

Leveraging a Unique Partnership to Prioritize Poverty-Environment Mainstreaming

UNDP-UNEP Poverty-Environment Action for Sustainable Development Goals FINAL NARRATIVE REPORT 2018 – 2022

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Foreword

022 marked the final year of implementation of the Poverty-Environment Action for Sustainable Development Goals (PEA) project initiated in September 2018. PEA, through the sustained strategic United Nations Development Programme-United Nations Environment Programme partnership continued to focus on mainstreaming environmental sustainability and climate objectives for poverty eradication into development planning, budgeting and monitoring systems; public and private finance; and investment. Building on the Poverty-Environment Initiative (PEI) legacy, PEA was uniquely placed to ensure that the environmental dimension is not left behind when addressing poverty and vice versa. Leveraging broader 2030 Agenda and Sustainable Development Goal (SDG) implementation processes provided new entry points for PEA to mainstream environmental sustainability and related climate concerns for poverty eradication, and to gradually shift government priorities and resource allocation towards addressing these issues. It also explored opportunities to improve the quality of private sector investments to support poverty-environment objectives. Thus, PEA brought a new focus of aligning finance and investment with poverty, environment and climate objectives to accelerate SDG implementation.

PEA implementation took place in a unique development landscape in which environmental issues reached an unprecedented prominence on the global stage as the world witnessed a reduction in development gains acquired over the years. The severity of the economic crisis caused by the COVID-19 pandemic was unparalleled. Global efforts to attain the SDGs have been intermittently interrupted by economic and financial crises and environmental degradation. Despite policy intervention and support at the national and international levels, this economic crisis was the most severe global recession of the last eight decades. The global extreme poverty rate rose for the first time in over 20 years, and 119–124 million people were pushed back into extreme poverty in 2020.¹ The post-pandemic recovery strategies provided an essential context for continued poverty-environment, including climate, action.

With poverty, climate change and inequality emerging as the defining issues of our era, PEA has brought a timely focus on deepening and broadening poverty-environment mainstreaming, aligning finance and investment with poverty, environment and climate objectives in the face of changing forms and conditions of poverty. This final progress report covers interventions undertaken in Africa and Asia Pacific, as well as global and regional technical initiatives from September 2018 to December 2022.

We acknowledge and thank all PEA countries, partners and donors for their unstinting support, commitment and collaboration over these years and the solid foundation established to sustain the PEI/PEA legacy due to these collective efforts.

DocuSigned by: Timothy Scott 12-Jun-2023

Johan Robinson 15 June 2023

023 Co-Managers, 15 June 2023 Poverty-Environment Action for Sustainable Development Goals

Executive Summary

he Poverty-Environment Action for Sustainable Development Goals (PEA) project, a joint initiative of the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP), was designed to mainstream environmental sustainability and climate objectives for poverty eradication into development planning, budgeting and monitoring systems; public and private finance; and investment. Its intended outcome was to strengthen integration of povertyenvironment-climate objectives into the policies, plans, regulations and investments of partner countries to accelerate delivery of the 2030 Agenda and the Sustainable Development Goals (SDGs). Eight full-fledged country projects were supported, four in Africa (Malawi, Mauritania, Mozambique and Rwanda) and four in Asia Pacific (Bangladesh, Lao PDR, Myanmar and Nepal). Additional technical assistance initiatives were undertaken in Indonesia and Tanzania. PEA provided technical assistance in four areas: (i) the blue economy, in partnership with the Asian Development Bank; (ii) green bonds in South Africa, in partnership with the Deutsche Gesellschaft für International Zusammenarbeit (GIZ); (iii) gender and climate-smart agriculture, in partnership with UN Women; and (iv) capacity building.

This final report assesses progress and cumulative achievements from 1 September 2018–31 December 2022 in line with the PEA Results Framework. The report provides an overview of the context; a review of performance against the three outcome indicators and three output indicators; and discussions of communications and visibility, lessons learned, challenges and the way forward.

From September 2018 to December 2022, PEA delivered on its objective to strengthen integration of poverty-environment-climate objectives into policies, plans, regulations and investments of partner countries to accelerate delivery of the 2030 Agenda. Notable achievements in this regard include six countries – Bangladesh, Indonesia, Mozambique, Nepal, Rwanda and Tanzania – demonstrating alignment between poverty-environment objectives in plans and related budget allocations. Indonesia and Rwanda were the most consistent in demonstrating greater alignment between poverty-environment objectives in plans and budgets. Five countries demonstrated modest traction in increasing investments in support of environmental sustainability and climate priorities for poverty eradication: Bangladesh, Indonesia, At the global level, engagement in emerging topics of green financing and green bonds was enhanced, intensifying the mainstreaming of poverty-environment objectives through technical assistance: the blue economy in Asia Pacific and green bonds in South Africa.

Through PEA engagement with governments to mainstream poverty-environment-climate change objectives into planning processes through rigorous capacity-building, policy and advisory support, a total of 153 planning frameworks, legislation and regulations integrated the poverty-environment nexus in the 10 countries with full-fledged PEA projects or country-focused technical assistance. Rwanda alone produced over 50, followed by Nepal with 14, and an average of 5 each for the remaining countries. A total of 245 non-governmental actors were supported to advocate/take action on poverty-environment issues in four countries (Bangladesh, Malawi, Myanmar and Rwanda), with Bangladesh taking the lead. Seventeen countries collectively generated 27 reports through environmental/social/economic data collected, analysed and reported, applying a poverty-environment nexus perspective through national development and SDG monitoring systems.

Six countries produced 25 key budget policy documents reflecting environmental sustainability and climate priorities for poverty reduction: Bangladesh, Indonesia, Malawi, Myanmar, Nepal and Rwanda. Ten fiscal instruments that prioritize quality investments were produced in six countries: Bangladesh, Tanzania, Indonesia, Mauritania, Rwanda and South Africa. Four countries (Indonesia, Malawi, Mozambique and Rwanda) have registered an increase in annual and medium-term sector budget allocations (including at the national and subnational levels) that reflect environmental sustainability and climate in poverty eradication. Seventy guidelines and tools to manage private sector investment decisions that facilitate or prioritize quality investments were produced collectively in nine countries (Bangladesh, Indonesia, Lao PDR, Malawi, Mauritania, Myanmar, Nepal, Rwanda and Tanzania) and two technical assistance initiatives (blue economy and green bonds). By the end of project implementation, more than 10 PEA knowledge products had been referenced 60 times by various global and regional partners and stakeholders. Eight countries had adopted PEA tools and approaches resulting from South-South knowledge collaboration, and 23 regional and global PEA partner programmes and agencies had applied an integrated mainstreaming approach.

The building blocks to influence adoption of poverty-environment-climate change mainstreaming have been strategically positioned. Transitioning to actual adoption, however, has been slower than expected, considering that most countries are building on a solid base from work with the Poverty-Environment Initiative. A key lesson from PEA implementation is that more time and advocacy efforts, along with capacity building, are needed to complement the tools and guidelines developed. There is also a need to explore innovative approaches to generate a substantive shift in private investments and adoption. It is useful in this context to note that PEA was implemented in a unique pandemic context that led to a reversal in development gains and shifts in political priorities. Efforts to achieve the SDGs were intermittently interrupted by economic and financial crises and environmental degradation, including the most severe global recession of the past eight decades. The global extreme poverty rate rose for the first time in over 20 years, and 119–124 million people were pushed back into extreme poverty in 2020.

PEA's integrated socioeconomic-environmental approach is a good practice for supporting SDG implementation. Providing concrete socioeconomic evidence of the development impacts of unsustainable environmental and natural resource use and climate change remains one of the most important ways to convince decision-makers to mainstream poverty-environment

objectives, when appropriately generated and proactively used. An increasing number of United Nations Resident Coordinator Offices are prioritizing and requesting support for mainstreaming environment and natural resource sustainability and climate resilience across United Nations Country Teams and donor coordination mechanisms. This demand represents a key aspect of the PEA sustainability plan. Intensified evidence-based advocacy targeting strategic stakeholders is an important step needed to build on foundational tools, guidelines and studies for adoption by entities at the country, regional and global levels. Although it seems counter-intuitive, poverty-environment mainstreaming can require more time as it progresses, as a greater number of processes need to be influenced.

PEA results will be sustained and replicated through integration into ongoing UNDP and UNEP initiatives, contributing to broader PEA outcomes. UNDP will continue to mainstream PEA's work through its six signature solutions – poverty reduction, governance, resilience, environment, energy and gender equality – as entry points to inform policy work.² This includes institutional mainstreaming in UNDP's Nature, Climate, Energy and Waste (NCEW) and Inclusive Growth portfolios and with UNEP, sister United Nations agencies and partners. UNEP will mainstream PEA's work by aligning with policies and strategies on green transition. UNEP's Nature Branch has been designated to take PEA's mainstreaming work forward, as it is deals with nature-based solutions to adaptation that positively affect livelihoods at the policy level.

