

**Evaluation of the management arrangements and  
processes of the China Trust Fund**  
**Under the**  
**Ministry of Environmental Protection of the People's Republic of  
China and UN Environment Framework Agreement on Strategic  
Cooperation**  
**2013-2015**

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**FINAL REPORT**

**Evaluation Office of UN Environment**  
**October 2017**



## **Evaluation Office of UN Environment**

This report has been prepared by Sarah Humphrey, independent consultant evaluator, and is a product of the Evaluation Office of UN Environment. The findings and conclusions expressed herein do not necessarily reflect the views of Member States or the UN Environment Senior Management.

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## ABOUT THE EVALUATION<sup>1</sup>

**Joint Evaluation:** No

**Report Language(s):** English

**Evaluation Type:** Management Evaluations

**Brief Description:** This report is an evaluation of the management arrangements and processes of the China Trust Fund under the Ministry of Environmental Protection of the People's Republic of China and UN Environment Framework Agreement on Strategic Cooperation 2013-2015. The China Trust Fund is the first portfolio level commitment agreed between the Ministry of Environmental Protection and an international organization, and one of UN Environment's first experiences working in a triangular cooperation mode. The evaluation had a dual purpose: i) to provide a basis for accountability of the China Trust Fund management towards the Ministry of Environmental Protection and UN Environment; and ii) to draw lessons and recommendations from experience on ways to improve existing cooperation modalities between the China-MEP and UN Environment. The evaluation has assessed how the fund structure, management arrangements and processes have affected the strategic relevance, efficiency, and effectiveness and sustainability of results of the China Trust Fund-funded project portfolio implemented by UN Environment.

**Key words:** China; China Trust Fund; donor; management arrangements; management processes; south-south cooperation; strategic cooperation; triangular cooperation

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<sup>1</sup> This data is used to aid the internet search of this report on the Evaluation Office of UN Environment Website

## Summary

### Overview of the Strategic Cooperation Agreement (SCA)

<b>Trust Fund ID:</b>	China Trust Fund	<b>IMIS number:</b>	
<b>Sub-programmes:</b>	<ul style="list-style-type: none"> <li>– Ecosystem Management</li> <li>– Environmental Governance</li> <li>– Chemicals &amp; Waste</li> <li>– Resource Efficiency</li> </ul>	<b>Expected Accomplishment(s):</b>	Multiple spanning Medium-Term Strategy periods 2010-2013 & 2014-2017
<b>Strategic Cooperation Agreement Signature:</b>	14 December 2012	<b>Programme of Work Output(s):</b>	Multiple spanning Programme of Work Periods 2012-2013 and 2014-2015 for project approval and continuing into 2016-2017 for later projects implementation
<b>Expected Start Date:</b>	January 2013	<b>Actual start date:</b>	Receipt of Funding 3 April 2013
<b>Planned completion date:</b>	May 2017 - 24 months after receipt of 3 <sup>rd</sup> funding tranche	<b>Anticipated completion date:</b>	August 2017 as expected completion date of longest running project
<b>Planned budget:</b>	\$ 6,000,000	<b>Total reported expenditures as of Dec 2015 (As reported Jan 2016)</b>	\$ 3,488,268 (57%)
<b>Planned Environment Fund (EF) allocation:</b>	NA at agreement level but most individual projects include EF funding	<b>Actual Environment Fund expenditures reported:</b>	NA
<b>Planned Earmarked financing:</b>	\$ 6,000,000	<b>Actual Earmarked financing expenditures reported as of Dec 2015 (Jan 2016)</b>	\$ 3,488,268 (57%)
<b>Earmarked financing secured:</b>	\$ 6,000,000	<b>Leveraged financing:</b>	Most of the projects contribute to larger Programme of Work projects with significant additional funding
<b>First Disbursement:</b>	April 2013 *	<b>Date of financial closure:</b>	NA
<b>Number of revisions:</b>	NA at agreement level	<b>Date of last revision:</b>	NA
<b>Date of last Steering Committee meeting:</b>	Annual partnership meeting in early 2016	<b>Evaluation (actual date):</b>	September-October 2016

Sources: Strategic Cooperation Agreement, China Trust Fund Report dated January 16

\* Date income received for approved proposals

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## Acronyms and Abbreviations

ASEAN	Association of Southeast Asian Nations
BSP	Bali Strategic Plan for Technology Support and Capacity Building
DPC	Donor Partnerships and Contributions Section (UN Environment)
EA	Expected Accomplishment
MEA	Multilateral Environmental Agreement
MEP	The Ministry of Environmental Protection of the People's Republic of China
MoU	Memorandum of Understanding
MTS	Medium-Term Strategy - UN Environment
PIMS	Programme Information and Management System - UN Environment
PoW	Programme of Work - UN Environment
QAS	Quality Assurance Section - UN Environment
RSO	Regional Support Office - UN Environment
SCA	Strategic Cooperation Agreement (Framework Agreement on Strategic Cooperation)
SPC	Subprogramme coordinator- UN Environment
ToC	Theory of Change
UN	United Nations
UN Environment	United Nations Environment Programme

### ***Note on acronyms and names:***

*The names and acronyms used in this report are those currently in use.*

## Executive Summary

1. This evaluation is concerned with the management arrangements and processes of the China Trust Fund established under the Framework Agreement on Strategic Cooperation signed in December 2012 by the Ministry of Environmental Protection of the People's Republic of China (MEP) and the United Nations Environment Programme (UN Environment). The China Trust Fund is the first portfolio level commitment agreed between the Ministry of Environmental Protection and an international organization, and one of UN Environment's first experiences working in a triangular cooperation mode. Coordination and management of the China Trust Fund is overseen by the Donor Partnerships and Contributions Section of the current Corporate Services Division of UN Environment.
2. The evaluation, that was undertaken in the last quarter of 2016, has a dual purpose: i) to provide a basis for accountability of the China Trust Fund management towards the Ministry of Environmental Protection and UN Environment; and ii) to draw lessons and recommendations from experience on ways to improve existing cooperation modalities between the China-MEP and UN Environment. The evaluation has assessed how the fund structure, management arrangements and processes have affected the strategic relevance, efficiency, and effectiveness and sustainability of results of the China Trust Fund-funded project portfolio implemented by UN Environment.
3. The agreement provided a total of US\$ 6,000,000 in earmarked funding for the 18 projects, split into three annual tranches of US\$ 2,000,000 received in 2013, 2014, and 2015. Six projects were identified for funding in each year, with individual budgets between US\$ 300,000 and US\$ 400,000. The intended duration of each project was up to two years and the portfolio is expected to be fully delivered by the end of 2017.
4. The management arrangements and processes put in place for the agreement and related trust fund have enabled the identification, development and launch of 18 projects that are broadly aligned with and contribute to the UN Environment Medium-Term Strategy for 2014-2017 as well as to the priority areas identified in the Strategic Cooperation Agreement. The projects contribute strongly to UN Environment's cross cutting priorities, especially implementation of the 2005 Bali Strategic Plan for Technology Support and Capacity Building which aims to strengthen UN Environment's technology support and capacity building for developing countries and the South-South Cooperation Approach.
5. The evaluation identified two concerns related to relevance. The first is the limited alignment of some of the selected projects to the UN Environment Programme of Work that led to a need to revise many of the selected projects in line with the organization-wide commitment to results based management. The second was the limited consideration of beneficiary needs during project identification that, in a few cases, led to issues of ownership.
6. With regard to efficiency, many projects started later than anticipated owing to the need for an extended quality control process and some projects experienced operational delays associated with the UN Environment's adoption of the UN Secretariat's enterprise resource planning system. Projects also experienced a range of implementation issues with the two-year time frame frequently proving overambitious. These delays have generated a credibility issue for UN Environment, with the Ministry of Environmental Protection understandably concerned to be able to demonstrate progress and results to decision makers in China. The Trust Fund structure, with many small projects of short duration, generated relatively high transaction costs associated with project identification, development and reporting on individually identified projects.
7. The evaluation identified potential advantages of integrating the Strategic Cooperation Agreement projects into larger UN Environment projects in support of the programme of work rather than implementing them as stand-alone projects, including more comprehensive delivery and improved ability to demonstrate results, opportunities for broader engagement of partners

in a broader set of project outputs, greater project and donor visibility, and reduced transaction costs.

8. The evaluation recommendations are intended to address identified weaknesses in the China Trust Fund structure, management arrangements and processes that have affected relevance, efficiency, effectiveness and sustainability.

### **Structure of funding**

9. The China Trust Fund structure is associated with a large number of relatively small projects. The broad scope and ultimately the fragmented nature of interventions together with the process orientation of the priority areas has made it difficult to determine results of the China Trust Fund support and to demonstrate impact. The approach has incurred significant transaction costs associated with the wide scope of the call and the need to identify, develop and approve individual projects.
10. A more focused set of priorities would provide a stronger identity for the portfolio, would increase the potential for attributable outcomes, and would facilitate communications and visibility. There are also opportunities to better synchronize delivery with UN Environment's programme cycle, and to support emerging trends in UN Environment's delivery including strengthening of UN Environment's regional presences and development of practice hubs to consolidate work on emerging themes.
11. The following recommendation is multifaceted and may be addressed fully or in part depending on the findings of the proposed dialogue.

### **Recommendation 1. Programme Alignment and Focus**

12. Initiate a dialogue process between the Ministry of Environmental Protection, the Programme and Policy Division, the Donor Partnerships and Contributions Section and relevant UN Environment regional offices with the following aims:
  - a) Identify a revised and more focused set of common priorities linked to and synchronized with delivery of UN Environment's Medium Term Strategy for 2018-2021, the Programme of Work 2018-2019 as well as the thematic and geographic preferences of the Ministry of Environmental Protection.
  - b) Identify and agree options for a softer approach to earmarking of funds based in line with the programme-based approach set out in UN Environment's resource mobilization strategy.
  - c) If project support is continued, ensure integration with UN Environment projects based on the Subprogramme Frameworks, and encourage a smaller number of longer running projects.
  - d) Continue to exploit China's expertise and experience in the framework of South-South Cooperation and triangulate cooperation including through developing more substantive partnerships with institutions in beneficiary countries.

### **Management arrangements**

13. While the Donor Partnerships and Contributions Section has been largely able to deliver on its expected roles and responsibilities, there is scope to reinforce capacity in order to enable a more proactive liaison role with the Ministry of Environmental Protection of the People's Republic of China, and other partners in China and to monitor project issues and opportunities, including related to communications and visibility.
14. The evaluation identified some discontinuities and gaps in institutional memory related to UN Environment's engagement with the China Trust Fund including changeover in senior representation at the Annual Consultations and the absence of a central repository for documentation related to the Trust Fund.

### **Recommendation 2.1. Increased Coordination Capacity**

15. Increase coordination support for the China Trust Fund through allocation of additional human resources on a year-round basis. Options to realize this recommendation include allocation of a dedicated budget line in the China Trust Fund, a staff secondment, or appointment of a Junior Professional Officer. This recommendation is considered of secondary importance to the recommendation intended to streamline processes and reduce transaction costs.

#### Recommendation 2.2 Continuity and Institutional Memory

16. Reinforce institutional memory and ensure consistency and continuity in liaison with the Ministry of Environmental Protection by:
  - a) Ensuring consistent UN Environment representation and leadership for China Trust Fund discussion at the UN Environment China Annual Consultation.
  - b) Maintaining a centralized record of all documentation pertaining to the UN Environment-Ministry of Environmental Protection partnership and Strategic Cooperation Agreement and ensure this is available to other parts of UN Environment on a needs basis.
  - c) Ensuring the Donor Partnerships and Contributions Section Office is notified in a timely manner of strategic developments in the identification or delivery of projects as well as any constraints to project delivery.

#### **Management Processes**

17. The recommendations related to management processes are based on issues that have arisen based on the prevailing arrangements. Several of them have their origins in the structure of the fund and the approach should be amended in line with the outcomes of the dialogue proposed in Recommendation 1.

#### Recommendation 3.1 Operational Cycle

18. Instigate a regular calendar which builds in sufficient time for key stages in the project cycle including the call for proposals, deadline for submission of concepts, selection of projects, development of full proposals, project reporting and financial reporting. The reporting cycle should be associated with UN Environment's regular requirements and the financial reporting deadline with closure of UN Environment's annual accounts.

#### Recommendation 3.2 Streamlining of Project Identification, Development and Approval

19. The following recommendations are intended to streamline processes in order to reduce transaction costs and to ensure that proposals are developed in a coordinated manner in order to avoid competing proposals or duplication of effort.
  - a) Ensure that the call for proposals fully sets out the parameters for the call including project size, duration, focal areas and requirements for Programme of Work alignment (Donor Partnerships and Contributions Section).
  - b) Require project proponents to register their interest in the call and to liaise with relevant Subprogramme Coordinators to ensure adequate alignment with programme frameworks and contribution to related Programme of Work projects, and to avoid development of competing concepts.
  - c) Require approval of individual concepts by Subprogramme Coordinators and involve Subprogramme Coordinators in internal screening and shortlisting of concepts.

#### Recommendation 3.3. Ensuring Relevance in Beneficiary Countries

20. This recommendation is intended to ensure knowledge of priorities and institutions is integrated into project design and to contribute to ownership and sustainability in project implementing substantial activities such as assessments or case studies at the national level.
  - a) Require systematic consultations with relevant regional offices at the project identification stage in order to match projects to regional priorities in line with UN Environment's policy on Strategic Regional Presence, and encourage involvement of Regional Subprogramme Coordinators in project development in order to identify relevant stakeholders and partners.

- b) Where appropriate, include relevant regional or national institutions as full project partners with defined activities and related budget allocations.

Recommendation 3.4 Reporting

21. This recommendation is intended to reduce reporting requirements and exploit opportunities for stronger partnerships and greater visibility.
  - a) Encourage the donor to accept strategic reporting at the level of UN Environment Programme of Work projects, with accountability for individual grants (China Trust Fund projects) established through financial reporting and a description of related deliverables (products and services).
  - b) Reinforce financial reporting on the China Trust Fund at portfolio level following closure of annual accounts, including consideration of unspent balances on closed projects and of any income from interest, in line with Strategic Cooperation Agreement requirements.

## 1. Introduction

1. This evaluation is concerned with the management arrangements and processes of the China Trust Fund established under the Framework Agreement on Strategic Cooperation signed in December 2012 by the Ministry of Environmental Protection of the People's Republic of China (MEP) and the United Nations Environment Programme (UN Environment). The management arrangements are those put in place by UN Environment to manage and coordinate the trust fund and project portfolio while processes include those related to project planning and identification, review and approval, implementation and monitoring, evaluation, and completion and closing, some of which are conducted in close collaboration with the Ministry of Environmental Protection. The evaluation does not address outcomes and impacts of the projects supported by the Trust Fund, that will be the subject of a later evaluation,
2. The China Trust Fund supported a portfolio of 18 projects contributing to the four priority areas identified in the Framework Agreement on Strategic Cooperation between the Ministry of Environmental Protection and UN Environment, as well as to four of UN Environment's seven Sub-programmes under the UN Environment Medium Term Strategy for 2014-2017<sup>2</sup>. The agreement provided a total of US\$ 6,000,000 in earmarked funding for 18 projects, split into three annual tranches of US\$ 2,000,000 received in 2013, 2014, and 2015. Six projects were identified for funding in each year, with individual budgets between US\$ 300,000 and US\$ 400,000. The intended duration of each project was up to two years and the portfolio is expected to be fully delivered by the end of 2017.
3. The projects have been led by four UN Environment Divisions<sup>3</sup>; Ecosystems Division, Law Division, Economy Division and the former Division of Regional Cooperation (DRC)<sup>4</sup>, two regional offices; Europe Office and Asia and Pacific Office<sup>5</sup>, and one UN Environment Collaborating Centre. The projects have been delivered in collaboration with other relevant regional offices and, in most cases, with at least one implementing partner in China.

### 1.2. Objectives, approach and limitations of the evaluation

4. This evaluation of the China Trust Fund has focused on assessing the management arrangements and processes of the China Trust Fund specified by the December 2012 Strategic Cooperation Agreement for and put in place in practice. The evaluation aims to assess how the management arrangements and processes affect the strategic relevance, effectiveness (through potential contribution of the portfolio of funded projects to joint objectives and to UN Environment's Programme of Work) and sustainability of the projects supported through the Trust Fund. The evaluation will also assess the efficiency of the management arrangements and processes and discuss factors and processes that affect the China Trust Fund projects.
5. The evaluation has a dual purpose: i) to provide a basis for accountability of the China Trust Fund management towards the Ministry of Environmental Protection and UN Environment; and ii) to draw lessons and recommendations from experience on ways to improve existing cooperation modalities between the China-MEP and UN Environment. The evaluation draws on current practices and has a forward-looking perspective to examine ways in which the cooperation could have greater impact. The evaluation terms of reference for the evaluation are attached as [Annex 1](#).
6. The findings of the Evaluation are based on the following:
  - A desk review of programme documents ([Annex 2b – List of documents consulted](#)) including the Memoranda of Understanding between China and UN Environment, the Strategic Cooperation

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<sup>2</sup> Limiting the scope of the review to the MTS period 2014-2017 was agreed with the UN Environment Evaluation Office and the consultant since few of the projects had started in the earlier MTS period.

<sup>3</sup> The Division for Regional Cooperation, has been restructured as the Office for Regional Cooperation while other Divisions have adopted new names.

<sup>4</sup> Formerly the Division of Environmental Policy Implementation (DEPI), Division of Environmental Law and Conventions (DELC) and Division of Technology, Industry and Economy (DTIE).

<sup>5</sup> Formerly the Regional Office for Europe (ROE) and the Regional Office for Asia and Pacific (ROAP).

Agreement, China Trust Fund annual reports, project documents and progress reports, and reports of the Annual Meetings between UN Environment and China.

- Telephone and online interviews with a cross-section of nearly 50 stakeholders including the China-MEP, the UN Environment Corporate Services Division, UN Environment Project Managers involved in the implementation of China Trust Fund projects, and implementing partners in China ([Annex 2a](#) – List of interviewees).
7. The evaluation approach comprised
- A comparison of management processes and arrangements to compare the arrangements and processes with i) those of other non-core-funded interventions in UN Environment; ii) benchmarks based on UN Environment standards and norms set out in policy and guidance documents ([Annex 4](#))
  - A simple outcome mapping to look at the alignment of projects and their potential to contribute to the joint priorities set out in the Strategic Cooperation Agreement and to the approved UN Environment Medium-Term Strategy and related Programmes of Work ([Annex \\*5](#)).
  - Five mini-case studies spanning eight of the eighteen China Trust Fund projects, which were selected to *represent the distribution of projects across the three funding tranches, the four priority areas, UN Environment’s programming structure and the geographic distribution of the interventions*. ([Annex 6](#), which includes the full list of case study selection criteria).
- *South-South Capacity Building for Ecosystem Management in the Greater Mekong Subregion (GMS) (T2-P1)*
  - *Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation (T1-P6)*
  - *Strengthening National Institutional Capacity of Selected countries in Africa, Asia, and Central Asia to Enforce Environmental Law through South-South cooperation (T3-P1)*
  - *Capacity-Building for Environmentally Sound Management (ESM) of PBDEs and their waste in selected Asia-Pacific Countries (T2-P3)*
  - *Support towards ratification and implementation of the chemicals and waste conventions in Central Asia (T3-P3)*
  - *Building the Capacity of Developing Countries to Promote Green Economies (T1-P1)*
  - *South-South Cooperation in Mongolia and Central Asian Countries: Sharing Knowledge on Inclusive Green Economies and Ecological Civilization (T2-P2)*
  - *South-South Cooperation in Mongolia, China and Central Asian Countries: Investing in a Green Silk Road (T3-P6)*
8. The evaluation was initiated in September 2016 and a first full draft completed in December 2016 ([Annex 3: Evaluation Schedule](#)). The evaluation incorporates information available up to that date. Some updates are mentioned in footnotes.
9. With regard to constraints, the evaluator faced some delays in arranging interviews in view of busy schedules. There were also some difficulties in accessing core documentation such as meeting minutes. The evaluation review period was significantly delayed in view of UN Environment staff absences.

## **2. Overview of the China Trust Fund and Strategic Cooperation**

### **2.1 Basis for Cooperation**

10. The Ministry of Environmental Protection of the People’s Republic of China (China-MEP) and UN Environment signed a Memorandum of Understanding in November 2009 with the purpose to further their shared goals related to the conservation, protection enhancement and support of nature and natural resources, mainstreaming of environmental policies, and enhancement of environmental governance. The Memorandum of Understanding had an expiry date of December 2013.
11. In December 2012, the Ministry of Environmental Protection and UN Environment signed a Framework Agreement on Strategic Cooperation (hereafter called the Strategic Cooperation

Agreement) to cover the earmarked contributions from China-MEP to UN Environment for a total budget of US\$ 6 million, disbursed in annual allotments of US\$ 2 million over the period 2013-2015. UN Environment established a dedicated UN Environment-China Trust Fund (hereafter called the China Trust Fund) to manage the contributions in accordance with the Strategic Cooperation Agreement.

12. A new Memorandum of Understanding between UN Environment and China-MEP was signed in November 2013, with the aim of consolidating, developing and intensifying the Parties' collaboration and their effectiveness to achieve common goals and objectives in the field of environment. The Memorandum of Understanding covers the period to December 2017, with explicit reference to the UN Environment Medium-Term Strategy for 2014-2017 and UN Environment Country Cooperation Framework on China for 2014-2017.
13. The Memorandum of Understanding signed in 2013 includes an expanded section on areas of cooperation including Article 3; Areas of Cooperation that anticipates the approaches taken in many of the China Trust Fund projects. Specifically, it indicates that
  - UN Environment should facilitate China's role in South-South cooperation and share China's experiences through the tripartite cooperation mechanism,
  - The Ministry of Environmental Protection would support efforts in identifying the projects for building the environmental capacities of developing countries;
  - The Ministry of Environmental Protection would facilitate Chinese appropriate institutions to participate in relevant UN Environment activities, projects and programmes.
14. The 2013 Memorandum of Understanding echoes its predecessor in stating that its objectives will be achieved through i) annual dialogue meetings and ii) execution of a separate legal agreement between the parties to define and implement joint activities, projects and programmes.

## **2.2 Objective, Priority Areas and Portfolio Overview**

15. The overall objective of the Strategic Cooperation Agreement was *to support UN Environment activities designed to build the capacity of developing countries to address environmental issues and sustainably develop their economies and increase public awareness of environmental challenges, relying as much as practicable on south-south cooperation*. The scope of cooperation is thus wider than anticipated in the earlier (2009) Memorandum of Understanding that focused on activities in China (Article 2; Purpose) but fully commensurate with that anticipated in the second Memorandum of Understanding signed in 2013.
16. The Strategic Cooperation Agreement identifies four broadly defined priority areas for funding:
  - i. Optimal utilization of an ecosystem approach to the protection of biological diversity and the enhancement of human well-being;
  - ii. Building the capacity of developing countries to promote green economies;
  - iii. Enhancing the capacity of developing countries to implement their environmental obligations and achieve their environmental goals, targets and objectives through strengthened institutions and the implementation of laws; and
  - iv. Building the capacity of developing countries to address global and regional environmental problems and to comply with requirements of multilateral environmental agreements.

## **2.3 The Project Portfolio**

17. Eighteen projects were selected for funding through the Trust Fund between 2013 and 2015, spanning four of the six UN Environment's Sub-programmes that were approved as part of UN Environment's Medium Term Strategy for the period 2010-2013 ([Table 1](#)).

**Table 1. Overview of the projects funded through the UN Environment China Trust Fund for the period of 2013-2015, organised by UN Environment sub-programme** (Source: China Trust Fund summary of portfolio report, January 2016 and Donor Partnerships and Contributions Section)

Title	Managing Division / Office	Tranche & Project	Status (Jan 17)	Approved Budget (in USD)
<b>1. Ecosystem Management</b>				
South-South Capacity Building for Ecosystem Management in the Greater Mekong Subregion (GMS)	Ecosystem Division; Asia & Pacific Office	T2 P1	Completed Sept 16	300,000
Support for Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in ASEAN Countries	Law Division	T2 P4	Ongoing	300,000
Support for the Revision of National Biodiversity Strategies and Action Plans in Central Asian Countries	Europe Office	T2 P5	Completed May 16	400,000
<b>2. Environmental Governance</b>				
South-South Cooperation: Global South-South Development (GSSD) Expo 2013	Division on Regional Coordination	T1 P3	Completed	300,000
Strengthening the capacity of South East Asian countries for the development and implementation of the Biodiversity Strategic Plan 2011-2020 & Aichi Targets	Law Division	T1 P5	Completed	400,000
Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation	Law Division	T1 P6	Completed	300,000
Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation	Law Division	T3 P1	Ongoing	350,000
<b>3. Chemicals &amp; Waste</b>				
Support towards ratification and implementation of the Minamata Convention on Mercury	Law Division; Economy Division	T1 P2	Completed March 16	300,000
Capacity-Building for Environmentally Sound Management (ESM) of PBDEs and their waste in selected Asia-Pacific Countries	Economy Division	T2 P3	Completed Nov 16	300,000
Implementation of Minamata Convention on Mercury in African Region	Economy Division; Law Division	T2 P6	Ongoing	300,000
Promoting the elimination of the use of lead paints in China and Africa	Economy Division	T3 P2	Ongoing	340,000
Support towards ratification and implementation of the chemicals and waste conventions in Central Asia (special focus on Minamata Convention on Mercury under China funding)	Europe Office	T3 P3	Ongoing	300,000
Strengthen the capacity of the Asia Pacific countries on the adoption of environmentally friendly alternatives through South-South Cooperation for the implementation of the Montreal Protocol	Economy Division	T3 P4	Ongoing	360,000
<b>4. Resource Efficiency</b>				
Enhancing South-South Cooperation: Building the Capacity of Developing Countries to Promote Green Economies	Economy Division	T1 P1	Completed	400,000
Strengthening the capacities and improving the knowledge of green public procurement and eco-labelling in the ASEAN+3 region	Economy Division	T1 P4	Completed Dec 16	300,000

South-South Cooperation in Mongolia and Central Asian Countries: Sharing Knowledge on Inclusive Green Economies and Ecological Civilization	Economy Division	T2 P2	Completed April 16	400,000
Supporting regional policy dialogue on sustainable cities with scientific assessment and policy dialogue	Economy Division	T3P5	Ongoing	350,000
South-South Cooperation in China, Mongolia, and Central Asian Countries: Investing in a Green Silk Road	Economy Division	T3 P6	Ongoing	400,000
<b>Total Funding allocated</b>				<b>6,100,000</b>

18. Each of the projects was selected for funding on its individual merits based on alignment to the agreed priority areas. The portfolio of projects thus represents a collection of individual actions contributing to the Strategic Cooperation Agreement objective rather than a set of complementary interventions designed to bring about a specific outcome. Work in three areas (law enforcement, green economy and the Minamata Convention) was supported through two or more successive projects supported through different funding tranches<sup>6</sup>, allowing for follow on work in given region and/or replication in a different region.

