

Programme Performance Review



2016

In 2014, the UN Environment Assembly approved a Programme of Work and Budget for the period 2016-2017 in line with UN Environment's Medium-Term Strategy 2014-2017. Member States in their decisions at the Assembly requested **UN Environment to examine its progress towards the results** planned through consultations with the CPR.

An External Perspective
Evaluation by MOPAN:
the Multilateral Organization Performance Assessment
Network

Review of UN Environment on:

- Strategic Management
- Operational Management
- Relationship Management
- Performance Management
- Results

In reviewing how we have performed, we first looked at a major external review of our performance. The “Multilateral Organization Performance Assessment Network” (MOPAN) made up of almost 20 donor countries (more info available at www.mopanonline.org/), conducted a review of the organization’s strategy, delivery model, systems and operations. They assessed us against parameters such as Strategic Management, Operational Management, Relationship Management and Knowledge Management.

Multilateral Organization Performance Assessment Network 2011

Areas of Analysis

Performance	Strategic Management	Operational Management	Relationship Management	Knowledge Management

Back in 2011, when MOPAN's first review of UN Environment was carried out, we were seen as a well performing institution with adequate (light green) performance on the key areas reviewed. Strong performance is shown in the areas shaded in dark green.

Multilateral Organization Performance Assessment Network 2016

Areas of Analysis

Performance	Strategic Management	Operational Management	Relationship Management	Performance Management	Results

In 2016, we performed even better when the “Multilateral Organization Performance Assessment Network” conducted a new review of the organization’s strategy, delivery model, systems and operations (although the parameters from the 2011 review are not directly comparable with the 2016 review).

UN Environment was confirmed as a trusted partner, an actor that “meets the requirements of an effective multilateral organization” and that “shows continued strength in terms of being a global authority on environmental issues and providing a robust evidence base for advocacy and policy dialogue... with... a sound operational model, appropriate policies, processes and procedures in place that are expected of a well-functioning multilateral organization.” The review stated that strategically, we have built, over time, a ‘...results framework that provides clear vision and strategic direction’; organizational systems and processes in place that are ‘fit for purpose’ and are able to form ‘effective partnerships which are central to the service delivery model’.

Multilateral Organization Performance Assessment Network 2016



The detailed indicators for their review show that most key performance indicators studied about UN Environment, reveal that MOPAN sees us as being adequate (light green) in most areas and highly satisfactory (dark green) in most other areas.

Along with reviewing our performance against the indicator targets in the programme of work and these kind of reviews, we intend to improve further the following areas:

- how we align our programmes with the 2030 agenda
- how we work with other UN agencies
- how we build a robust business intelligence framework that allows effective use of performance data,
- how we strengthen our partnerships and alliances to successfully tackle the growing complexity of the environment and development landscape globally.

Our Business Model

- Global Divisions and strengthened regional presence delivering to results in programme of work
- Programme structured along 7 thematic areas
- Regular budget and Environment Fund as the financial foundation of the business model
- Partnerships as a delivery mechanism

In reviewing the findings from the “Multilateral Organization Performance Assessment Network” (MOPAN), we looked at our overall business model that underpin how we perform:

- A structure in which global Divisions and a strengthened regional presence deliver our results
- These results are coordinated across the organization along seven thematic areas – climate change, disasters and conflicts, ecosystem management, environmental governance, chemicals and waste, resource efficiency and environment under review
- Our regular budget from the UN and the Environment Fund that underpins the financial foundation of our business model
- And, partnerships as a delivery mechanism, to leverage impact and results in a way that we could not achieve on our own

We have some key challenges here that affect our business model. These include the income to the Environment Fund.



The Medium-Term Strategy and Programme of Work, are structured around **seven focus areas**:

Climate change, disasters and conflicts, ecosystem management, environmental governance, chemicals and waste, resource efficiency and environment under review.