This report outlines the many achievements from this multi-year, complex effort to mainstream poverty, environment and climate into the heart of government decision-making. Through the institutionalization of PEA lessons into ongoing UNDP and UNEP initiatives, and other sustainability measures, the PEA legacy will continue to have a positive impact on broader efforts to advance the integrated approaches for eradicating poverty and strengthening environmental sustainability needed to accelerate progress on the 2030 Agenda for Sustainable Development.

Abbreviations

ADB	Asian Development Bank
CSO	civil society organization
ENR	environment and natural resources
ENRM	environment and natural resource management
EU	European Union
FCDO	Foreign, Commonwealth & Development Office
FY	fiscal year
FYDP	Five-Year Development Plan
GGKP	Green Growth Knowledge Platform
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
M&E	monitoring and evaluation
NDC	nationally determined contribution
NPC	national planning commission
OECD	Organisation for Economic Co-operation and Development
PAGE	Partnership for Action on Green Economy
PEA	Poverty-Environment Action for Sustainable Development Goals
PEI	Poverty-Environment Initiative
SDG	Sustainable Development Goal
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNITAR	United Nations Institute for Training and Research
UNRISD	United Nations Research Institute for Social Development
VNR	voluntary national review

PEA WAS UNIQUELY PLACED TO ENSURE THAT THE **ENVIRONMENTAL** DIMENSION IS NOT LEFT BEHIND WHEN ADDRESSING POVERTY, AND POVERTY IS NOT LEFT **BEHIND WHEN ADDRESSING THE** ENVIRONMENT

Context

he 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) bring together development, environment and climate concerns in a comprehensive and integrated agenda for change. The overriding goal of the SDGs is to eradicate extreme poverty by 2030 and to leave no one behind. But the agenda goes much further – aiming to transform economies by making economic growth more inclusive and equitable; decoupling growth from environmental degradation and promoting resource efficiency; and accelerating the transition to low-carbon, climate-resilient development pathways and inclusive green economies.

Together with the other agenda-setting agreements adopted by world leaders in 2015 – the Addis Ababa Action Agenda on Financing for Development, the Sendai Framework for Disaster Risk Reduction and the Paris Agreement on Climate Change – as well as the Montreal-Kunning Global Biodiversity Agreement, the case for poverty-environment mainstreaming remains relevant. This sustainable development agenda reflects a greater recognition of the major poverty-environment challenges facing the world's population arising from depleted natural capital, climate vulnerability, gender inequality, rural-urban migration and rising resource demands – all of which disproportionately affect the livelihoods and well-being of the poor and vulnerable.

The United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) jointly supported partner countries in mainstreaming environmental sustainability and climate objectives for poverty eradication within broader efforts to implement the 2030 Agenda through the new Poverty-Environment Action for Sustainable Development Goals (PEA) project for the four-year period 2018–2022. By building on the legacy of its predecessor, the Poverty-Environment Initiative (PEI), PEA was uniquely placed to ensure that the environmental dimension is not left behind when addressing poverty and vice versa. Leveraging the broader 2030 Agenda and SDG implementation processes provided new entry points not only to mainstream environmental sustainability and related climate concerns for poverty eradication, but also to gradually shift government priorities and resource allocation towards addressing these issues. It also provided opportunities to improve the quality of private sector investments to support poverty-environment objectives. This encapsulates the PEA focus – aligning finance and investment with poverty, environment and climate objectives to accelerate SDG implementation.

PEA implemented this focus by operating at the country, regional and global levels through a twopronged strategy of deepening and broadening support to countries on poverty-environment and climate mainstreaming. These two complementary tracks were designed to:

- Deepen mainstreaming efforts to integrate environmental sustainability and climate objectives for poverty eradication into development planning, budgeting and monitoring systems and – in line with the PEA focus – into public and private finance and investment.
- Broaden the dissemination and use of the programme's substantial body of country-level experience in the application of integrated poverty-environment mainstreaming approaches and tools through stepped-up efforts in knowledge management and sharing including through targeted technical assistance to selected countries, South-South knowledge transfer and cooperation, and proactive engagement with key global and regional actors supporting national SDG implementation and acceleration processes.

PEA's two-pronged strategy was complemented by strengthening strategic partnerships and improving coordination with other development actors, especially at the country level. The target was in eight countries (four in Africa and four in Asia Pacific) where substantive gains had been made through PEI and that had high potential to deliver the shift in investments expected from PEA. The partner countries were Bangladesh, Lao PDR, Malawi, Mauritania, Mozambique, Myanmar, Nepal and Rwanda. Two technical assistance initiatives were implemented at the country level in Indonesia and Tanzania. The Indonesia technical assistance focused on supporting selected government offices with mandates and responsibilities for public financial management in integrating poverty-environment-gender in the context of ongoing public financial management and budget reforms. The Tanzania technical assistance focused on increasing public and private investments with enhanced impacts on multidimensional poverty reduction, inequality, environment and natural resource (ENR) sustainability, climate resilience and SDG objectives. Four technical assistance initiatives were implemented at the regional and global levels. A summary of these initiatives is provided in Table 1. The PEA strategy and purpose remained largely constant throughout the implementation period.

This final report covers progress on implementation from September 2018 to December 2022 of the PEA project through eight full-fledged country projects, as well as six technical assistance initiatives. The remainder of this report offers a detailed review of PEA implementation by outcome and output indicator performance. It continues with communication and visibility efforts, an examination of the challenges encountered to successful implementation, and lessons for strengthening project delivery. It concludes with a summary of the way forward to build on the PEA legacy.

Intervention	Description			
Blue economy	This joint initiative with the Asian Development Bank (ADB) aimed to integrate poverty-environment objectives into blue economy planning and financing mechanisms. Key deliverables were a joint PEA-ADB report, "Financing the Blue Economy: Investments in Sustainable Blue Small–Medium Enterprises and Projects in Asia and the Pacific," that details potential follow-up work with ADB to ensure long-term sustainability of this intervention.			
Gender	This work was implemented in partnership with UN Women to expand gender-sensitive climate-smart agricultural and environmental tools to two African countries. The effort aimed to influence decision-makers to provide enhanced support to female farmers by demonstrating that addressing the gender gap in agriculture will bring development benefits through improved food security and reduced poverty. It responded to the need for adoption of climate-smart agriculture as a practice to enhance climate resilience and environmental sustainability efforts. UN Women provided support in conducting evidence-based capacity building of targeted government representatives in integrating gender-sensitive climate-smart agricultural approaches in policies and South-South cooperation in mainstreaming and implementing gender-responsive climate-smart agricultural policies and strategies.			
Green bonds	This initiative aimed to strengthen existing green transformation approaches in South Africa and promote dialogue among key actors on SDGs and nationally determined contribution implementation. It was implemented in partnership with the UNEP-GIZ project on Green Economy Transformation, based on the experience of the Partnership for Action on Green Economy (PAGE) and the South African and UN Sustainable Development Cooperation Framework. PEA supported South Africa through technical capacity in (i) establishing green bonds at the municipal level through South-South exchange with Indonesia and (ii) assisting in the review of a handbook on green bonds, particularly its environmental and social dimensions.			
Capacity- building virtual platform	This effort aimed to strengthen the capacity of governments (particularly ministries of planning, finance and environment) and UN Country Teams to address and scale up action on the poverty-environment dimension of COVID-19 recovery, including under their national UN Socio-Economic Response and Recovery Frameworks. This entailed establishing a virtual platform consisting of a help desk function to provide technical advisory and training support. The work sought to strategically advance existing partnerships between PEA and its donors and partners to strengthen the sustainability of PEA project results post-2022.			

Outcome Performance

EA, th achie plans, the SI

EA, through its catalytic niche, contributed to the establishment of building blocks for future achievement of **strengthened integration of poverty-environment-climate objectives into policies**, **plans**, **regulations and investments of partner countries to accelerate delivery of the 2030 Agenda and the SDGs**. Its progress was tracked through three interrelated outcome indicators:

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

OUTCOME INDICATOR 1

PEA stepped up its engagement with governments to mainstream poverty-environment-climate change objectives into planning processes through rigorous capacity-building, policy and advisory support. Targeting the development planning process is important, as eventually, it will affect implementation of poverty-environment and climate objectives at the national, sectoral and subnational levels. For example, PEA's support in Tanzania led to the development of a new Five-Year Development Plan (FYDP), which was followed by supporting a localization process. Through these efforts, PEA enabled mainstreaming of poverty, environment and gender considerations in FYDP III. PEA also supported the development of several key documents: a monitoring and evaluation (M&E) framework to support implementation building on the Development Finance Assessment, Integrated National Financing Framework, and FYDP III M&E strategy. Tanzania's support was focused on vertical mainstreaming of poverty-environment objectives in national and subnational planning processes. Nepal also focused on vertical mainstreaming: a Leave No One Behind Framework was developed with PEA support, including localization in selected provinces. The SDG Localization Sourcebook provided local-level government with a guide to localize the SDGs in formulating development programmes and policies.

