEI had provided expert advisory services on equity and poverty to UNEP’s 2019 [Sixth Global Environment Outlook](#), helping establish an equity dimensions authors team and drafting a case study on land acquisition in **Lao PDR** to demonstrate the relevance of equity to land management, deforestation and poverty reduction. The case study was incorporated in the final publication of the *Global Environment Outlook* released at the Fourth United Nations Environment Assembly in March 2019.

The Poverty–Environment Action Africa publication [Achievements and Lessons Learned 2005–2018](#), based on PEI experiences in Africa, was used to provide input to the UNEP Africa Office UN Sustainable Development Group–UN Resident Coordinators Africa Dialogue. As a result of this Dialogue, the Resident Coordinators’ Offices in **Malawi** and **Mozambique** requested support to enhance the inclusion of environmental sustainability in UN Country Team processes.

### INDICATOR 3.2: Number of countries adopting Poverty–Environment Action tools/ approaches resulting from South–South knowledge collaborations



**Global target: 18; 2019 target: 0.** The 2019 target did not foresee an increase over the indicator’s baseline of 9. In subsequent years, an annual increase of between 5 and 7 is targeted. The 2019 target was exceeded by 1.

During 2019, as part of its efforts to promote uptake and use of poverty–environment integrated approaches, tools and programmes to ensure synergies with similar projects by global, regional and local institutions supporting SDG implementation in other countries, Poverty–Environment Action showcased such approaches and tools through the following forums:

- **8–11 JANUARY:** Green Economy Coalition and Partnership for Action on Green Economy (PAGE) Ministerial Meeting, at which Poverty–Environment Action shared best practices on inclusion and discussed partnerships and the new investment focus. Main theme: Advancing inclusive and sustainable economies.
- **23–25 JANUARY:** The Third Forum of Ministers and Environment Authorities of Asia Pacific, at which the joint ADB–Poverty–Environment Action publication [Strengthening the Environmental Dimensions of the Sustainable Development Goals in Asia and the Pacific: Tool Compendium](#) was showcased in a joint booth at the forum.
- **3–4 FEBRUARY:** High-Level Panel on the Impact of Climate Change on Displacement of Women during the 33rd pre-summit meeting on mainstreaming gender equality, convened by the Gender Is My Agenda Campaign.
- **19 FEBRUARY:** European Union Parliamentary meeting to which Poverty–Environment Action was invited to deliver a keynote speech on the poverty–environment nexus for SDGs in Europe, “No Social Policy without Environmental Action.”

- **21 FEBRUARY:** A panel discussion on governance for a just transition to a green economy was held at University College London, where PEI and Poverty–Environment Action experiences were shared on how the dimensions of governance, institutions and actors should be incorporated into the transition process.
- **11 MARCH:** Poverty–environment nexus resolution adopted at the Fourth United Nations Environment Assembly. Poverty–Environment Action elicited special interest at the Assembly with regard to the link between the environment and social inclusion issues, evidenced by Poverty–Environment Action having been invited to participate in five 2019 UN Environment Assembly side events on human rights, poverty and biodiversity themes.
- **27–29 MARCH:** The Sixth Asia Pacific Forum on Sustainable Development, at which the joint ADB and Poverty–Environment Action tools compendium report was showcased in the Asia–Pacific Forum on Sustainable Development exhibition area.
- **1–2 APRIL:** Inclusive Green Economy institutional collaboration meeting hosted by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in Germany, at which opportunities for Poverty–Environment Action’s contribution to global and country–level partnerships were showcased.
- **16 JULY:** Poverty–Environment Action at the United Nations High–Level Political Forum on Sustainable Development in New York. UNEP Executive Director Inger Andersen supported the launch of [Principles, priorities and pathways for inclusive green economies: Economic transformation to deliver the SDGs](#). These principles were produced by the Partners for Inclusive Green Economy: GIZ, the Global Green Growth Institute, the Green Economy Coalition, the Growth Knowledge Partnership, the International Labour Organization, the Organisation for Economic Co–operation and Development, PAGE and Poverty–Environment Action.