19. The geographical focus of the projects is Africa and Asia, including Asia-Pacific, South East Asia, Central Asia, ASEAN+3, and the greater Mekong Sub-region, and some projects specifying work in Mongolia (2) and China. One project involved work in Colombia.

## 2.4 Financing

20. The total budget allocated to the China Trust Fund was US\$ 6 million, which was released in three annual tranches of US\$ 2 million each. There was no requirement for co-finance and financial and technical reporting has been based only on China Trust Fund allocations.

21. The sum of approved allocations for the 18 projects was US\$ 6.1 million (Table 1 and Paragraph 118). The project budgets ranged from US\$ 300,000 to US\$ 400,000 with an approved project duration of up to 24 months for each project. The total budget includes programme support cost (PSC) of 13% which is included in the budget of each project.

22. The UN Environment progress report of January 2015 (covering 2014) indicates that there was an unspent balance of US\$ 150,000 from two completed projects<sup>7</sup> that was available for reallocation. Part of this funding (US\$ 3,662) was used for communications activities, specifically, to develop a brochure on the portfolio in advance of the 2016 United Nations Environment Assembly (UNEA) meeting. The 2016 progress report indicates that US\$ 100,000 from the unspent balance of project on GSSC Expo (totalling US\$ 128,250) had been reallocated towards the third tranche projects 'as per China-MEP decision'.

## 2.5 Milestones and Key Dates

23. The Strategic Cooperation Agreement was signed on 14 December 2012. Three groups of six projects were selected for funding in three annual tranches.

- Selection of the first group of projects is recorded in the report of the 7<sup>th</sup> Annual Meeting between China and UN Environment that took place in Geneva on 18<sup>th</sup>-19<sup>th</sup> December 2012. The meeting included several technical sessions including presentations on three of UN Environment's (then) six sub-programmes.
- Selection of the second group of projects is recorded in the report of the 8<sup>th</sup> Annual Meeting of China and UN Environment that took place on 8<sup>th</sup> January 2014 in Beijing.

<sup>6</sup> Based on separate project and individually-selected project proposals. Work on green economy and Minamata was supported by two or more successive tranches, Work on law enforcement was funded through the first and third tranches of funding.

<sup>7</sup> South-South Cooperation: Global South-South Development Expo 2013 and T1 P6: Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation. The exact figure was US\$ 147,000.

- Finally, the selection of the third tranche of projects is recorded in the report of the 9<sup>th</sup> Annual Meeting of China and UN Environment that took place on 22<sup>nd</sup>-23<sup>rd</sup> January 2015 in Bangkok.
24. Funding has been released in three tranches as anticipated in the Strategic Cooperation Agreement, with funds made available for approved projects on 3<sup>rd</sup> April 2013, 12<sup>th</sup> May 2014 and 26<sup>th</sup> June 2015.
  25. The selected projects had an expected implementation time of up to 24 months. Many of the projects experienced delays in their start dates and the latest running project is currently expected to be completed at the end of 2017.

## 2.6 Implementation Arrangements

26. The two signatories to the Memorandum of Understanding are the Ministry of Environmental Protection of the People's Republic of China and UN Environment. The China-MEP and UN Environment are referred to in general terms in the Memorandum of Understanding, except in the clause on programming of funds that identifies the UN Environment Office for Operations (currently Corporate Services Division) as representing UN Environment in discussions related to the selection of proposals, and to the Director General of the International Cooperation Department of the Ministry and the Director of the UN Environment Office for Operations in the context of formalization of project selection.
27. Coordination and management of the China Trust Fund is overseen by the Donor Partnerships and Contributions Section of the current Corporate Services Division of UN Environment.
28. Implementation arrangements for the individual projects are described in each of the project documents, with projects led by relevant Divisions or Regional Offices. Each project has typically worked with one or two implementing partners whose role in the delivery of project activities has been formalized through small scale funding agreements or project cooperation agreements (contracts) issued by the relevant Division in UN Environment.

## 3. Evaluation Findings

29. As per the evaluation terms of reference, the evaluation has assessed the China Trust Fund management arrangements and processes with respect to three evaluation criteria: relevance, efficiency and effectiveness. Findings regarding each of these criteria are set out in sections 3.1, 3.2 and 3.3. Section 3.4 provides further details of factors affecting performance based on the evaluation analyses, namely the project case studies ([Annex 6](#)), Outcome mapping ([Annex 5](#)) and comparison of project management processes to UN Environment norms ([Annex 4](#)). Section 3.4 includes reference to additional UN Environment policies and guidance including UN Environment's global funding strategies and partnership policies.

### 3.1 Relevance & Strategic Alignment

30. The following paragraphs consider relevance and strategic alignment of the China Trust Fund projects to the joint priorities of China and UN Environment set out in the Strategic Cooperation Agreement and to the UN Environment Medium-Term Strategy and related Programmes of Work. Additional background is provided in [Annex \\*5 on Outcome Mapping](#)

#### *Alignment with Strategic Cooperation Agreement Priorities*

31. The outcome mapping exercise undertaken for this evaluation (See [Annex 5](#)) indicates that individual portfolio projects are fully aligned with the four priority areas identified under the Strategic Cooperation Agreement ([Paragraph 16](#)) based on a straightforward mapping of their thematic orientation. Alignment is, in part, facilitated by the fact that the four priority areas are defined in broad thematic terms and focus largely on change processes (capacity building) and approaches.
32. The Strategic Cooperation Agreement does not refer to any required or desirable balance in funding allocation amongst the priority areas. Nine of the projects fall under the priority area on global issues including three projects contributing to the Convention on Biological Diversity and the related Aichi Protocol and six projects related to chemicals, of which five are associated with Multilateral

Environmental Agreements. Five projects are related to resource efficiency, including three related and sequential projects on green economy. Two related projects contribute to strengthened institutions and the implementation of law and one project contributes to the theme on ecosystem management. One selected project, support to the 2015 South-South Expo, was cross cutting in nature.

33. The approaches and envisaged cross cutting results set out in the Strategic Cooperation Agreement objective (capacity building, sustainable development, public awareness, south-south cooperation) serve as secondary benchmarks for considering relevance and contribution of the projects to the agreed joint priorities.
34. The selected projects are strongly characterized by south-south cooperation in the context of sustainable development and capacity building, showcasing concepts, approaches and experience developed or applied in China in the area of sustainable development spanning all four of the Strategic Cooperation Agreement priority areas. There is less emphasis on public awareness though some projects have produced technical documents of global relevance.

*Alignment to UN Environment Medium-Term Strategy and Programme of Work*

35. The UN Environment Medium-Term Strategies, Programmes of Work, and Sub-Programme Frameworks set out an intervention strategy linking UN Environment projects to programme level outputs and expected accomplishments.
36. The Strategic Cooperation Agreement does not mention the UN Environment Medium-Term Strategy or Programme of Work but refers in general terms to supporting UN Environment's activities. The China portfolio projects were designed in the period 2013-2015 which overlapped with two Medium-Term Strategies covering the periods 2010-2013 and 2014-2017 that were respectively approved by the UN Environment Governing Council/United Nations Environment Assembly and Global Ministerial Forum 2008 and 2013. The Strategic Cooperation Agreement priority areas and projects can be mapped based on their thematic content onto four of the six Sub-programme themes defined in UN Environment's Medium-Term Strategy for 2010-2013 and four of seven themes in the Medium-Term Strategy for 2014-2017.
37. Similarly, projects were designed during two Programme of Work periods (2012-2013 and 2014-2015) with the implementation period for most Tranche II and Tranche III projects continuing into the 2016-2017 biennium. The UN Environment Programme of Work outputs for these periods show strong continuity so the effect of projects spanning two Programme of Work periods does not affect project alignment with UN Environment's higher level results.
38. At the sub-programme level, UN Environment's contribution to the Medium-Term Strategy *expected accomplishments* and programme of work *outputs* is operationalised through the senior management approved programme framework. The programme frameworks typically defined one or two projects for each Programme of Work output and anticipated how different parts of UN Environment will work together to deliver an intervention or set of related interventions to accomplish the output.
39. The final UN Environment-approved project documents made available for this evaluation typically indicate alignment to a Programme of Work output in the summary and logframe<sup>8</sup>. The alignment for each project was verified thorough the UN Environment quality assurance process, including review prior to approval by the UN Environment project review committee (PRC).
40. Many of the China Trust Fund projects underwent an extended and iterative review process involving UN Environment's Quality Assurance Section (QAS) and Project Review Committee in order to meet the requirements for internal approval. This in part reflects the tightening of the quality assurance process in 2014 with greater emphasis placed on strategic alignment amongst other factors. (See 3.41. *Project Preparation, Design and Approval*). Project proponents were advised in 2015 to submit projects that formed part of existing and approved UN Environment projects (i.e. projects that have

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<sup>8</sup> Final UN Environment approved project documents were available for 17 of the 18 projects. Earlier drafts were not available and it was not possible to ascertain to what extent projects were aligned to the Programme of Work prior to their revision in line with Quality Assurance Section and/or Project Review Committee requirements

already been through the Project Review Committee) in order to ensure stronger alignment with the programme of work from the outset.

41. The projects were approved within UN Environment as contributing to eight UN Environment expected accomplishments and eleven programme of work outputs<sup>9</sup>. From an operational perspective projects were fitted into the relevant Subprogramme Framework through either i) integration into a UN Environment Programme of Work project, including, where necessary, a formal revision to the project to accommodate additional activities and funding received from the China Trust Fund or (exceptionally) ii) approval as a stand-alone project in parallel to an existing UN Environment project designed to contribute to an identified programme of work output.
42. Where China Trust Fund projects have been fully integrated into an existing UN Environment programme of work project, managers and supervisors highlighted the positive role of China Trust Fund support in reinforcing planned work by expanding the geographic or conceptual reach of their projects or expanding the evidence base for experimental approaches (such as landscape management). In some cases where projects were approved as stand-alone projects, the focus of the project was wider than that originally envisaged in the relevant subprogramme framework (e.g. Chemicals MEA project (T3-P3)), which posed challenges in designing a project strategy that could be fully integrated within the approved Programme of Work project and associated management structure.

#### *Alignment to UN Environment Cross Cutting Priorities*

43. UN Environment's Programme Manual summarizes several cross-cutting objectives to which the organization aims to contribute through the implementation of its work. These include implementation of the 2005 Bali Strategic Plan for Technology Support and Capacity Building (BSP)<sup>10</sup> which aims to strengthen UN Environment's technology support and capacity building for developing countries and the South-South Cooperation Approach which is identified as an effective and efficient way to support replication, as experts and institutions in developing countries may share similar political, socio-economic and environmental challenges and can provide support to each other based on their own lessons learned.
44. Though not expressly referenced in the Strategic Cooperation Agreement, the agreement offers clear potential to support the Bali Strategic Plan including in general terms (capacity building) and with regards to technology transfer. Support to South-South Cooperation is explicitly referenced in the Strategic Cooperation Agreement objective and reflected in each of the project strategies. The focus provided by the China Trust Fund projects in the area of South-South Cooperation was strongly welcomed by interviewees who also highlighted the high degree of relevance of the expertise and experience provided by project partners from China. A number of projects showcased technology and approaches developed in China providing a good example of triangular cooperation<sup>11</sup>.
45. The Strategic Cooperation Agreement does not refer to UN Environment's other cross cutting objectives which include integration of gender concerns and integration of indigenous peoples' issues, needs and concerns. These issues are addressed as part of the stakeholder analysis in project documents prepared using UN Environment's latest template (T3 projects and some T2 projects). Most of these projects include an analysis of poverty alleviation in line with prevailing requirements

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<sup>9</sup> Six of the seven Multilateral Environmental Agreement (MEA) related projects were approved under the ecosystem management and chemicals and waste sub-programme. Some may equally have fitted under MEA support projects in the 2014-2015 biennium. The choice partly reflected appointment of subregional coordinators replacing earlier MEA focal points in UN Environment's Regional Offices

<sup>10</sup> <http://www.unep.org/GC/GC23/documents/GC23-6-add-1.pdf>

<sup>11</sup> Identified as an emerging approach to south-south cooperation in UN Environment's 2011 policy guidance note on south south cooperation, A more recent definition is provided by [www.undp.org](http://www.undp.org): 'triangular cooperation' is: "a process whereby two or more developing countries pursue their individual and/or shared national capacity development objectives through exchanges of knowledge, skills, resources and technical know-how, and through regional and interregional collective actions, including partnerships involving Governments, regional organizations, civil society, academia and the private sector, for their individual and/or mutual benefit within and across regions. South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation.

set out in the UN Environment Programme Manual and of environmental, social and economic safeguards<sup>12</sup>.

#### *Contribution of the Projects to Strategic Cooperation Agreement and UN Environment Priorities*

46. It was not possible within the timeframe of this evaluation, and at this stage of project implementation, to undertake a comprehensive review of the likelihood of contributions to the Strategic Cooperation Agreement priorities and UN Environment expected accomplishments. This may be addressed in a future evaluation that focuses on results.
47. The Strategic Cooperation Agreement does not include targets or indicators to serve as a yardstick for expected delivery in the four identified priority areas. The UN Environment Programme Manual 2013 notes that many UN Environment projects involve activities on capacity-building, which may be difficult to measure, and the same constraint applies to the China Trust Fund projects. The Programme Manual suggests that the effect of the capacity building effort can be used as a proxy indicator for the quality of the actual capacity building effort, while cautioning that the change in question may also result from factors other than the project result.
48. The relevant UN Environment Expected Accomplishment or Programme of Work output is typically reflected as the project outcome, or occasionally, as an output, in the project logical framework. Factors expected to influence actual contributions to the projects' stated outcomes – and therefore to the Programme of Work - include quality of design, appropriate and timely engagement of project stakeholders, and effective delivery. This evaluation has used the UN Environment Programme Manual to serve as a benchmark for assessing project management in the China Trust Fund projects, with further details set out in [Annex 4](#) and summarized in [Section 3.4](#) of this report.
49. The relatively short durations of the China Trust Fund of projects means there is limited potential within the project timeframe to demonstrate project contributions to changes in policy or practice at the country level. Nevertheless, there is anecdotal evidence of effects to which the China Trust Fund projects have contributed. For example, UN Environment Chemicals and Waste Branch has received feedback that indicative action plans developed during exercises undertaken in ratification workshops for the Minamata Convention were informing actions towards ratification at the country level (Projects T1-P2 and T2-P6). The project terminal report for the first law enforcement project (T1-P6) indicates that several countries undertook follow up actions towards enforcement, with specific actions mentioned for Malawi, Vietnam and Nigeria.
50. The China Trust Fund projects have also contributed directly to implementation of recommendations made by the UN Environment Governing Council and more recently the UN Environment Assembly, that are referenced in several project documents. For example, the T1-P1 project was designed as a direct response to Governing Council decision 27/8<sup>13</sup>, that asked UN Environment to collect and share information about the “different visions, approaches, models and tools to achieve environmental sustainability in the context of sustainable development and poverty eradication and led to a publication intended to address this theme<sup>14</sup>.

#### *Effect of Management Arrangements and Processes on Strategic Relevance*

51. The key stage in ensuring strategic relevance of UN Environment projects is the development phase including project screening, selection and approval by both UN Environment and the China-MEP. Related management arrangements and processes are described in more detail in [Section 3.4](#).
52. The processes in place to assure alignment with Strategic Cooperation Agreement priorities have ensured a good match with joint priorities identified in the Strategic Cooperation Agreement and increasingly with UN Environment's Medium-Term Strategy and programme of work outputs. The project outcome is frequently identified in general terms as an expected accomplishment or programme of work output. While this serves the purpose of indicating alignment, it typically fails to

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<sup>12</sup> <http://www.unep.org/about/eses/>

<sup>13</sup> 2013; Decisions adopted by the Governing Council / Global Ministerial Environment Forum at its first universal session; 27/8: Green economy in the context of sustainable development and poverty eradication

<sup>14</sup> UNEP, 2013, South-South cooperation: Sharing national pathways towards inclusive green economies

specify the expected contribution of the project in a form that could be verified (output level) or otherwise reviewed in terms of plausibility (outcome level).

53. Less attention has been given to assuring alignment of individual projects to regional and national priorities. The interviews identified some missed opportunities with regard to targeting projects to contribute to such priorities, with UN Environment regional and sub-regional offices noting the importance of consulting relevant regional bodies or at least incorporating a good understanding of their priorities during project identification to ensure relevance and ownership of projects. At the same time, the Quality Assurance Section is placing increasing importance on project proponents being able to demonstrate i) consultation with relevant UN Environment regional offices at the design phase and ii) involvement of project stakeholders and beneficiaries in project design.

#### *Potential for Improvements*

54. No major weaknesses were identified regarding the relevance of the finally approved projects. However, the evaluation identified the potential to ensure ownership and relevance in the target countries through strengthened consultation on national priorities during or prior to project identifications. Specific opportunities are presented by the strengthened UN Environment regional presences including i) the recently opened sub-regional office in Central Asia and ii) the appointment of regional sub-programme coordinators in UN Environment's Regional Offices in Africa, Asia and Europe.
55. Issues related to project approval are further addressed under *Efficiency*.

### **3.2 Efficiency of management arrangements and processes**

56. The two main concerns related to efficiency of the management arrangements and processes of the China Trust Fund are the timeliness of project delivery and the relatively high transaction costs associated with earmarked funding. Opportunities to improve efficiency are discussed in the report recommendations.

#### *Timeliness*

57. Though not mentioned in the Strategic Cooperation Agreement document, an understanding was reached that the expected duration of each of the China Trust Fund projects should not exceed two years. The January 2016 progress report indicates that exceptions had been considered and approved on a case-by-case basis depending on the nature and scope of the projects. The most immediate concern regarding efficiency in the China Trust Fund projects has been the timeliness of projects, with later than anticipated start dates as well as the extended duration of many projects.
58. With full project documents typically submitted within weeks of project selection, China-MEP expected projects to start as soon as funding was received, which was approximately five months after project selection for each tranche of funding. The later project start dates associated with requirements for UN Environment approval of project documents have been a significant source of concern for the Ministry of Environmental Protection in view of their onward accountability for funding in a context where this was the first agreement they had signed with an international organization. The main source of delays, especially for the 2014 funding tranche was the extended project approval process associated with an increasingly rigorous quality control process in support of UN Environment's commitment to deliver its approved programme of work (Paragraphs 100 & 102).
59. Delays were also experienced in 2015 and 2016 in the release of funds at project, contract or activity level associated with the introduction to UN Environment of "Umoja", the UN Secretariat wide enterprise resource planning system (Paragraph 120). Less frequently cited delays include staff turnover, difficulties in identifying or contracting parties in beneficiary countries, and the need to revise poor quality deliverables.
60. While some project managers made efforts to accelerate delivery in order to complete the project within two years of the start date, seven projects had already run over this period as of December 2016. The delays have generated a credibility issue with the donor and, in some cases, with partners.

61. At a more strategic level, project managers noted that the two-year duration was unrealistic where projects involved substantive activities such as pilot projects in beneficiary countries, and emphasized that a longer-term approach to capacity building was desirable. Follow-on China Trust Fund projects in law enforcement and green economy benefited from the contacts made and experience gained in projects supported through an earlier funding tranche and this served to streamline implementation of the later project.

#### *Transaction costs*

62. The earmarked nature of China Trust Fund support is associated with higher transaction costs than unearmarked programme level funding in view of the requirement to i) identify, develop, and report on stand-alone projects and ii) to create new UN Environment projects or amend existing programme of work projects to accommodate additional funds or activities (Paragraph 75). This has been compounded in the China Trust Fund portfolio by the large number of relatively small and short duration projects and the high number and proportion of unsuccessful concepts submitted in response to the call particular in the earlier phases (Paragraph 100).
63. While managers and supervisors considered that on balance the effort associated with development of individual projects was worthwhile, many suggested the process should be streamlined in a future phase of funding and better harmonized with UN Environment's regular programming cycle and reporting processes. This is taken up under recommendations.

### **3.3 Effectiveness and Sustainability**

64. This evaluation did not include a systematic review of project effectiveness based on the achievement and sustainability of project outcomes. Factors affecting delivery and ultimately achievement of results have been considered based on project reporting and interviews in the case studies.
65. With regard to the China Trust Fund structure, the main concern related to effectiveness is the short duration and relatively small funding for projects. The duration and funding levels were sufficient for stand-alone activities such as organization of workshops and conferences, but provided only limited scope for follow up at national level and in some cases, fell short of the time required for adequate consultations or institutional engagement at the national level (Paragraph 96 and Annex 6. Case Studies). This concern is reduced where activities were implemented as part of a larger project with complementary activities and funding from other donors, or where follow on funding was provided through a further China Trust Fund project.
66. The evaluation did not identify any direct impacts on effectiveness arising from management arrangements at portfolio level. However, the overall institutional burden associated with heavy transaction costs including multiple responses to a widely-targeted call for proposals, and with delays in project start dates and delivery (e.g. Paragraph 74) can be expected to exert an indirect effect on UN Environment's overall effectiveness since human resources are diverted from direct delivery of and administrative support to its approved programme activities.
67. The partnership approach adopted by many of the projects was found to be positive in terms of extending UN Environment's reach through provision of timely and relevant expertise (Paragraph 94) and with regard to sustainability, with both UN Environment and implementing partners in China committed to longer term activities and follow up in beneficiary countries. Many projects also benefitted from flexible support provided by UN Environment's regional offices and China Programme Office that had not been anticipated at the design stage.
68. The evaluation identified a few cases where implementation arrangements affected delivery and results at national level in view of limited ownership by beneficiary countries; capacity limitations associated with poor quality deliverables, and language issues (See examples in Paragraph 96). These issues may have been averted through more thorough consultations at the project stage including incorporation of the knowledge and know-how of UN Environment's regional offices.
69. With regard to processes, one effect of delays (Paragraphs 58 & 59) has been to reduce implementation time for those projects where project managers set out to complete delayed projects within the originally specified timeframe of up to two years from the intended start date. This may have been expected to affect overall delivery rates or quality of deliverables. In practice, the

implementation time only appears to have been reduced in projects where the activities were straightforward and could be fitted around the project staff's other work in a flexible manner. Similarly, there is no evidence that delays in project inception or operational delays experienced during implementation reduced effectiveness at the individual project level or incurred scheduling issues associated with interdependent activities or the leveraging of cofinance.

### 3.4 Factors and Processes affecting Performance

70. The following review considers the broader range of factors and processes that affected performance of the Strategic Cooperation Agreement based on the key criteria of relevance, efficiency and effectiveness. The factors considered reflect the themes typically considered in a project level evaluation as well as factors associated with the structure, arrangements and processes associated with the fund and portfolio. Further background is provided in Annex 4.
71. The review includes consideration of the requirements set out in the Strategic Cooperation Agreement as well as other Strategic Cooperation Agreements and UN Environment standards and norms set out in relevant policy and guidance documents that have been used as a benchmark for management arrangements and processes.

#### 3.4.1 Management Arrangements

##### *Structure of Funding*

72. Earmarked funding in UN Environment includes funding provided at the individual project level and large scale multi-year agreements with varying degrees of specificity regarding the targeting of resources. Strategic guidance<sup>15</sup> for resource mobilization in UN Environment reflects a strong preference for i) multi-year pledges, ii) a programme-based approach and iii) leveraging results through partnerships. The more recent resource mobilization strategy emphasizes cost recovery and the importance of accountability to, providing value for money and communications with, donors to ensure confidence of donors.
73. The three year funding horizon for China Trust Fund funding is in line with other strategic or programme cooperation agreements signed by UN Environment with bilateral and multilateral donors including SIDA and the European Union. The timing of the SIDA agreement is explicitly linked to delivery of the medium-term strategy (2014-2017) and two associated programmes of work while the Strategic Cooperation Agreement does not make any direct reference to UN Environment programming cycles and spans two Medium-Term Strategy periods (Paragraph 36).
74. The programme based approach to resource mobilization is characterized by *'a shift towards increased un-earmarked funding, while recognizing i) that some donors prefer such funding and ii) the value of earmarked funding in critical and emerging areas of implementation of the Programme of Work'*<sup>16</sup>.
75. The approach in the China agreement, including an internal call for proposals for individual projects and the need to develop dedicated project documents for approval reflects a relatively high level of earmarking compared to other Strategic Cooperation Agreements such as those signed with Norway and Sweden<sup>17</sup>. Earmarking is associated with greater programme support needs (including for project development and reporting) for which costs are at least partly recovered through the higher 'Programme Support Cost' charge on earmarked funding<sup>18</sup>. It has not been possible to undertake a detailed analysis as to whether the Programme Support Cost charge covers the transaction costs

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<sup>15</sup> UNEP Policy and Guidelines on Resource Mobilisation (August 2009); UNEP Funding Strategy – Universal Membership – Global Responsibility (2014)

<sup>16</sup> UNEP 2014, as above.

<sup>17</sup> Strategic and programme cooperation agreements with the European Commission do follow a similar approach. In these cases, the individual UN Environment projects have significantly higher budgets and are generally three or more years in duration. The agreements include a dedicated budget line to cover management-related costs at portfolio level in addition to the Programme Support Cost charge. In line with the UN Environment policy to ensure cost recovery.

<sup>18</sup> Programme Support Cost is 13% for earmarked funding compared to 8% of programme level funding

associated with an earmarked portfolio. However, at a more qualitative level, this evaluation found that high levels of earmarking and associated requirements to develop and report on relatively small projects is less than ideal in terms of i) diversion of technical staff from programme delivery and ii) the additional pressure on internal management and administrative processes that reduces efficiency in programme of work delivery across the organization.