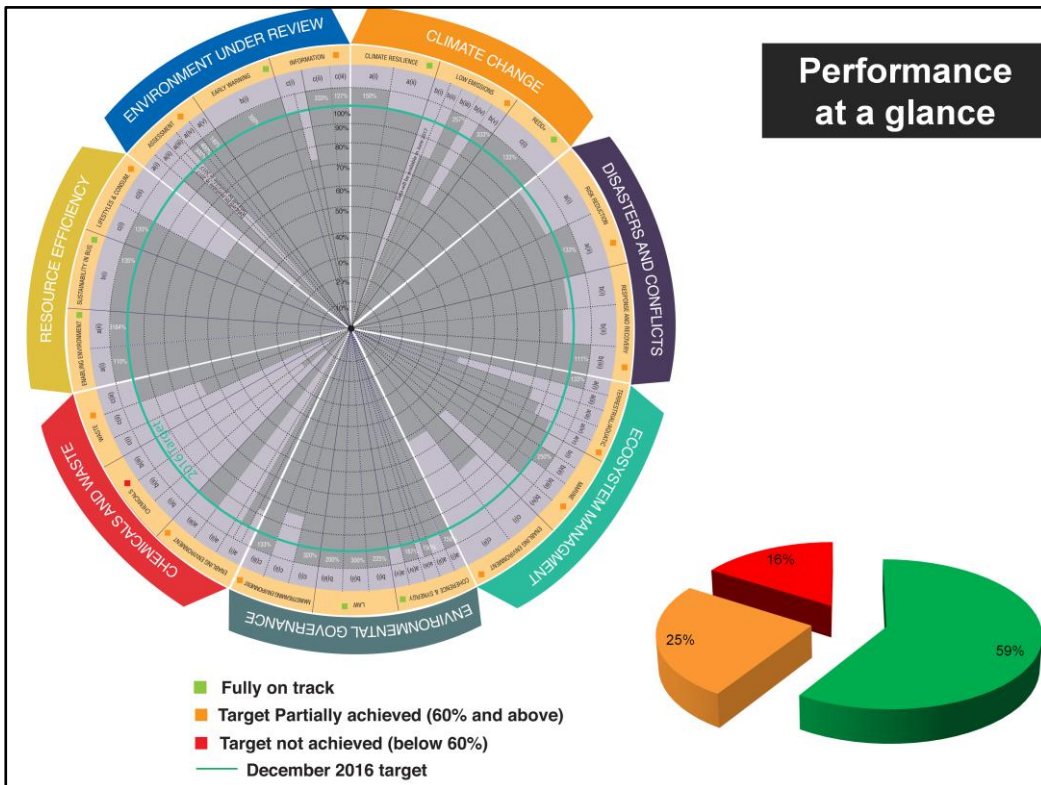
Each of these programmes focuses on specific ‘result areas’, which form our ‘expected accomplishments’ and are the basis for measuring our performance.

From Medium-Term Strategy to Action



Many members of the Committee of Permanent Representatives ask us how we plan our work to achieve results, from the time when the Medium-Term Strategy is developed to action and ultimately, results? Following consultations with the Committee of Permanent Representatives, we develop the Programme of Work, which outlines the budget needed to deliver on the results targeted.

Following the UN Environment Assembly's approval of the Medium-term Strategy and Programme of Work, we review what type of portfolio is needed to deliver the results targeted. Our regional offices review the extent to which this delivers on member states priorities in each region. A portfolio encompassing the different products and services needed to deliver on member states priorities and our results targeted is developed and agreed internally. These are our vehicles for delivering our activities, securing and allocating resources, against which we report our results achieved.



What has our portfolio delivered in terms of results against our planned targets in the approved medium-term strategy and programme of work?

As of December 2016, we have 60 per cent of our targeted indicators for 2016 fully achieved (and in some cases exceeded those targets), while the remaining are partially achieved. We've analysed where we have not been able to achieve the targets and the following are some of our challenges:

- We still see a situation where the Environment Fund has not received the level of income targeted for the year than was planned. While increased earmarked funding compensated for the shortfall in Environment Fund funding, it is directed to certain areas, which means an unbalanced delivery of the programme.
- Some targets were too ambitious and while there has been progress in delivering against the December 2016 targets, it has not been to the scale necessary
- Where our targets are ambitious, we need to rethink our strategy for getting to ambitious results. The next slides provide some suggestions. They include:
 - how we use partnerships to stretch any limited capacities we have internally;
 - how we engage with the private sector, and other game changers, ensuring there is a business case of interest to those players;
 - how we reduce the spread of our efforts and concentrate efforts better; and,
 - how we engage citizens to create a momentum for change

This figure shows the overall performance of the organization against each indicator and each Expected Accomplishment (outcome) of the seven areas of focus for UN Environment. The colour coding is representative of what we see as overall performance at outcome/Expected Accomplishment levels; the length of the bars are the level of performance against the Indicator targets. You will notice that for some result areas, some indicators are over-achieved such as in climate change, resource efficiency, environmental governance and environment under review, whereas for some other indicators, we have partially reached our targets for December 2016.