Poverty–Environment Action disseminated PEI results at two further international forums:

- In collaboration with UN Women on the high–level panel discussion and presentations at the Global Gender Summit held in Kigali, Rwanda, in November 2019, Poverty–Environment Action led a group discussion on the process of using policies based on empirical findings to stimulate agricultural productivity among smallholder farmers and promote value addition to leverage economic empowerment and improve food security at the household level. In addition, a presentation entitled “Sustainable Management of the Environment and Natural Resources in Malawi: Implications for Food Security and the Attainment of SDG #1 and SDG #2” was based on the work of PEI and Poverty–Environment Action and demonstrated how sustainable management of the environment and investments in the agricultural sector – including the reforms of the Farm Input Subsidy Programme – can contribute to SDG attainment.
- Poverty–Environment Action and PEI results were featured at a presentation at the 6th International Conference on Poverty and Sustainable Development 2019, “SDG #1: A World Free from Want: Poverty and Social Exclusion in the 21st Century” in Colombo, Sri Lanka, in December 2019.

Also, Poverty–Environment Action was included within the SDG Partnerships Platform [#SDGAction26516](#).

**INDICATOR 3.3: Number of regional and global Poverty–Environment Action partner programmes and agencies that apply an integrated mainstreaming approach**



**Global target: 18; 2019 target: 0.** The 2019 target did not foresee an increase over the indicator's baseline of 13. In subsequent years, an annual increase of between 3 and 7 is targeted. The project engaged with several regional and global partners and agencies advocating for Poverty–Environment Action's integrated approach.

Partnerships with the ADB, the Swedbio/Stockholm Resilience Centre, and UN Women were advanced for regional and global impact, including through collaborative events held during the 2019 UN Environment Assembly.


As noted under [Indicator 3.2](#), Inger Andersen, UNEP Executive Director, highlighted [Principles, priorities and pathways for inclusive green economies: Economic transformation](#) to deliver the SDGs at the High–Level Political Forum in July 2019. These principles were developed jointly by the Green Economy Coalition, of which Poverty–Environment Action is a member.


UNEP signed a partnership agreement with the Eastern and Southern Trade and Development Bank in November 2019, opening a new chapter in cooperation between the leading regional sustainable financial institution and Poverty–Environment Action. The agreement includes cooperation in the areas of clean energy (especially for marginalized communities) and access to climate finance.


The UNDP Nairobi Global Centre for Resilient Ecosystems and Desertification launched a [Poverty–Environment Mainstreaming](#) webpage featuring Poverty–Environment Action in 2019. The website also featured [Looking Back, Looking Ahead: Lessons on Integrated Approaches to Sustainable Development from PEI \(2005–2018\)](#), the first publication prepared under Poverty–Environment Action. The publication acknowledged the support of the following donors:

- European Union
- Norwegian Ministry of Foreign Affairs
- Spanish Ministry of Foreign Affairs and Cooperation
- Swedish International Development Cooperation Agency
- UK Aid