Rwanda focused on both horizontal and vertical mainstreaming, with PEA influencing both sectoral and subnational development plans. In Rwanda, 16 sector plans and 30 district single-action plans for 2020/21 were reviewed to ensure full integration of 58 environmental and climate change indicators into 2020/21 plans and budgets; this was repeated in subsequent

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financial planning years. In-country-level efforts showcased how PEA's integrated approach is contributing to country objectives through broader achievement of Agenda 2030. Furthermore, countries continued to demonstrate a coordinated approach in addressing poverty-environment through support to SDG implementation monitoring committees and ENR management (ENRM) sector working groups.

A total of 153 planning frameworks, legislation and regulations integrated the poverty-environment nexus in the 10 countries with full-fledged PEA projects or country-focused technical assistance. Rwanda alone produced over 50, followed by Nepal with 14, and an average of 5 each for the remaining countries. A total of 245 non-governmental actors were supported to advocate/take action on poverty-environment issues in four countries (Bangladesh, Malawi, Myanmar and Rwanda), with Bangladesh taking the lead. Seventeen countries collectively generated 27 reports through environmental/social/economic data collected, analysed and reported, applying a poverty-environment nexus perspective through national development and SDG monitoring systems.

These achievements have been made possible through analytical interventions to countries to provide linkages, trade-offs and synergies to support identification, prioritization and sequencing of poverty, environment and climate-related interventions. These include capacity assessments within government counterpart departments and outlining strategies to address capacity gaps in government systems in addressing poverty-environment linkages and gender. The assessments were used to formulate tailor-made capacity enhancement strategies. Indonesia conducted a gender-responsive public climate budgeting assessment. Myanmar conducted an organizational capacity needs assessment of its Environmental Conservation Department, which identified needs for developing a comprehensive organizational capacity and a human resource development strategy for the department. Rwanda conducted an environment and gender gap assessment each fiscal year; capacity was enhanced through training of key government planners on how to incorporate povertyenvironment issues into sector plans, the establishment of poverty-environment indicators and how to monitor their integration. Tanzania undertook a poverty diagnosis using the Multidimensional Poverty Analysis Tool (MPAT) developed by the International Fund for Agricultural Development and established baselines in respective target areas. After the assessments in the initial phase of the project, all countries developed planning frameworks and regulations that integrate the poverty-environment nexus, with the majority of the countries consistently ensuring application over the project implementation period.

OUTCOME INDICATOR 2

PEA supported ongoing efforts of national SDG implementation processes – particularly emerging national SDG platforms and financing strategies. It provided critical entry points not only to mainstream environmental sustainability and related climate concerns for poverty eradication, but also to gradually shift government priorities and resource allocation towards addressing these issues and to better align private sector investments. Much foundational work was undertaken to provide tools and guidelines, with progress made at the country level through increased support to government in developing and implementing budget tools that reflect environmental sustainability and climate priorities. Indonesia and Rwanda scaled up their efforts to increase private and public financing

into poverty-environment and climate change objectives. PEA's support in Indonesia contributed to the government issuing a fourth global green sukuk amounting to \$750 million in June 2021. In Rwanda, the government adopted annual environmental and climate change assessments that provide information guiding sector and district plans on environmental and climate objectives.

Overall, 70 guidelines and tools were produced collectively from nine countries and two technical assistance initiatives. Twenty-five key budget policy documents that reflect environmental sustainability and climate priorities for poverty reduction were produced in six countries – Bangladesh, Indonesia, Malawi, Myanmar, Nepal and Rwanda. Ten fiscal instruments that prioritize quality investments were produced in six countries – Bangladesh, Tanzania, Indonesia, Mauritania, Rwanda and South Africa through the green bonds technical assistance. Furthermore, four countries – Indonesia, Malawi, Mozambique and Rwanda – registered an increase in annual and medium-term sector budget allocations (including at the national and subnational levels) that reflect environmental sustainability and climate considerations in poverty eradication.

During PEA implementation, there was a steady increase in support to emerging fiscal instruments such as green bonds and the blue economy. Following on Indonesia's success with green bonds, South Africa undertook preparatory initiatives, notably developing a PEA-supported technical handbook on issuing municipal green bonds with associated technical assistance provided to municipalities. Sharing lessons between South Africa and Indonesia enhanced mutual understanding of the processes entailed in developing and implementing these new fiscal tools. In the Asia Pacific region, support increased on assessing investment options in the blue economy sector. The ADB-PEA publication <u>Financing the Blue Economy</u>: Investments in <u>Sustainable Blue Small-Medium Enterprises and Projects in Asia and the Pacific</u> offers practical options of investments by both government and the private sector. <u>Bangladesh</u> intensified its engagement with the blue economy by conducting feasibility studies and creating dialogues with relevant stakeholders. In <u>Malawi</u>, sector-specific tools like the Soil Restoration Action Plan have been developed to support a sustainable agricultural sector; an Aquaculture tool aims at enhancing investments from the fisheries sector.

PEA increased its engagement with private sector investments in ENRM at both the national and decentralized levels. Lao PDR and Tanzania specifically showcased several good examples of public-private partnership in ENRM investment processes. In Lao PDR, 22 investment profiles were developed by the government in five provinces to attract private sector investment. In addition, 32 investment profiles were reviewed to incorporate green and responsible investment aspects. As part of a review of provincial investment strategies, the project developed a road map (using the Houaphan investment strategy as a case study to be applied to the other provinces) for provincial governments to incorporate poverty-environment and green growth/investment issues into their provincial investment strategy documents, monitoring frameworks and investment profiles. In Tanzania, investment concept notes and project ideas at the local level were developed and presented to the government for approval through PEA support.

Overall, there is growing interest from the private sector, as reflected in an increased number of locallevel proposals on sustainable investments. Commendable government support has been demonstrated in at least nine countries and two technical assistance initiatives (blue economy and green bonds) through the provision of tools, guidelines and assessments – including recognition of the private sector's critical role in poverty reduction and environmental sustainability. However, the actual shift in finance investments towards environmental sustainability and climate objectives for poverty eradication is yet to be realized; this requires more time and focused advocacy post-PEA.

OUTCOME INDICATOR 3

PEA intensified the use and spread of poverty-environment mainstreaming by better capturing, assessing and documenting good practices by key global and regional actors supporting national SDG implementation and acceleration processes. This work continued, despite the challenging conditions of COVID-19 where physical advocacy events were reduced and the focus was shifted to virtual experiences. By the end of the project implementation period, more than 10 PEA knowledge products had been referenced 60 times by various global and regional partners and stakeholders (see Appendix); eight countries adopted PEA tools and approaches resulting from South-South knowledge collaboration; and 23 regional and global PEA partner programmes and agencies applied an integrated mainstreaming approach.

Uptake of integrated poverty-environment mainstreaming approaches and tools by global, regional and local institutions supporting SDG implementation in non-PEA countries was promoted through a series of webinars comprised of six uniquely themed topics. A total of 186 registered participants from 46 countries attended the webinar series. The series was also live-streamed on Facebook and YouTube and promoted on a Twitter feed. More than 3,500 impressions were logged on the webinar pages, indicating broad interest in the topics presented.

Advocacy efforts for awareness creation and adoption of poverty-environment tools and approaches at the global level were prominent from 2020 on. For example, the PEA UNEP Co-Manager participated as a panellist during the 2021 International Day for the Eradication of Poverty - ATD Fourth World on 15 October 2021. She emphasized how those living in poverty are the most vulnerable to weather and climate impacts and directed the audience's attention to the possibility of solutions that can increase the resilience of vulnerable communities while restoring ecosystems. This powerful message highlighted the importance of investing in the 2030 Agenda and the Paris Agreement. Also, the PEA UNEP Co-Manager and the UNDP Senior Policy Advisor on Environment, who also served as the Co-Chair for the PEA Project Board, were speakers at the United Nations (UN) Environment Management Group Nexus Dialogues on the Stockholm+50 international meeting on 23 November 2021, sharing PEA insights and experience on the achievements and challenges of addressing the environmental agenda in the years since the 1972 Stockholm Conference. The contribution formed part of the dialogue on "Taking Stock of Our Responsibility & Opportunity: Reflecting on Successes, Lessons Learned and Gaps in Mainstreaming and Implementing the Environmental Dimension of Sustainable Development by the UN."

Output Performance

he PEA project was delivered through three interrelated outputs, with each comprising a package of deliverables, policy, technical advisory and capacity-building services to support poverty-environment mainstreaming for the SDGs in line with country needs.

- **Output 1:** Development planning, budgeting, and monitoring systems integrate environmental sustainability and climate objectives for poverty eradication
- **Output 2:** Public finance and investment frameworks incentivize shift in public and private investments towards environmental sustainability and climate objectives for poverty eradication
- **Output 3:** SDG implementation and acceleration processes leveraged to scale up use of integrated poverty-environment mainstreaming approaches and tools

Progress on these three outputs was monitored through 11 indicators, as detailed below and summarized in Table 2. Six of the 11 indicators surpassed project targets, two fully achieved the targets and three were partially achieved. All three outcome indicators were partially met.