76. The partnership approach to leveraging resources reflects the importance of partnerships in augmenting UN Environment's internal capacity to implement UN Environment's global policies at regional and national levels, while simultaneously building capacity. While the Strategic Cooperation Agreement does not specifically address partnerships, many of the projects are characterized by involvement of Chinese technical centres, universities and cooperation agencies reflecting the tripartite approach anticipated in the 2013 Memorandum of Understanding (Paragraph 13) and the related aim to facilitate appropriate Chinese institutions to participate in relevant UN Environment activities, projects and programmes. The feedback received in this evaluation reflects i) a high level of satisfaction with the expertise and experience of Chinese partners and ii) the added value of the projects in enabling these partners to reinforce their capacity to contribute to further results in the Strategic Cooperation Agreement focal areas through south-south cooperation.

#### *Trust Fund Management and Portfolio Coordination*

77. The Strategic Cooperation Agreement includes an overview of UN Environment's regular responsibilities under the Memorandum of Understanding spanning transfer of funding, submission of concepts, approval of concepts, monitoring, review and evaluation, reporting and financial statements and audit, and procurement. Further details on roles and responsibilities across the organization related to 'extrabudgetary' funding (which includes earmarked funding) are provided in the UN Environment Programme Manual.
78. Expected roles of the UN Environment Donor Partnerships and Contributions Section relevant to this fund are summarized in [Box 1](#). The programme manual also notes that i) project managers have the primary responsibility for fundraising at the project level and are expected to actively raise funds for their projects as they normally know the potentially interested donors for their specific project requirements and ii) regional office roles relevant to this portfolio include providing information and guidance on country-level priorities to help shape sub-programme priorities.

#### Box 1. Roles and Responsibilities of the Donor Partnerships and Contributions Section

- Facilitating UN Environment's interface with donors, in close collaboration with Divisions, Sub-programme Coordinators and Regional Offices, to ensure a coherent and strategic outreach by UN Environment to donors;
- Facilitating an inclusive process for the identification and preparation of concept proposals and project documents for submission to potential donors including business, foundations and individuals, in close cooperation with the Divisions, Sub-programme Coordinators and Regional Offices;
- Coordinating adequate and timely reporting to donors, in close collaboration with Corporate Services Division, Quality Assurance Section, Sub-programme Coordinators and the relevant Divisions.

(Source: UN Environment Programme Manual)

79. Coordination and Trust Fund management is overseen by the Donor Partnerships and Contributions Section section of the UN Environment Corporate Services Division, which has assigned day to day responsibility on a part time basis to a senior programme officer supported by an officer for outreach and communication.
80. Liaison with the Ministry of Environmental Protection has been largely centralized with the Corporate Services Division in line with the programme manual. The Donor Partnerships and Contributions Section was reported to be responsive and timely in its engagement with Ministry of Environmental Protection. Engagement with the Ministry of Environmental Protection has been

driven by requirements for project development and reporting in the lead up to the Annual Meetings between China and UN Environment, in view of requirements regarding provision of up to date documentation in advance of that meeting, with work peaking in months prior to that meeting.

81. There have been a growing number of UN Environment partnerships and contacts with Chinese institutions at the programme and policy level, including partnerships outside the context of the Strategic Cooperation Agreement. This has inevitably resulted in some exchanges regarding identification of China Trust Fund projects outside the scope of formal consultations, in part reflecting individual managers' regular responsibilities for fundraising. However, in one case this led to different parts of UN Environment receiving different information about China's priorities and to competing approaches for funding for similar activities (see Case Studies, [Annex 6](#)).
82. Regarding coordination roles of other offices, UN Environment Asia and Pacific Office plays a regular role in the organization of the Annual Consultation between China and UN Environment under the Memorandum of Understanding (Paragraph 86). The UN Environment China Programme Office, reporting to the Asia & Pacific Office, has played an informal role in supporting liaison with other parts of UN Environment related to project activities taking part in China, such as training events.
83. The staff in the Donor Partnerships and Contributions Section has communicated with Divisions, Sub-programme Coordinators and relevant regional offices for the identification and development of projects and with the implementing technical Divisions and regional offices for reporting. Further details are provided in [Section 3.4](#). In addition, each of the projects has been subject to quality control by UN Environment's Quality Assurance Section and the UN Environment's Programme Review Committee where required.
84. While the Donor Partnerships and Contributions Section has been largely able to deliver on the expected roles and responsibilities set out in Box 1, there is scope to develop a more proactive liaison role with the Ministry of Environmental Protection, and potentially with other partners in China and to monitor project issues and opportunities, including related to visibility.

#### *Portfolio Level Oversight*

85. There is no direct reference to oversight of the agreement in the Strategic Cooperation Agreement. Article VIII refers to the annual consultations between UN Environment and Ministry of Environmental Protection of the People's Republic of China under article 4 of the (2009) Memorandum of Understanding between the China-MEP and UN Environment<sup>19</sup> and indicates that the agenda for these meetings should include the review of activities and results under the Strategic Cooperation Agreement, review and approval of project concepts. Article VIII also indicates that UN Environment should draft relevant sections of the meeting minutes. The Strategic Cooperation Agreement also indicates that any major changes to the areas of interest covered by the Memorandum of Understanding would be determined by the annual consultation and would be recorded in the official minutes.
86. Closed sessions on the China Trust Fund Portfolio were organised during the wider Annual Consultations between China and UN Environment in 2012, 2014, 2015 and 2016 (Paragraph 23). The meetings have formalised the selection of projects by the Ministry of Environmental Protection based on concepts and submission of follow up proposals as well as progress reporting. The Ministry of Environmental Protection has raised several operational concerns over the course of the meetings notably concerning quality of reporting, provision of accurate financial data (notably, unspent balances on completed projects), to enable reallocation of funds, timeliness of project implementation including delays in start dates, and the need to be able to demonstrate and communicate tangible results to key audiences<sup>20</sup>. These issues are further discussed under processes, below.
87. Senior representation has varied at each meeting, in part because of staff changes in UN Environment and China-MEP. While this is not itself problematic, interviewees highlighted i) the need to present

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<sup>19</sup> There is similar provision for annual meetings in the 2014 MOU

<sup>20</sup> According to the Corporate Services Division, they had explained to MEP that the unspent balances of closed projects could only be confirmed upon the financial closure of the projects, which often takes place several months after completion of activities. The Corporate Services Division had understood that the MEP was satisfied with this situation.

clearly defined and consistent roles that reflect overall responsibility for portfolio management within UN Environment (which at one meeting was represented at the most senior level by the Asia & Pacific Office rather than the Corporate Services Division); and ii) the need to maintain an institutional memory and knowledge base within UN Environment related to the partnership, agreements and portfolio<sup>21</sup>.

#### *Project Level Arrangements*

88. Most of the projects have been managed by UN Environment Divisions (Law Division, Ecosystems Division, Economy Division and the now dissolved Division for Regional Cooperation (DRC)) and Regional Offices (Asia & Pacific Office and Europe Office). One project was overseen by the Ecosystems Division but fully delegated to the UN Environment International Ecosystem Management Partnership (IEMP), a UN Environment collaborating Centre based in Beijing, that developed the original project proposal.
89. Regional Offices, including the Africa Office and Sub-regional Office for Central Asia (part of Europe Office) have also played a support role for projects, including identifying national partners, with the latter liaising closely with relevant project managers in Europe Office. UN Environment Regional Offices as well as China Programme Office sometimes been asked to support activities for projects with which they were not directly associated, including identification of partners and experts in beneficiary countries and troubleshooting roles (such as support to travel arrangements or in the event of emergencies such as illnesses).
90. The individual project documents identify numerous partners and stakeholders including implementing partners, national level partners in target countries, and other expected beneficiaries. Most of the CTF projects involve one or more implementing partners in China. Identification of partners by project proponents was variously based on established relationships with organizations in China; matching of roles based on a list of potential partners by the Ministry of Environmental Protection<sup>22</sup>; meetings with potential partners who formed part of the Chinese delegation at the Annual Consultation between China and UN Environment, and, for later projects, introductions facilitated by the Donor Partnerships and Contributions Section. Some project ideas originated in China and were channeled through the Donor Partnerships and Contributions Section, or by proponents' existing contacts in UN Environment, to the relevant part of UN Environment.
91. The later, more-detailed project documents describe identified partners' roles in project delivery in more detail, and establish the partners' i) relevant expertise, ii) relevant mandates including international cooperation mandates (e.g. ASEAN countries, SCO countries), and/or iii) ability to liaise with the Ministry of Environmental Protection and other relevant Ministries and facilitate high level representation at events and iv) hosting capacity (e.g. related to hosting international workshops in China). Partners who proposed projects and those with previous collaboration with UN Environment (including through the earlier China Trust Fund projects) were closely involved in project identification and design. In other cases, partners were identified only after project selection and their roles determined during development of the subsequent project document.
92. UN Environment's October 2011 Partnership Policy and Procedures set out scoping and screening guidance and requirements for UN Environment partners, particularly executing partners who receive funding from UN Environment. There is no evidence that screening and due diligence procedures were applied to technical partners who were contracted through the China Trust Fund projects, reflecting that most of the partners in China are governmental bodies, including subsidiaries of the Ministry of Environmental Protection, and as such are not subject to screening. The level of funding transferred to partners in the China Trust Fund projects falls below the level that would require decision making beyond the UN Environment Division level (See Case Studies, [Annex 6](#)).

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<sup>21</sup> According to the Corporate Services Division, it is a normal practice that Regional Offices represent the Headquarters. The Corporate Services Division has been represented at each of the meetings.

<sup>22</sup> Ministry of Environmental Protection of the People's Republic of China provided a list of potential partners to UN Environment as anticipated in Article VII of the SCA (Procurement). The 2013 Memorandum of Understanding indicates that Ministry of Environmental Protection of the People's Republic of China shall support UN Environment by facilitating Chinese appropriate institutions to participate in relevant UN Environment activities, projects and programmes.

93. The UN Environment Programme Manual indicates that evaluation of potential partnerships should take into consideration i) to what extent in-house capacity of UN Environment versus external resources can be utilized; ii) efficiency gains of implementing the project by partner(s); iii) the type of external resources required; and iv) the potential value of the partnership for long-term impact of the desired results.
94. Partnerships in the China Trust Fund projects reflect these criteria (e.g. Paragraph 91). Partnerships allowed UN Environment to expand its delivery and ultimately potential for longer term delivery of outcomes and impacts. Interviewees as well as progress reports reflect a high level of satisfaction with the choice of partners, noting the relevant experience and expertise that they could share in the spirit of south-south exchanges. Interviewees also reflected the ability of partners identified by China-MEP to ensure relevant government linkages in China for high level dialogues. One interviewee regretted the limited involvement of civil society organizations but also indicated this did not affect the project outcomes.
95. Based on the limited review of delivery in this evaluation, the management arrangements at the project level are considered largely satisfactory, with UN Environment and its partners able to provide the required expertise, experience and skills to deliver indicated project activities.
96. The evaluation identified some shortcomings, below, arising in each case in two or more projects indicating the need for adequate consultation with intended beneficiaries during project design and appropriate and timely identification of national partners during design or implementation:
- Limited ownership of beneficiary countries was apparent in difficulties in engaging national partners in project activities including national consultations and regional training (e.g. Case Studies 1 & 5);
  - Capacity limitations in beneficiary countries related to emerging issues were sometimes associated with poor quality deliverables that required substantial revisions by UN Environment experts (e.g. Case study 5). Interviews captured the trade off in engaging responsible institutions to promote capacity development and ownership of deliverables versus use of individual experts to provide quality results over a shorter timeframe.
  - Finally, at a very practical level, efforts to engage with Central Asian countries were hindered by language issues with the requirement to be able to communicate, deliver training and provide materials in Russian not adequately anticipated in earlier projects in this region (e.g. Case study 2). This has been resolved through provision for translation and/or choice of partners in follow on and more recent projects (e.g. Case studies 2 & 4).

### **3.4.2 Management Processes**

97. This section reviews the processes put in place to fulfil requirements set out in the Strategic Cooperation Agreement using UN Environment's guidance and policy documents such as the 2013 Programme Manual as a benchmark. Sections related to the project cycle are based on a longer review of project processes set out in the UN Environment Programme Manual and attached as [Annex 4](#).

#### *Project Preparation, Design and Approval*

98. There is limited guidance in the Strategic Cooperation Agreement on arrangements and processes related to design and approval. Article II indicates that activities to be financed will be agreed based on project concept proposals from UN Environment following consultations between the UN Environment Office for Operations (now Corporate Services Division) and China-MEP, through either a) an exchange of letters or b) during one of the Annual Consultations as recorded in the minutes of that consultation. This guidance has been followed and the selection of approved concepts is recorded in each of the reports of the Annual Consultations.
99. The project identification development and approval process followed several steps:
- i. Internal call for proposals sent by the Donor Partnerships and Contributions Section to relevant UN Environment Division staff, Sub-programme Coordinators and Regional Offices in Asia & Pacific and Europe covering Central Asia, and Africa);
  - ii. Internal screening and shortlisting of projects based on eligibility criteria;

- iii. Selection of projects by the Ministry of Environmental Protection with selected projects listed in the report of the Annual Consultation between China and UN Environment;
- iv. Development of full project proposals setting out implementation arrangements and activities for the approval of the Ministry of Environmental Protection, including incorporation of their comments;
- v. Internal UN Environment approval in line with internal guidance through a) line managers and Subprogramme Coordinators and b) UN Environment's project review committee as a requirement for project commencement and internal release of funds.

100. Many interviewees reported that the initial (2013) call for proposals sent by the Donor Partnerships and Contributions Section lacked specificity regarding the parameters for the call resulting in many speculative and sometimes unsuitable concepts being submitted by project proponents in UN Environment. Subsequent calls have been increasingly specific in nature. Nevertheless, eighteen concepts were submitted to the Donor Partnerships and Contributions Section for the third call of which six were selected for funding.

101. The approval of full project documents by China-Ministry of Environment was regarded by the Ministry as the trigger for release of project funding. However, there were subsequent delays in UN Environment approval for projects that were not demonstrably aligned with the UN Environment programme of work or failed to meet other UN Environment standards related to adequate consultation with UN Environment regional offices, involvement of stakeholders and beneficiaries in project development, and inclusion of a coherent theory of changes. The January 2016 portfolio report indicates that three of the Tranche I projects in the month following receipt of China Trust Fund funding, and that three Tranche II projects and five Tranche III projects started before or in the month following receipt of respective annual payments<sup>23</sup>.

102. Project screening through Quality Assurance Section and Project Review Committee has become increasingly rigorous in UN Environment with a marked shift in 2014 leading to greater attention to alignment to the Medium-Term Strategy and Programme of Work and adequacy of the project theory of change. Delays in start dates associated with the need for UN Environment project approval subsequent to China-MEP approval were variously generated by:

- Requirement for iterative China Trust Fund project revisions to ensure alignment with the approved UN Environment programme of work. In one case, this was exacerbated by need to resolve internal UN Environment accountability requirements related to Programme of Work reporting and the project was eventually established as a stand-alone project.
- Outstanding requirement for approval of the UN Environment Programme of Work project with which the China Trust Fund project was associated, particularly where the China Trust Fund funding was the first confirmed funding for the UN Environment project concerned;
- The need for a formal revision or extension of a UN Environment Programme of Work project to accommodate additional funding and activities associated with the China Trust Fund project.

103. The situation was exacerbated in 2014 by a backlog in the Project Review Committee process associated with the increased rigour of the approval process as well as by increased efforts at Branch and Division level to ensure projects complied with quality standards<sup>24</sup>. In 2015, the Donor Partnerships and Contributions Section made efforts to reduce transaction costs associated with retrofitting selected projects to the programme of work by requiring that all shortlisted concepts demonstrate a clear contribution to an approved programme of work project, though in practice this requirement was only partially met.

104. A second concern with the project development process has been the limited engagement of UN Environment regional offices in development of projects involving activities in their area of work (Paragraph 53) that is associated with a failure to anticipate support needs from the related office (Paragraph 89) and missed opportunities to take advantage of UN Environment's regional know how and networks, including as a basis for project ownership (Paragraph 96).

<sup>23</sup> Individual project reports or other records indicate a later start date than provided in at least three cases

<sup>24</sup> The average period from UN Environment project submission to approval has fallen from 90 days in 2014 to 30 days in 2016. This in part reflects greater support from Quality Assurance Section for development of quality proposals prior to their formal submission for approval by Project Review Committee.

105. Lesser concerns with the development process were insufficient time allowed for concept development after the call for proposals and for project development after the Annual Consultations.

#### *Reporting, Monitoring and Evaluation*

106. Requirements for project reporting are addressed in Article V of the Strategic Cooperation Agreement. The Strategic Cooperation Agreement requires project reporting on an annual basis in advance of the annual meeting that is typically convened in January of each year. Reporting has been prepared at the level of the individual China Trust Fund projects and for the overall portfolio.

107. Project-level reporting made available for this evaluation included progress reports for each of the projects underway at the end of 2015 and terminal reports for three completed projects. Two-page project factsheets were also included as part of the annual report prepared at the end of 2014. The available reports are detailed and based on a standard format with progress reports spanning performance (delivery, outputs and outcomes), a summary of expenditure, a workplan for the next six months, and a review of challenges.

108. Some UN Environment project and senior managers consider the level of reporting on the China Trust Fund projects to be excessive in view of i) the relatively small size of the projects and ii) that progress reporting is fully addressed in UN Environment's regular reporting system<sup>25</sup> for the Programme of Work projects with which the China Trust Fund projects are associated. Others considered the reporting proportionate and emphasized the value of detailed reporting in terms of establishing accountability and building relationships with China-MEP and other partners as well as improving their understanding of the way UN Environment works. The reporting load was clearly excessive in 2015 when managers were required to produce two sets of reports, in view of the rescheduling of the China-UN Environment Annual Consultation<sup>26</sup>.

109. While the Ministry of Environmental Protection has stressed that it wishes to avoid micromanagement, the minutes of the Annual Consultation indicate concerns with the quality of reporting, including inadequate explanations for delays in project delivery and the timeliness and completeness of financial information (including as a basis for reallocation of unspent balances on completed projects). Following the January 2015 meetings, managers were requested to revise the later drafts of progress reports in view of concerns about report quality, structure, or consistency with the earlier (October) reports and to incorporate up to date financial information to include information on financial commitments through funding agreements (See also, [financial management](#), below).

110. The the Donor Partnerships and Contributions Section has prepared three reports at the portfolio level that were submitted in advance of each of the China-UN Environment Annual Consultation.

- The first brief report reflects the relatively early stage of implementation of the portfolio but also the strategic nature of the UN Environment-China partnership, setting out opportunities for China to play a leading role in shaping south-south cooperation through UN Environment. It is unclear whether there were any attachments.
- The second report includes a five-page summary of implementation status plus a series of project fact sheets for the 12 approved projects. The introduction is clear, well-structured and succinct with a straightforward graphical presentation of timing, implementation rates and expenditure.
- The third report includes an 8-page introduction including an overview of reports and achievements by priority area, as well as challenges and future perspectives. The report includes an overview of results as a bulleted list that describes the reach of activities and deliverables and alludes to the strategic role of the projects as contributions to UN Environment's wider programme of work and in shaping its policy for south-south cooperation.

111. Article IV of the Strategic Cooperation Agreement refers to the expected monitoring role of UN Environment, and indicates that monitoring reports should be shared with the Ministry of Environmental Protection in a timely manner if requested. The Strategic Donor Partnerships and Global

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<sup>25</sup> The online project information management system (PIMS) based linked to the UN Environment results based management approach.

<sup>26</sup> Progress reports in 2015 were initially prepared for submission in mid.2015 as inputs to the scheduled UN Environment Ministry of Environmental Protection of the People's Republic of China meeting that was subsequently postponed. Revised and updated reports were produced in December 2015 in advance of the rescheduled meeting.

Funds Coordination Office has developed and maintained a detailed tracking document describing the key characteristics and status of each project including in the context of the larger programme work or umbrella project. Ongoing monitoring is largely process oriented and includes information on approvals and related management decisions regarding programme of work alignment. Data on expenditure and implementation rates is updated annually based on the project level reports and is used to generate annual report graphics on expenditure and implementation rates. Monitoring at the UN Environment project level includes tracking project milestones on PIMS, where information is updated on at least a six-month basis.

112. At a practical level, the evaluation process itself exposed some issues with fragmented record keeping related to the Trust Fund with core documents held by several different offices. The Donor Partnerships and Contributions Section has made an effort to collate all Trust Fund related documents in one place, but there were still gaps in the repository during the evaluation period.
113. Article IV further indicates that UN Environment shall undertake in-depth independent evaluations of selected projects and programmes in accordance with its programme manual and UN Environment norms and standard for evaluation. Arrangements for portfolio level evaluations including this evaluation were discussed at the 2016 Annual Consultation.

#### *Financial Management and Reporting*

114. Financial Management is covered under Article II (Contribution) and Article VI (Financial Statements and Procurement), Article VII (Procurement), Article VI (Audit) of the Strategic Cooperation Agreement and Article IX (Final provisions, including return of unspent balances). UN Environment is to administer and account for the funds and any interest revenues generated in accordance with its Financial Regulations and Rules. UN Environment was expected to request funds through an annual invoice and acknowledge contributions in writing. All payments received by UN Environment under the Strategic Cooperation Agreement are subject to internal and external auditing procedures in accordance with its Financial Regulations and Rules. Similarly, procurement is to be in accordance with UN Environment's Financial Regulations and Rules.
115. It is beyond the scope of this evaluation to undertake a comprehensive review of the application of UN Environment's financial rules and procedures but the following paragraphs provide a brief overview of processes applied and related issues.
116. Financial management at the level of individual projects has been assured according to UN Environment's standard practices by fund management officers within UN Environment, with Fund Management Officers' typically supporting a set of projects based on their subprogramme alignment. Updates on expenditures, and sometimes on obligations through funding agreements, are included in the project annual reports.
117. Portfolio level financial reporting up to 2016 was based on aggregation of project level expenditure data, with data for each project verified through the UN Environment Corporate Services Division. The data provided in the reports are considered interim since timing of reporting<sup>27</sup> is not tied to UN Environment's financial year, which closes on December 31, or to production of final accounts a few months later. A full financial report on the Trust Fund was prepared for the first time in March 2017 and included a summary of investment income (interest) to the Trust Fund<sup>28</sup>.
118. There is no specific provision for reallocation of funds in the Strategic Cooperation Agreement. Unspent balances after completion of projects have been used based on discussion between Donor Partnerships and Contributions Section and the Ministry of Environmental Protection for i) communication activities (approximately US\$ 50,000) and ii) to top up the funds allocated to tranche III projects in 2016 by US\$ 100,000, (allowing the total approved project allocations over three years to reach US\$ 6.1 million as indicated in Table 1).

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<sup>27</sup> Reporting is delivered in advance of the Annual Consultation rather than specifically tied to a calendar-based cycle

<sup>28</sup> The statement does not indicate the period which it covers. The Evaluation can confirm that the statement includes financial information generated since 2015. According to Corporate Services Division, the statement covers the period from 2013.

119. The minutes of the 2015 Annual Consultation indicate there was some dissatisfaction from the Ministry of Environmental Protection regarding the information provided in financial reporting particularly related to the potential for reallocation. Information on the balance of one completed project was used to reallocate funding during 2016.
120. There were significant delays in 2015 and 2016 in receipt of funds at the project level, in contracting of partners, and in approval of expenditures related to convening of workshops. These changes were associated with the 2015 introduction to UN Environment of the UN Secretariat enterprise resource planning system, UMOJA, including the requirement to re-establish the umbrella grant ('trust fund') and for staff at all level to familiarize themselves with new procedures to allow a project to have access to funding.
121. There was no requirement in the strategic cooperation agreement for UN Environment to provide or raise cofinance for the portfolio projects. Project level financial and technical reporting has been based only on China Trust Fund allocations. The China Trust Fund Summary report covering 2015 quantifies the leverage effect of the Ministry of Environment Protection contribution based on the sum of planned budgets for the related programme of work projects. The figure provided is overestimated since some programme of work project budgets are counted more than once<sup>29</sup>. In addition, it is unclear whether the planned budgets had been fully mobilized at the time of reporting. Nevertheless, the leverage effect is considered real with i) the China Trust Fund project influencing implementation of the wider project and ii) China Trust Fund funding serving in some case as an initial investment in a project that attracts further funding including potentially as formally recognized cofinance for other investments<sup>30</sup>.

#### *Communications and visibility*

122. The Strategic Cooperation Agreement does not include any specific revisions regarding visibility and communications of the Trust Fund or of activities and results generated through the Trust Fund, but interviews as well as minutes of the Annual Consultations indicate that visibility is an important concern for the Ministry of Environmental Protection in a similar way as for other donors. Considerations related to visibility are multifaceted and include i) demonstration of effectiveness, ii) acknowledgment and recognition, and iii) showcasing of solutions. UN Environment's performance to date has fallen short of the expectations of the Ministry though there have been some notable successes in this area.
123. The Ministry of Environmental Protection is keen to be able to demonstrate the effects of the Trust fund and related collaboration with UN Environment to national audiences to justify the funding grant. This is particularly salient in a context where this was the first such partnership agreement of the China-MEP signed with an international organization. However, within the relatively short timespan of the Strategic Cooperation Agreement, it has been difficult to identify and attribute outcomes and impacts to project efforts in view of the incompatibility between the long-term nature of capacity building and the short-term nature of project interventions (Paragraph 47-49). More positively regarding national visibility, many of the projects have organized sessions at the opening or conclusion of project events such as training courses delivered in China (e.g. Case study 2), . These have generated visibility for the Ministry of Environmental Protection and broadened the understanding of the projects' approach.
124. The Ministry of Environmental Protection, like all donors, is keen to see its support acknowledged and recognized by UN Environment and by beneficiary countries but noted there has not yet been any formal feedback from project beneficiaries regarding China's support. Project managers report systematically acknowledging China's support at events and in related materials as well as in project deliverables such as publications, in the same way as for other donors. Project managers noted that the scope for visibility is larger where support is explicitly linked to programme of work projects with a wider range of activities, deliverables and audiences. Highlights include awarding a silver certificate for China's financial contributions to support the early implementation of the Minamata Convention at the Mercury Award Ceremony in November 2014.

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<sup>29</sup> The budget is duplicated in the calculation where more than one of the China Trust Fund Project contributes to the same programme of work project

<sup>30</sup>It has not been possible in this evaluation to systematically check reporting to other donors to determine whether China Trust Fund contributions are formally recognised or represented as cofinance.