The colours in green, orange and red give an indication of the target achieved, target partially achieved and target not achieved (respectively) based on whether the target is reached or surpassed the 100 percent mark for the biennial target.

\$ 1billion targeted, Finance Facility: Indonesia



22 countries now have REDD+ strategies

A number of key results were achieved in 2016. These results are provided in the online annual performance report for 2016 available on the internet. Results (as well as challenges) will also be discussed in the subsequent sessions on each programme area over the first two days of the annual meeting of the Committee of Permanent Representatives.

Here we provide only a few interesting highlights. One key highlight is Indonesia, where the Tropical Landscape Finance Facility was established, with UN Environment, the World Agroforestry Centre, BNP Paribas and ADM Capital. Why we highlight it is that it is an illustration of an interesting partnership with the private sector, capable of mobilizing a large volume of private sector financing. The partnership targets catalyzing \$1 billion in private sector finance. While this is not yet a result at an outcome level, we believe it is worth mentioning given the leadership of the government and the private sector and their commitment to make it happen.

The Facility will provide loans and grants to commercial projects, with significant positive social and environmental impact. We hope in our future performance reviews to show how concretely this and other green finance initiatives will have mobilized financing from the private sector and resulted in change on the ground.

With still more countries in 2016 finalizing national REDD+ strategies, there are increased opportunities enabling countries to receive investments in the form of

results-based payments. As of December 2016, we have now 22 countries finalizing REDD+ strategies. This kind of work complements our other climate change work on ecosystem-based adaptation and mitigation, which are reported in more detail in the annual performance report.

These results come up with the growing momentum at the international policy level where Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer struck a landmark deal to reduce the emissions of powerful greenhouse gases, hydro fluorocarbons (HFCs)—a move that could prevent up to 0.5° C temperature rise by the end of the century while protecting the ozone layer. In addition, the Paris Agreement on Climate Change came into force following the ratification by 55 countries whose economies account for 55 per cent of all global greenhouse gas emissions. The unprecedented speed with which the Paris Agreement was ratified is a powerful confirmation of countries' commitment to urgently tackle climate change.

100% of requests for emergency assistance met



22 countries focus on risk reduction

Over the course of 2016, we also supported 22 countries to reduce the risks of natural disasters, industrial accidents and conflicts, another important highlight of work over the past year. We responded to 100 percent of the requests from countries to enable them to deal with the environmental emergencies they faced in 2016.

Also, in **80** per cent of the post-crisis or environmental emergency assessments between January 2011 and December 2015 where UN Environment identified serious risks, national governments or the UN took remedial action to mitigate those risks (against a target **85** per cent).

11 countries now have **ecosystem accounts**.
13 updating their water quality frameworks.



To help create an *enabling environment* for countries to manage ecosystems in a sustainable way, we help countries take account of ecosystem services, assess water quality and incorporate considerations of the health and productivity of ecosystems into their policy frameworks.

By the end of 2016, 11 countries had operational ecosystem accounts in place. Thirteen countries had taken steps to update their water quality frameworks. 21 countries have also used ecosystems as part of Adaptation strategies