OUTPUT 1:

Development planning, budgeting, and monitoring systems integrate environmental sustainability and climate objectives for poverty eradication

Output 1 focused on strengthening the policy and institutional framework and capacities for poverty, environment and climate mainstreaming in partner countries. As used here, "planning" encompasses relevant policies, plans and strategies at the national, subnational and sectoral levels, in line with country demand/needs. "Environmental sustainability" includes sustainable management of ENR and pollution reduction. Reflecting PEA's primary focus, key deliverables and services under Output 1 were aimed at helping establish the enabling conditions for aligning public and private finance and investment with environmental sustainability and climate objectives for poverty eradication (Output 2).

Four indicators were used to monitor progress of Output 1. Three exceeded their project targets; one (Indicator 1.3: Number of government-led intersectoral coordination mechanisms that promote coherence of planning, frameworks, legislation and regulations) was partially achieved. COVID-19 contributed to the low target attainment (20 of 35) for this indicator through restrictions that led to limited or no meetings being held, and connectivity issues experienced by many stakeholders, particularly government.

TABLE 2 Summary of PEA results, by outcome and output indicator, 1 September 2018–31 December 2022

		Cumulative	Achievement	
Indicator	Target	result	status	Comments
	1	Out	tcome level	
1: Number of countries demonstrating alignment between poverty-environment objectives in plans and related budget allocations	10	6	Partially achieved	6 countries demonstrated alignment: Bangladesh, Indonesia, Mozambique, Nepal, Rwanda, Tanzania
2: Number of countries with increased investments in support of environmental sustainability and climate priorities for poverty eradication	6	5	Partially achieved	5 countries demonstrated modest traction in increasing investments in support of environmental sustainability and climate priorities for poverty eradication: Bangladesh, Indonesia, Lao PDR, Myanmar, Tanzania
3: Number of tools and approaches applied by regional and global partners in support of poverty- environment nexus for SDG acceleration	13	3	Partially achieved	PEA mainstreaming handbook, joint PEA-ADB publication on tools to mainstream environmental dimension of SDGs in national planning and budgeting, green bonds
		Οι	utput level	
Output 1: Development planning, b	udgeting ar		stems integrate en ty eradication	vironmental sustainability and climate objectives for
1.1: Number of planning frameworks, legislation and regulations that inte- grate the poverty- environment nexus (per country)	100	153	Exceeded	153 planning frameworks, legislation and regulations integrated the poverty-environment nexus in 10 countries (Bangladesh, Indonesia, Lao PDR, Malawi, Mauritania, Mozambique, Myanmar, Nepal Rwanda and Tanzania) with Rwanda leading with 50+ followed by Nepal with 14 and an average of 5 per country for the remaining 8 countries
1.2: Number of non-government actors supported to advocate/take action on poverty-environment issues	121	245	Exceeded	4 countries contributed to this attainment, with Bangladesh leading followed by Malawi, Myanmar and Rwanda
1.3: Number of government-led intersectoral coordination mech- anisms that promote coherence of planning, frameworks, legislation and regulations	35	20	Partially achieved	Government-led intersectoral coordination mechanisms consistently supported in 4 countries (Bangladesh, Malawi, Mozambique, Nepal); Myanmar also contributed until early 2021 following political unrest
1.4: Number of countries where environmental/social/economic data are collected, analysed and reported applying a poverty- environment nexus perspective through national development and SDG monitoring systems	10	17	Exceeded	17 countries (Bangladesh, Indonesia, Malawi, Mauritania, Mozambique, Myanmar, Rwanda, and Tanzania; Zimbabwe under the gender climate-smart agriculture technical assistance; and 9 under the blue economy technical assistance – Cambodia, China, India, Malaysia, Philippines, Sri Lanka, Thailand and Vietnam) collectively generated 27 reports that applied poverty-environment nexus

(continued)

TABLE 2 (continued)

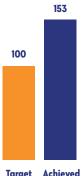
Indicator	Target	Cumulative result	Achievement status	Comments
Output 2: Public finance and inv			ivize shift in public objectives for pove	and private investments towards environmental erty eradication
2.1: Number of key budget policy documents (e.g. budget statements, economic surveys, budget call circulars) that reflect environmental sustainability and climate priorities for poverty eradication (per country)	25	25	Fully achieved	25 key budget policy documents reflected environmental sustainability and climate priorities for poverty eradication from 6 countries: Bangladesh, Indonesia, Malawi, Myanmar, Nepal, Rwanda
2.2: Number of countries with increased annual and medium-term sector budget allocations (including national and subnational levels) that reflect environmental sustainability and climate for poverty eradication	6	4	Partially achieved	4 countries registered an increase in budget allocation: Indonesia, Malawi, Mozambique, Rwanda
2.3: Number of countries with fiscal instruments (tax, incentives, user fees, etc.) adopted in policies and regulations that prioritize quality investments	5	6	Exceeded	10 fiscal instruments from 6 countries: Bangladesh, Indonesia, Mauritania, Rwanda, South Africa (through the green bonds technical assistance), Tanzania
2.4: Number of guidelines and tools to manage private sector investment decisions that facilitate or prioritize quality investments	31	70	Exceeded	9 countries (Bangladesh, Indonesia, Lao PDR, Malawi, Mauritania, Myanmar, Nepal, Rwanda, Tanzania) and 2 technical assistance initiatives (blue economy and green bonds) collectively produced 70 tools and guidelines
Output 3: SDG implementation and	acceleratio		aged to scale up us aches and tools	e of integrated poverty-environment mainstreaming
3.1: Number of Poverty-Environment Action knowledge-sharing and learning products that are referenced by regional and global networks	63	60	Partially achieved	More than 10 PEA knowledge products referenced 60 times during project period
3.2: Number of countries adopting Poverty-Environment Action tools/ approaches resulting from South- South knowledge collaboration	18	9	Partially achieved	9 countries adopting PEA tools and approaches resulting from South-South knowledge collaboration: Bangladesh, Cambodia, Indonesia, Lao PDR, Malawi, Mozambique, Myanmar, South Africa, Sri Lanka
3.3: Number of regional and global Poverty-Environment Action partner programmes and agencies that apply an integrated mainstreaming approach	20	23	Exceeded	UN Resident Coordinator, International Labour Organization, UN Women, United Nations Capital Development Fund, United Nations Institute for Training and Research, GGKP, GIZ, PAGE, ADB, UNRISD, University of Sussex, IDEP/International Movement ATD Fourth World, CIFOR, ICRAF, Blue Impact Asia, UN CC:Learn, Chinese Academy of Science, side event to the UN High- Level Political Forum 2021 Solutions), PEA's inclusion in Ministers and Environment Authorities of Asia Pacific Forum's official background documents), etc.

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

This indicator was exceeded, with a total of 153 (target: 100) planning frameworks, legislation and regulations that integrate the poverty-environment nexus developed in all 10 countries with full-fledged PEA projects or country-focused technical assistance. Rwanda led in the number of planning tools produced, exceeding 50, followed by Nepal with 14, and an average of five tools each for the remaining countries.

- Bangladesh. PEA supported the National Planning Commission in preparing its 2020 SDG Voluntary National Review (VNR), <u>Accelerated Action and Transformative</u> <u>Pathways: Realizing the Decade of Action and Delivery for Sustainable Development</u>. With PEA support, the VNR was presented to the High-Level Political Forum under the auspices of the United Nations Economic and Social Council. The VNR included a number of good practices for potential replication in other countries:
 - It highlighted the integrated approach for achieving the SDGs and referenced multilateral environmental agreements, including the Stockholm, Basel and Minamata Conventions as well as the Rio Conventions. The VNR noted the environmental aspect of non-environmentally focused SDGs.³
 - It highlighted the integrated national financing framework and green finance. Integrated national financing frameworks are considered a key mechanism of the 2030 Agenda to ensure an integrated and coherent approach to SDG financing.
 - It addressed emerging issues, in particular the COVID-19 pandemic, and emphasized the role of vulnerable groups in the analysis of environmentally focused SDGs.
 - The VNR process involved consultations with the chamber of commerce, which is important given the need for private sector action on sustainable finance and a sustainable production and consumption perspective to achieve the SDGs.

The Mapping of Ministries by Targets in the Implementation of SDGs report was revised by the General Economics Division, with financial and technical assistance from PEA, to align with the 7th Five-Year Plan mapping document in 2021. The revised mapping took into consideration the responsibilities of the ministries/divisions and, for the first time, recognized that the custodian/partner agencies are important actors in SDG implementation and redefined their role and responsibilities accordingly. The document was approved by the SDGs Implementation and Review Committee and published in 2022. A total of 59 public planners (50 male, 9 female) were trained on integration of the SDGs into national policy plans. In addition, 118 officials (98 male, 20 female), including 66 SDG focal points from 22 relevant ministries/divisions/departments/agencies, were trained in M&E through 12 technical sessions on metadata, environmental indicators, mechanisms to enhance policy coherence, poverty linkages to the environment and disaster management, economic and non-economic damages and losses from climate



change-related impacts, a national approach to SDG monitoring, and related issues. A comprehensive Development Results Framework was developed for SDG M&E and implementation of the 8th Five-Year Plan. PEA also provided substantial inputs on policies and strategies related to poverty and inequality, environment and climate change, and employment generation.