TABLE 2 Summary of Results Achieved as of 31 December 2019

Global level		Project (2018–2022)		Year 1	Status as of 31 Dec 2019	Comments
Deliverable	Indicator	Baseline	Target	2019 target		
 <b>Output 1: Development planning, budgeting and monitoring systems integrate environmental sustainability and climate objectives for poverty eradication</b>						
<b>1.1:</b> Capacity to apply integrated approaches and tools for mainstreaming environmental sustainability and climate objectives for poverty eradication in development planning and budgeting	<b>1.1:</b> Number of planning frameworks, legislation and regulations that integrate the poverty–environment nexus	22	95	25	5	<ul style="list-style-type: none"> <li>• Four assessments were conducted to establish gaps in government systems in addressing poverty–environment linkages and gender; these were in Myanmar (organizational capacity needs assessment), Rwanda (environment and gender gap assessments) and Indonesia (gender-responsive public climate budgeting assessment)</li> <li>• Malawi conducted a poverty–environment analysis which was incorporated into the district state of the environment and outlook reports and district socioeconomic profiles, which are key planning instruments at the local level which facilitate implementation of poverty reduction objectives in district development plans and align them to the national development plan</li> <li>• Tanzania conducted a poverty diagnosis using the MPAT and establishment of a baseline in respective target areas</li> <li>• Rwanda developed a checklist and training manual which was used to build the capacity of planners on integration of environment and climate change indicators into sector plans</li> <li>• Lao PDR developed a reporting template to monitor poverty–environment investments in implementation of the Provincial Investment Strategy</li> <li>• Mauritania conducted an environment profile for arid regions and developed a database for tracking projects which identifies projects/programmes that integrate poverty–environment objectives</li> </ul>
	<b>1.2:</b> Policy position(s) on poverty–environment issues formulated by non–government actors	0	3	1	0	<p>Rwanda supported the government (but not a non–government actor, as specified by the indicator) to produce policy briefs on (i) fostering mainstreaming of integrated gender, environment and climate change and (ii) environmental impact assessment fees aimed at supporting the Ministry of Environment and FONERWA in mobilizing internal resources mainly from fees and fines</p>

Global level		Project (2018–2022)		Year 1	Status as of 31 Dec 2019	Comments
Deliverable	Indicator	Baseline	Target	2019 target		
1.2: Institutional mechanisms promote policy coherence to accelerate implementation of environmental sustainability and climate objectives for poverty eradication	1.3: Number of government-led intersectoral coordination mechanisms that promote coherence of planning, frameworks, legislation and regulations	5	35	7	3	<ul style="list-style-type: none"> <li>• Mozambique: National SDG Reference Working Group to assess the capacity of the National Statistical Institute for data collection using SDG indicators</li> <li>• Malawi: Sector Working Group on Agriculture, comprised of government ministries, non-state actors and development partners with a stake in agricultural development</li> <li>• Myanmar: Environment Management Fund preparation working group to draft regulations for fund establishment and governance</li> </ul>
	1.4: 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	2	7	3	3	<ul style="list-style-type: none"> <li>• Tanzania: Implemented a research study using MPAT for poverty diagnosis</li> <li>• Mauritania: Established a database which identifies projects/programmes that integrate poverty–environment objectives and environmental profile of arid zones</li> <li>• Mozambique: First report on SDG implementation; produced two other key documents on (i) appropriation of the SDGs which contribute to the environmental dimension, and (ii) planning guide for the SDGs for which the Ministry for Land, Environment and Rural Development is responsible</li> </ul>
 <b>Output 2: Public finance and investment frameworks incentivize shift in public and private investments towards environmental sustainability and climate objectives for poverty eradication</b>						
2.1: Public expenditure and emerging national SDG financing frameworks support shift in government allocations toward environmental sustainability and climate objectives for poverty eradication	2.1: Number of key budget policy documents (e.g. budget statements, economic surveys, budget call circulars) that reflect environmental sustainability and climate priorities for poverty eradication (per country)	61	48	13	3	<ul style="list-style-type: none"> <li>• Indonesia: Budget tagging guidelines developed and first phase of Climate Change Fiscal Framework completed</li> <li>• Myanmar: Regulations for establishment and governance of the Environment Management Fund drafted.</li> <li>• Rwanda: Environment and climate change checklist for integration of environment and climate change indicators in districts' single action plans</li> </ul>
	2.2: 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	0	6	1	1	In Rwanda, Poverty–Environment Action reviewed the budget allocation for fiscal year 2019/20. The review indicates a slight increase in budget allocation on the environment and climate change, from 6.2% (2018/19) to 6.8% (2019/20). Assessment of the budget allocation was based on the checklist developed as a tool to support effective mainstreaming.