125. A strategy employed by many of the projects has been to showcase sustainable development concepts and solutions developed in China together with the related expertise of Chinese partners in the spirit of south-south and triangular cooperation. The South-South Expo provided an opportunity for substantive discussion on themes addressed by several projects and China's contribution was recognized through a one of two Visionary/Champion Awards at the meeting. Other highlights include collaboration between UN Environment and technical experts in China, building on the first green economy project to produce a publication on ecological civilization ('Green is Gold'), that was launched at a high-level event at UN Environment Assembly in 2016.
126. Finally, UN Environment produced a short foldout brochure describing the trust fund projects, outputs, scope and selected outcomes to which the projects continued in advance of the second United Nations Environment Assembly. The folder, in English, was distributed to participants at the meetings and made available for use in China.

#### **4. Conclusions and Recommendations**

127. The evaluation of the China Trust fund has focused on assessing the management arrangements and processes of the China Trust Fund under the Framework Agreement on Strategic Cooperation for the period 2013-2015 signed by the Ministry of Environmental Protection of the People's Republic of China and UN Environment, known as the UN Environment- China-MEP Strategic Cooperation Agreement. The China Trust Fund is the first portfolio level commitment agreed between the Ministry of Environmental Protection and an international organization, and one of UN Environment's first experiences working in a triangular cooperation mode.
128. The evaluation has assessed how the fund structure, management arrangements and processes have affected the strategic relevance, efficiency, and effectiveness and sustainability of results of the China Trust Fund-funded project portfolio implemented by UN Environment.
129. Regarding relevance (Section 3.1), management arrangements and processes have enabled the identification, development and launch of 18 projects that are broadly aligned with and contribute to the UN Environment Medium-Term Strategy for 2014-2017 as well as to the priority areas identified in the Strategic Cooperation Agreement (Paragraph 41). The projects contribute strongly to UN Environment's cross cutting priorities, especially implementation of the 2005 Bali Strategic Plan for Technology Support and Capacity Building which aims to strengthen UN Environment's technology support and capacity building for developing countries and the South-South Cooperation Approach (Paragraph 43).
130. The evaluation identified two concerns related to relevance. The first is the limited Programme of Work alignment of some of the selected projects that led to a need to revise many of the selected projects to meet the standards required by UN Environment's project review and approval process in line with the organization-wide commitment to results based management (Paragraphs 58 & 74. The second was the limited consideration of beneficiary needs during project identification that in a few cases led to issues of ownership (Paragraph 53)
131. The evaluation also identified several advantages to integrating the Strategic Cooperation Agreement projects into larger UN Environment projects in support of the programme of work rather than implementing them as stand-alone projects, including more comprehensive delivery and improved ability to demonstrate results, opportunities for broader engagement of partners in a broader set of project outputs, greater project and donor visibility, and reduced transaction costs (Paragraph 84).
132. A concern with efficiency (Section 3.2) has been timeliness, with many projects starting much later than anticipated owing to the need for an extended quality control process (Paragraph 58) and some projects experiencing operational delays associated with the UN Environment's adoption of the UN Secretariat's enterprise resource planning system. Projects also experienced a range of implementation issues with the two-year time frame frequently proving overambitious. Delays have generated a credibility issue for UN Environment, with the Ministry of Environmental Protection understandably concerned to be able to demonstrate progress and results to decision makers in China.

133. A second concern more directly associated with the Trust Fund structure and processes has been the relatively high transaction costs associated with project identification, development and reporting on individual projects (Paragraph 62). This has been exacerbated by the large number of small projects of short duration.
134. It was beyond the scope of this evaluation to undertake a systematic review of project effectiveness based on achievement of, and sustainability of, project outcomes. Factors that have or may influence effectiveness and sustainability include the relatively short duration of projects and related lack of continuity (Paragraph 65), and, in a few cases, insufficient tailoring of the project approach to beneficiary countries' needs (Paragraph 68).
135. The partnership approach adopted by many of the projects in line with the tripartite or triangular approach envisaged in the 2014 UN Environment-China Memorandum of Understanding was effective in terms of extending UN Environment's reach through the provision of timely and relevant expertise.

### **Recommendations**

136. The recommendations in this section are intended to address underlying factors in the China Trust Fund structure, management arrangements and processes to address identified weaknesses in the areas of relevance, efficiency and effectiveness and sustainability.
137. With the last set of approved projects already underway, many of the recommendations are oriented towards a potential further cycle of funding under a renewed strategic cooperation agreement. They can also be read as lessons for the development of other trust funds with a similar structure.

### ***Structure of funding***

138. The existing China Trust Fund structure is associated with a large number of relatively small projects. The broad scope and ultimately the fragmented nature of interventions together with the process orientation of the priority areas has made it difficult to determine results of the China Trust Fund support and to demonstrate impact. The approach has incurred significant transaction costs associated with the wide scope of the call (and development of multiple concepts) and the need to identify, develop and approve individual projects.
139. While UN Environment favours a programme approach to resource mobilization it is also recognized that earmarking can ensure both partners priorities are met while a project-based approach provides for stronger accountability and attribution of results.
140. A more focused set of priorities would provide a stronger identity for the portfolio, would increase the potential for attributable outcomes, and would facilitate communications and visibility based on a clearer identity or niche for the support of the Ministry of Environmental Protection. There are also opportunities to better synchronize delivery with UN Environment's programme cycle, and to support emerging trends in UN Environment's delivery including strengthening in UN Environment's regional presences and development of practice hubs to consolidate work on emerging themes such as the inclusive green economy.
141. The following recommendation is multifaceted and may be addressed fully or in part depending on the findings of the proposed dialogue.

### **Recommendation 1. Programme Alignment and Focus**

142. Initiate a dialogue process between the Ministry of Environmental Protection, the Programme and Policy Division, the Donor Partnerships and Contributions Section and relevant UN Environment regional offices with the following aims:
- Identify a revised and more focused set of common priorities linked to and synchronized with delivery of UN Environment's Medium Term Strategy for 2018-2021, the Programme of Work 2018-2019 as well as the thematic and geographic preferences of the Ministry of Environmental Protection.

- Identify and agree options for a softer approach to earmarking of funds based on support at the level or sub-programmes, Expected Accomplishments or Programme of Work outputs in line with the programme-based approach set out in UN Environment's resource mobilization strategy.
- If project support is continued, ensure integration with UN Environment projects based on the Subprogramme Frameworks, and encourage a smaller number of longer running projects.
- Continue to exploit China's expertise and experience in the framework of South-South Cooperation and triangulate cooperation including through developing more substantive partnerships with institutions in beneficiary countries.

Responsibility: Donor Partnerships and Contributions Section in collaboration with other parties mentioned.

Timing: 2017 as a basis for concluding a follow-on Framework Agreements in advance finalisation of UN Environment Subprogramme Frameworks for the 2018-2019 biennium.

### ***Management arrangements***

143. While the Donor Partnerships and Contributions Section has been largely able to deliver on its expected roles and responsibilities, there is scope to reinforce capacity in order to enable a more proactive liaison role with the Ministry of Environmental Protection of the People's Republic of China, and potentially with other partners in China and to monitor project issues and opportunities, including related to communications and visibility. This evaluation considered whether such a role could be delivered through, or based in, the UN Environment China Programme Office in view of the proximity to key actors in China. However, the China Programme Office is primarily concerned at present with delivery of UN Environment's programme in China while the China Trust Fund portfolio spans multiple UN Environment regions.

#### **Recommendation 2.1. Increased Coordination Capacity**

144. Increase coordination support for the China Trust Fund through allocation of additional human resources on a year-round basis. Options to realize this recommendation include allocation of a dedicated budget line in the China Trust Fund, a staff secondment, or appointment of a Junior Professional Officer. This recommendation is considered of secondary importance to the recommendation intended to streamline processes and reduce transaction costs.

Responsibility: Corporate Services Division, potentially in collaboration with the Ministry of Environmental Protection of the People's Republic of China.

Timing: In advance of a renewed framework agreement

145. The evaluation identified some discontinuities and gaps in institutional memory related to UN Environment's engagement with the China Trust Fund including changeover in senior representation at the Annual Consultations between the Ministry of Environmental Protection and UN Environment and the absence of a central repository for documenting related to or concerning the Trust Fund. This contrasts to the more joined-up approach seen in the Ministry of Environmental Protection and its subsidiaries.

#### **Recommendation 2.2 Continuity and Institutional Memory**

146. Reinforce institutional memory and ensure consistency and continuity in liaison with the Ministry of Environmental Protection by:

- i. Ensuring consistent UN Environment representation and leadership for China Trust Fund discussion at the UN Environment China Annual Consultation (Corporate Services Division), with a formal handover of UN Environment chairing responsibilities indicated in the agenda for the closed meetings organized as part of the Annual Consultation.
- ii. Maintaining a centralized record of all documentation pertaining to the UN Environment-Ministry of Environmental Protection partnership and Strategic Cooperation Agreement including Memoranda of Understanding, meeting records, formal and informal agreements,

reports and project records, and ensure this is available to other parts of UN Environment on a needs basis.

- iii. Ensuring the Donor Partnerships and Contributions Section is notified in a timely manner of strategic developments in the identification or delivery of projects as well as any constraints to project delivery (Project managers).

Responsibility: Corporate Services Division/ Donor Partnerships and Contributions Section with project managers

Timing: On-going

### ***Management Processes***

147. The following recommendations related to management processes are based on identified issues that have arisen based on the prevailing arrangements. Several of the issues addressed by these recommendations have their origins in the structure of the fund and the approach may need to be amended in line with the outcomes of the dialogue proposed in Recommendation 1.

#### **Recommendation 3.1 Operational Cycle**

148. Instigate a regular calendar which builds in sufficient time for key stages in the project cycle including the call for proposals, deadline for submission of concepts, selection of projects by the Ministry of Environmental Protection based on shortlisted proposals, development of full proposals, project reporting and financial reporting. The reporting cycle should be associated with UN Environment's regular requirements for reporting on the online Project Information Management System (PIMS), and the financial reporting deadline to closure of UN Environment's annual accounts.

Responsibility: Donor Partnerships and Contributions Section in agreement with the Ministry of Environmental Protection.

#### **Recommendation 3.2 Streamlining of Project Identification, Development and Approval**

149. The following procedural recommendations are intended to streamline processes and reduce transaction costs related to the identification, development and approval of projects and to ensure that proposals designed to address a similar theme are developed in a coordinated manner in order to avoid competing proposals or duplication of effort.

- a) Ensure that the call for proposals fully sets out the parameters for the call including project size, duration, focal areas and requirements for Programme of Work alignment (Donor Partnerships and Contributions Section).
- b) Require project proponents to register their interest in the call and to liaise with relevant Subprogramme Coordinators to ensure adequate alignment with programme frameworks and contribution to related Programme of Work projects, and to avoid development of competing concepts.
- c) Require approval of individual concepts by Subprogramme Coordinators and involve Subprogramme Coordinators in internal screening and shortlisting of concepts.

Responsibility: Donor Partnerships and Contributions Section in collaboration with Policy and Programme Division including Subprogramme Coordinators

#### **Recommendation 3.3. Ensuring Relevance in Beneficiary Countries**

150. The first procedural recommendation is intended to ensure knowledge of priorities and institutions is integrated into project design and that any requirement for regional support to implementation is adequately addressed in implementation arrangements. The second recommendation is intended to contribute to ownership and sustainability in project implementing substantial activities such as assessments or case studies at the national level.

- a) Require systematic consultations with relevant regional offices at the project identification stage in order to match projects to regional priorities in line with UN Environment's policy on Strategic Regional Presence, and encourage involvement of Regional Subprogramme Coordinators in project development in order to identify relevant stakeholders and partners.
- b) Where appropriate, include relevant regional or national institutions as full project partners with defined activities and related budget allocations. This step may be undertaken after selection of concepts in order to avoid raising undue expectations related to possible funding.

Responsibility: Project proponents in collaboration with UN Environment Programme and Policy Coordination Division, Regional and Subregional Offices

#### Recommendation 3.4 Reporting

151. The following recommendation assumes integration of China Trust Fund projects into UN Environment Programme of Work projects and is intended both to reduce reporting requirements and exploit opportunities for stronger partnerships and greater visibility.

- a) Encourage the donor to accept strategic reporting at the level of UN Environment Programme of Work projects, with accountability for individual grants (China Trust Fund projects) established through financial reporting and, if required, a description of related deliverables (products and services).

Responsibility: Strategic reporting by project managers based on agreement between Donor Partnerships and Contributions Section and the Ministry of Environmental Protection of the People's Republic of China.

- b) Reinforce financial reporting on the China Trust Fund at portfolio level following closure of annual accounts, including consideration of unspent balances on closed projects and of any income from interest, in line with Strategic Cooperation Agreement requirements.

Responsibility: Corporate Services Division

## **1. Background**

### **The UNEP - China Partnership**

1. The Ministry of Environmental Protection of the People's Republic of China (China-MEP) and the United Nations Environment Programme (UNEP) entered into a Memorandum of Understanding (MoU) in November 2009 in order to strengthen the strategic partnership, support and cooperation between China-MEP and UNEP. The MoU was signed as a framework of cooperation and understanding to support the achievement of the common goals of the parties with regard to the conservation, protection, enhancement and support of nature and natural resources, including enhanced ecosystem management, and to collaborate to further these common goals and objectives within their respective mandates and governing rules and regulations.
2. The objectives of the MoU were to be achieved through annual dialogue meetings between China-MEP and UNEP and execution of a separate legal instrument between the parties to define and implement joint activities, projects and programmes. For the period of 2013-2015, a Framework Agreement on Strategic Cooperation between China-MEP and UNEP (hereafter called the Strategic Cooperation Agreement or SCA) was signed on 12<sup>th</sup> December 2012 to cover the extra-budgetary contributions from China-MEP to UNEP for a total budget of US\$ 6 million, disbursed in annual allotments of US\$ 2 million. A specific UNEP-China extra-budgetary Trust Fund (hereafter called the China Trust Fund) was established by UNEP to manage the contributions in accordance with the Strategic Cooperation Agreement. The overall objective of the SCA was to support UNEP activities designed to build the capacity of developing countries to address environmental issues and sustainably develop their economies and increase public awareness of environmental challenges, relying as much as practicable on south-south cooperation.
3. A portfolio of projects was selected to implement activities to be funded under the SCA. The core priority of the portfolio of projects was to implement activities in developing countries, particularly in the African, ASEAN, and Central Asia regions focused on capacity building, south-south cooperation and increasing support for the ratification of environmental agreements. More specifically, the priority areas for funding were:
  - v. Optimal utilization of an ecosystem approach to the protection of biological diversity and the enhancement of human well-being;
  - vi. Building the capacity of developing countries to promote green economies;
  - vii. Enhancing the capacity of developing countries to implement their environmental obligations and achieve their environmental goals, targets and objectives through strengthened institutions and the implementation of laws; and
  - viii. Building the capacity of developing countries to address global and regional environmental problems and to comply with requirements of multilateral environmental agreements.

### **The China Trust Fund programming arrangements**

4. The selection and implementation of activities funded from the China Trust Fund was to adhere to the relevant policy decisions and guidelines approved by the UNEP Governing Council (the United Nations Environment Assembly of UNEP) and the shared priority areas of both parties defined in the Strategic Cooperation Agreement. The selection of the activities to be funded was based on consultations between the two parties.
5. Following established practice, UNEP Office for Operations (OfO) put forward a request to the programmatic units of UNEP for the submission of project concepts, which addressed the identified priority areas of the Strategic Cooperation Agreement. The received project concepts were then subject to a review by UNEP Quality Assurance Section (UNEP QAS), Donor Partnerships and

Contributions Section (UNEP DPC) and UNEP Regional Office for Asia Pacific (UNEP ROAP), to ensure that the proposals met the criteria set by the SCA and were clearly linked and part of UNEP's Programme of Work (PoW). The project concepts, which were quality assured, were then submitted to the UNEP Deputy Executive Director (DED) for final selection to be taken forward to China-MEP for consideration for funding.

6. As per the Strategic Cooperation Agreement, the UNEP OfO presented the UNEP-approved project concepts with indicative budgets for consideration to China-MEP. Following submission of the project concepts, consultations were held between UNEP OfO and China-MEP. Subsequently, the selection of activities to be financed by China-MEP through the established China Trust Fund was agreed by UNEP and China-MEP either by an exchange of letters signed by the China-MEP Director General of the International Cooperation Department and the Director of the UNEP OfO, or during one of the annual consultation meetings between UNEP and China-MEP.
7. During the SCA period 2013-2015, a total of 18 project concepts were selected for funding by the China-MEP. These 18 project concepts were then developed into full project documents by the respective UNEP Divisions, and after completion of a quality assurance process at UNEP, the full project documents were submitted to China-MEP for final endorsement.
8. To promote alignment of the selected projects with UNEP's Programme of Work, it was indicated in the SCA that the consultations and decisions on the projects to be funded for the biennium in which the resources were to be expended was to be sought as early as possible in order to support the highest degree of efficiency and predictability in UNEP programming.

### **The China Trust Fund management arrangements and processes**

9. The main management and coordination structure of the Strategic Cooperation Agreement was composed of UNEP OfO, UNEP China Office, UNEP ROAP and China-MEP.
10. The UNEP OfO was responsible for coordinating the development and submission of project concepts for the review of China-MEP, and further coordinating the development of full project documents for the projects selected for funding. The respective UNEP Divisions were responsible for the implementation of the projects selected for funding, in collaboration with various partners, as well as reporting back on the operational and financial aspects of their respective projects. UNEP OfO was responsible for collating project reporting and providing a summary report of the portfolio performance on an annual basis to the China-MEP. According to the SCA, consultations between UNEP and China-MEP were to be held annually to discuss progress and the future implementation of the projects funded from the China Trust Fund.
11. UNEP was to administer and account for the funds in accordance with its financial regulations and rules. Administration of the funds under the 2013-2015 SCA was covered through 13% programme support costs charged to the China Trust Fund.
12. According to the Strategic Cooperation Agreement, UNEP was to be responsible for the monitoring, review and evaluation of the activities funded from the China Trust Fund and this was to be carried out by UNEP as part of its normal project and programme management practices. In addition, it was also indicated in the SCA that UNEP was to undertake regular reviews of all projects funded from the China Trust Fund as required. UNEP was responsible for providing a comprehensive review of the activities, results and impact attained at least three weeks in advance of an annual consultation meeting, together with a status report on each activity under implementation and all completed terminal reports.
13. UNEP was also responsible for arranging in-depth independent evaluations of selected projects funded from the China Trust Fund, and both the review and evaluation of the projects was to be conducted in close communication with China-MEP. In addition, all payments received by UNEP under the SCA were to be subject to external auditing procedures.

### **The China Trust Fund project portfolio**

14. The contribution of China-MEP under the Strategic Cooperation Agreement for 2013-2015 was US\$ 6 million, to be provided in three equal instalments of US\$ 2 million each in 2013, 2014 and 2015.
15. During 2013-2015, six projects were selected for funding annually, totalling to a portfolio consisting of 18 projects. Each project had an average budget of approximately US\$ 300,000. As described

above, these projects were selected on the basis of the shared priorities of China-MEP and UNEP as defined in the MoU and the complementing SCA for 2013-2015. Each project was designed to contribute to a specific expected accomplishment (EA) under UNEP's programmes of work (PoW) for the periods of 2012-2013 and 2014-2015, and most were implemented as components of larger UNEP PoW projects. The funded projects contributed to UNEP's thematic sub-programmes on ecosystem management, environmental governance, chemicals and waste and resource efficiency<sup>31</sup>. Table 1 presents the projects funded from the China Trust Fund with their alignment with UNEP's PoW sub-programmes.

16. The implementation of the projects funded during the period of 2013-2015 was divided into three tranches from 2013-2015, 2014-2016 and 2015-2017 which, after the project approval and preparation phase, gave each project an implementation period of two years after the receipt of funds. Whilst this timeline was not stipulated in the SCA, it became an established practice as per preference indicated by China-MEP and agreed to by UNEP to facilitate the timely delivery of results.

Table 1: Overview of the projects funded through the UNEP China Trust Fund for the period of 2013-2015 (source: China Trust Fund summary of portfolio report, January 2016)

Subprogramme	Title	Tranche & Project	Status	Budget (in USD)
1. Ecosystem Management	<i>South-South Capacity Building for Ecosystem Management in the Greater Mekong Subregion (GMS)</i>	T2 P1	Ongoing	300,000
	<i>Support for Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in ASEAN Countries</i>	T2 P4	Ongoing	300,000
	<i>Support for the Revision of National Biodiversity Strategies and Action Plans in Central Asian Countries</i>	T2 P5	Ongoing	400,000
2. Environmental Governance	<i>South-South Cooperation: Global South-South Development (GSSD) Expo 2013</i>	T1 P3	Completed	300,000
	<i>Strengthening the capacity of South East Asian countries for the development and implementation of the Biodiversity Strategic Plan 2011-2020 &amp; Aichi Targets</i>	T1 P5	Completed	400,000
	<i>Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation</i>	T1 P6	Completed	300,000
	<i>Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation</i>	T3P1	Ongoing	350,000
3. Chemicals & Waste	<i>Support towards ratification and implementation of the Minamata Convention on Mercury</i>	T1 P2	Ongoing	300,000
	<i>Capacity-Building for Environmentally Sound Management (ESM) of PBDEs and their waste in selected Asia-Pacific Countries</i>	T2 P3	Ongoing	300,000
	<i>Implementation of Minamata Convention on Mercury in African Region</i>	T2 P6	Ongoing	300,000
	<i>Promoting the elimination of the use of lead paints in China and Africa</i>	T3P2	Ongoing	340,000
	<i>Support towards ratification and implementation of the chemicals and waste conventions in Central Asia (special focus on Minamata Convention on Mercury under China funding)</i>	T3 P3	Ongoing	300,000
	<i>Strengthen the capacity of the Asia Pacific countries on the adoption of environmentally friendly alternatives</i>	T3 P4	Ongoing	360,000

<sup>31</sup> In addition to these, UNEP has thematic sub-programmes on disasters and conflicts, climate change and environment under review.

	<i>through South-South Cooperation for the implementation of the Montreal Protocol</i>			
4. Resource Efficiency	<i>Enhancing South-South Cooperation: Building the Capacity of Developing Countries to Promote Green Economies</i>	T1 P1	Completed	400,000
	<i>Strengthening the capacities and improving the knowledge of green public procurement and eco-labelling in the ASEAN+3 region</i>	T1 P4	Ongoing	300,000
	<i>South-South Cooperation in Mongolia and Central Asian Countries: Sharing Knowledge on Inclusive Green Economies and Ecological Civilization</i>	T2 P2	Ongoing	400,000
	<i>Supporting regional policy dialogue on sustainable cities with scientific assessment and policy dialogue</i>	T3P5	Ongoing	350,000
	<i>South-South Cooperation in China, Mongolia, and Central Asian Countries: Investing in a Green Silk Road</i>	T3 P6	Ongoing	400,000

17. The funded projects were to be delivered in collaboration with a range of Chinese and other partners. According to the China Trust Fund summary report from January 2016 prepared by UNEP, the portfolio had engaged with 57 partner institutions from governments, as well as business, academia and civil society. In addition to funding from the China Trust Fund, additional in-kind and other financial support was to be sought for all activities from the recipient countries. Coordination with other donors was to be sought as appropriate. During the period of 2013-2015, the US\$ 6 million contribution from China-MEP leveraged a total project portfolio value of approximately US\$ 62 million, according to the China Trust Fund Summary Report, considering the contributions of the China Trust Fund projects to the larger projects of UNEP.
18. As of 31 December 2015, four of the 18 projects had been completed, nine projects were on-going and five projects from tranche three had completed their initial planning and consultation processes with the substantive work planned to start from January 2016. Also as per the end of 2015, of the total funding of US\$ 6 million, US\$ 3,488,268 or 57% had been spent. Activities of the portfolio had reached 81 countries in Asia, Africa and Latin America, and some countries in the ASEAN and Central Asian regions were reached through multiple projects.

## 2. The Evaluation

### A. Objectives and scope of the evaluation

19. This evaluation of the China Trust fund will focus on assessing the management arrangements and processes of the China Trust Fund under the Strategic Cooperation Agreement for 2013-2015. The evaluation aims to assess how the management arrangements and processes affect the strategic relevance, effectiveness, efficiency and sustainability of results of the China Trust Fund-funded project portfolio implemented by UNEP. The evaluation has a dual purpose: i) providing a basis for accountability of the China Trust Fund management towards the Ministry of Environmental Protection of the People's Republic of China (China-MEP) and UNEP; and ii) drawing lessons and recommendations from experience on ways to improve existing cooperation modalities between China-MEP and UNEP. In other words, the evaluation will try to answer the question: is the approach adopted in the Strategic Cooperation Agreement the most effective way of conducting programmatic cooperation between China-MEP and UNEP, what has been successful and is there room for improvement? The evaluation will learn from current practices but have a forward-looking perspective to examine ways to focus for the cooperation for greater impact.
20. The evaluation will attempt to answer the following key questions:
- i. Are the objectives and approach of the project portfolio strategically aligned with the priorities stipulated under the Strategic Cooperation Agreement, the UNEP MTS 2010-2013 and 2014-2017 and corresponding Programmes of Work (PoW) and the priorities of China-MEP? Is the project portfolio likely to make a substantive contribution to the priorities reflected in these frameworks? How do the management arrangements and processes specified by the SCA, and put in place in practice, affect strategic relevance of the project portfolio, i.e. their relevance to beneficiary needs, national priorities and their strategic alignment to common priorities and

interests of China-MEP and UNEP? Is there room for improvement and if so, how could these improvements be realised?

- ii. How do the management arrangements and processes specified by the Strategic Cooperation Agreement, and put in place in practice, affect the likelihood that the project portfolio funded from the China Trust Fund achieves its expected common objectives and contributes to the objectives of UNEP's PoW? Is there room for improvement and if so, how could the contribution be made more significant?
  - iii. How efficient are the management arrangements and processes of the China Trust Fund defined in the Strategic Cooperation Agreement and put in place in practice? Are these arrangements and procedures optimal? Have human and financial resources been optimally deployed to make the management arrangements and processes function efficiently? Is there room for improvement and if so, how could these improvements be realised?
21. The scope of the evaluation is defined by the Strategic Cooperation Agreement period 2013-2015. The evaluation will cover the management arrangements and processes of the China Trust Fund specified by the SCA 2013-2015 and assess how these arrangements and processes affect the portfolio of projects that have been approved and funded.