- Indonesia. A study on gender-responsive climate budgeting was launched by the Ministry of Finance; a draft guideline to measure gender-transformative change and the adaptive capacity of poor women and men is being developed. In addition, three gender-responsive climate budgeting trainings were conducted for relevant line ministries and institutions at the national level to help strengthen and increase the capacity of government stakeholders on gender and climate budgeting. Based on training results and discussions with stakeholders, a gender checklist could be used for other climate financing instruments such as green bonds and environmental funds. Government commitment to mainstreaming gender in climate change is demonstrated through the activities of ministries and institutions in conducting gender-responsive climate budgeting within the state budget. With support from PEA, the Ministry of Finance and the Ministry of Women Empowerment and Child Protection initiated the development of technical guidance for gender-responsive climate budget agging; this will assist the technical ministries in implementing double-tagging (gender and climate change).
- Lao PDR. A provincial investment strategy annual reporting template to monitor strategy implementation in Oudomxay and Vientiane provinces was developed. The draft report based on the tool's use is under review by the Oudomxay Department of Planning and Investment. An investment guidebook was developed and vetted by government departments.
- Malawi. Support was provided to the Ministry of Local Government to develop 11 village action plans in Salima to ensure that the district's development plans incorporate national ENRM policies and plans. Training was conducted for 60 extension workers on data collection and the development of village action plans, with 180 village development committees in 11 traditional authorities of the district. The Executive Guide to Decision-making for Policymakers was reviewed to explore the potential for promoting the circular and green economy in line with global efforts to curb greenhouse gas emissions, thus influencing the creation of green jobs that are responsive to climate change.
- Mauritania. PEA supported the Ministry of Finance's Directorate General of the Budget in the implementation of a new Organic Law on Finance Laws through the development of the medium-term expenditure framework application; development of performance tools of the programme budget; revision of the medium-term budget programmatic guide, including a medium-term budgetary framework, to include poverty-environment elements. Budget codes were developed for the sanitation and water department that integrate poverty-environment linkages. PEA also supported the directorate responsible for monitoring and coordinating Mauritania's Development Plan for 2016–2030 (Stratégie de Croissance Accélérée et de Prospérité Partagé) in reviewing and updating strategy indicators and development of the plan's implementation report for 2018. This support consisted

of revising the budget preparation application, TAHDHIR, which aims to improve the quality of work of the various actors in preparing the state budget; producing all restitution statements needed for budget preparation; and making it possible to shorten the deadlines for work executed at each stage and to anticipate the evolution of budgetary nomenclature, in particular for the programme budget.

- Mozambique. Two guidelines on integrating the SDGs into environmental and sector planning were updated. A new national indicators framework was developed as a follow-up to the VNR; it includes a national selection of SDG indicators. PEA provided technical input to the 2020 SDG VNR and coordination of the Thematic Group on Environment related to the VNR process. Capacity building of government officials from 10 provinces was conducted on the framework, with 60 officials (38 male, 22 female) participating. PEA supported a consultation process in revising the 1997 Land Law, Environment Act and its accompanying policy. The completed budget coding makes it easy to track expenses related to natural resource management and climate change and to recommend better policies for decision-makers on poverty eradication.
- Myanmar. Several planning frameworks were developed and submitted for approval: a draft Environmental Master Plan submitted by the Ministry of Environment and Natural Resources; the final draft of the Strategic Framework for the National Environment Policy submitted to the National Environmental Conservation and Climate Change Central Committee; and the fourth draft of the Environment, Climate Change and Disaster Risk Reduction Mainstreaming Strategy submitted to the Environmental Conservation Department. However, following the coup, engagement with the government ended, and PEA switched to private sector and civil society organization (CSO) engagement only. PEA was integrated into the UN framework for immediate socioeconomic response to COVID-19.
- Nepal. The planning and regulatory environment was enhanced through finalization of the financing requirement framework for the 15th plan, the SDG budget code guideline, the provincial medium-term expenditure framework management information system, and a national framework on Leave No One Behind. Seventy officials were trained on medium-term expenditure frameworks. Local-level plan formulation guidelines were revised to adequately address poverty-environment issues, including the development of a provincial climate change financing framework to help align strategies and action plans for climate mitigation and adaptation, with bottom-up planning, budgeting processes to enable existing climate change budget coding and expenditure tracking systems to expand across sectors to the provincial and local levels. The National Planning Commission, with support from PEA, launched the SDG Progress Assessment Report 2016-2019 and the SDG Localization Sourcebook. The assessment report covers Nepal's overall achievements towards SDG commitments during the first four years of implementation. The report showed that most progress towards SDG targets is on track. The SDG Localization Sourcebook provides local-level governments with guidance to localize the SDGs in formulating development programmes and policies. PEA was also integrated into the UN framework for immediate socioeconomic response to COVID-19.

- Rwanda. A checklist and training manual for planners to ensure integration of environmental and climate change indicators into sector plans was developed. Sixteen sector and 30 district single-action plans for 2020/21 were reviewed to ensure full integration of 58 environmental and climate change indicators into 2020/21 plans and budgets. This exercise was repeated in FY 2021/22, complemented by capacity building of 60 planners through trainings on the revised environment and climate change checklist; the training aimed to update the gender-environment and climate change indicators checklist. The updated checklist enabled districts to track progress on environmental and climate change mainstreaming for FY 2022/23 by each district and match it with the respective district development strategy.
- Tanzania. PEA provided technical support to develop FYDP III, which was launched in June 2021. PEA engaged in the process through its technical staff as members of the national task force for FYDP III formulation, reviewing technical input papers and drafts as well as facilitating stakeholder consultations. Through these efforts, UNDP enabled mainstreaming of poverty, environment and gender considerations in the plan. PEA further supported the development of the following key documents; a M&E framework to support implementation building on the Development Finance Assessment, Integrated National Financing Framework, and FYDP III M&E strategy. The support was focused on vertical mainstreaming of poverty-environment objectives in national and subnational planning processes. PEA provided further support in the localization process, targeting one region. The localization process is meant to enable local government authorities to implement FYDP III based on local content and community engagement, with the potential of stimulating actionable solutions for local economic growth and poverty reduction. This process included training planning officers from the Simiyu region and district agricultural and livestock officers.



INDICATOR 1.2 Number of non-government actors supported to advocate/take action on poverty-environment issues

This indicator was approved by the PEA Project Board in October 2021 to replace the original indicator to ensure that it captures the ongoing work in a manner that better reflects actual progress. With the original indicator (Policy positions on poverty-environment issues formulated by non-government actors), no policy positions on poverty-environment issues were formulated by non-government actors from project inception to mid-2021. Following the adoption of the new indicator, significant progress has been registered, with 245 non-government actors supported to take action on poverty-environment issues in four countries.

Bangladesh. A total of 91 non-governmental actors were supported through a series of initiatives, including an online campaign, <u>My Goal</u>, launched on 23 September 2021 to influence youth and youth-led organizations to share their thoughts on SDGs including poverty and the environment. Seventeen influential sector-specific leaders, including the Resident Representative of UNDP Bangladesh, joined the campaign to promote awareness. A consultation workshop, "Mobilizing FDI for a Greener Energy Sector in Bangladesh," was organized on 5 September 2021 with thought leaders, international financial institutions, private investors, think tanks,

academics and development partners – notably, the UK Foreign, Commonwealth & Development Office (FCDO), the ADB, the Center for Policy Dialogue, the European Union (EU), the Bangladesh Investment Development Authority, the Federation of Bangladesh Chambers of Commerce and Industry, the Bangladesh Institute of Governance and Development, BRAC, the Bangladesh Garment Manufacturers and Exporters Association, PwC and the University of Dhaka, among others. A consultation workshop on achieving SDGs 5, 8 and 13 through a whole-of-society approach was held on 23 September 2021 with many of the same participants as well as East-West University, HSBC, the University of Dhaka, *The Daily Star*, Oxfam Bangladesh, Naripokkho, Concern Worldwide, bKash, ActionAid Bangladesh, Young Power in Social Action and the Bangladesh Environmental Lawyers Association.

A roundtable discussion on the role of online service providers in promoting responsible consumption and production, "SDGs and Youth in Bangladesh: Present Perspectives and Future Outlook," was held in 2022. The conference aimed to bring Bangladeshi youths, especially students of public and private universities, to a single platform, sensitize them about SDGs and motivate them by assuring them that their voices are heard in the country's policymaking process. More than 500 participants, including high-profile personnel, youth representatives from different parts of Bangladesh, youth organizers, leaders of civil platform affiliates, international development partners, and students across the nation, attended the conference.