Global level		Project (2018–2022)		Year 1	Status as of 31 Dec 2019	Comments
Deliverable	Indicator	Baseline	Target	2019 target		
2.2: Economic, financial and regulatory incentives and private sector initiatives encourage shift in private investment toward environmental sustainability and climate objectives for poverty eradication	2.3: Number of countries with fiscal instruments (tax, incentives, user fees, etc.) adopted in policies and regulations that prioritize quality investments	0	3	0	0	Mauritania: Study on environment and ecology to support introduction of ecological taxation into the national tax system
	2.4: Number of guidelines and tools to manage private sector investment decisions that facilitate or prioritize quality investments	1	24	0	7	<ul style="list-style-type: none"> <li>Myanmar: Initial research on successful examples of green businesses from the region finalized to be used as basis for promoting such investments in future years</li> <li>Indonesia: Support to government in the development of green bonds (green <i>sukuk</i>) worth \$107 million</li> <li>Lao PDR: Four investment profiles and training in screening tools and plans for financing models for Investment Promotion Department</li> <li>Rwanda: Draft environmental audit to enhance compliance of eight large companies; training of Chamber of Industries in resource efficiency and cleaner production in Rwanda</li> </ul>
 <b>Output 3: SDG implementation and acceleration processes leveraged to scale up use of integrated poverty–environment mainstreaming approaches and tools</b>						
3.1: Poverty–Environment Action knowledge products synthesize country–level experience and lessons in the use of integrated poverty–environment mainstreaming approaches and tools	3.1: Number of Poverty–Environment Action knowledge–sharing and learning products that are referenced by regional and global networks	23	26	5	1	<ul style="list-style-type: none"> <li>A joint Poverty–Environment Action–ADB publication, <a href="#">Strengthening the Environmental Dimensions of the Sustainable Development Goals in Asia and the Pacific: Tool Compendium</a>, was launched in January 2019</li> <li>PEI and Poverty–Environment Action provided expert advisory services, including a case study on equity and poverty in land management to UNEP’s 2019 <a href="#">Sixth Global Environment Outlook</a></li> </ul>
3.2: Uptake of integrated poverty–environment mainstreaming approaches and tools by global, regional and local institutions supporting SDG implementation in “non–Poverty–Environment Action” countries	3.2: Number of countries adopting Poverty–Environment Action tools/ approaches resulting from South–South knowledge collaboration	9	12	0	1	To promote uptake and use of poverty–environment integrated approaches, tools and programmes to ensure synergies with similar projects by global, regional and local institutions supporting SDG implementation in other countries, Poverty–Environment Action showcased its approaches and tools at over 10 international forums, reaching out to many countries represented at the forums, including South Africa.



Global level		Project (2018–2022)		Year 1	Status as of 31 Dec 2019	Comments
Deliverable	Indicator	Baseline	Target	2019 target		
<b>3.3</b>	<b>3.3:</b> Number of regional and global Poverty–Environment Action partner programmes and agencies that apply an integrated mainstreaming approach	13	18	0	0	Partnerships with ADB, Swedbio/Stockholm Resilience Centre and UN Women were advanced for regional and global impact, including through collaborative events held during the 2019 UN Environment Assembly

**NOTE:** FONERWA = Rwanda Green Fund.



# Challenges and Opportunities

**D**uring the reporting period, delay in the start of implementation of some key activities was experienced at the country level for various reasons, as outlined below. All of these challenges contributed to overall low financial delivery of the Poverty-Environment Action project. Budget reductions had to be made on activities which experienced low delivery, including reprogramming 2019 resource balances into 2020. Project implementation continues to be closely monitored by the Poverty-Environment Action Co-Managers and project staff, with countermeasures being deployed as outlined here.