## **B. Evaluation audience**

22. The evaluation is expected to help the China-MEP and UNEP identify key lessons that will provide a useful basis for improved cooperation, coordination and delivery.
23. The main users of the evaluation include China-MEP, UNEP and all UNEP units and staff as well as partners involved in the projects funded through the China Trust Fund under the SCA 2013-2015.

## **C. Evaluation approach**

24. The evaluation will be conducted under the overall responsibility of the Evaluation Office of UNEP (EOU). It will be an in-depth study using a participatory approach whereby the China-MEP, the UNEP Office for Operations (UNEP OfO) and the concerned project staff at UNEP and partner organisations are kept informed and are consulted throughout the evaluation.
25. The evaluation will remain an independent exercise. The evaluation will benefit from the leadership and contribution of an independent consultant, who will liaise with the EOU, UNEP OfO, China-MEP and the project teams to properly conduct the assessment independently with the resources provided. Evaluation findings and judgments will be based on sound evidence and analysis, clearly documented in the evaluation report. Information will be triangulated (i.e. verified from different sources) to the greatest extent possible<sup>32</sup>. Analysis leading to evaluative judgments will be clearly spelled out.
26. The main approach to assess the management arrangements and processes of the China Trust Fund specified by the SCA 2013-2015, and put in place in practice, will be to compare the arrangements and processes with those of other non-core-funded interventions in UNEP. This comparison will be done at two levels: (1) the management arrangements and processes of the China Trust Fund itself and (2) at the project level. The management arrangements and processes will be compared to standard UNEP operating procedures and guidelines. The evaluation will look at the designs of China Trust Fund funded projects but also consider the larger UNEP PoW within which they were implemented.
27. The basis for the evaluation will be an outcome mapping exercise whereby planned outcomes of the projects funded by the China Trust Fund will be mapped against the UNEP PoW and SCA objectives to examine the logical sequence of the desired changes to which the projects are expected to contribute. The outcome mapping will show the causal linkages between the desired changes at different results levels (outcomes, intermediate states and impact), and it will help to determine whether the interventions are strategically relevant and optimally designed in order to reach impact.

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<sup>32</sup> Sources will not be mentioned by name.

## **D. Evaluation areas of focus**

### **Strategic alignment and relevance**

28. The outcome mapping exercise will be the basis for evaluating the strategic relevance of the portfolio of projects funded from the China Trust Fund. The evaluation will identify what the common priorities of the China-MEP and UNEP are and whether these have been well defined. The evaluation will then assess whether the objectives and strategies of the projects funded from the China Trust Fund are relevant to global and regional needs and strategically aligned with UNEP and China-MEP priorities including the objectives of the SCA, the UNEP Medium-Term Strategies (MTS) 2010-2013, 2014-2017 and corresponding Programmes of Work (PoW). The evaluation will assess whether the management arrangements and processes of the SCA and those put in place in practice contributed to the strategic alignment and relevance of the project portfolio.
29. The evaluation will also assess the realism of the objectives described in the SCA considering the China Trust Fund management arrangements and processes, time and resources available, strengths and weaknesses of UNEP and the context in which the portfolio of projects are operating. The evaluation will assess whether the specific management arrangements and processes of the China Trust Fund have affected the strategic relevance of interventions. Based on the analysis of alignment and relevance, the evaluation will identify possible areas of improvement and provide lessons and recommendations accordingly.

### **Efficiency of the processes**

30. The evaluation will look at governance, coordination and management arrangements of the China Trust Fund. The evaluation will describe the governance structures and management arrangements and processes of the China Trust Fund and assess whether these arrangements have been clearly defined. The evaluation will describe how, if at all, these arrangements differ from those of UNEP PoW projects in general. The evaluation will assess how efficient (in terms of costs and time requirements) are these arrangements compared to regular UNEP arrangements for PoW projects?
31. The evaluation will assess how effective these arrangements are towards the achievement of common goals. The evaluation will assess if and how the specific China Trust Fund management arrangements and processes had any effect on efficiency of the project portfolio, from project concept to completion. It will assess whether these arrangements and processes had any influence on the costs or time to get projects up and running, in order to achieve their objectives within the programmed time and budget. The evaluation will give special attention to efforts to avoid duplication (in particular with interventions funded by other UNEP donors) to make use of pre-existing methods and data sources, as well as to exploit complementarities and synergies between related internal and external initiatives. Based on the analysis of efficiency, the evaluation will identify possible areas of improvement and provide lessons and recommendations accordingly.

### **Effectiveness of the processes**

32. The evaluation will not assess the performance of the portfolio as such, but it will assess how the management arrangements and processes of the China Trust Fund, including those for project design and selection, affect the achievement of the planned outcomes and likelihood of impact.
33. The evaluation will examine the type of activities the projects are designed to execute and assess the optimality of the type of activities for the achievement of expected outcomes and likelihood of impact.
34. Similarly, since impact is a result of a long-term change, and requires specialised methods and approaches to be measured, this evaluation will only assess how China Trust Fund management arrangements and processes could affect the potential (likelihood) of impact, and the processes in place and progress made towards it. The evaluation will use a theoretical approach to assess the likelihood of impact, informed by the outcome mapping exercise. An essential part of the theoretical approach to impact evaluation is the assessment of the presence of the drivers and assumptions<sup>33</sup> that are deemed necessary for outputs to lead to outcomes, and those outcomes to yield impact. Thus,

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<sup>33</sup> Drivers and assumptions are external factors that are essential to promote the change processes along the causal pathways of a project or strategy. Drivers are external factors that can be influenced by the main actors of the intervention or strategy themselves. Assumptions cannot, but a solid project design or strategy will foresee adequate risk management measures for all its critical assumptions.

the evaluation will assess the extent to which the portfolio projects have adequately addressed these drivers, which need to be in place and assumptions, which need to hold true for the portfolio to contribute towards the objectives of the Strategic Cooperation Agreement.

35. The evaluation will also identify and assess if and how the management arrangements and processes contribute to, or constrain, the sustainability of results, i.e. the persistence of benefits resulting from the implementation of project activities, and, in particular, how these factors have been affected by the specific management arrangements and processes of the China Trust Fund. Other UNEP projects, initiatives implemented by other agencies, contextual circumstances or developments that may positively or negatively affect sustainability of results will also be considered.
36. The evaluation will also consider whether the specific management arrangements and processes affect the replication and up-scaling potential of the projects funded from the China Trust Fund. The evaluation will assess whether these arrangements and processes have contributed to the creation of an enabling environment for replication and up-scaling, whether they have changed the way key stakeholders have been involved in project design and implementation, and whether they have promoted awareness raising and capacity building in the projects. The evaluation will look at different factors which facilitate the replication potential, up-scaling and catalytic effects. These factors can be put in place by the projects themselves or by other initiatives developed by UNEP or others. Similarly as for sustainability, many factors influencing replication or up-scaling can also be impact drivers or assumptions. Based on the analysis of effectiveness, the evaluation will identify possible areas of improvement and provide lessons and recommendations accordingly.

## **Factors affecting design and delivery**

### ***Portfolio and project design***

37. The evaluation will outline the design and approval processes of projects funded from the China Trust Fund and describe how, if at all, the processes differ from the guidelines and expectations of UNEP PoW project design and approval processes. The evaluation will assess how the management arrangements and processes of the China Trust Fund have affected project design quality and how this, in turn, might have affected the relevance and delivery of the project portfolio. It will look at whether these arrangements and processes have helped to better define and coordinate UNEP activities in addressing common China-MEP and UNEP priorities.
38. The evaluation will seek to answer the following questions:
  - Are the design and quality assurance processes of projects funded from the China Trust Fund appropriate? What differences are there, if any, in the project design and design quality assurance processes compared to the guidelines for UNEP PoW projects in general? Are financial and time resources set aside for design and quality assurance of the projects adequate?
  - Are financial resources allocated to the China Trust Fund adequate to deliver against the expected results of the SCA? Are financial resources allocated to individual projects adequate to deliver the expected results? What is the basis for distribution of funding between the portfolio projects and is the basis for distribution transparent and optimal?
  - Is the causal logic linking China Trust Fund project outputs with the expected results of UNEP's PoW clear and has it been well thought through? Do the projects form a coherent part of, and do they make a meaningful contribution to, the larger UNEP PoW projects they were implemented with?
  - Are the criteria for project selection clear and in support of delivering against expectations of China-MEP and UNEP? Are the designs of the China Trust Fund projects realistic in terms of the available time for their implementation? How do the timelines for the China Trust Fund projects' approval and implementation correspond to those of the other components delivered under the larger UNEP PoW projects?
  - Have sustainability factors been considered and has an exit strategy been built in the design of the projects? Have activities related to communication and knowledge management been thoroughly planned and has adequate consideration been given to follow-up and dissemination of information, concepts, approaches and tools?

- Have gender considerations and social and environmental safeguards been adequately considered in the project designs?
  - How has the geographical scope and distribution of the China Trust Fund projects been determined? Is the geographical scope and distribution optimal for the delivery against expected results? How have partners been selected? Has the selection of partners been strategic and does it support the achievement of results and their sustainability?
39. Based on the analysis of the portfolio and project design, the evaluation will identify possible areas of improvement and provide lessons and recommendations accordingly.

#### ***Human and financial resources administration***

40. The evaluation will describe the processes related to the management of the China Trust Fund at UNEP and compare it to the financial management processes of non-China Trust Fund funded projects. The evaluation will assess the transparency, effectiveness and efficiency of the systems and processes used for financial management of the China Trust Fund and assess how the administrative processes have facilitated or inhibited fluent execution of the project portfolio.
41. The evaluation will examine the requirements of human and financial resources in terms of the administration and oversight of the China Trust Fund itself, and assess the adequacy of human and financial resources available to meet these requirements.
42. The evaluation will assess the adequacy and stability of the funding base for the achievement of expected results of the Strategic Cooperation Agreement. The evaluation will examine the extent to which the China Trust Fund funded projects have leveraged additional funding from other partners. The evaluation will assess whether the specific management arrangements and processes have affected the success of UNEP in securing additional funding for the projects and in leveraging funding towards common priorities. Based on the analysis of human and financial resources administration, the evaluation will identify possible areas of improvement and provide lessons and recommendations accordingly.

#### ***Monitoring & Evaluation***

43. The evaluation will examine arrangements for reporting, monitoring and evaluation related to the China Trust Fund. The evaluation will describe the reporting, monitoring and evaluation arrangements adopted by the China Trust Fund and compare these arrangements with the standard UNEP requirements.
44. The evaluation will examine the reporting, monitoring and evaluation arrangement of the China Trust Fund, including the roles and responsibilities for data collection, analysis and sharing as well as adequacy of resources for monitoring. The evaluation will assess whether these arrangements are practicable and adequate.
45. The evaluation will assess how monitoring information is used for project and China Trust Fund-level steering and management. What mechanisms are in place to ensure that monitoring results are used to enhance management of the China Trust Fund and project performance, and how do these differ from regular feedback mechanisms in UNEP?
46. The evaluation will assess the quality, comprehensiveness, coherence and regularity of reporting on project outputs, outcomes and impact both to UNEP and to the donor. What quality assurance processes are in place to ensure the reliability and accuracy of reporting, and how do these differ from project reporting expectations and guidelines in UNEP?
47. Have adequate evaluation arrangements and resources been foreseen for China Trust Fund funded projects and to what extent have these projects been/will be independently evaluated at mid-term and completion. Based on the analysis of monitoring and evaluation arrangements, the evaluation will identify possible areas of improvement and provide lessons and recommendations accordingly.

#### ***Other factors affecting design and delivery***

48. The evaluation will identify any other internal factors affecting the design and delivery of the project portfolio funded from the China Trust Fund that have been modified by the specific management

arrangements and processes, identify possible areas of improvement and provide lessons and recommendations accordingly. Such factors could be, for instance:

- Management and supervision arrangements for the projects funded from the China Trust Fund and those of the larger UNEP PoW projects with which they were implemented;
- Appropriateness of mechanisms for information sharing and cooperation within the project portfolio funded from the China Trust Fund, and with other programmes and projects, partners and other stakeholders;
- Adequacy of stakeholder analysis both in terms of project partners and beneficiaries and whether and to what extent this has implications on delivery and results;
- Extent of collaboration between different functional units of UNEP involved in projects funded from the China Trust Fund and those involved in other components of the larger UNEP PoW projects with which the China Trust Fund projects were implemented.

## **E. Evaluation methods**

49. The evaluation will use different methods and tools to assess the China Trust Fund management arrangements and processes and the effects these have on strategic relevance and delivery of the associated project portfolio. These will include a desk review of documentation, light case studies of selected portfolio projects, analysis of standard management arrangements and processes of other non-core funded UNEP projects and telephone and possibly face-to-face interviews with the stakeholders, possibly supported by surveys.

50. Considering the scope of the assessment and the resources available to conduct the evaluation, the evaluation consultant will not review all projects funded under the China Trust Fund but conduct light case studies of a meaningful sample of projects. The selection of projects will be based on the following criteria:

- Range of activities conducted, i.e. include projects with a wide thematic coverage;
- Geographic scope of the projects;
- Relative importance or scale of the projects, in terms of budget, duration, complexity and criticality for the delivery against the objectives of the SCA and UNEP's PoW;
- UNEP Divisions and Regional Offices involved in the projects.

51. Findings of the Evaluation will be based on the following (but not limited to):

- Desk Review:
  - Relevant background documentation on the UNEP and China-MEP strategic priorities, the MoU between China-MEP and UNEP, the Framework Agreement on Strategic Cooperation between China-MEP and UNEP, information on the global environmental challenges addressed by the projects funded from the China Trust Fund;
  - Project concept notes for projects that were selected for funding and also for those not selected for funding;
  - Approved project documents, their Project Review Committee reports and their revisions, project documents for the larger UNEP PoW projects with which the China Trust Fund projects were implemented;
  - Project reports and monitoring data including: project progress and final reports, financial reports, entries into PIMS, evaluation reports etc. both to the donor and UNEP;
  - Annual summary performance reports;
  - Minutes of the consultations between China-MEP and UNEP.
- Interviews with the China Trust Fund governance bodies (UNEP OfO, China-MEP), other UNEP entities such as the UNEP China office, UNEP ROAP, UNEP ROA and other Regional Offices and UNEP Divisions involved in implementation of the projects funded under the China Trust Fund, and with the project partners;

52. An Inception Report will be prepared by the evaluation consultant before (s)he engages in external interviews, surveys and field visits. The Inception Report will include: (i) most of the background desk review; (ii) draft of the outcome mapping (iii) a detailed description of the methodology and analytical tools that the evaluation will use and their limitations, including a list of projects sampled for the light case studies; and (iv) an annotated table of contents for the evaluation report. The Inception Report will be a working document that will be reviewed by the EOU and OfO, and cleared by the EOU.

## **F. Evaluation reporting format and follow-up to recommendations**

53. The evaluation report shall be brief (no longer than 40 pages – excluding the executive summary and annexes), to the point and written in plain English. It must explain the purpose of the evaluation, exactly what was evaluated and the methods used (with their limitations). The report will present evidence-based and balanced findings covering all the evaluation criteria, consequent conclusions, lessons and recommendations. The report should be presented in a way that makes the information accessible and comprehensible. Any dissident views in response to the evaluation findings will be appended in footnote or an annex as appropriate.

54. The draft report shall be submitted to the EOU and the EOU will review the report for clarity and comprehensiveness. When found acceptable, the EOU will share the report with UNEP OfO, who will review the report and provide feedback on any factual errors. Once these have been addressed, the report will be circulated to other involved UNEP entities, the China-MEP and the key partners for review and consultation. They may provide feedback on any errors of fact or substantive omissions and highlight the significance of such errors in any conclusions. The EOU will then collate all review comments and provide them to the evaluation consultant for consideration in preparing the final version of the report. The consultant will draft a response to any comments that contradict her/his own findings and could therefore not be accommodated in the final report. This response will be shared by the EOU with the interested stakeholders to ensure full transparency.

55. The final report shall be submitted by email to:

**Michael Spilsbury, Director**  
**Evaluation Office of UN Environment**  
**Email: [michael.spilsbury@unep.org](mailto:michael.spilsbury@unep.org)**

56. The OfO, assisted by the EOU, will facilitate the preparation of a Recommendations Implementation Plan in consultation with the relevant offices and functional units involved. The plan will specify the level of priority of the recommendations and actions to be undertaken to implement them. It will indicate who will be responsible for implementing the recommendations and what the schedule for their implementation will be. The OfO will be responsible for reporting to the EOU on the status of implementation of evaluation recommendations on a six-monthly basis, until the last deadline in the implementation schedule has been reached.

57. After the Recommendations Implementation Plan has been agreed upon, the final evaluation report will be shared with partners and stakeholders. The final evaluation report will be published on the EOU web-site [www.unep.org/eou](http://www.unep.org/eou).

58. Consistent with the EOU quality assurance processes, the EOU will prepare a quality assessment of the draft and final evaluation reports, which is a tool for providing structured feedback to the evaluation consultants. The quality of the draft evaluation report will be assessed by the EOU and rated against UNEP criteria.

## **G. Management arrangements and schedule of the evaluation**

59. The evaluation will be managed by the Evaluation Office of UNEP. The EOU will provide backstopping support and ensure coordination and liaison with all concerned units and other key agencies and stakeholders. It will select and recruit the evaluation consultant, and provide overall guidance and supervision to the evaluation process.

60. The evaluation consultant will be responsible for the development, research, drafting and finalization of the evaluation, in close consultation with the EOU. The EOU will be ultimately responsible for the final evaluation report.

61. The evaluation will be conducted during the period of April 2016 – July 2016. The EOU will share a first draft evaluation report tentatively by June 2016 with OfO, after which the draft report would be shared with a wider range of stakeholders. Publication of the final evaluation report is expected in July 2016. The tentative schedule for the evaluation is presented in Annex A of this terms of reference document.

## **H. Evaluation Consultant**

62. The evaluation will be conducted by an independent evaluation consultant, supported by the UNEP Evaluation Office.

63. The evaluation consultant should have an in-depth understanding of, and familiarity with, evaluation methods and techniques including the use of theory of change, and documented experience in conducting high-level evaluations of large, environment-related multi-partner programmes. (S)He will possess excellent spoken and writing skills in English and preferably in Chinese and have advanced knowledge and experience in the following fields:

- The UN system, UNEP in particular, and preferably the MEAs for which UNEP hosts the Secretariats;
- Programme and project design and management;
- Partnerships development and knowledge management;
- Global environmental issues and challenges.

64. The evaluation consultant will be responsible for preparing an inception report for the evaluation, and the final evaluation report, in consultation with the UNEP Evaluation Office.

**The consultant's** service contract with UNEP/UNON, requires them to certify that s(he) has not been associated with the design and implementation of the China Trust Fund associated projects in any way which may jeopardize his/her independence and impartiality in judging their relevance and performance. In addition, the evaluation consultant is asked to commit to not having any future interests (within six months after completion of her/his contract for this assignment) with any of the China Trust Fund funded projects or their implementing units.

ANNEX II LIST OF INDIVIDUALS CONSULTED AND DOCUMENTATION SOURCES

**2.1 Individuals consulted**

NAME	POSITION
<b>Portfolio Management /Supervision</b>	
1. Kati Autere	Senior Programme Officer, Donor Partnerships and Contributions Section
2. Cara Tizon	Donor Partnerships and Contributions Section
3. Brennan Van Dyke	Chief, Strategic Donor Partnerships and Global Funds Coordination (SDPGFC), (Deputy Director of Science Division from April 2017)
4. Lucy Halogo	Donor Partnerships & Contributions
5. Yuko Ikuta	Senior Finance and Budget Officer, Corporate Services Division (by email)
<b>Ministry of Environmental Protection of the People's Republic of China</b>	
6. Xia Yingxian	Ministry of Environmental Protection
<b>Other UN Environment</b>	
7. Isabelle Louis	Acting Director, Asia and the Pacific Office
8. Nanqing Jiang	Programme Management Officer, China Country Office
9. Natalia Alexeeva	Head of Sub-Regional Office for Central Asia
10. Niklas Hagelberg	Subprogramme Coordinator, Ecosystem Management
11. Cristina Zucca	Subprogramme Coordinator, Environmental Governance
12. Maarten Kappelle	Subprogramme Coordinator, Chemicals & Waste
13. Steven Stone	Chief, Economics and Trade Branch, Economy Division
14. Jacob Duer	Coordinator (Minamata team), Chemicals and Waste Branch
15. Sheila Aggarwal Khan	Programme Strategy and Planning Team
16. Maria Elena Zuniga	Quality Assurance Section (QAS)
<b>Case Study Projects</b>	
17. Loo Min Jet	Project Manager/Focal Point, International Environment Management Programme (IEMP)
18. Edoardo Zandri	Chief, Terrestrial Ecosystems Unit (TEU) and Coordinator a.i. Freshwater, Land and Climate Branch (FLCB)
19. Sylvia Bankobeza	Legal Officer, Law Division
20. Wanhua Yang	Legal Officer, Law Division (Formerly based in Asia and the Pacific Office)
21. Sandeep Bhambra	Fund Management Officer, Law Division
22. Jacqueline Alvarez	Senior Programme Officer / Team Leader, Science and Risk Management Team Leader, UN Environment Chemical and Waste Branch
23. Heidelore Fiedler	Professor of Chemistry, Örebro University, School of Science and Technology (Former

	UN Environment Chemicals and Waste Branch)
24. Jost Dittkrist,	Chemicals and Waste Management Programme United Nations Institute for Training and Research (UNITAR) (Former UN Environment Chemicals and Waste Branch)
25. Mijke Hertoghs	Regional Coordinator - Chemicals & Waste (Europe)
26. Fulei Sheng	Economics and Trade Branch
<b>Strategic Partners</b>	
27. Guo Dongmei	China Center for SCO (Shanghai Cooperation Organisation) Environmental Cooperation

Thanks also to Wenjuan Zhang and Rowan Palmer for providing documentation by email

## 2. List of Documentation

Framework Agreement on Strategic Cooperation for the period 2013-2015 signed by the Ministry of Environmental Protection of the People's Republic of China (MEP) and the United Nations Environment Programme

Memorandum of Understanding between the Ministry of Environmental Protection of the People's Republic of China (MEP) and the United Nations Environment Programme (2009)

Memorandum of Understanding between the United Nations Environment Programme and the Ministry of Environmental Protection of the People's Republic of China (MEP) (15 November 2013)

Reports of UN Environment-China Annual Consultations including closed session on the China Trust Fund

- 7th UNEP China Annual Meeting that took place on 18-19 December 2012 in Geneva
- 8th UNEP-China Annual Meeting that took place on 8 January 2014 in Beijing.
- 9th UNEP-China Annual Meeting that took place on 22-23 January 2015 in Bangkok

Progress Reports prepared by DPC/ SDPGFC in advance of the Annual Consultations (covering 2013, 2014 and 2015)

### Projects Documentation

Project Documents for the 17 of the 18 projects

Project Document Supplements where applicable

Project Factsheets (covering 2014) and Annual Reports (covering 2015)

Project Terminal Reports

*Further details are provided in the case study summaries in Annex 6*

### UN Environment Guidance Documents and other Benchmarks

UNEP Programme Manual May 2013

UNEP Policy and Guidelines on Resource Mobilisation approved by Senior Management Team (August 2009)

UNEP Funding Strategy (2014)

UNEP Partnership Policy and Procedures 21 October 2011

Bali Strategic Plan for Technology Support and Capacity-building. UNEP/GC.23/6/Add.1

Integrating South-South Cooperation in the UNEP Programmes of Work. Policy Guidance. FINAL. 12 February 2011

Strengthened UNEP Strategic Regional Presence: Contributing to The Future We Want. Operational Guidance Note - May 2016.

### Others

UNEP Agreements for bilateral funding (Sweden and Norway) and multilateral funding (EU)

ANNEX III TIMEFRAME FOR THE EVALUATION

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<b>Phase</b>	<b>Milestone/deliverable</b>	<b>Timeframe</b>
Inception	Consultant contracts initiated	September 2016
	Inception desk review and teleconferences	September 2016
	Final inception report	7 October 2016
Data collection & analysis	Further desk review	October - December 2016
	Telephone interviews, survey(s)	
	Case studies	
Reporting	Draft Report to UN Environment Evaluation Office	20 December 2016
	Draft report shared with Corporate Services Division for fact checking	February 2017
	Draft Report shared with the Ministry of Environmental Protection of the People's Republic of China and partners	September 2017
	Receipt of comments from stakeholders	October 2017
	Final Report to UN Environment Evaluation Office	October 2017
	Final Report Published	October 2017

## ANNEX IV BENCHMARKING OF PROJECT CYCLE MANAGEMENT PROCESSES BASED ON THE UN ENVIRONMENT PROGRAMME MANUAL

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UN Environment's internal requirements and guidance on management and oversight of individual projects are set out addressed in the Programme Manual, which is periodically revised. The current version of the programme manual, which prevailed during most of the period covered by the China Trust Fund is dated May 2013<sup>34</sup>. Information on UN Environment processes and standards is also available on the website for the UN Environment Quality Assurance Section<sup>35</sup>.

It has not been possible to exhaustively apply the criteria implicit in the programme manual to each of the China Trust Fund projects, nor to the case study projects. The following analysis is intended to identify where management processes and arrangements associated with the China Trust Fund project cycle have affected the relevance, efficiency and effectiveness of the portfolio.

The analysis is based on the steps in the UN Environment Project Management Cycle set out in the UN Environment Programme Manual of May 2013.

### **Box 4-1- Outline of Steps in the UN Environment Project Management Cycle** (UN Environment Programme Manual, May 2013)

<p><b>Planning:</b> In this phase new projects are planned, requiring interaction with relevant stakeholders, and decision on details of project design (e.g., project approach, agreement on planned results, budget, and activity schedule).</p>
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<p><b>Review and Approval:</b> In this phase, project design is scrutinized for quality, and formal approval to initiate project implementation is obtained.</p>
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<p><b>Implementation and Monitoring:</b> During this phase, project activities are performed as planned in the project document, and changes are made as necessary. UN Environment projects have clear milestones for the duration of the project. The Project Manager measures and reviews the progress of project performance, in consultation with the rest of the project team and stakeholders. Project Managers may need to take corrective management actions to re-direct the project towards desired results. Key in project management is the adequacy of corrective actions taken (and documented) to ensure the project is on track.</p>
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<p><b>Evaluation:</b> During this phase, the project is reviewed and an assessment is made on whether the project achieved the results planned. The findings and recommendations from project evaluations contribute to the evaluation at programme level.</p>
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<p><b>Completion and Closing:</b> During this phase, all project activities are finalized. The project and relevant contractual obligations are formally closed.</p>
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### **1. Planning**

The 2013 Programme Manual outlines requirements for the development of projects in the context of UN Environment's Programme Frameworks for each of the seven subprogrammes, which provide for operationalisation and delivery of outputs set out in the approved UN Environment Programme of Work (PoW).