Malawi. PEA in collaboration with the Ministry of Economic Planning Development and Public Sector Reform, the Centre for Environmental Policy and Advocacy and CURE organized the Civil Society Organizations 2021 forum under the theme "Environmental Sustainability: Key to Equitable Wealth Creation." Twenty-six CSOs attended the forum, which sought to enhance civil society participation in the country's sustainable ENRM through the promotion of policy coherence and advocacy to leverage poverty reduction and food security in an inclusive manner. The forum provided a platform for CSOs and PEA partners to discuss povertyenvironment issues, including study reports and emerging policy recommendations from PEA-commissioned studies, with the aim of influencing the inclusion of PEA issues in future policy formulation and implementation - thus contributing to the attainment of the SDGs in the country. At the forum, CSOs and stakeholders were updated by government ministries, departments and agencies on several government ENRM initiatives, including the current environmental and social impact analysis approval and compliance process, a thin plastics ban and adoption of a forest initiative. Furthermore, 32 members of non-governmental organizations and community-based organizations were trained in gender-focused extension service delivery with an emphasis on natural resource management.

In 2022, PEA, in collaboration with the Ministry of Economic Planning Development and Public Sector Reform and the Ministry of Gender and Community Development, organized a "Women in Climate Action Network" workshop. The meeting was attended by 75 women representing 16 women-owned agriculture and ENRM private businesses, cooperatives and local organizations. The aim was to create a shared awareness and understanding of the basics of climate change and climate action among women.

- Myanmar. Thirty CSOs were supported to undertake CSO-led SDG monitoring and review to enhance accountability on poverty alleviation actions and promote the environmental dimensions of SDGs. Fifteen private sector entities were trained to advocate for responsible business through increasing awareness of environmental impact assessment processes. The project partnered with the Asian Development Alliance (ADA) to deliver a virtual introductory training for CSOs on "Promoting People-centred Partnership for Peace, Prosperity and Planet." The training was based on the Global Advocacy Leadership Academy Asia (GALA)-ADA's longstanding capacity development and advocacy programme for CSOs. The training aimed to strengthen and empower CSOs to advocate on SDG implementation by providing knowledge, tools and a platform for mutual learning and exchange. While the initial focus of the training was on the environment and climate change SDGs, linkages with SDG 16 (Peace, justice and strong institutions) was central to the training. Twenty-seven CSO representatives from around the country completed the training, along with an additional 13 participants from UNDP and ADA. Similar to the environmental impact assessment training, the project team collaborated with Sida to form a Community of Practice of CSOs interested in SDG monitoring. This community now has 19 active members.
- **Rwanda.** With PEA support, 35 youths from across the country were convened at a youth knowledge exchange and exhibition for green initiative, knowledge transfer and scale-up of good initiatives. The exhibition inspired other youths on opportunity that exists and encouraged champions for the cause. The participants had an opportunity to learn from each other on technologies used to transform waste into usable materials (recycling). For youth who are working in this area, and those interested in working in this area, this was an entry point for wider youth networking.



Target Achieved

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

This indicator was partially achieved, with 20 mechanisms in place out of target of 35. In most PEA countries, such intersectoral mechanisms are in place but not necessarily operating effectively. In PEA Africa countries, the focus was on supporting both more effective operation of existing coordination mechanisms and less formal established intersectoral coordination processes. Coordination processes take time to develop, because different government departments need to be involved and buy into the process. While COVID-19 cannot be entirely blamed for delaying progress in this area, it did contribute through restrictions that led to limited or no meetings being held. Nevertheless, 6 out of the 10 countries with full-fledged PEA projects or country-focused technical assistance (Bangladesh, Malawi, Mozambique, Myanmar, Nepal and Rwanda) managed to convene government-led intersectoral coordination mechanisms that promote coherence of planning, frameworks, legislation and regulations; those in Malawi, Mozambique and Nepal were the most consistent.

- Bangladesh. An annual High-Level Consultation on SDGs localization was supported through PEA. This consultation brought together political leaders, senior government officials, development practitioners, researchers and academics to exchange views on localizing SDGs in Bangladesh. Experts from abroad joined different sessions virtually and shared their experience on relevant issues. Five critical areas were identified and discussed during the consultation. They were national and international experiences on SDG localization, local data governance, institutional arrangements for SDG localization, green growth and ocean resources for SDG localization, and financing SDG localization. The discussions emphasized how policymakers and other critical state and non-state actors could effectively mainstream the SDGs into local-level policy planning and implementation so local voices are taken into consideration in national-level planning. The consultation also explored opportunities of using local data to generate baseline data for national priority indicators, with a renewed emphasis on climate and environmental ecosystems and the optimal use of ocean resources in the context of SDG localization.
- Malawi. The Agriculture Sector Working Group gained momentum with PEA support and continues to explore ways to hold a joint sector review meeting with other working groups. The Agriculture Sector Working Group is comprised of government ministries, non-state actors and development partners with an interest in agricultural development. Three district road maps and action plans on integrating gender in extension messages for district development plans were developed; implementation is ongoing. In 2021, PEA supported policy alignment working sessions with the Agriculture Production and Commercialization Pillar and Enabler Working Group organized by the National Planning Commission, which aimed to contribute to policy coherence by aligning agriculture sector policies with the Malawi Vision 2063 and the 10-year implementation plan. The working sessions provided PEA with a platform for initial interaction with the working group that allowed for presentation of PEA study reports including the Climate-Smart Aquaculture Toolkit Report, the National Soil Conservation Action Plan and Strategy and the Cost-Benefit Analysis.

PEA also supported joint sector review sessions, through the Economic Planning, Development and Public Sector Reform Ministry. Through the reviews, it was observed that there are many policies and strategies under the agriculture sector. This makes policy coherence among subsectors difficult and implementation tracking costly. For example, the Ministry of Agriculture is responsible for the National Agriculture Policy, an overarching policy for the agriculture sector in Malawi; however, various ministerial departments are responsible for numerous related policies, including on land recourse, crops, irrigation, fertilizer, seeds and food security. This makes implementation and monitoring difficult, as well as complicating prioritization of projects. Thus, there was a consensus that the National Agriculture Policy should remain the overarching/inclusive agricultural policy; however, each department should house an implementation strategy based on its focus.

Mozambique. PEA led the revitalization of the Donor Environment and Climate Change working group and coordinated the Thematic Group on Environment, which has about 50 members from academia, CSOs, the private sector and development partners. The National SDG Reference Working Group that assesses the capacity of the National Statistical Institute for data collection using SDG indicators was consistently supported in its coordination efforts. The government led a threeday workshop to integrate actions from the nationally determined contributions (NDCs) into the government's social and economic plan for 2022. To consolidate the coordination mechanism between the Ministry of Economy and Finance, the Ministry of Mineral Resources and Energy, the private sector and the beneficiary communities of the extractive industry, PEA supported forums to strengthen coordination between sectors working on extractive mining, to collect inputs aiming to design an act that changes the 2.7 per cent to 10 per cent to be distributed at the provincial, district and community levels. The draft act is now with the Council of Ministers for consideration.

- Myanmar. An Executive Management Advisor was recruited to support the Environmental Conservation Department in its role as the government's environmental lead and to promote integrated engagement across government. Through PEA support, the Environment Management Fund preparation working group was convened and drafted regulations for the fund's establishment and governance.
- Nepal. An SDG implementation and monitoring committee was established and chaired by the vice chair of the National Planning Commission (NPC). In 2021, this committee met twice, chaired by the vice chair of the NPC. Three NPC SDG thematic committee meetings were also held, led by a member of the NPC. In addition, two rounds of discussions were held among the primary stakeholders to revise the SDG targets and indicators. Through these discussions, key areas for revision were identified and reviewed, including the need to develop metadata of local indicators for reporting purposes.

A national-level policy dialogue and SDG progress review was organized during SDG Week. The review programme was well attended by high-level representatives at the federal, provincial and local levels as well as UNDP, the private sector, CSOs and media. The review focused on the key challenges (financing, data, coordination among stakeholders and localization) faced by various sectors/stakeholders in implementing the SDGs. The stakeholders reaffirmed their commitment to work together with the public sector to achieve Agenda 2030.

• **Rwanda.** PEA supported a joint sector review of key sectors (agriculture, infrastructure, trade and industry, education and health) to harmonize sectoral and district performance contracts to ensure ENR indicators are responded to well.

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INDICATOR 1.4 Number of countries where environmental/ social/economic data are collected, analysed and reported applying a poverty-environment nexus perspective through national development and SDG monitoring systems

A total of 17 countries collected and analysed data applying the poverty-environment nexus through national development and SDG monitoring systems, surpassing the project target of 10. All eight PEA countries collected data, as did non-PEA countries under the regional technical assistance initiatives: Zimbabwe under the gender technical assistance; and Cambodia, China, India, Malaysia, the Philippines, Sri Lanka, Thailand and Vietnam under the blue economy.

Bangladesh. An M&E framework for the SDGs was completed and approved by the government. PEA supported development of a chapter on M&E to the Eighth Five-Year Plan as well as a development results framework, encompassing 104 indicators, 61 of which are from the SDGs global indicators framework. The M&E chapter is critical in helping the government track and monitor progress of implementing plan targets and taking corrective action when significant gaps or divergences emerge. PEA also supported a background study, Leaving No One Behind in Bangladesh: Strategy and Recommendations for the 8th Five-Year Plan for implementing Sustainable Development Goals. A baseline study to assess the current socioeconomic situation, environmental status and other relevant issues in five selected *upazilas* (an upazila is the second tier of local government) by the Bangladesh Institute of Governance and Development – a leading think tank in Bangladesh – was completed with PEA support. This study emphasized selecting indicators based on the upazilas' five-year action plans and local governments' priority activities for achieving the SDGs.