- Commencement of some country-level projects and technical advisory projects was delayed due to project design, recruitment of staff and budget disbursements taking longer than planned.
- Countries have taken more time than anticipated to satisfactorily apply the administrative and financial modalities associated with Poverty-Environment Action compared with PEI.
- Identifying qualified consultants to support project activities has been a greater challenge than anticipated. For example, recruitment has required a number of rounds of advertisement through different channels. A significant number of project activities that needed to be undertaken by consultants at the country level are highly technical in nature with limited capacity available. These recruitment challenges have had an impact in terms of delivery, as the activities are a prerequisite for other, subsequent follow-on activities.
- Generating the higher-level political economy support necessary to ensure budgetary and other investment allocations are made to implement poverty-environment objectives is a challenge in some African Poverty-Environment Action countries. In response, project staff are placing more emphasis on using evidence of the political economy benefits of increased investments in sustainability and coordinating with donor working groups to generate higher-level support.
- In the Africa Poverty-Environment Action countries, official development assistance remains a key source of investment and it is important to influence donor allocations. However, influencing donors at the country level to support implementation of poverty-environment objectives through their programmes is an ongoing challenge, despite persistent efforts. Poverty-Environment Action is stepping up engagement with donor working groups in response.

- Poverty–environment mainstreaming increasingly focuses at the subnational level, where project and investment decisions are made (e.g. through district development strategies and budgets). However, the capacity for preparing and implementing project proposals is seriously inadequate at the subnational level. Poverty–Environment Action can support capacity development in two or three pilot districts only, and scaling-up requires substantial funding from other sources. Poverty–Environment Action intends to use the results from the pilot districts to catalyse resources from governments, other UN agencies, the private sector and donors for scaling up.
- High-level changes in government officials through internal restructuring had a negative impact on the continuation of project implementation. Loss of technical institutional memory within collaborating institutions due to personnel shifts through transfers, new postings and natural attrition was prevalent in many countries. In Indonesia, due to new cabinet appointments, the former chair of the fiscal policy agency was promoted to Vice Minister of Finance, and structured divisions were replaced with issue-based working groups. In Lao PDR, the Vice-Prime Minister was newly assigned as the Minister of Planning and Investment; consequently, many project activities – such as approval of the Green Growth Criteria Guideline and the South-South mission to Vietnam – were delayed, as the approval process required more time invested in giving full briefings to the new minister to obtain buy-in into Poverty–Environment Action. In 2019, Poverty–Environment Action desk officers in some key government ministries and departments changed three times; significantly affecting progress in Indonesia, Lao PDR, Malawi and Mozambique. Poverty–Environment Action continued to brief and build capacity of new staff to mitigate these challenges.
- In Malawi, presidential elections, subsequent court action and planned new elections have caused several months of disruption within the government, with consequent delays in implementation of activities. Cyclones Idai and Kenneth affected implementation in Malawi and Mozambique. National efforts were prioritized to respond to the crisis and recover from the disasters. This also affected the financial delivery of Poverty–Environment Action projects. In Indonesia, an ongoing challenge is coordination among the seven stakeholder ministries and various units involved in the green *sukuk* initiatives. Environmental reporting was a new paradigm which required continuous facilitation and technical assistance. Knowledge transfer through regular capacity-building workshops and individual meetings was conducted to promote coordination.



# Lessons Learned

**M**ost of the lessons gained from PEI experience – as captured in its final evaluation and final synthesizing publications (see Box 1) – are applicable to Poverty-Environment Action. At the **country level**, lessons applied in 2019 include deepening links to jobs, growth and inclusive green economy policy agendas; identifying and costing actions to achieve poverty-environment and climate objectives; and ensuring more systematic and strategic engagement in government-UN-donor collaboration.

At the **regional and global levels**, the major lesson applied was to engage with new development finance and investment frameworks. UNDP and UNEP also initiated a business review of the project's management structure and staffing, which resulted in embedding Poverty-Environment Action in the newly created Ecosystems Integration Branch of UNEP's Ecosystems Division, providing the project with wider access to UNEP expertise and support. UNDP completed recruitment of key project positions in late 2019 and early 2020, increasing the project's overall capacity to deliver at the global and country levels.