Previously referred to as umbrella projects, the UN Environment projects designed to deliver the Programme of Work bring together concepts and ideas from different parts of the organization and are expected to be implemented in a coordinated manner to deliver a Programme of Work output.

UN Environment projects are funded using UN Environment's regular budget, environment fund and extra budgetary resources including general allocations and earmarked allocations. Responsibility for mobilizing resources for individual projects lies with the Project Manager.

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<sup>34</sup> [http://www.unep.org/QAS/Documents/UNEP\\_Programme\\_Manual\\_May\\_2013.pdf](http://www.unep.org/QAS/Documents/UNEP_Programme_Manual_May_2013.pdf)

<sup>35</sup> <http://www.unep.org/qas/>

### **1.1 Individual Projects Identification**

The Programme Manual indicates that new project concepts may be submitted for senior management team approval after the programme framework is approved only in exceptional cases.

- The China Trust Fund projects were presented to the donor as concepts for stand-alone projects intended to meet the donor criteria, including contribution to agreed priority areas.
- The requirement for individual project proposals is typical for strongly earmarked funding, including funds raised for individual projects and (less commonly) funds allocated under strategic cooperation agreements including those signed with the European Union.
- Concepts were identified through an internal UN Environment call for proposals through the UN Environment Lead Division for relevant sub-programmes, sub-programme offices and regional offices. In some cases, ideas for projects were put forward by potential partners in China, including partners with existing relationships with UN Environment and new partners. The large number of concepts prepared for each call was filtered internally based on their match to the Strategic Cooperation Agreement priority areas and general parameters agreed for projects (size and duration).
- Many interviewees stressed the inefficiency of this process with some noting that there was very little guidance on eligibility, including related to project size and duration, and time was wasted preparing unsuitable projects.

### **1.2. Project Documents**

UN Environment project proposals are supposed to be developed and submitted for approval using a standard project proposal template or using a donor template with additional information in annexes to address any UN Environment requirements that are not included in the donor template.

- Full project documents were expected to be developed in the two months after the annual China-UN Environment meetings in order for funding to be approved by MEP at the individual project level.
- There were no specific requirements for a proposal format for the China Trust Fund projects and the UN Environment template was used as a default. The China Trust Fund project documents have applied different templates per the prevailing requirements, with Tranche 1 projects and some Tranche 2 projects using the pre-September 2014 template.
- The later UN Environment-approved project documents provided for this evaluation include required sections based on the prevailing template. There does not appear to be an original project document for project T1-P6 but the funding is referred to in a January 2014 project document for the related PoW project.
- The alignment of the project to the UN Environment Programme of Work is described in the project logframes, and for more recent projects in the project overview, where this is an entry in the table of required project information.
- From a process perspective, the time allowed for development of initial project concepts and documents was viewed as insufficient in some cases (with as little as one week allowed for one of the case study projects). This proved particularly challenging where the project did not fit under a theory of change for an existing UN Environment project and the theory of change had to be developed<sup>36</sup>.
- Interviewees generally considered the investment in project development a worthwhile exercise even for relatively small projects.

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<sup>36</sup> This could arise for two reasons i) because the related programme of work project had not yet been fully developed or ii) because the project did not represent a good fit to the intended results of approach of a programme of work project.

### **1.3. Theory of Change**

UN Environment projects are required to include a theory of change to capture comprehensive information on the processes by which project outputs yield outcomes and eventually lead to impacts and the associated risks. The Programme Manual sets out the process for developing and summarising the Theory of Change.

- The approved project documents for Tranche 2 projects and Tranche 3 projects include a Theory of Change.
- QAS provided support for the development of theories of change for some projects

### **1.4 Choice of intervention**

The choice of project approach to the intervention is supposed to fit to:

- The UN Environment overall mandate, service lines, Subprogramme objectives and Expected Accomplishments as set out in the Medium-Term Strategy.
- Government and other stakeholders' priorities, including also donors.
- The technical expertise and experience of UN Environment and, in particular, the project team; and whether other stakeholders are already contributing to the causal pathways.
- The "weight" of the causal pathway in terms of its potential contribution to the expected impact.

The choice of interventions was made by the donor based on a short list of concepts selected by UN Environment from the longer list of concepts developed. Eighteen concepts were developed for Tranche 3 funding. These were shortlisted within UN Environment based on alignment to the call. Six were approved for funding.

- The PRC approved project documents indicate alignment to UN Environment's programme of work. In some cases establishing alignment was problematic and led to delays in project approval and start up. The question of fit to the UN Environment programme of work is addressed in more detail under approval.
- Many of the project documents set out the wider fit to UN Environment's mandate and establish how the project responds to specific recommendations from the UN Environment governing council. These may be the same justifications that led to work being incorporated into UN Environment programme of work. A good example from the case studies is the T1-P3 project that was a direct response to the Governing Council decision 27/8 that was sponsored by China.
- Projects related to global issues and more specifically to the MEAs for which UN Environment serves as Secretariat have a further mandate from the parties or stakeholders for a given global agreement. Several of the MEA related projects were aligned to the relevant thematic subprogramme (ecosystem management, chemicals and wastes) and also contributed to UN Environment's MEA support activities under the environmental governance subprogramme.
- Many projects were designed in a top down manner with only limited consideration of the priorities of national governments or regional bodies. This partly reflects the limited time available to design projects in a context where there is also little regional specification in the UN Environment programme of work. Regional offices were consulted in the development of some, but not all, projects.
- Interviewees reflected different perspectives on the nature of capacity building with some emphasising a more comprehensive approach and others taking a more direct pathway. For example, the GMS project was largely dedicated to preparing an action plan for capacity development based on national gap analysis, while the Minamata took a more direct route to developing national roadmaps for ratification through workshops. Several interviewees stressed the long-term nature of capacity building with some arguing that it can be counter-productive to aim to quickly for tangible outcome (such as a policy document) if the institution concerned does not yet have the capability or means to implement that outcome.

### **1.5 Logframe**

The logframe templates in the May 2013 and December 2012 programme manual include a project outcome (Capacity or behavioural changes to which the project is expected to contribute), project outputs

(tangible products or services delivered by the project) and project milestones, with timing. The project output is expected to be classified under a relevant programme of work output, while the outcome should reflect the related UN Environment expected accomplishment.

Logframes are expected to include clear indicators as well as a baseline and/or indication as to whether the change in incremental in nature. This is taken up under monitoring, below.

- All of the approved project documents include at least a basic logframe with activities, outputs and outcome.
- The project outcome is frequently identified in general terms as an expected accomplishment or programme of work output. While this serves the purpose of indicating alignment, it typically fails to specify the expected contribution of the project in a form that could be verified (output level) or otherwise reviewed in terms of plausibility (outcome level).

### **1.6 Engaging with stakeholders**

The programme manual indicates that the Project Manager should consult relevant Regional Offices for assistance in identifying key stakeholders and engage them in planning exercises.

Once the project intervention is broadly specified and a broad-range of stakeholders is identified, the project team should analyze their relative roles, needs and responsibilities.

Stakeholders should be identified and mapped depending on their importance and influence relative to the project.

- The stakeholder analyses in the approved Tranche 2 and Tranche 3 project documents follow the suggested guidelines.
- It has not been possible to comprehensively review the analyses presented. However, as indicated above (choice of intervention) and in the project case studies, there is scope to better involve regional and subregional offices in informing strategies in target countries.

Identification and choice of partners Is addressed in the evaluation report.

## **2. Review and Approval**

Full project documents, including UN Environment projects developed from concepts described in the programme framework, and (exceptionally) stand-alone projects, are subject of the approval of (UN Environment's Programme Review Committee (PRC), an internal committee with defined membership for which QAS serves as Secretariat.

The PRC screens project proposal using over a dozen criteria including strategic considerations such as feasibility, and quality aspects of the proposal itself, reflecting the internal guidance for project development.

A key criterion for approval is coherence which is defined as follows: *The project is based on a project concept in an approved Programme Framework, and must support a PoW output and EA. The project complements other UN Environment projects including those implemented under the GEF (a well-formulated project should reflect the logical relationship between UN Environment's strategic priorities and the development priorities of the donor or beneficiary).*

The criterion on coherence is clearly oriented towards UN Environment projects. The UN Environment programme frameworks typically describe one UN Environment project for each programme of work output.

- The requirement for PRC approval subsequent to project approval by the donor was a significant source of delays in start dates for the China Trust fund projects, particularly for the Tranche 2 projects that were approved for funding in 2014. Approval dates provided in the DPC tracking sheets, start dates provided in project reporting, and feedback from interviews differ and cannot be fully reconciled.
- Common delays related to the PRC approval process included:

- i. General delays associated with the development and approval of the UN Environment projects approved as concepts in the 2014-2015 programme frameworks including a backlog in PRC approval of the large number of UN Environment projects developed during 2014.
  - ii. Associated delays with CTF projects identified as contributing to a given UN Environment project, particularly if the project in question had not yet been approved or required a formal revision to accommodate the additional funding and expanded scope or geographic scale of intervention.
- More significant delays resulted where it proved difficult to fit a selected China Trust Fund Project into an existing UN Environment project and the CTF project needed to be substantially (and sometimes iteratively) revised or approved as a stand-alone project. Quality control including related to PoW alignment is now undertaken by QAS prior to submission of projects to PRC, reducing the workload of PRC and requirement for iterative reviews.
  - The progress report for 2015 indicates that measures were taken to prevent the problem recurring, specifically by requiring that all preselected Tranche 3 project concepts form part of PRC approved projects. However, this did not eliminate the need for separate approvals Specifically:
    - i. The T3-P3 project on chemicals MEAs contributes to the programme of work output 512 to support the Intergovernmental Negotiating Committee for the Minamata Convention, but its scope is wider since it also addresses other chemicals MEAs. The decision to submit it as a stand project was based on concerns about how to account for the work using UN Environment's internal monitoring and reporting system ('PIMS') since the project did not fit within the framework of defined indicators and milestones for that project. The project document was revised several times reflecting an initial agreement to fit it under the PoW project 5A2 project and a subsequent decision that it should stand alone.
    - ii. The T2-P3 project on PDBEs that originated from an idea put forward by the project partner was submitted as a stand-alone project but was subsequently integrated into a PoW project.

### **3. Implementation and Monitoring**

The programme manual includes guidance on project management roles and responsibilities, start up, stakeholder engagement, human resources, and monitoring and reporting.

This evaluation has not looked in detail at project implementation but has considered management arrangements at the project level as well as operational or other issues related to management processes and arrangements that have may have affected project efficiency or effectiveness.

#### ***3.1 Management arrangements at project level***

- Management arrangements for each of the China Trust Fund projects have followed standard arrangements with day to day management by a project manager, support on administrative and financial matters by an FOM, and backstopping or supervision by the line manager.
- The programme manual indicates that projects can be partly or fully implemented by an external partner. All of the case study projects involved at one external partner (*see partnerships below*), contracted on the basis of a small-scale funding agreement. One project was fully implemented by the UN Environment IEMP which is hosted by IGSNNR.

#### ***3.2 Project start up***

- The main source of delay in project start dates was late approval of projects.
- There were some delays in 2015 and 2016 in receipt of funds at the project level, in contracting of partners, and in approval of expenditures related to convening of workshops. These changes were associated with the 2015 introduction to UN Environment of the UN Secretariat enterprise resource planning system, Umoja, which was associated with both i) technical issues and ii) the need for project and financial management staff responsible for the various actions required to establish and activate budgets to familiarise themselves with the new workflow system. This was an exceptional situation that is unlikely to recur.

### **3.3 Monitoring and reporting**

The programme manual describes in general terms the type of questions to be addressed in progress monitoring and the nature of reporting in PIMS, the internal UN Environment Programme Information Management System. The manual does not address reporting at portfolio level.

Project reporting in PIMS is at the level of UN Environment programme of work projects rather than for each individual grant associated with that project. The reporting provided in PIMS is comprehensive but is sometimes less detailed than is typically required for reporting on earmarked funding. It follows a form-based structure based on results rather than narrative style that often places greater emphasis on activities and deliverables. PIMS also provides for project monitoring though reporting on project milestones, highlights and lessons, and serves as a repository for key documents.

The programme manual recognises donor agreements may require different reporting formats. It recommends that efforts are made to minimise reporting as this represents a cost to the organization<sup>37</sup>. It also places emphasis on timely reporting of information that is accurate, comprehensive and exhaustive.

#### **Monitoring**

- The SCA indicates that regular monitoring of projects should be undertaken as part of UN Environment's normal project and programme management
- The capacity building focus of the CTF projects presents challenges for monitoring. The UN Environment programme manual notes that many UN Environment projects involve activities on capacity-building, which may be difficult to measure. The critical questions in this case are 'what capacity is to be developed?', 'What UN Environment assistance is being provided?' and "Who are the target groups (clients)?" It suggests use the effect of the capacity building effort can be used as a proxy indicator for the quality of the actual capacity building effort, while cautioning that change in question may result from other factors than the project result.
- The short-term nature of projects means there is limited potential for follow up at the country level.
- There is some anecdotal evidence of effects to which projects are likely to have contributed.
- Follow on funding through a second grant for work on green economy and law enforcement providing for longer term engagement and follow up in Central Asian countries.

#### **Reporting**

- Requirements for project reporting are addressed in Article 5 of the SCA. The SCA requires project reporting on an annual basis in advance of the annual meeting that is typically convened in January of each year.
- Reporting requirements for the China Trust Fund projects go beyond UN Environment's regular reporting through an intranet based system (PIMS).
- Reporting on projects comprises:
  1. Two-page project summaries or factsheets included as part of the annual report prepared in advance of the January 2015 meeting for each of the twelve Tranche 1 and Tranche 2 projects. The summaries are straightforward with an overview of progress towards each project output, and a graphical representation of implementation rates and expenditure rates.
  2. Progress report covering the period to January 2014 (for one project, only T1-P5)
  3. Terminal reports for three projects that were completed during 2015 (T1-P1, T1-P5, T1-P6)
  4. Project progress reports covering the period to December 2015 for 15 of the 18 projects<sup>38</sup>.

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<sup>37</sup> The programme manual also reflects that this is in line with the Paris Declaration which calls for streamlining and harmonising reporting to donors and reducing aid transaction cost.

<sup>38</sup> Two completed projects submitted a terminal report only, and one (T3-P3) had not yet started

- Progress reports in 2015 were initially prepared for submission in mid.2015 as inputs to the scheduled UN Environment China-MEP meeting that was subsequently postponed. Revised and updated reports were produced in December 2015 in advance of the reschedule meeting.
- An internal UN Environment memo indicates that some of the latter needed to be further revised to i) apply the agreed template, ii) provide more detailed information on expenditure and on financial commitments made through agreements, and iii) provide a realistic completion date.
- Interviewees' suggestions on how to reduce the transaction costs associated with reporting ranged from institutional level (imposing a minimum funding threshold for reporting on individual grants) to the practical (fewer larger projects).

#### **4. Evaluation**

The programme manual addresses UN Environment's approach to project and programme evaluations.

- The SCA addresses evaluation in article IV, which indicates that UN Environment shall organize evaluations on a needs basis.
- There have not been any evaluations of the individual CTF projects since their individual budgets fall below the UN Environment threshold for project level evaluations.
- One of the case study projects (T1-P1) undertook a self-assessment as part of a larger UN Environment PoW project evaluation.

#### **5. Completion and Closing**

The programme Manual includes a detailed procedure for project completion and closure that is triggered by the project manager and delivered in collaboration with the relevant financial management officer.

These procedures are directly applicable to any CTF projects approved as stand-alone projects, and indirectly applicable to projects that were approved as part of a larger UN Environment programme of work project.

- The SCA does not include specific provisions related to project closure. It calls for project terminal reports in lieu of annual reports where a project was completed in the period following the previous report. These reports are additional to the terminal reports at the level of the PoW project that are required by UN Environment.
- The annual report for 2015 indicates that four projects had been completed by the end of December 2015 (T1-P1, T1-P3, T1-P5, T1-P6)
- Three of these projects prepared and submitted terminal reports (T1-P1, T1-P5, T1-P6). The three projects form part of larger PoW projects and have not yet been required to go through completion procedures.
- A detailed brochure on the South-South Expo (T1-P3) does not acknowledge financial report for the conference. Support to the conference fell outside the programme of work and does not appear to have been processed as a UN Environment project.
- One interviewee indicated that the terminal report for a project closed in 2016 would be prepared in response to the anticipated call for reports from the SDPGFC.

## ANNEX V OUTCOME MAPPING

A-1. The evaluation set out to assess whether the objectives and strategies of the projects funded from the China Trust Fund are strategically aligned with UN Environment and China-MEP priorities including the objectives of the SCA, the UN Environment Medium-Term Strategies (MTS) 2010-2013, 2014-2017 and corresponding Programmes of Work (PoW), and relevant to global and regional needs. An ‘outcome mapping’ approach was taken, see below, through which the stated results of the projects were analysed against UN Environment and China-MEP stated priorities and objectives.

### ***Intended Outcomes of the SCA***

A-2. The overall objective of the SCA was to support UN Environment activities designed to build the capacity of developing countries to address environmental issues and sustainably develop their economies and increase public awareness of environmental challenges, relying as much as practicable on south-south cooperation.

A-3. The priority areas for funding that were set out in the agreement and which can be considered joint or common priorities, were:

- i. Optimal utilization of an **ecosystem approach** to the protection of biological diversity and the enhancement of human well-being;
- ii. Building the capacity of developing countries to promote **green economies**;
- iii. Enhancing the capacity of developing countries to implement their environmental obligations and achieve their environmental goals, targets and objectives through **strengthened institutions and the implementation of laws**; and
- iv. Building the capacity of developing countries to address global and regional environmental problems and to comply with requirements of **multilateral environmental agreements**.

A-4. Projects alignment with the SCA priority areas is summarized in Table 5-1, which includes the percentage of funding allocated to each priority area. The 49% of funding allocated to global issues comprised 31% for chemicals-related issues and 18% for biodiversity-related issues.

**Table 5-1. Project alignment with SCA Priority Areas**

SCA Priority Areas Showing percentage of funding allocated	Project	
<b>Ecosystem approach (5%)</b>	T2 P1	South-South Capacity Building for Ecosystem Management in the Greater Mekong Subregion (GMS)
<b>Green Economies (30%)</b>	T1 P1	Enhancing South-South Cooperation: Building the Capacity of Developing Countries to Promote Green Economies
	T1 P4	Strengthening the capacities and improving the knowledge of green public procurement and eco-labelling in the ASEAN+3 region
	T2 P2	South-South Cooperation in Mongolia and Central Asian Countries: Sharing Knowledge on Inclusive Green Economies and Ecological Civilization
	T3P5	Supporting regional policy dialogue on sustainable cities with scientific assessment and policy dialogue
	T3 P6	South-South Cooperation in China, Mongolia, and Central Asian Countries: Investing in a Green Silk Road
<b>Strengthened institutions and the implementation of law (11%)</b>	T1 P6	Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation
	T3 P1	Strengthening institutional capacity of African and Asian

		countries for the enforcement of environmental legislation through South-South Cooperation
<b>Global Issues (49%)</b>		
Global issues / MEAs (CBD)	T2 P4	Support for Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in ASEAN Countries
	T2 P5	Support for the Revision of National Biodiversity Strategies and Action Plans in Central Asian Countries
	T1 P5	Strengthening the capacity of South East Asian countries for the development and implementation of the Biodiversity Strategic Plan 2011-2020 & Aichi Targets
Global issues / MEAs (Minamata)	T1 P2	Support towards ratification and implementation of the Minamata Convention on Mercury
	T2 P6	Implementation of Minamata Convention on Mercury in African Region
Global issues / MEAs (BSR)	T2 P3	Capacity-Building for Environmentally Sound Management (ESM) of PBDEs and their waste in selected Asia-Pacific Countries
Global issues / MEAs (BSR & Minamata)	T3 P3	Support towards ratification and implementation of the chemicals and waste conventions in Central Asia (special focus on Minamata Convention on Mercury under China funding)
Global issues / MEAs (Montreal)	T3 P4	Strengthen the capacity of the Asia Pacific countries on the adoption of environmentally friendly alternatives through South-South Cooperation for the implementation of the Montreal Protocol
Global Issues / Chemicals	T3 P2	Promoting the elimination of the use of lead paints in China and Africa
<b>Cross cutting (5%)</b>	T1 P3	South-South Cooperation: Global South-South Development (GSSD) Expo 2013

A-5. The SCA does not include targets or indicators for delivery in the priority areas, nor does it refer to any required or desirable balance between the themes. The priority areas are not intended to be complementary and instead represent distinct themes to which projects should contribute or be aligned. The approaches and cross cutting results set out in the SCA objective (capacity building, sustainable development, public awareness, south-south cooperation) serve as secondary benchmarks for considering relevance and contribution of the projects to the agreed joint priorities.

#### ***Programmatic Alignment – UN Environment Strategies and PoW***

A-6. The UN Environment Medium Term Strategies (MTS), programmes of work (PoW), and sub-programme frameworks set out an intervention strategy linking UN Environment projects to programme level outputs and expected accomplishments. UN Environment required the CTF projects to demonstrate alignment to UN Environment's expected accomplishments set out in the MTS and PoWs that have been formally adopted by UN Environment's Governing Council and, more recently, by the United Nations Environment Assembly (UNEA).

A-7. The SCA does not mention UN Environment MTS or PoW and the duration and timing of the SCA is not connected to the UN Environment programming cycle. The MTS for 2013 and 2017 is however given prominence in the UN Environment China-MEP Memorandum of Understanding signed in November 2013, and – like the SCA – covers the period to 31 December 2017, which marks the end of the MTS period.

A-8. The China portfolio projects were designed in the period 2013-2015 which overlapped with two of the four-year periods covered the UN Environment MTSs (2010-2013 and 2014-2017). With the first set of projects starting in 2013, the project implementation period has spanned three UN

Environment programme of work periods (2012-2013, 2014-2015 and 2016-2017). There was a high level of continuity between the PoW outputs for the two biennia covered by the MTS.

- A-9. The final UN Environment-approved project documents made available for this evaluation typically indicate alignment to a PoW output in the summary and logframe<sup>39</sup>. The stated alignment for each project was verified through the UN Environment quality assurance process, including review prior to approval by the UN Environment project review committee (PRC).
- A-10. The SCA priority areas and projects can be mapped onto four of the six subprogramme themes defined in UN Environment's MTS for 2010-2013 and continuing as four of seven themes in the MTS for 2014-2017. The tracking sheet maintained by the SDPGFC indicates that each of the projects is aligned to one expected accomplishment (EA) set out in the MTS, falling in each case under one of the thematic subprogrammes on ecosystem management, environmental governance, chemicals and waste and resource efficiency, and to one PoW output<sup>40</sup>.
- A-11. The PRC-approved projects were aligned to, and expected to contribute to, 11 programme of work outputs from the 2014-2015 biennium<sup>41</sup> (Table 5-2) and to eight expected accomplishment from the MTS for 2014-2017. The UN Environment programme of work outputs were substantially revised in the 2014-2015 biennium in line with the new MTS, and UN Environment PoW projects were revised accordingly. This does not appear to have affected implementation or created any administrative hurdles for the CTF projects. Project documents for projects spanning the 2014-2015 and 2016-2017 biennia reflect the continuity between the biennia with PoW outputs for the concerned project unchanged.
- A-12. Projects were approved within UN Environment as either stand-alone projects aligned to a programme of work output, or as part of a larger UN Environment programme of work project developed in the subprogramme framework to deliver a PoW output. The SDPGCF tracking sheet<sup>42</sup> together with more recent information concerning one case study project indicates that six of the 18 projects were approved as stand-alone projects without additional funding. Of these, four were approved as the first (and possibly only<sup>43</sup>) funding in support of a given PoW project and one (Chemicals MEAs) was approved as a parallel project to an existing programme of work project. Funding for the South South Expo was given special approval by PRC in 2013 reflecting its cross-cutting nature and the project is not explicitly aligned to any of the PoW outputs for 2013-2013. PRC favoured integration of projects into larger PoW projects and in at least one case the project manager's preference for a stand-alone project was overruled.

### ***Review of Contributions***

- A-13. There was an intention to provide a more detailed review of alignment and potential for a direct contribution to PoW Outputs for the case study projects based on the greater specification of PoW outputs through their indicators. However, these PoW output indicators were not found to exist. Table 5-3 includes a qualitative assessment of the case study projects actual or anticipated contribution to PoW outputs and related expected accomplishments.

### ***Global Relevance***

- A-14. The approved project documents include a project justification reflecting the global or regional context of the work.

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<sup>39</sup> The planned implementation period for five T2 projects and all six P3 projects extended into the 2016-2017 biennium and the UN Environment approved project documents for T3 project document typically include reference to the 2016-2017 PoW and the related expected accomplishment for the medium-term strategy for 2014-2017

<sup>40</sup> The MEA related projects are also aligned in general terms with UN Environment's environmental governance subprogramme regardless of the thematic mapping.

<sup>41</sup> This biennium was selected since 2014 and 2015 reporting for ongoing projects that started in 2013 reflects their alignment to the 2014-2015 PoW.

<sup>42</sup> Information in the project approvals in the SDPGCF tracking sheet made available for this evaluation was not up to date, with the latest information on approval of some projects dating from 2014.

<sup>43</sup> See above footnote

A-15. Projects that fit to i) UN Environment's approved MTS and PoW and/or ii) to priorities agreed through other intergovernmental process, including multilateral environment agreements (MEAs) can be considered globally relevant based on the approved work programmes of UN Environment.