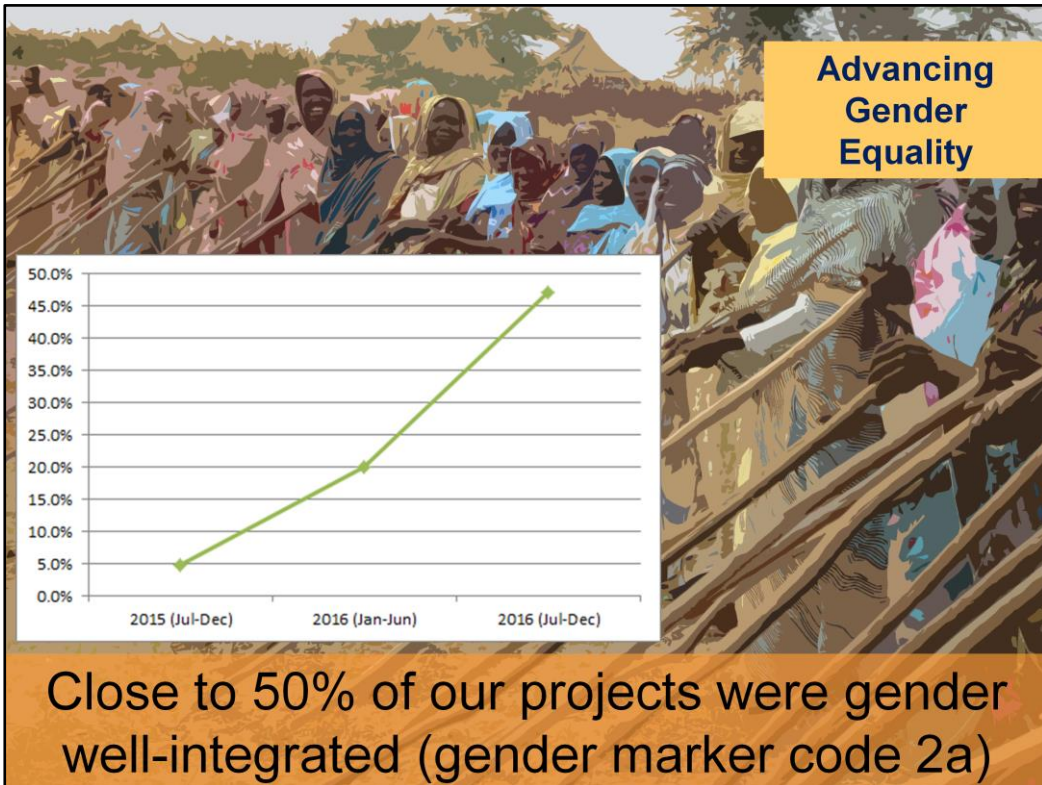


Momentum on green economy/sustainable consumption and production: 49 countries, cities, regions have policies

With our support, ten countries and one region (Asia-Pacific) adopted or even started implementing green economy policies and sustainable consumption and production actions plans in 2016, bringing the total to 49 countries, cities and regions since 2011.

We have seen momentum with a growing number of countries and regions we are supporting **transitioning to inclusive green economies** including the adoption and implementation of sustainable consumption and production action plans. Inclusive green economies are defined as low-carbon, resource efficient and socially inclusive, creating decent jobs and enhancing human well-being.

These are just some of the highlights we have in 2016 that we have synthesized from our work. The Committee of Permanent Representatives will hear of more results (and some challenges) during the deep dive discussions on each programme area over the first two days of the annual meeting of the Committee (6 and 7 March 2017).



UN Environment has introduced the Gender Marker system since mid-2015. An accountability and quality control tool, the Gender Marker is a coding system from 0 (gender-blind), 1 (gender partially-integrated), to 2a (gender well-integrated) and 2b (gender-targeted project) to indicate a project's level of gender integration. An indicator (% projects with a gender marker code 2a or 2b) is formulated to track UN Environment's corporate performance in gender. From a humble start of 5% in the 2nd half of 2015, the figure had jumped to close to 50% in the same period in 2016.