During the 2019 reporting period, the following additional lessons have been assimilated:

- **Assisting countries in promoting green business opportunities requires substantial support.** While such promotion is a stated priority for participating governments, it is also a very new concept with both limited available local expertise and a low technical base from which to build. Identifying and recruiting appropriate international consultants to guide this work also has been challenging.
- **Ensuring that all stakeholders are continually appraised of current activities and priorities is a consuming task which will require further attention going forward.** Establishing technical working groups under the Poverty-Environment Action project in some countries has been an effective initiative in this regard, and further involvement of the global Poverty-Environment Action team in these processes can be beneficial.
- **Partnerships that engage governments, civil society, the private sector, the UN system and other actors are critical in enhancing the reach and effectiveness of Poverty-Environment Action programming – and, more broadly, in delivering on the 2030 Agenda and the SDGs.** At the global level, Poverty-Environment Action has formed partnerships through the development of technical assistance proposals which are all co-financed by and, in most cases, embedded in existing partner-led programmes. For instance, Poverty-Environment Action has partnered with UN Women at the regional level in its gender technical assistance project; with the ADB on the blue economy; with

GIZ on Green Bonds (embedded in the Green Economy Transformation project in cooperation with PAGE); with the Green Economy Coalition on country and global work and a joint event during the High–Level Political Forum on Sustainable Development 2019; and with the University College London Global Governance Institute on governance for a just transition to a green economy.

- **Resource mobilization efforts need to be intensified in 2020.** In 2019, Poverty–Environment Action developed a resource mobilization strategy which was presented to the Project Board. Out of the total \$20.0 million project budget, \$14.4 million was secured, leaving \$5.6 million to be mobilized.
- **Many investment decisions are most appropriately taken at the subnational level; consequently, Poverty–Environment Action’s focus on the subnational level has increased.** However, due to the challenges at the subnational level – notably, the capacity to formulate credible project proposals which include a focus on environmental sustainability is very low in most Poverty–Environment Action countries – substantive capacity building in one or two pilot districts is required, followed by energetic attempts to catalyse resources for scaling up.
- **Poverty–environment mainstreaming becomes more demanding as it proceeds from the national to the sector and subnational levels.** This is because more institutions and stakeholders must be influenced and capacity building becomes more demanding.
- **Focusing poverty–environment mainstreaming efforts on a small number of key sectors generates greater impact.** In Africa, the key poverty–environment sector is agriculture, including from a gender perspective.
- **There are significant gaps in the data needed to better target poverty–environment investments.** Thus, more effort needs to be made to collect and analyse poverty–environment data, particularly gender–disaggregated data.
- **The Poverty–Environment Action integrated approach is a proven model for supporting achievement of the SDGs.** For example, the project uses integrated socioeconomic–environmental approaches to analysis and development of actions to advance poverty–environment mainstreaming. Increasing the application of the Poverty–Environment Action model more broadly within UNDP and UNEP is recommended.
- **Potential partners for increasing poverty–environment investments are not commonly found in African least developed countries.** It is difficult to find effective umbrella private sector organizations for this purpose in this area. Consequently, more emphasis on environmental fiscal reform that incentivizes the private sector to make poverty–environment investments is recommended.

### BOX 1: Building on PEI

Ten key lessons were articulated in the 2019 publication *Looking Back, Looking Ahead: Lessons on Integrated Approaches to Sustainable Development from the Poverty–Environment Initiative 2005–2018*:

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
4. Aligning budgeting and public expenditure with poverty–environment objectives
5. Aligning private sector investments with poverty–environment objectives
6. Improving integrated poverty–environment data and analysis
7. Applying multidimensional poverty measurement
8. Promoting gender equality and women’s empowerment
9. Integrating a rights–based approach
10. Facilitating change through strategic communications



# Key Strategies Employed

**T**his section provides an overview of the main strategic components of Poverty-Environment Action which were employed in 2019. It begins by describing the two complementary tracks of deepening and broadening poverty-environment engagement at the country level through full-fledged country programming, and widening technical assistance to additional countries. It then outlines key components of gender and human rights-based approaches, strengthened partnerships and coordination, engagement with non-governmental stakeholders and the strong UNDP-UNEP partnership which serves as the foundational stone of project implementation.