A report, "Assessing the Synergies and Trade-Offs among Sustainable Development Goals: The Case of Bangladesh," was produced to assist in making informed policy decisions, especially on investment through the identification of potential synergies and trade-offs among SDGs; this will consequently contribute to successful attainment of the SDGs. PEA also supported the General Economics Division in producing the booklet <u>Bangladesh Moving Ahead with the Sustainable</u> <u>Development Goals</u> for the Bangladesh delegation to the 76th UN General Assembly session 2021. The booklet provides a broad picture of progress made under each SDG in Bangladesh. It highlights the importance of multi-stakeholder partnerships for achieving the SDGs, means of SDG implementation, the impact of the COVID-19 pandemic on SDG implementation and SDG localization. It discusses the challenges and pathways to implement the sustainable development agenda.

Government capacity was enhanced through training 139 government officials (102 men, 37 women) in the use of metadata for SDG M&E, 102 public planners (80 men, 22 women) on how to integrate SDGs into national plans and policies focusing on the poverty-environment nexus, and 119 officials (98 men, 21 women) on SDG M&E. In 2022, an additional 157 government officials (115 men, 42 women) were trained in metadata on SDG indicators. The <u>2022 SDG Progress Report</u> was produced to review progress and establish existing gaps to fast-track implementation of the SDGs.

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Target Achieved

- Indonesia. A study on gender-responsive public climate budgeting found potential activities to be tagged with co-benefits for gender and climate change in the national budgeting system. The study reviewed the expenditures of two ministries the Ministry of Environment and Forestry and the Ministry of Energy and Mineral Resources over the 2016–2018 period. The final report was approved by the Ministry of Finance and the Ministry of Women Empowerment and Child Protection. These results have furthered the integration of approaches and tools for mainstreaming environmental sustainability and climate objectives for poverty eradication in development planning and budgeting. More specifically, they will assist in better targeting initiatives to enhance environmental sustainability, which will contribute to multidimensional poverty reduction in a gender-sensitive manner. The comparative study Leveraging Climate Finance for Gender Equality and Poverty Reduction was published and launched in 2021 through a public webinar event, "SDG Talks: Perempuan dan Iklim untuk Masa Depan Setara (Women and Climate for Equitable Future)," during the commemoration of International Women's Day.
- Malawi. The Multidimensional Poverty Index was adjusted to include ENR indicators, and environmental and social impact analysis guidelines were revised and validated.
- Mauritania. PEA supported establishment of a database that identifies projects and programmes that integrate the poverty-environment objectives and the environmental profile of arid zones. A report on monitoring implementation of the National Strategy for the Environment and Sustainable Development and its action plan was completed. The study is expected to provide support to the Ministry of the Environment and Sustainable Development in establishing a monitoring system (baseline) relating to strategy implementation by 2030.
- Mozambique. An initial report on SDG implementation was produced along with a planning guide for the SDGs, under the auspices of the Ministry of Land, Environment and Rural Development. These documents enabled the ministry to monitor and report on SDG indicators under its responsibility. Training-of-trainer sessions on implementation of environmental and climate change elements of the reformed subsystem for planning and budgeting were conducted. A total of 52 technical and planning staff at the central level were trained: 31 from the Ministry of Economy and Finance, 12 from sector ministries, 4 from Maputo province and 5 from the Maputo City province. The participants received information on the new law package on decentralization, the new subsystem, the module on planning and budgeting, and integration of NDCs and the SDGs.
- Myanmar. With PEA support, environmental indicators were integrated in the Sustainable Development Plan Indicators Framework. The <u>framework</u> was finalized by the Central Statistical Organization under the Ministry of Planning, Finance and Industry. To prepare for its operationalization, PEA deployed an international environmental statistics advisor to the Environmental Conservation Department and provided basic environmental statistics training for department officers in 2020. Three issue briefs were produced to provide an overview of the status of implementing environmental aspects of three SDGs: SDG 6 (Clean water and sanitation), SDG 13 (Climate action) and SDG 15 (Life on land). These briefs have served as inputs to the 2022 UN Common Country Analysis and inform civil

society–led discussions on SDG monitoring. The SDG 13 brief was presented at a side event of Myanmar Climate Action Week led by UN-Habitat under the Myanmar Climate Change Alliance Phase II (supported by the EU). A side event is expected to produce an action plan for CSO-led SDG monitoring in 2023 and beyond. The initiative will be co-financed by Sida and the Myanmar Development Observatory.

- Nepal. A second National Multidimensional Poverty Index Report was produced by the Oxford Poverty and Human Development Initiative in collaboration with Nepal's Central Bureau of Statistics. The report is based on the bureau's <u>Multiple</u> <u>Indicator Cluster Survey Report 2019</u>, which revealed a substantive reduction in Nepal's multidimensional poverty (from 30.1 per cent to 17.4 per cent) between 2014 and 2019. The new report presents an in-depth analysis of poverty at the provincial level and a consideration of the COVID-19 context. Nepal's efforts in continuing Multidimensional Poverty Index production are recognized at the regional and international levels. Through PEA support, Nepal produced a study on inclusion of marginalized populations in the social development process for SDG localization, updated the SDG tab on the NPC website for the latest SDG country information, installed Stata software in NPC for statistical analysis and rolled out medium-term expenditure framework software in the provinces.
- Rwanda. A study was conducted in two districts to assess key ENR multidimensional aspects that could be a basis to alleviate poverty and support replication of similar characteristics across the country. The findings of these assessments were included in two Green Climate Fund pipeline projects on (i) detailed design of flood control measures in the volcanic region of Northern Rwanda, and (ii) landscape restoration in the Eastern Province. Related interventions proposed in the study report were integrated in other project concept notes in consultation with both districts and key partners. The 2018/19 environment and climate change integration report were finalized, followed by compilation and analysis of 2020/21 sector plans and budgets to ensure integration of environmental and climate change indicators. The analysis revealed a decrease in budget expenditure from 2.9 per cent to 2.6 per cent; the integration of key performance indicators also declined, from 57.8 per cent to 52.5 per cent. The main reason for the decline is a longer-than-expected transition from the Economic Development and Poverty Reduction Strategy (EDPRS 2) to the National Strategy for Transformation 2017–2024 (NST 1).

In addition, environment and climate change key performance indicators were reviewed to align with the NDCs and the Green Growth, Climate Resiliency Strategy, and 2022/23 assessment report on the integration of poverty-environment linkages into national plans. Compilation and analysis of 2022/23 sector plans and budget was also conducted to ensure integration of environment and climate change indicators.

 Tanzania. Multidimensional poverty analysis and a baseline survey were conducted for formulation and implementation of climate-smart and gender-responsive interventions in two regions and five districts. The purpose of the survey was to analyse gaps and best practices, and to recommend prioritized climate-smart and gender-responsive interventions to be implemented in selected villages and wards for sustainable development and poverty eradication. The study found that poverty at the district level remains high (60–80 per cent of the population), with pockets of extreme poverty, particularly in female-headed households. In general, crop yields remain low, with low soil fertility being the main challenge constraining crop production – partly because of soil erosion and poor farming practices. The study recommended a number of climate-smart priority interventions as measures to address the identified challenges in the various poverty dimensions, ranging from increasing income through growing high-value crops to strengthening valueaddition initiatives. Based on these recommendations, target districts were engaged in developing an implementation framework for these priorities and aligning them to district development planning processes.

In 2022, PEA supported the Tanzania Human Development Report, which highlighted that the <u>Multidimensional Poverty Index in Tanzania</u> has declined from 0.335 to 0.284 between 2016 and 2022. The multidimensional poverty headcount declined from 66.4 per cent to 57.1 per cent, while the share of the population living in severe multifaceted poverty declined from 32.1 to 27.5 per cent over the same period. The report makes reference and connection to FYDP III and continued amplification of environmental sustainability as a necessity for human development as the country pursues industrial development promoting renewable, green energy technologies, climate change adaptation and capacity for managing climate change impacts. Climate financing and building disaster risk resilience should be part of planning sustainable development. For example, the report emphasizes that extraction of natural resources must consider the environmental impacts (e.g. the effects on the ecosystem, health effects on the population, as well as the stock and quality of depletable resources for future generations) and governance concerning the fair distribution of proceeds to avoid conflict.