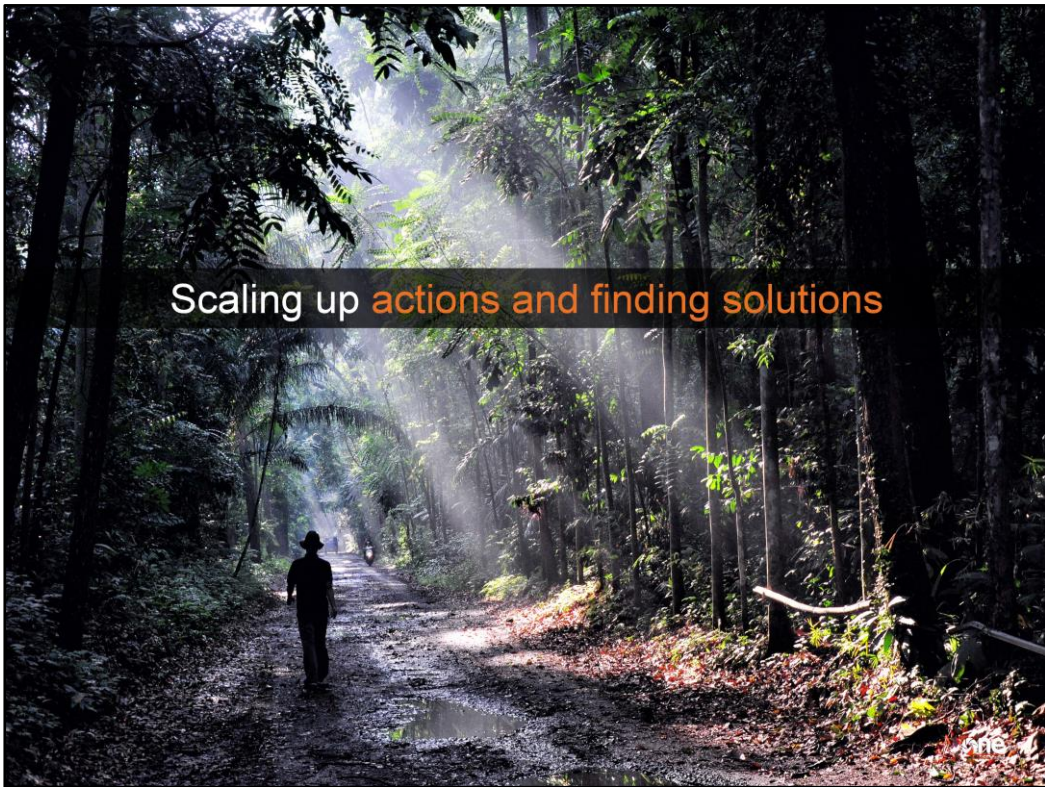
Overview of Challenges

- High earmarked funding but reduced Environment Fund
- The assumptions that underpin our strategy:
 - partnerships
 - the private sector, and the business case
 - citizen engagement
- The spread of our efforts

Our performance review shows we have some key challenges. These challenges include reductions in the Environment Fund, that are stressing the very foundation of our business model. This model relies on us using our resources of the Environment Fund to leverage a portfolio that is strategic and aligned to the programme of work approved by Member States. With lower Environment Fund resources, the implementation of the programme of work rests on the priorities of the contributors. We also must bring more programmatic coherence across our range of initiatives to leverage further impact so that we do not have too dispersed a portfolio.

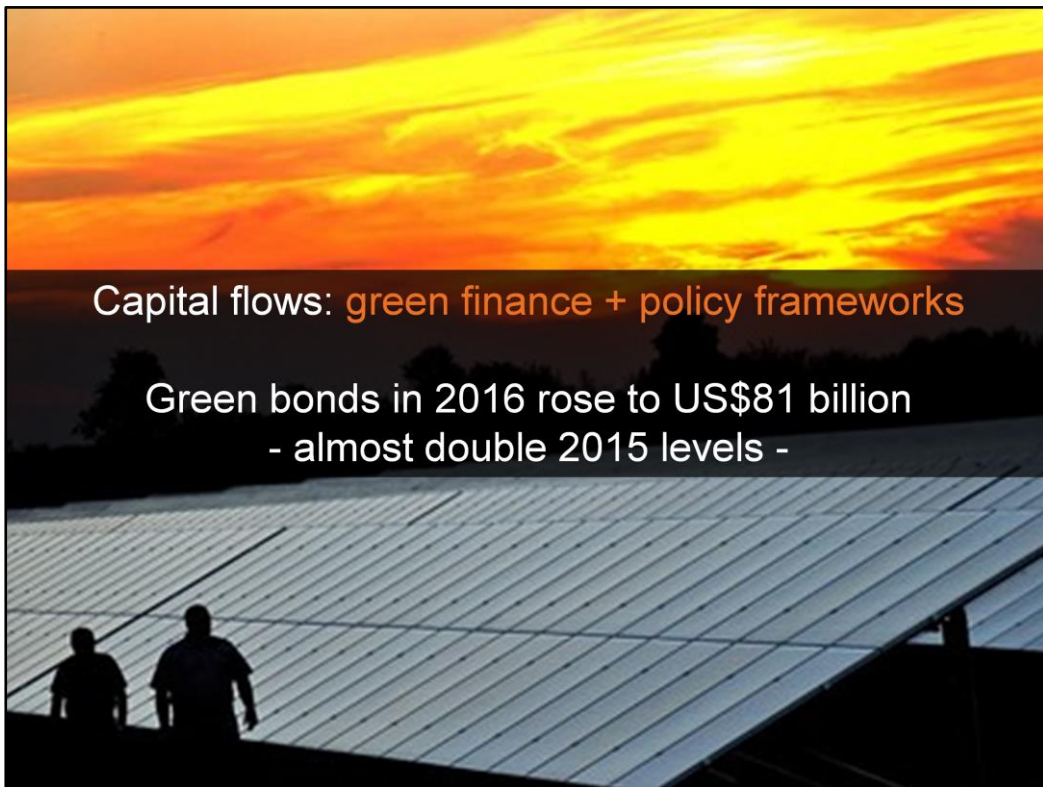
We have a number of assumptions that might need reassessment: how we use partnerships to stretch any limited capacities we have internally; how we engage the private sector, and other game changers, ensuring there is a business case of interest to those players; and, how we engage citizens. Addressing these challenges is critical to our work on, for instance, chemicals and waste, where our performance against our targets will need to be strengthened.