## The “deepening and broadening” country strategy

Poverty-Environment Action operates at country, regional and global levels through a two-pronged strategy of deepening and broadening support to countries on poverty-environment and climate mainstreaming, specifically:

- **Deepening** mainstreaming efforts to integrate environmental sustainability and climate objectives for poverty eradication into development planning, budgeting and monitoring systems with an emphasis on alignment and policy coherence (Output 1) and – in line with the focus of Poverty-Environment Action – into public and private finance and investment management systems (Output 2). This can create useful synergies with the European External Investment Plan in those countries where Poverty-Environment Action and the External Investment Plan overlap.
- **Broadening** the dissemination and use of the project’s substantial body of country-level experience in the application of integrated poverty-environment mainstreaming approaches and tools through stepped-up efforts in knowledge management and sharing – including through South-South knowledge transfer and cooperation, and proactive engagement with key global and regional actors supporting national Sustainable Development Goal implementation and acceleration processes (Output 3 in support of Outputs 1 and 2).

The target is for deepening in eight countries (four in Africa and four in Asia-Pacific) where substantive gains were made through the Poverty-Environment Initiative and with high potential to deliver the shift in investments expected from Poverty-Environment Action: Bangladesh, Lao PDR, Malawi, Mauritania, Mozambique, Myanmar, Nepal and Rwanda. The

broadening track is not limited geographically, as there may be opportunities to build on PEI efforts in other regions.

A minimum of 10 technical assistance interventions are planned during the life of the project, two of which were being implemented in 2019; four additional interventions were proposed and later approved for implementation in 2020.

## Gender and rights-based approaches to ensure social inclusion

A feature of Poverty–Environment Action programming is a strong focus on incorporating gender and rights-based approaches in country-level poverty–environment mainstreaming efforts. This includes:

- Building on PEI experience, promoting gender equality and human rights standards in poverty–environment strategies and mainstreaming efforts – including the right to information, public participation in decision-making, and access to justice by poor and marginalized groups
- Addressing the discrimination/exclusion which generates and sustains poverty and unsustainable management of natural resources, and inhibits access rights of the poor to natural resources and other environmental assets
- Strengthening accountability measures and social and environmental safeguards
- Strengthening advocacy for the right to a healthy environment in public debates, the media and global policies

Poverty–Environment Action is building on an earlier collaboration with UN Women on capacity building, awareness raising and policy analysis which influenced several sector policies. The project will expand its partnership with UN Women to scale up its success in promoting policy implementation and programme action to increase the participation of women in policy (SDG target 5.5), enhance women's ownership and control over natural resources including land (SDG targets 1.4 and 5.a) and increase women's productivity and strengthen their climate resilience in the agriculture sector (targets 2.3 and 2.4).

By helping to improve the enabling conditions for participation and accountability – and by contributing to strengthened planning, budgetary and investment frameworks – Poverty–Environment Action supports good governance.

## Strengthening strategic partnerships and improving coordination

Poverty–Environment Action builds on earlier PEI collaboration with organizations engaged in promoting the transition to an inclusive green economy, including current efforts to jointly construct a best practice framework and in-country delivery model for avoiding duplication and enhancing programming collaboration and synergies. Key engagements in 2019 included the PAGE assessment and strategies with respect to the green economy (UNEP); European



Union SWITCH regional programmes in Asia and Africa; and the Green Economy Coalition–International Institute for Environment and Development–GIZ–Organisation for Economic Co-operation and Development–Green Growth Knowledge Platform partnership.

To support an enabling environment for partnerships to effectively contribute to national SDG implementation, the project expanded its collaboration with the Green Economy Coalition in its political economy research and to promote multi-stakeholder dialogue processes in 2019. One of the initial results of the collaboration with these organizations was articulation of the Fast, Fair and Green principles of green economic transformation at the 2019 High–Level Political Forum.

### **Engaging with non-government stakeholders**

Partnering with civil society actors contributes to the effectiveness of development interventions and the delivery of public commitments and policies, especially with respect to marginalized and vulnerable groups. Transparent budgets, accountable public expenditures, and participatory monitoring and evaluation of poverty–environment issues are greatly aided by the advocacy and support of local stakeholders. PEI experience indicates that in tackling implementation, it is more challenging to effectively involve civil society at the national level – e.g. in the participatory processes of designing national development plans and other strategies where the parameters for public participation are dictated by the government.