**Table 5-2. Mapping of projects by Subprogramme and Programme of Work Outputs**

*The figure beside each subprogramme title refers to the percentage of the total approved budget for projects allocated to this subprogramme.*

<b>Subprogramme (percentage of overall budget)</b>	<b>Tranche &amp; Project</b>	<b>PoW Output Prodoc</b>	<b>PoW Output 2014-2015</b>	
Project Title				
<b>1. Ecosystem Management (16%)</b>				
South-South Capacity Building for Ecosystem Management in the Greater Mekong Subregion (GMS)	T2 P1	333	312	Tools, technical support and partnerships to improve food security and sustainable productivity in agricultural landscapes through the integration of the ecosystem approach.
Support for Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in ASEAN Countries	T2 P4	334	334	Technical support is provided to countries to test approaches for equity in ecosystem management and addressing access and benefit sharing, development and climate change adaptation
Support for the Revision of National Biodiversity Strategies and Action Plans in Central Asian Countries	T2 P5	321 2012-2013 335 & 333 2014-2015	335	Synergies between tools, approaches and multilateral initiatives on biodiversity, ecosystem resilience, climate change adaptation and disaster prevention identified and integrated with development planning, poverty reduction measures, strategic investment partnerships along with the ecosystem approach and national obligations for biodiversity and ecosystem related MEAs
<b>2. Environmental Governance (22%)</b>				
South-South Cooperation: Global South-South Development (GSSD) Expo 2013 *	T1 P3	NA	NA	
Strengthening the capacity of South East Asian countries for the development and implementation of the Biodiversity Strategic Plan 2011-2020 & Aichi Targets	T1 P5	414 2012-2013	414	The implementation of multilateral environmental agreements and the tasks of their secretariats are supported in such areas as lessons learned, information exchange, capacity building, support for enhanced cooperation and coordination in order to assist the agreements, in specific areas, to address common issues, as appropriate, through advanced cooperative mechanisms in a manner that does not duplicate the services and functions of the agreements and their secretariats.

Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation	T1 P6	Not available	422	Legal technical assistance provided to support initiatives by countries to implement, monitor and achieve compliance with, and enforcement of, international environmental obligations, including those set out in multilateral environmental agreements
Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation	T3P1	422		
<b>3. Chemicals &amp; Waste (30%)</b>				
Support towards ratification and implementation of the Minamata Convention on Mercury	T1 P2	414 2012-2013	512	Secretariat support to the Intergovernmental Negotiating Committee for the Minamata Convention on Mercury
Implementation of Minamata Convention on Mercury in African Region	T2 P6	512	512	
Support towards ratification and implementation of the chemicals and waste conventions in Central Asia (special focus on Minamata Convention on Mercury under China funding)	T3 P3	512	512	
Strengthen the capacity of the Asia Pacific countries on the adoption of environmentally friendly alternatives through South-South Cooperation for the implementation of the Montreal Protocol	T3 P4	514	514	Outreach and policy support to the compliance efforts of Parties to the Montreal Protocol
Capacity-Building for Environmentally Sound Management (ESM) of PBDEs and their waste in selected Asia-Pacific Countries	T2 P3	524	524	Scientific and technical services, delivered through multi-stakeholder partnerships, build the capacities of governments, the private sector and civil society to take action on the risks posed by chemicals listed in relevant MEAs; mercury; and lead and cadmium
Promoting the elimination of the use of lead paints in China and Africa	T3 P2	524		
<b>4. Resource Efficiency (31%)</b>				
Supporting regional policy dialogue on sustainable cities with scientific assessment and policy dialogue	T3P5	611	611	Resource use assessments and related policy options developed and provided to countries to support planning and policy-making;
Enhancing South-South Cooperation: Building the Capacity of Developing Countries to Promote Green Economies	T1 P1	621 2012-2013	612	Economic, trade and fiscal policy research, analysis and methodologies developed to share knowledge and support governments and other stakeholders develop and implement green economy policies in the context of sustainable development and poverty eradication
South-South Cooperation in Mongolia and Central Asian Countries: Sharing Knowledge on Inclusive	T2 P2	612		

Green Economies and Ecological Civilization				
South-South Cooperation in China, Mongolia, and Central Asian Countries: Investing in a Green Silk Road	T3 P6			
Strengthening the capacities and improving the knowledge of green public procurement and eco-labelling in the ASEAN+3 region	T1 P4	641 & 643 2012-2013	632	Global partnership, tools and technical and policy support provided to governments and other stakeholders to develop, and implement sustainable public procurement

**Table 3. Contribution of projects to Programme of Work Outputs**

Subprogramme	#	PoW Output 2014-2015		Comments
Project Title				
<b>1. Ecosystem Management</b>				
South-South Capacity Building for Ecosystem Management in the Greater Mekong Subregion (GMS)	T2 P1	312	Tools, technical support and partnerships to improve food security and sustainable productivity in agricultural landscapes through the integration of the ecosystem approach.	The project reflects delivered preliminary steps towards a landscape approach including involvement of multiple stakeholders. The partner anticipates further work to build on regional capacity assessment and Strategic Framework for capacity building.
<b>2. Environmental Governance</b>				
Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation	T1 P6	422	Legal technical assistance provided to support initiatives by countries to implement, monitor and achieve compliance with, and enforcement of, international environmental obligations, including those set out in multilateral environmental agreements	The related EA strategy includes UN Environment supporting efforts of Governments to develop and enforce environmental laws, and comply with relevant international environmental standards and obligation, including through legal technical assistance and training and other legal capacity-building activities.  The project workshops are directly in line with this strategy and reached at least 23* countries. (*23 are named in reports)
Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation	T3P 1			
<b>3. Chemicals &amp; Waste</b>				

Support towards ratification and implementation of the chemicals and waste conventions in Central Asia (special focus on Minamata Convention on Mercury under China funding)	T3 P3	512	Secretariat support to the Intergovernmental Negotiating Committee for the Minamata Convention on Mercury	The related EA reflects that UN Environment will support continuing work of the Intergovernmental Negotiating Committee towards ratification and implementation of an international legally binding instrument on mercury. The EA also encompasses work related to synergies among the chemicals and waste related MEAs. The project is expected to contribute to capacity building in both areas.
Capacity-Building for Environmentally Sound Management (ESM) of PBDEs and their waste in selected Asia-Pacific Countries & Africa	T2 P3	524	Scientific and technical services, delivered through multi-stakeholder partnerships, build the capacities of governments, the private sector and civil society to take action on the risks posed by chemicals listed in relevant MEAs; mercury; and lead and cadmium	Priority actions under the related EA include the development, dissemination and demonstration of the scientific and technical knowledge, tools and assessments needed to implement sound chemicals management. The project approach is clearly aligned to the output and EA, with support to five countries plus China.
<b>4. Resource Efficiency (31%)</b>				
Enhancing South-South Cooperation: Building the Capacity of Developing Countries to Promote Green Economies	T1 P1	612	Economic, trade and fiscal policy research, analysis and methodologies developed to share knowledge and support governments and other stakeholders develop and implement green economy policies in the context of sustainable development and poverty eradication	The related EA strategy includes addressing practical research questions faced by many countries and sharing those through knowledge platforms contribute to the emergence of a common framework and support countries to learn from one another. The issue of a common framework was directly addressed in project T1-P1. Subsequent projects have focussed on knowledge development and sharing.
South-South Cooperation in Mongolia and Central Asian Countries: Sharing Knowledge on Inclusive Green Economies and Ecological Civilization	T2 P2			
South-South Cooperation in China, Mongolia, and Central Asian Countries: Investing in a Green Silk Road	T3 P6			

## Introduction

A-16. The case studies are intended to investigate the effects of management processes and arrangements on the relevance, efficiency and effectiveness of individual project delivery. They address management processes using a functional approach based on the project cycle and consider management arrangements including partnerships. They consider relevance largely from the perspective of the Governing Council and UNEA approach UN Environment MTS and POWs and joint priorities identified in the SCA.

A-17. It was not possible within the available evaluation timeframe to undertake a comprehensive review of all 18 of the projects under the SCA. Instead, the evaluation looked at a cross section of projects selected to represent as full as possible a range of management arrangements over the timeframe of the agreement.

A-18. The project management arrangements can be characterized based on:

- From the portfolio perspective: funding tranche (timing), whether stand alone or linked projects, and priority thematic areas identified in the SCA
- Geographical location of projects / UN Environment regions (Africa, Central Asia and Asia Pacific)
- From the UN Environment perspective: subprogrammes, managing entities (Divisions and regional offices).

A-19. Additional factors taken into consideration were:

- Inclusion of projects with partners and/or activities involving Chinese Institutions. Of specific interest, Project T2-P1 (Greater Mekong) was led by the UN Environment International Ecosystem Management Partnership (IEMP); a UN Environment collaborating Centre in China<sup>44</sup>
- More practical aspects affecting selection include maturity of the projects and availability of interviewees in UN Environment (in view of staff turnover).
- Economy of scale / scope in study process plus possibility for additional insights in the three sets of sequenced projects.

A-20. A summary of project characteristics and preliminary selection of case studies is provided in [Table 6-1](#). The selection has been based on application of the above criteria. It includes projects:

- i. Spanning all three funding tranches, to which slightly different management processes applied;
- ii. Contributing to all four priority areas identified in the SCA.
- iii. Falling under all four UN Environment sub-programmes to which the projects are aligned.
- iv. Falling under three lead Divisions (with a larger number of Economy Division projects reflecting that the Economy Division leads two of the four sub-programmes supported by the CTF). One project was developed and has been led by a Chinese partner institution (UN Environment Collaborating Centre).
- v. Covering all geographic regions represented in the portfolio.

A-21. The choice includes two initiatives that were funded through two successive tranches of funding as well as one T3 project that addressed the four chemicals MEAs that were addressed in separate earlier (T1 and T2) projects

A-22. The case studies are based on available documentation as well as interviews with key informants.

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<sup>44</sup> <http://unep-iemp.org/>

- Key informants include UN Environment project managers, proponents or supervisors for the selected projects and partner organisations in China as well as UN Environment subprogramme coordinators and other staff with a more general perspective the CTF portfolio and UN Environment processes.
- Documentation includes the UN Environment approved project documents, factsheets for T1 and T2 projects, progress reports and terminal reports prepared at the end of 2015, and Project Document Supplements where available.

**Table 6-1. Project Selection for the Case Studies (Shaded)**

		Theme	Trust Fund Tranche	PoW Period	Cluster	Division	Region	UNEP Regional Office
<b>Subprogramme: Ecosystem Management</b>								
T2 P1	South-South Capacity Building for Ecosystem Management in the Greater Mekong Subregion (GMS)	EA	2	14-15		DEPI & ROAP	SE Asia	ROAP
T2 P4	Support for Ratification and Implementation of the Nagoya Protocol on Access and Benefit Sharing in ASEAN Countries	MEA - CBD	2	14-15		DELDC	SE Asia	ROAP
T2 P5	Support for the Revision of National Biodiversity Strategies and Action Plans in Central Asian Countries	MEA - CBD	2	14-15		ROE	Central Asia	ROE
<b>Subprogramme: Environmental Governance</b>								
T1 P3	South-South Cooperation: Global South-South Development (GSSD) Expo 2013	X-cutting S-S	1	12-13		DRC	All	
T1 P5	Strengthening the capacity of South East Asian countries for the development and implementation of the Biodiversity Strategic Plan 2011-2020 & Aichi Targets	MEA - CBD	1	12-13		DELDC	SE Asia	ROAP
T1 P6	Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation	Laws	1	12-13	*	DELDC	Africa/ Asia / Central Asia	ROA/ROAP/ROE
T3 P1	Strengthening National Institutional Capacity of Selected countries in Africa, Asia, and Central Asia to Enforce Environmental Law through South-South cooperation	Laws	3	14-15	*	DELDC	Africa/ Asia / Central Asia	ROA/ROAP/ROE
<b>Subprogramme: Chemicals &amp; Waste</b>								
T1 P2	Support towards ratification and implementation of the Minamata Convention on Mercury	MEA- Minamata	1	12-13	*	DELDC & DTIE	Asia Pacific / Africa	ROAP/ROA
T2 P3	Capacity-Building for Environmentally Sound Management (ESM) of PBDEs and their waste in selected Asia-Pacific Countries	MEA - BRS	2	14-15		DTIE	Asia Pacific	ROAP
T2 P6	Implementation of Minamata Convention on Mercury in African Region	MEA - Minamata	2	14-15	*	DTIE & DELDC	Africa	ROAP
T3 P2	Promoting the elimination of the use of lead paints in China and Africa	Global	3	14-15		DTIE	China / Africa	ROAP & ROA
T3 P3	Support towards the ratification and implementation of the chemicals and waste Conventions in Central Asia	MEA- Chemicals	3	14-15	(*)	ROE	Central Asia	ROE
T3 P4	Strengthen the capacity of the Asia Pacific countries for the adoption of the environmental friendly alternatives through South-South Cooperation for the Implementation of the Montreal Protocol	MEA - Montreal	3	14-15		DTIE	Asia Pacific	ROAP
<b>Subprogramme: Resource Efficiency</b>								
T1 P1	Enhancing South-South Cooperation: Building the Capacity of Developing Countries to Promote Green Economies	Green economy	1	12-13	*	DTIE	SE Asia	ROAP
T1 P4	Strengthening the capacities and improving the knowledge of green public procurement and eco-labelling in the ASEAN+3 region	Green economy	1	12-13		DTIE	SE Asia	ROAP
T2 P2	South-South Cooperation in Mongolia and Central Asian Countries: Sharing Knowledge on Inclusive Green Economies and Ecological Civilization	Green economy	2	14-15	*	DTIE	Central Asia	ROE / ROAP / RSO
T3 P5	Supporting regional policy development on sustainable cities with scientific assessment and policy dialogue	Green economy	3	14-15		DTIE	SE Asia	ROAP
T3 P6	South-South Cooperation in Mongolia, China and Central Asian Countries: Investing in a Green Silk Road	Green economy	3	14-15	*	DTIE	Central Asia	ROE/ROAP/ CO

**Case Study 1: South-South Capacity Building for Ecosystem Management in the Greater Mekong Subregion (GMS) (T2-P1)**

<b>Duration</b>	18 months	<b>Start</b>	March 15	<b>End</b>	Sept 16	<b>Budget</b>	US\$ 300,000
<b>Subprogramme</b>	Ecosystem Management		<b>SCA Priority Area</b>		Ecosystem Approach		
<b>Project Lead</b>	UN Environment International Ecosystem Management Partnership (IEMP)						
<b>Main partners</b>	UN Environment Asia & Pacific Office						
<b>Location</b>	Greater Mekong Sub-region: Southwest China and the five countries of Southeast Asia - Cambodia, Lao PDR, Myanmar, Thailand and Vietnam						

**Project Identification and Development**

- The project builds on earlier work by IEMP on upstream -downstream linkages in the Greater Mekong Subregion, that was published as a UN Environment policy brief in 2012.

**Relevance and Alignment to agreed priorities**

- The expected outcome of the proposed project is enhanced basin-wide institutional capacity for ecosystem management to integrate ecosystem approach into national plans and regional cooperation strategies through identifying and prioritizing capacity needs of key stakeholders of the GMS (Project document, 2015 report). The project outputs were to include engagement of key stakeholders and an assessment of capacity needs.

*The SCA*

- The project clearly aligns the SCA priority area on utilization of an ecosystem match for the protection of biodiversity and enhancement of human well-being.

*UN Environment POW*

- The project was originally identified as contributing to PoW output 333 (Project document overview and logframe) but was subsequently merged with the UN Environment project, *an integrated approach to ecosystem Management in productive landscapes*, in line with UN Environment’s approach to results based management (Project 312.2)<sup>45</sup> and at the suggestion of the subprogramme coordinator for ecosystem management. From the UN Environment perspective, the GMS work provided an opportunity to broaden the experience in integrated landscape management and to communicate the approach in an extended group of countries.
- This is associated with the 2014-2015 PoW output 312, *Tools, technical support and partnerships to improve food security and sustainable productivity in agricultural landscapes through the integration of the ecosystem approach*.
- The 2015 Project Report continues to identify the project as contributing to (2014-2015) PoW output 333, *Technical and capacity building support to exchange knowledge; assess the impacts of alternative development options; and make science usable for effective management of biodiversity and ecosystem services*.

**Management Arrangements**

- The project was led by UN Environment -IEMP which had overall responsibility for execution. IEMP was launched in late 2011 by UN Environment and the Chinese Academy of Sciences (CAS) as a joint

<sup>45</sup> The 2014 Project Fact Sheet indicates project 333.2 entitled, South-South Capacity Building for Ecosystem Management in the Greater Mekong Subregion, was merged with 312.2

programme for promoting ecosystem management in developing countries, particularly in Africa. It was transformed into a collaborating centre in 2012, a step recognized by the UN Environment Governing Council in 2013.

- The project document identified the project supervisor as the Director of the UN Environment Ecosystems Division. Following integration of the project into the larger UN Environment project 312, eleven UN Environment staff in the Terrestrial Ecosystems Unit participated in the inception workshop, provided ongoing oversight and technical support, and encouraged outreach to a wider set of regional stakeholders in line with the landscape approach.
- UN Environment Asia & Pacific Office was identified as a 'regional convening power'– with responsibility to help organize the workshop, provide technical support and convey results to UNEA. Asia & Pacific Office provided support in identification of champions/focal points in the participating countries and in promoting a landscape approach for ecosystem management,

### **Partnerships**

- The 2015 progress report indicates that China-ASEAN Environmental Cooperation Centre (CAEC) and the Institute of Geographic Sciences and Natural Resources Research (IGSNRR) would be involved in preparation of technical outputs. Support was received as anticipated with CAEC providing support to ensure high level participation in project events and IGSNRR
- CAEC and the Mekong River Commission (MRC) were expected to be the user of project results.
- The progress report also reflects difficulties in identifying relevant focal points in the six basin countries and alludes to some initial concerns about country ownership.

### **Effectiveness / Sustainability**

- The 2015 project report indicates the project was 50% completed with national workshops organized or being organized in each of the six basin countries. A regional capacity assessment and Strategic Framework for capacity building were to be completed in 2016.
- In September 2016, IEMP organized a High-level Workshop on Ecosystem Management Capacity Building for Lancang-Mekong Cooperation in Beijing. The IISD meeting report indicates that participants agreed on a strategic framework for Lancang-Mekong cooperation to strengthen ecosystem management, build capacity and mainstream ecosystem conservation at national and sub-regional levels.
- The 2015 progress report characterizes this project as an inception phase and indicates that the National Science Foundation of China (NSFC) had provided a \$500k research grant to the initiative and requests follow on funding from the China Trust Fund.
- IEMP is committed to follow up on this project.

### **Operational Issues**

- The project is part of Tranche 2 for which funding was available from April 2014.
- The project start date was significantly delayed: The 2014 project fact sheet states the project had not yet started in view of i) its having been merged with the larger UN Environment project (see above) and ii) several personnel changes in UN Environment. The 2014 factsheet anticipates a start date of February 2015 while the start date given in the 2015 technical report is March 2015.
- The project was issued with a project cooperation agreement (PCA) under the oversight of the Chief of the Terrestrial Ecosystems Unit in Ecosystems Division, through the IEMPs host organization, the Institute of Geographic Sciences and Natural Resources Research (IGSNRR).
- The 2015 project report indicates the project was on track to be completed by September 2016 with a total duration of 18 months.

### **Reporting and Visibility**

- The project produced a factsheet as part of the first CTF summary of progress reports and an annual report at the end of 2015, in line with reporting for other T1 & T2 portfolio projects.
- The high-level meeting was covered by international media and a press release produced.
- The project is not currently included on the IEMP website (22 November 2016)

## **Documents**

- Project document in April 2015 format – unsigned version (no date)
- Project Fact sheet appended to December 2014 CTF report (prepared Jan 2015)
- Progress report to the period December 2015
- IISD Meeting report : <http://sdg.iisd.org/news/unep-iemp-builds-ecosystem-management-capacity-in-greater-mekong-subregion/>

## **Interviewees**

- Min Jet Loo, Project Manager, IEMP
- Niklas Hagelberg, Subprogramme Coordinator for Ecosystem Management
- Edoardo Zandri - Chief, Terrestrial Ecosystems Unit (TEU) and Coordinator a.i. Freshwater, Land and Climate Branch (FLCB)

**Case Study 2: Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation (Projects T1-P6 & T3-P1)**

This case study addresses two related projects under the UN Environment Subprogramme on Environmental Governance and the SCA priority area on strengthened institutions and implementation of laws.

<b>Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation (T1-P6)</b>							
<b>Duration</b>	21 months	<b>Start</b>	Apr 2013	<b>End</b>	Dec 2014	<b>Budget</b>	US\$ 300,000
<b>Strengthening National Institutional Capacity of Selected countries in Africa, Asia, and Central Asia to Enforce Environmental Law through South-South cooperation (T3-P1)</b>							
<b>Duration</b>	24 months	<b>Start</b>	May 15	<b>End</b>	May 17	<b>Budget</b>	US\$ 350,000
<b>Subprogramme</b>	Environmental Governance	<b>SCA Priority Area</b>		Strengthened institutions and implementation of laws			
<b>Project Lead</b>	UN Environment Law Division						
<b>Main partners</b>	China ASEAN Environmental Cooperation Centre (CAEC)						
<b>Location</b>	China with participation from countries in Africa, ASEAN, Central Asia						

**Project Identification and Development**

- A project concept was developed following the call for proposals based on the match to i) the fit to the priority area in the SCA and ii) the fit to the PoW / programme framework.
- Asia & Pacific Office and the future project partner, CAEC had separately identified an interest in collaborating on environmental law and on biodiversity, leading to collaboration on two Tranche 1 proposals.
- The project document developed for approval by MEP and PRC is not available and its status is unclear. There was a significant delay in PRC approval for the T1-P6 project, which was reportedly received only in the fourth quarter of 2013.
- The project document for the programme of work project, *Strengthening Institutional Capacity of Countries in Environmental Law through Training, Technical assistance, Sharing Expertise and Legal Guidance Material*, which includes the Tranche I China funding and co-finance, was signed in January 2014 and falls under the UN Environment PoW for 2014-2015.
- An outline for a follow-on project was given in the terminal report of the T1-P6 project, 'to enable the initial activities in Phase 1 to be promoted, replicated, integrated, scaled up and applied in participating countries'. The proposed approach is similar to that subsequently adopted in the T3-P1 project.
- The Tranche 3 project is described in an undated document for the larger programme of work project 422.2, *Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South*, that was developed using the September 2014 UN Environment template.
- Both tranches of funding are mentioned in the November 2015 project document revision for project 422.2 which includes other co-finance. The supplement was to formalise the extension of duration of project 422.2 that was initially only approved for two years.

## **Relevance and Alignment to agreed priorities**

### *SCA*

- The project fits clearly under SCA's theme on strengthened institutions and implementation of laws.
- The project planning and subsequent implementation place South South cooperation at the centre of the project approach.

### *UN Environment MTS & PoW*

- The project linkage to the PoW for 2013-2017 is not explicitly established in available documents. However, alignment and contribution to the MTS for 2014-2017 and the two subsequent biennial PoWs is established.
  - The T1 funding was identified in the January 2014 project document as being aligned to the 2014-2015 PoW, and specifically Environmental Governance EA(b), Output 2. The project document includes a theory of change culminating in EA(b)
  - The umbrella project *Strengthening Institutional Capacity of countries in Environmental Law through Training, Technical Assistance, Sharing Expertise and Legal Guidance Materials* (Indicator ii) similarly refers to EA(b).
  - Project 422.2 was approved in the context of the UN Environment PoW for 2014-2015 (for 2015) and PoW 2016-2017. EA(b) and Output ii are unchanged in the PoW for 2016-2017. The project document for T3-P1 in the UN Environment format is well developed and includes a theory of change.
  - The November 2015 revision document extending Project 422.2 also reflects that the China-funded work fits into the intervention strategy for project 422.2, including into leading into the 2016-2017 biennium.

## **Management Arrangements**

- The project was led by a legal officer in Law Division, with the first project supported by an out-posted legal officer based in Asia & Pacific Office. The latter has subsequently moved to Law Division, Nairobi and with an increased coordination role on the second tranche project.
- Contracts were issued to the partner, CAEC which was subcontracted for activities organized in China under both funding tranches.
- The project was supported by an FMO in Law Division.

## **Partnerships**

- A suitably qualified Chinese partner, CAEC, was identified through UN Environment Asia & Pacific Office (See identification)
- The expertise of the partners, as well as support in hosting events in China, was strongly appreciated by Law Division.
- China's experience, as an emerging economy, was very relevant for the participating countries

## **Effectiveness / Sustainability**

- Project T1-P6 was completed on time (see below) and reported substantial delivery, largely per plan. Participation from Central Asian countries in a major T1-P6 workshop was limited owing to unanticipated language difficulties and the insufficient budget for translation. The follow-on project includes an activity to translate guidance into Russian to enable participation of a greater number of Central Asia countries in the project.
- The follow-on funding through project T3-P1 allowed Law Division and its partners to both expand and build on the earlier work. The 2015 progress report indicates the project was on track with one major activity (regional meeting) already completed in 2015. This project was ongoing in 2016.
- Impacts are considered long term in nature. The project terminal report for the T1 project indicates that several countries undertook follow up actions towards enforcement, with specific actions mentioned for Malawi, Vietnam and Nigeria.

- Both UN Environment and its partner, CAEC, are committed to further work in this area.

### **Operational Issues including Timing**

- Project T1-P6 started almost one year late because of delays in internal approval of the project. The project team made strong efforts to complete the project within two years of tranche 1 funding being received, reducing the project implementation period to some 15 months. All expected results (outputs) had been delivered by December 2014, with final editorial corrections on the booklet pending.
- The project support cost (PSC) for the first tranche of funding was presented around 9% in the initial project 422.2 and revision. The revision shows a higher rate for the T3 project. This does not appear to have presented any issues related to overall budgeting.
- An SFFA was issued to CAEC for organization of a meeting in China, covering the period March - November 2014.
- The December 2014 factsheet for T1-P6 reported expenditure of US\$ 253,331. The terminal report indicates higher final expenditure at 94% of the project budget (equivalent to USD 282,000),
- The budget for T3-P1 was reduced before the project started from USD 400,000 (activity budget in the project concept) to USD 350,000 in view of the overall funding balance available on the CTF at the time of selection. Savings were made by scaling back at the level of each activity.
- Project T3-P1 faced practical issues related to travel planning due to the introduction of the new Umoja enterprise management system in 2015 (as part of the wider process of rollout to the UN Secretariat). A small-scale funding agreement to CAEC related to convening of the meeting was signed in October 2015 and covers the period to February 2016. The meeting was held on schedule with related costs detailed in the first financial report on the agreement dated January 2016.