Lastly, we also need to look at our spread of efforts across the programme, which is in some cases dispersing our efforts across a number of areas



While progress towards achieving lasting results across our seven areas of focus—climate change, disasters and conflicts, ecosystem management, environmental governance, chemicals and waste, resource efficiency, and environment under review—has been generally good, a number of challenges remain if we are to contribute significantly to meet countries’ abilities to implement the *2030 Agenda for Sustainable Development*.

To do this, we must evolve our work in the following way: We will need to significantly increase our ability to engage the private sector; we shall have to improve the way we inform, engage and involve citizens in our work; and we must now scale up our work in tackling key global issues: sustainable finance, environmental security, climate change, biodiversity, health and pollution.



The scaling up of green finance is critical in this regard. World leaders meeting at the G20 Summit in Hangzhou, China in September 2016 recognized the importance of scaling up green finance practices. They welcomed options put forward by the G20 Green Finance Study Group, whose secretariat is hosted by UN Environment, which shows what practical steps can be taken to improve policies and market capacity, and support the development of green bond markets.

We need to be able to scale up support to countries to enable them to review their regulatory and policy frameworks and bring about a policy transformation that creates the rules and conditions for such investment. The United Nations, with 19 banks and investors worldwide (totaling \$6.6 trillion in assets), launched a global framework aimed at channeling the money they manage towards clean, low carbon and inclusive projects. The framework – The Principles for Positive Impact Finance – is a first of its kind, setting criteria for investments to be considered sustainable. It spans different business lines, including retail and wholesale lending, corporate and investment lending and asset management. The principles provide guidance for financiers and investors to analyse, monitor and disclose the social, environmental and economic impacts of the financial products and services they deliver. We need more such game changers to create the kind of transformative change necessary to achieve the sustainable development goals.

We also need to create the "enabling conditions" to scale up the results we are

currently achieving on other fronts. The global financial system, for instance, can be a powerful enabler for a greener and sustainable future. Green finance is critical in this regard. Realizing the sustainable development goals will require a major rechanneling of financial flows – both public and private as well as changes to the global financial system.

Cities



To scale up our impact, we need to use opportunities such as those presented by ‘cities’ to better bring together our services.

For instance, with the world urban population expected to nearly double by 2050, urbanization is one of the 21st century’s most transformative trends, posing massive sustainability challenges in terms of housing, infrastructure, transport, basic services, food security, health, education, decent jobs, safety, and natural resources, among others.

Member states adopted the Quito Declaration on Sustainable Cities and Human Settlements for All to take action on this front. The New Urban Agenda reaffirms that need for cities can be low-carbon, resilient and resource efficient, while offering opportunities for new and decent jobs, green investments and other social and economic benefits. UN Environment will continue working with UN Habitat towards helping cities meet these aspirations and to make the transition to green economies. It also presents a key opportunity for bringing our services together and having greater coherence between our different streams of work to have more impact.