The project is further engaging with private sector representative entities (e.g. mining associations, farming cooperatives or others as relevant) to generate support for better inclusion of environmental sustainability and climate resilience in their activities and with in-country donors via one-on-one consultations and through donor and government–donor working groups.

### **UNDP–UNEP partnership**

Poverty–Environment Action relies on the sustained partnership between UNDP and UNEP as strategic actors within the UN system to advance the environmental dimension of the 2030 Agenda and the SDGs. As the leading global environmental authority, UNEP sets the global environment agenda, promotes coherent implementation of the environment within the UN system, advocates for the global environment, and implements its global mandate to ensure capacity building and technical assistance – particularly with respect to institutional strengthening in developing countries. UNDP and UNEP combine their complementary mandates and operational strengths to implement the joint Poverty–Environment Action project, including country presence through UNDP; participation in the UN Development Group, the UN Environment Management Group and other joint global coordination mechanisms.



# Way Forward

**W**hile the inception phase in 2018 was used to properly set up and prepare the Poverty-Environment Action project for implementation, 2019 marked the full start of actual implementation at the country and global levels. The implementation of Poverty-Environment Action in 2020 has started with changes in staff in key positions and the strengthening of overall institutional collaboration between UNEP's and UNDP's internal management, but against a backdrop of the COVID-19 emergency.

It is, however, expected that the results achieved have laid a foundation for integrating approaches and tools for mainstreaming environmental sustainability and climate objectives for poverty eradication in development planning and budgeting. There is now a substantial and growing body of country-level mainstreaming experience which governments and other stakeholders can draw on to effectively integrate environmental sustainability and climate objectives into national development planning and implementation for the SDGs. This includes through targeted technical assistance to selected countries, South-South knowledge transfer and cooperation, and proactive engagement with key global and regional actors supporting national SDG implementation and acceleration processes.

In 2020, Poverty-Environment Action will step up its efforts in accelerating implementation at the country and global levels. However, it has yet to be fully established what impact COVID-19 will have on implementation, as all Poverty-Environment Action project countries have been affected by the COVID-19 emergency as of April 2019. Measures taken by the Co-Managers to counter the pandemic's impact on project delivery include shifting from in-person to virtual meetings as feasible, re-phasing global exchanges and meetings, and pursuing those project activities which are possible now.



# Endnotes

1. United Nations General Assembly [Resolution 72/233](#) of 30 January 2018.
2. United Nations Department of Economic and Social Affairs, "[Accelerating Global Actions for a World Without Poverty: United Nations System-wide Plan of Action for the Third United Nations Decade for the Eradication of Poverty \(2018–2027\)](#)."
3. Andy Sumner, Chris Hoy and Eduardo Ortiz-Juarez, "[Estimates of the Impact of COVID-19 on Global Poverty](#)," WIDER Working Paper 2020/43, UNU-WIDER, Helsinki. "In absolute terms, the greatest regional poverty impact would fall on Africa south of the Sahara, where 40–50% of the global poverty increase would be concentrated." B. Vos, W. Martin and D. Labord, "[How Much Will Global Poverty Increase Because of COVID-19?](#)" Blog post , 20 March 2020, International Food Policy Research Institute.
4. United Nations Environment Assembly of the United Nations Environment Programme, "[Resolution adopted by the United Nations Environment Assembly on 15 March 2019: Poverty–environment nexus](#)," UNEP/EA.4/Res.18.
5. The Poverty–Environment Action Knowledge Management and Monitoring and Evaluation Specialist, set to come on board in May 2020, will closely monitor project performance against the set results and indicators for more results–based reporting. A midterm review is scheduled in the fourth quarter of 2020 which will provide more insight of the project results.
6. For four performance indicators (Output Indicators 2.3, 2.4, 3.2 and 3.3), the targets for 2019 were 0. Performance exceeded the targets for Indicators 2.3, 2.4 and 3.2.



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