### **Reporting and Visibility**

- The 2014 annual report includes a factsheet for T1-P6. The project terminal report was produced in early 2015.
- A progress report for the T3 project was submitted as part of the 2015 CTF portfolio reporting in early 2016.
- The project managers felt reporting was appropriate in line with requirements for accountability.
- Visibility for the donor at the project level was assured through acknowledgments on all materials, through convening of events in China and through high level participation in opening and closing events at each event.

### **Documents**

T1-P6 Factsheet to December 2014

T1-P6 Terminal Report covering the period to December 2014

Project document, Strengthening Institutional Capacity of Countries in Environmental Law through Training, Technical assistance, Sharing Expertise and Legal Guidance Material, signed by PRC in January 2014

Project concept. 422.2 POW Project No. 1680- Strengthening Institutional Capacity of Countries in Environmental Law Through Training Technical Assistance, Sharing Expertise and Legal Guidance Materials.

Project document for 422.2 *Strengthening institutional capacity of African and Asian countries for the enforcement of environmental legislation through South-South Cooperation*

Project 422.2 project revision document with specific reference to i) receipt of T3-P1 funding (under project component) 2; and ii) extension to the overall PoW project duration.

T3-P1 Project report to December 2015

Small scale funding agreements issues to CAEC for the two project agreements

**Interviewees**

- Sylvia Bankobeza, Legal Officer Division of Environmental Law and Conventions (Law Division)
- Wanhua Yang, Legal Officer, Division of Environmental Law and Conventions (Law Division) (out-posted to Asia & Pacific Office during the T1 project)
- Sandeep Bhambra (FMO, Law Division) by email
- Cristina Zucca, SPC Environmental Governance

**Case Study 3: Capacity-Building for Environmentally Sound Management (ESM) of PBDEs and their waste in selected Asia-Pacific Countries (T2-P3)**

<b>Duration</b>	22 months	<b>Start</b>	Mar 2014	<b>End</b>	Dec 2015	<b>Budget</b>	US\$ 300,000
<b>Subprogramme</b>	Chemicals & Waste	<b>SCA Priority Area</b>			Global Issues		
<b>Project Lead</b>	DTIE						
<b>Main partners</b>	Basel Convention and Stockholm Convention Institutes - China; China ASEAN Environmental Cooperation Centre (CAEC); Ministry of Environment of Cambodia; Ministry of Natural Resources and Environment of Lao PDR, Ministry of Environment and Green Development of Mongolia; Ministry of Environment Pakistan; Ministry of Environment and Renewable Energy of Sri Lanka						
<b>Location</b>	Asia-Pacific: China; Cambodia; Lao PDR; Mongolia; Pakistan; Sri Lanka						

**Project Identification and Development**

- The idea for the project was put forward by the main technical partner, the Basel Convention Regional Center/Stockholm Convention Regional Center for Capacity Building in China (BCRC Beijing/SCRAP)
- UN Environment consulted with the Secretariat for the Basel, Stockholm and Rotterdam (BRS) Conventions during project development
- A brief project document is available based on the prevailing (pre-September 2014) UN Environment format.
- The project was approved in February 2015 as part of the larger UN Environment project and PoW output 524 “Support to implementation of the chemicals and waste MEAs”.

**Relevance and Alignment to agreed priorities**

*General*

- PDBEs - Polybrominated diphenyl ethers - are a persistent organic pollutant and were listed under the Stockholm Convention in 2009. The project document indicates the project would help the participating countries meet their obligations under the Basel and Stockholm Conventions.
- The project was designed to complement an existing project implemented by the Basel, Rotterdam and Stockholm (BRS) Convention Secretariat, involving the same COP-approved regional Centre, and was designed in collaboration with the Secretariat.

*SCA*

- As with other chemicals’ projects under the CTF, the project is aligned to global issues with reference to multilateral environmental agreements. The need for information sharing is based on the widespread use of PDBEs in electronics and transport sectors and the multiple actors involved in their disposal.

*UN Environment MTS and PoW*

- The project document indicates that the project was to contribute to UN Environment project 524, ‘Support to implementation of the chemicals and wastes MEAs’. The project outcome is identified as ‘5B4 under EA (b), with reference to the PoW 2014-2015.
- The 2015 progress reports indicate the project was originally intended to contribute to project component 1 “Provision of key scientific information to Parties of the MEAs and their secretariats”, but was later determined to fit better to project component 4, “Support to national planning and implementation”.

## Management Arrangements (UN Environment)

- The project was led by the UN Environment Chemicals Branch<sup>46</sup> in the Economy Division. The project manager retired during the course of the project. Support was provided during the staff transition by a UN Environment consultant and a new officer with knowledge of the project and technical issues appointed some six months later.
- UN Environment Asia & Pacific Office and China Programme Office were to provide regional and national back-up and a diffusion mechanism.

## Partnerships

- The main partner was the BCRC Beijing/SCRAP which was already involved in a complementary project with the BRS Secretariat. A small-scale funding agreement was signed in April 2015 for the main partner deliverables.
- The Centre has a recognized status under the Basel and Stockholm Conventions based on process of government nomination, approval by parties in the region to be served, acceptance by the Conference of Parties, and (under the Stockholm Convention) resection for specific activities.
- The experience and competence of BCRC Beijing/SCRAP is set out in the project proposal and the project report indicates that it has proved be a 'more than excellent partner'. Similarly, interviewees noted that the expertise and experience of the Centre was highly relevant for the project.
- CAEC, the China-ASEAN Center for Capacity building, was identified as the principal external partner for project execution but played only a limited role in project delivery.

## Effectiveness / Sustainability

- The project was well underway by December 2015 with an information platform developed, information compiled for awareness raising materials, and a survey about PDBEs undertaken in each of the participating countries. The information platform is available on line and intended to provide a long-term facility for countries, with potential to expand the content.
- A 'Regional Workshop on Chemicals' was held back-to-back with the 10th International Conference on Waste Management and Technology in Mianyang, China, organized by SCRCAP China / BCRC China, and including participation of the BRS Secretariat.
- The project was to be complementary to the GEF project to support the sub-regional action plan on PBDEs for Asia, involving the same technical Centre. The project was reportedly GEF Council approved by December 2015 but does not appear to have proceeded as planned.
- The progress report notes that the project provides 'a strong example of South-South cooperation, with countries from the Asia-Pacific region exchanging experiences, information and lessons learned in order to build mutual capacity'. It further reports that partners are very committed.

## Operational Issues

- The project was originally intended to run from March 2013 to December 2015 (21 months).
- The 2014 project factsheet indicates that the parent project (Programme of work project) was approved in December 2014. The portfolio tracking sheet indicates the CTF project was approved in February 2015, with an expected completion date of November 2016.
- The project progress report for 2014 indicates that approval was initiated in October 2013, that it experienced delays of an administrative nature, and that the process involved '*(in chronological order): preparation of the concept note and its approval by China, approval of the project by China, approval by UN Environment's sub-programme Coordinator and Division Director, incorporation of comments from and final review by UN Environment's Quality Assurance Section, and final approval and signature*'
- The original project document and budget do not include reference to programme support costs (PSC), with activities budgeted to the full USD 300,000 allocation.
- Expenditure as of mid-December-2015 was 46.5%. As of September 2016, there was still a balance on the project that was expected to be used for a further workshop

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<sup>46</sup> Now Chemicals and Waste Branch

### **Reporting and Visibility**

- A progress report covering the period to 30 June 2015 was updated in December 2015 in line with other T2 projects.
- The progress report indicates that the project partner, CAEC, collected information for production of videos, leaflets, brochures and other materials on PBDEs.
- The project has a dedicated UN Environment webpage which will remain prominent once the site is migrated, with the platform intended to serve as a long-term resource. The site does not explicitly mention China's support to the project.

### **Documents**

- Project document entitled: Project Document China Trust Fund 'PBDE project' 'Capacity-Building for Environmentally Sound Management of PBDEs and Their Waste in Selected Asia-Pacific Countries' within project
- Progress report covering the period to 30 June 2015
- Updated progress report covering the period to 18 December 2015

### **Interviewees**

- Jacqueline Alvarez, Senior Programme Officer / Team Leader, Science and Risk Management Team Leader, UN Environment Chemical and Waste Branch
- Jost Dittkrist, Formerly Chemical and Waste Branch"
- Heidelore Fiedler, Örebro University, School of Science and Technology; former project manager

**Case Study 4: Support towards ratification and implementation of the chemicals and waste conventions in Central Asia (T3-P3)**

<b>Duration</b>	12 months	<b>Start</b>	January 16	<b>End</b>	Dec16	<b>Budget</b>	US\$ 300,000
<b>Subprogramme</b>	Chemicals & Waste	<b>SCA Priority Area</b>			Global Issues		
<b>Project Lead</b>	UN Environment Europe Office						
<b>Main partners</b>	The Basel and Stockholm Conventions Regional Centre for the Asia Pacific Region						
<b>Location</b>	Central Asia						

**Project Identification and Development**

- The project was developed by the UN Environment Europe Office prior to the call for proposals, i) based on discussions with the Interstate Committee for Sustainable Development, that identified areas for support related to MEAs and to chemicals and waste in the five Central Asia countries and ii) reflecting a UN Environment policy to scale up its activities in Central Asia, that was placed under the oversight of the Europe Office. The original concept was based on a synergistic approach to capacity building for implementation the chemicals and waste conventions, namely the Basel, Rotterdam and Stockholm (BRS) and Minamata).
- A concept note was submitted by the Europe Office in response to the call for proposals received from the Donor Partnerships and Contributions Section in the Corporate Services Division. The project was identified as a chemicals and waste project following discussions between the subprogramme coordinators for chemicals and waste and environmental governance, in part reflecting that there was a gap in funding for chemicals and waste activities undertaken by the Europe Office.
- Following internal approval of the project concept, a project document was developed to a very tight deadline (one week) in September / October 2015.
- Contact was made with the China counterpart organization, a partner in an ongoing CTF project, through the DPC.
- The project document underwent several iterations prior to approval reflecting the need to fit within the Programme of Work (See relevance). The pre-final project document was developed with the support of UN Environments' Quality Assurance Section, (QAS), is detailed and includes a clear theory of change.
- An alternative project was submitted by the Chemicals and Waste Branch with a focus on ratification of the Minamata Convention, building on the T2-P6 project to build capacity for ratification and early implementation of the Convention in Africa.

**Relevance and Alignment to agreed priorities**

- The project document indicates the project is consistent with the UN Environment Governing Council Decisions GC 21/23, 21/27, 22/17, 22/21 and with Decisions related to capacity building under the BRS Conventions.
- The project document notes that Bali Strategic Plan for Technology Support and Capacity-building identified UN Environment's support to developing countries and countries with economies in transition for their implementation of MEAs as a key objective.
- The work is identified as regionally and nationally relevant, with specific reference to the Regional Environmental Action Plan and UN Development Assistance Frameworks (UNDAFs).

**SCA**

- The project fits under the priority area on global issues / MEAs.

## *UN Environment MTS and PoW*

- The project was developed from a concept developed in the context of the MEA support programme under the Environmental Governance Sub-programme. A decision was taken early in the project development process to align the work under the UN Environment Chemicals and Waste Subprogramme, in part reflecting the limited budget available for work in this area in Europe.
- Earlier drafts of the project document identify the project as part of UN Environment project 5A2-1: Secretariat support to the Intergovernmental Negotiating Committee for the Minamata Convention on Mercury, that was designed to deliver on the PoW output focused on the Minamata Convention<sup>47</sup>
- Modifications to the project document – including splitting of Minamata related and BRS-related components - were agreed with the Chemicals and Waste Branch. However, the project was rejected by PRC after the C&W Branch indicated their reluctance to be held accountable for delivery and reporting as part of project 5A2-1<sup>48</sup>.
- The project was approved as a stand-alone project, 5A2-2: *Support towards the ratification and implementation of the chemicals and waste Conventions in Central Asia*, in March 2016.
- With the project emphasis on capacity building and MEAs, there is a clear fit to the broader-based Expected Accomplishment A, *Countries increasingly have the necessary institutional capacity and policy instruments to manage chemicals and waste soundly including the implementation of related provisions in the MEAs*.
- The project is also a good fit to the Environmental Governance Subprogramme, particularly outputs under EA(A): *The United Nations system and multilateral environmental agreements bodies, respecting the mandate of each entity, demonstrate increasing coherence and synergy of actions on environmental issues*.

### **Management Arrangements**

- The project is being managed by the Regional Coordinator - Chemicals & Waste, United Nations Environment Europe Office with support of the Sub-regional Office for Central Asia (based in Almaty).

### **Partnerships**

- The main partner in China is the Basel and Stockholm Conventions Regional Centre for the Asia Pacific Region. (BCRC Beijing/SCRAP). The Basel Convention Regional Centre for Commonwealth of Independent States (CIS) was expected to be involved in pilot initiatives.
- The Centres have a relevant mandate and established expertise (See also, T2-P3). The CIS Centre was involved in view of Russian language skill required to operate effectively in the target countries.
- Meetings were held with both partners in October / November 2016 to finalize allocation of activities and tasks.
- The project document anticipates that Steering Committee including the Minamata (interim) and BRS convention secretariats would be established.

### **Effectiveness / Sustainability**

- The project is at an early stage having received funding only at the end of September 2016. The target date for completion is December 2017.
- The project is quite ambitious for the project timeframe, including three pilot projects as well as regional and national workshops. The final project indicates an implementation period of 20 months though this has been squeezed by late receipt of funding.

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<sup>47</sup> PoW 2014-2015 Output 512: Secretariat support provided to the Intergovernmental Negotiating Committee for an international legally-binding instrument on mercury during the interim period prior to its entry into force. PoW 2016-2017 Output 512: Secretariat support provided to the intergovernmental negotiating committee to prepare a global legally binding instrument on mercury.

<sup>48</sup> The C&W Branch submitted a separate proposal focussed on Minamata Convention Ratification in January 2016, following late discussions with a different partner in China, but this was not selected

### **Operational Issues**

- The main operational issue was the delay in approval associated with repeated iterations of the project document (See relevance). The project was approved in March 2016, fourteen months after first being selected for funding.
- A further delay was associated with the organization wide transition to the new enterprise management system (Umoja). Project managers and finance officers were not familiar with the new system and required actions to establish and activate the budget. The project received access to the funds end of September 2016,

### **Reporting and Visibility**

- Not applicable

### **Documentation**

- Pre-final Project document entitled: UNEP PoW Project 5A2-1: Secretariat support to the Intergovernmental Negotiating Committee for the Minamata Convention on Mercury. Support towards the ratification and implementation of the chemicals and waste Conventions in Central Asia
- Final Project document: Project Document UNEP PoW Project 5A2-2: Support towards the ratification and implementation of the chemicals and waste Conventions in Central Asia.

### **Interviewees**

- Mijke Hertoghs, Regional Coordinator - Chemicals & Waste (Europe)
- Natalia Alexeeva, Head of Sub-Regional Office for Central Asia, United Nations Environment Europe Office
- Maarten Kaapelle, Subprogramme Coordinator, Chemicals and Waste
- Lucy Halogo, Donor Partnerships & Contributions

**Case Study 5: Building the Capacity of Developing Countries to Promote Green Economies (Projects T1-P1, T2-P2 & T3-P6)**

This case study addresses three related projects under the UN Environment Subprogramme on Resource Efficiency and SCA Priority Area on building the capacity of developing countries to promote green economies.

<b>Enhancing South-South Cooperation: Building the Capacity of Developing Countries to Promote Green Economies (T1-P1)</b>							
Subprogramme	Green Economy	SCA Priority Area		building the capacity of developing countries to promote green economies.			
<b>Duration</b>	24 months	Start	Apr 2013	End	Apr 2015	Budget	US\$ 400,000
<b>Project Lead</b>	DTIE Economics and Trade Branch						
<b>Main partners</b>	Chinese Academy of Environmental Planning (CAEP); Ministry of Environmental Protection China (MEP) Department of Environmental Affairs of South Africa Ministry of Natural Resources and Environment of Thailand Ministry of Foreign Affairs of Bolivia						
<b>Location</b>	China; Bolivia; South Africa; Thailand						

<b>South-South Cooperation in Mongolia and Central Asian Countries: Sharing Knowledge on Inclusive Green Economies and Ecological Civilization (T2-P2)</b>							
<b>Duration</b>	24 months	Start	Apr 2014	End	Apr 2016	Budget	US\$ 400,000
<b>Project Lead</b>	DTIE Economics and Trade Branch						
<b>Main partners</b>	BNU Green Development Institute China Centre for SCO Environmental Cooperation (CSEC)						
<b>Location</b>	Mongolia, Central Asia , China						

<b>South-South Cooperation in Mongolia, China and Central Asian Countries: Investing in a Green Silk Road (T3-P6)</b>							
<b>Duration</b>	18 months	<b>Start</b>	March 15	<b>End</b>	Sept 16	<b>Budget</b>	US\$ 300,000
<b>Project Lead</b>	DTIE Economics and Trade Branch						
<b>Main partners</b>	Interstate Commission on Sustainable Development of Central Asia (ICSD), China Centre for SCO (Shanghai Cooperation Organization) Environmental Cooperation (CSEC)						
<b>Location</b>	Mongolia, Central Asia, China						

**Project Identification and Development**

- The projects respond to UN Environment Governing Council decision 27/8 on Green Economy (which is referenced in the 2013 project document) and more recently to UNEA Resolution 1/10 that requests UN Environment to collect and share information about the “different visions, approaches, models and

tools to achieve environmental sustainability in the context of sustainable development and poverty eradication”.

### **Relevance and Alignment to agreed priorities**

#### *SCA*

- The project clearly fits under the priority area on building the capacity of developing countries to promote green economies.

#### *Other Priorities*

- The T1 project was a direct response to Governing Council decision 27/8 that was sponsored by China. It involves four countries including proponents of the concepts addressed in the Decision – notably Ecological Civilization (China), Living Well (Columbia), Sufficiency Economy (Thailand) and Green Economy.
- The P1-P1 self-assessment notes the donors desire to facilitate information sharing and capacity building through South-South Cooperation, particularly amongst countries of the ASEAN region.
- The T2 and T3 projects focused on Central Asia, Mongolia and China, corresponding to the Silk Road countries that are now part of the of the China Belt and Road Initiative identified as a priority for future cooperation at the last UN Environment – China-MEP dialogue meeting. Reporting on the T2 project captures the growing interest in Green Economy in the countries and at regional level (through the Interstate Commission on Sustainable Development (ICSD) of Central Asia but does not suggest that these changes are a result of the project, rather that the project is relevant for the countries concerned.
- The main project partner, CSEC, reported that the country selection for the T2 & T3 projects matched their mandate and country focus.

#### *UN Environment PoW*

- The T1-P1 project logframe identifies the project as contributing to POW 2012-2013: EA (a) Enhanced understanding by Governments and other stakeholders of scientific assessment of resource flows and related environmental impacts along global value chains, as well as of potential for decoupling. The project logframe is coherent in this regard but outputs are at a relatively low level in the results chain. There is no immediate match to a PoW output in this biennium<sup>49</sup>.
- T1-P1 and T2-P2 both formed part of the larger project developed under the programme framework, *Project 613, Enhancing Knowledge and Capacity for Inclusive Green Economies (P1-T1 Fact sheet)*. The project is also referred to as the Green Economy umbrella project (61-P3) (T1-P1 self-assessment) and was later re-identified as project 612.2.
- Project T2-P2 and T3-P6 were designed to contribute to the 2014-2017 Expected accomplishment, *cross sectoral scientific assessments, research, and tools for sustainable consumption and production and green economy developed, shared and applied by policy-makers, including in urban practices in the context of sustainable development and poverty eradication*<sup>50</sup>
- Both are identified in their project documents as contributing the PoW output 612, *Economic, trade and fiscal policy research, analysis and methodologies developed to share knowledge and support governments and other stakeholders develop and implement green economy policies in the context of sustainable development and poverty eradication*.
- The T2-P2 project outcome (enhanced research capacity) describes an aligned but more focused intermediate outcome, with an indicator (number of knowledge products) that substantially under-represents the scope of work to be accomplished through the project.
- The T3-P6 project objective echoes that of PRC approved Project 612.2 and is more ambitious than the T2 project, stating that governments will have the knowledge and capacity to shift and transform the

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<sup>49</sup> The December 2014 factsheet refers to Output 613, but there was no such output in the 2012-2013 biennium while the best match in 2014-2016 in PoW output 612.

<sup>50</sup> Slightly rephrased in the PoW 2016-2017

national economic structures towards green economies, using investment, trade and macroeconomic policies, such as fiscal policies, as levers for change.

- Overall the projects reflect good alignment with UN Environment's strategy and programme of work. Green economy was increasingly mainstreamed into the UN Environment PoW from 2014 and this together with the GC resolution underscore the relevance of the initial and subsequent projects.

### **Management Arrangements**

- The projects were implemented by the Economic Research Unit within the UN Environment Economy Division, Economics and Trade Branch.
- The Branch reports that it coordinated with relevant UN Environment Regional Offices, which – for example - were instrumental in coordinating the contributions of national institutions and consultants go the T1-P1 project.

### **Partnerships**

- The partnership analysis in the T1-P1 project document highlights the experience of several Chinese partners in developing indicators and indicators related to green development. Information sharing included the concept of ecological civilization, developed in China, alongside related sustainable development approaches (Green Economy, Living Well, Sufficiency Economy)
- Roles are specified in more detail in the T2 & T3 projects. The Beijing National University Green Development Institute (BNU GDI) hosted the knowledge exchange programme. The China Centre for SCO Environmental Cooperation (CSEC) identified Chinese experts that provided inputs to the research work of the participants and coordinated the high-level policy dialogue roundtable.
- Revision of the T3-P6 project was carried out in collaboration with MEP and CSEC.
- CSEC reflected satisfaction with a substantial and meaningful role in the project form both a technical perspective and in terms of geographical reach, that matches their mandate to work with the Shanghai Cooperation Organization countries. They noted they were well placed to liaise project partners (BNU that hosted the workshop), the MEP and Ministry of Foreign Affairs. They also strengthened their own links with UN Environment Asia & Pacific Office.

### **Effectiveness / Sustainability**

- The T1-P1 project reported good progress to December 2014 with four national studies and several deliverables including events showcasing green economy and ecological civilization, a concept that was developed in China. Training was conducted for countries of the ASEAN region. The project concluded in April 2014 with reported expenditure of 88% (equivalent to US\$ 320,000) based on the interim project statement.
- The project is viewed as a milestone in that it demonstrates the convergence between sustainability related concepts, and responds directly to the GC Decision.
- The T2-P2 factsheet produced eight months into the project reflects that preparatory activities were underway and it was noted that the project required a long lead time to reach out to governments. 2015 highlights include a six-week knowledge exchange programme hosted in China culminating in a high-level policy dialogue, a regional stocktaking study
- The T3-P6 progress report indicates a change in focus from the original project document that focused on the transport sector, to better reflect the SDGs.
- The long-term nature of impact and need for further work to lead from outputs (experience sharing and training) is acknowledged in the T1 project self-assessment and highlighted by the project partner. The T2 and T3 project strategies address the same set of Central ASEAN countries.
- The project partner is committed to building on this work and to building stronger links with UN Environment, including other parts of the organization.

### **Operational Issues and timing**

- Project T1-P1 started on time and was delivered within the 18-month timeframe.
- Project T2-P2 started more slowly with low expenditure in 2014 but gained momentum in 2015 and as of January 2016, was expected to complete on time. The December 2015 reports indicate the budget was more than fully expended though some adjustments were envisaged.

- The T3- P6 was scheduled to start in August 2015 but had not yet reported any expenditure in December 2015.

### **Reporting**

- Reporting is in line with that for other portfolio projects.
  - The T1 and T2 projects produced factsheets as part of the first CTF summary of progress reports.
  - The T1 project produced a terminal report
  - The T2 and T3 projects produced annual reports at the end of 2015
- A self-assessment was undertaken as part of the overall evaluation of the Green Economy project (61-P3).
- The terminal report for T2-P2 will be prepared in response to a request from Corporate Services Division.

### **Visibility**

- The sustainable development pathways work has been presented and featured at a wide number of events including project supported events (e.g. South South Expo, Global Green Growth Institute)
- The work has been featured on the UN Environment and Green Growth Knowledge Platform websites, and in videos and brochures
- A High-level Forum on Ecological Civilization and Green Transformation, co-hosted by UN Environment and China Council for International Cooperation on Environment and Development (CCICED) was organized at the South South Expo in 2013.
- Building on the project, UN Environment worked closely with MEP and technical experts in China produce a publication on ecological civilization ('Green is Gold'<sup>51</sup>) that was launched at a high-level event at UNEA in 2016

### **Factors affecting delivery**

- The T1-P1 self-assessment reports the need for considerable work by UN Environment to bring some consultants reports up to standard, and indicates that additional time for more extensive enquiries to identify qualified consultants would have resolved this issue.
- T2-P2 raised the issue of country ownership and noted that one central Asian country did not participate. This was partly compensated for in the regional report through a desk study with support of UN Environment's Europe Office.
- T3-P2 reported delays in access to funds in 2015 because of the transition to Umoja.
- The T3-P2 project also reported in 2015 that engagement of Central Asian countries remained problematic but anticipated that presentation of the project at the ICSD meeting (In early 2016) would improve this situation.
- CSEC noted delays and remarked on the apparent complexity of funds transfer.

### **References**

T1-P1 Project Document

T1-P1 Fact Sheet to December 2014

T1-P1 Terminal Report covering the period April 2013 to April 2014

T1-P1 Self-assessment undertaken as part of the part of the evaluation of the Green Economy project

T2-P2 Project Document

T2-T2 Progress Report to December 2015

T3-P6 Project Document

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<sup>51</sup>

[http://web.unep.org/greeneconomy/sites/unep.org/greeneconomy/files/publications/greenisgold\\_en\\_20160519.pdf](http://web.unep.org/greeneconomy/sites/unep.org/greeneconomy/files/publications/greenisgold_en_20160519.pdf)

## T3-P6 Progress Report to December 2015

### **Interviewees**

- Steven Stone, UN Environment
- Fulei Sheng, UN Environment
- Nanqing Jiang, UN Environment China Programme Office
- Guo Dongmei, CSEC
- Rowan Palmer provided documentation by email