We also need to create a significant movement globally in which society see the value to them in tackling different issues, for instance, the reduction of pollution as critical to health and in our oceans, critical to livelihoods and food (fisheries). In turn, this movement can create a momentum for change.

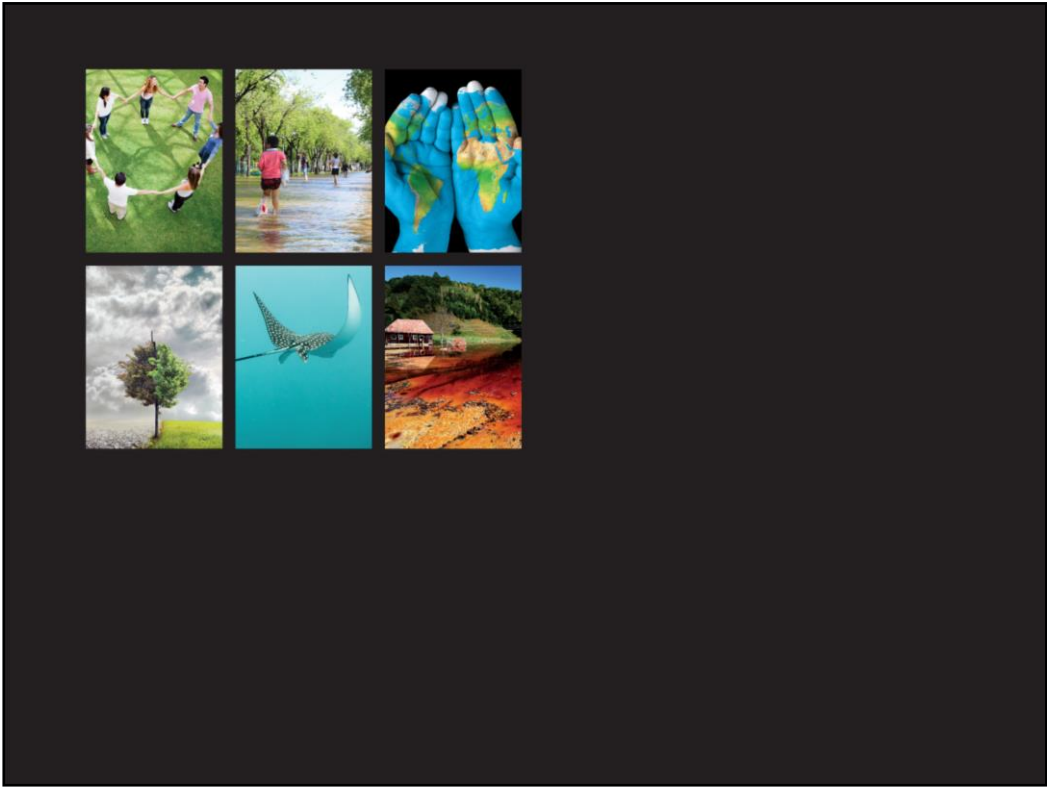
We need to shift public opinion on the criticality of ecosystem health to economic growth and well-being. Together with a greater government, citizen and business movement, we can help countries tackle root causes of critical problems that result in pollution, lack of basic environmental services such as water quality, food provisioning, leading to displacement of people, poor health among other symptoms.



We are also an accredited agency to the Green Climate Fund, besides its consolidated role as a key partner of the European Union's Programme for the Environment and Sustainable Management of Natural Resources, and an Implementing Agency for both the Multilateral Fund of the Montreal Protocol and the Global Environment Facility.

There is a potential for far greater integration of these global funding instruments with our strategic priorities; for a more organized, strategic "blending" of these funding sources in achieving lasting results and contributions to the implementation of the sustainable development goals; and for launching integrated activities and initiatives at a far greater scale. In these ways, we see opportunities for securing larger impact and getting to the results we target in the organization's Programme of Work.

More details on the specific results, challenges and opportunities in each thematic area will be provided in the deep dive presentations and discussions that follow this presentation.



Thank you.