- Blue economy. The joint PEA-ADB report Financing the Blue Economy: Investments in Sustainable Blue Small-Medium Enterprises and Projects in Asia and the Pacific includes a recommendation to develop a joint ADB-UNDP-UNEP (PEA) blue economy financing facility. This recommendation has been taken up, and the ADB has committed to develop this facility working with UNDP and UNEP; an ADB-financed technical assistance project was launched in May 2023 to support this. The report identifies financing gaps and priority investment sectors that could generate the greatest positive environmental and social impacts. This initiative demonstrates how a small and targeted PEA intervention can influence and guide the programming of partner organizations that have significant resources. The countries with the greatest blue economy potential in terms of investment opportunities and sustainability are (in alphabetical order) Cambodia, China, India, Malaysia, the Philippines, Sri Lanka, Thailand and Vietnam.
- Gender. Two reports on the gender gap in agricultural productivity in Zimbabwe and Mozambique were produced. The Zimbabwe findings indicate that the unconditional gender gap is estimated to be 18.6 per cent in the country; closing this gap would (i) increase annual gross domestic product by \$79 million, (ii) lift more than 704,000 people out of poverty, (iii) lead to environmental sustainability in the agricultural sector and (iv) increase overall agricultural productivity. This study, together with

previous work done with PEA support on gender in agricultural productivity, will contribute to the UN Women Climate-Smart Agriculture Programme Guide, which will be used to build capacities of both UN and government institutions – and spread the use of PEA tools to additional countries. It also contributes to an already rich portfolio of PEA work on gender, including a report and technical guidelines on gender-responsive climate budgeting in Indonesia; gender indicators for budget circulars in Rwanda; gender-sensitive investment solutions/recommendations emerging from the Multidimensional Poverty Assessment Tool and Cost-Benefit Analysis Report 2019/2020 in Tanzania; and technical assistance covering gender gap analysis.

OUTPUT 2:

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

Output 2 reflects the PEA focus on shifting finance and investment towards environmental sustainability and climate objectives for poverty eradication and improving the environmental sustainability of current investments. Support addressed two elements: the links between public and private investment (e.g. using public finance and investment to leverage private finance and investment; improving regulations that apply to public, private and joint ventures), and approaches related to influencing public and private finance and investment (e.g. public investment decisions need to be better linked to the planning process; incentives, regulations etc. need to be in place to mobilize and shift private sector investments).

Output 2 progress was monitored through four indicators. Indicator 2.3 and 2.4 surpassed project targets; Indicator 2.1 achieved the set target; and Indicator 2.2 was partially achieved.

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

The project target was achieved, with a cumulative value of 25 key policy documents from six countries (Bangladesh, Indonesia, Malawi, Myanmar, Nepal and Rwanda) reflecting environmental sustainability and climate priorities for poverty eradication.

Bangladesh. An assessment was completed to identify selection criteria for upazilas (subdistricts) to localize the SDGs and map the resources needed to localize the SDGs in the selected upazilas. A concept note was developed to initiate piloting of the action plan to localize SDGs in eight upazilas. PEA supported development of the action plan and of a training module for SDG localization. These documents were prepared to encourage local-level ownership of the SDGs through inclusive and enhanced stakeholder participation. Both documents are expected to strengthen



Target Achieved

government and local government officials' ability to facilitate the local-level SDG localization process.

• Indonesia. A guideline for climate budget tagging at the subnational level was developed and piloted in two provinces – Riau and Gorontalo – through UNDP. A report on gender-responsive climate change budgeting was published and launched in May 2020. The study found that Indonesia's planning and budgeting system is sufficient to implement a gender-responsive climate change initiative with combined thematic tagging of gender and climate change. In 2021, a comparative study on Leveraging Climate Finance for Gender Equality and Poverty Reduction was published and launched. It assessed five different climate finance mechanisms at the national level and two climate projects at the subnational level. The study concluded that there are opportunities for climate finance to further gender equality and poverty reduction, but this must be done intentionally. A report, "Towards a Gender-Responsive Climate Budgeting," has also been completed. The report maps out regulations and policies related to climate budget tagging, gender-responsive budget tagging, basic indicators to define gender-responsive climate change outputs/sub-outputs, and criteria for selecting potential ministries/institutions for pilot implementation of the technical guidelines.

In 2022, budget data were collected from 13 ministries and institutions, consisting of mitigation, adaptation and co-benefit activities for further analysis. Subnationallevel climate budget tagging (RCBT) was then rolled out in three additional provinces (Jambi, Bangka Belitung and Bali). The result shows that the provinces have a high commitment to climate change. In the analysis, each province has different climate change-related sectors and budget allocations. For example, Jambi province focuses mainly on the forestry sector for its mitigation programmes, while Bangka Belitung province focuses on the agriculture sector, and Bali province focuses on the waste sector. An RCBT policy paper for each province is being developed for finalization and publication.

- Malawi. With support from PEA, a National Soil Conservation and Restoration Action Plan (2021–2026) was developed and approved and a <u>Climate-Smart Aquaculture</u> <u>toolkit</u> was developed for investors; this aims at providing practical solutions and steps to addressing prevalent and emerging aquaculture development challenges of the fisheries sector, linked with cross-cutting issues from other sectors as they affect or interact with the fisheries sector. The National Soil Conservation and Restoration Action Plan (2021–2026) and a related policy brief were endorsed by the steering committee. Following approval and endorsement by the National Steering Committee of Climate Change, the action plan was rolled out. A public expenditure review for 2013–2022 was conducted to establish government expenditures linked to environmental sustainability and climate priorities for poverty eradication.
- Mauritania. A study on environment and ecology was conducted to support the Directorate General of Taxes in introducing ecological taxation into the national tax system through funding development of a database identifying projects/ programmes that integrate poverty-environment objectives in Mauritania.

- Myanmar. A draft framework for an integrated environmental financing strategy was developed in accordance with the country's Environmental Conservation Law and aligned with international good practices. The strategy maps out linkages with the Myanmar Biodiversity Fund, an independent trust fund established with Wildlife Conservation Society and UNDP support through the Global Environment Facility's Strengthening the Sustainability of Protected Area Management in Myanmar project.
- Nepal. With PEA support, the National Planning Commission prepared a draft SDG budget coding guideline to track budget allocation and expenditure on SDGs focusing on poverty-environment elements. The guideline is expected to track public expenditure on SDGs, thereby providing an opportunity to assess whether funding allocations are balanced across all SDGs. PEA supported the NPC in rolling out the Provincial Medium-Term Expenditure Framework Management Information System, which will be used in medium-term expenditure framework preparation. The system will support the provinces by simplifying the framework preparation process, thereby increasing efficiency. The Climate Change Financing Framework was developed to help align strategies and action plans for climate mitigation and adaptation with bottom-up planning and budgeting processes that will enable existing climate change budget coding and expenditure tracking systems to expand both horizontally across sectors as well as vertically to the provincial and local levels. PEA assisted the NPC in building capacity in SDG localization and internalization. A total of 217 subnational-level government officials (20 women and 197 men) participated in two-day programmes held in all provincial headquarters.
- Rwanda. An expenditure review of FY 2017/18 was conducted on indicator integration and the budget spent on the environment and climate change. The assessment indicated that integration of environmental and climate change indicators was at 57.8 per cent in 2017/18, up from 51.3 per cent in 2016/17 – an increase of 6.5 per cent. Using this review as well as an environment and climate change checklist developed, PEA built the capacity of 60 district planners and environmentalists, who were trained in using the checklist while preparing their annual action plans. The training increased planners' understanding, as was evident from the quality of their work plans in incorporating environmental and climate change elements.

In 2020, an environmental and climate change assessment was conducted for 2018/19 that informed 16 sector plans and 30 district single-action plans. This information was crucial in supporting the national planning and budget consultations for FY 2020/21 in all sectors at the Ministry of Finance and Economic Planning. PEA also supported revision of the budget checklist for 2021/22 to include gender, environmental and natural resource indicators to enhance monitoring. The checklist forms part of the planning and budget call circular that was issued in November 2020 by the Ministry of Finance and Economic Planning to guide all budget agencies (sectors and districts) in integration of gender, environmental and natural resource aspects into 2021/22 budgets. Two training sessions were conducted for sector planners and pilot districts (Musanze and Bugesera) on the revised checklist. Additionally, PEA Rwanda, in close collaboration with the Rwanda Environment Management Authority and the Ministry of Infrastructure, conducted a strategic environmental assessment for urbanization policy. The assessment aimed at providing sustainable and inclusive guidance on implementation of the recently enacted PEA-supported National Land Use and Development Master Plan. Particular attention was given to conservation; integrated water resource management; agriculture; and population, urbanization, settlement and housing, especially with regard to projected long-term environmental impacts. PEA supported development of implementation and dissemination guidelines for the master plan. An assessment report was produced after reviewing the environment and climate change key performance indicators checklist to align it with the country's NDCs and Green Growth and Climate Resilience Strategy. The revised checklist will help the country track implementation progress towards both the NDCs and the resilience strategy.



INDICATOR 2.2 Number of countries with increased annual and medium-term sector budget allocations (including national and subnational levels) that reflect environmental sustainability and climate for poverty eradication

The target was partially achieved. A total of four countries (Indonesia, Malawi, Mozambique and Rwanda) demonstrated an increase in annual and medium-term sector budget allocations that reflect environmental sustainability and climate for poverty reduction.

Indonesia. An analysis report for climate change mitigation and adaptation in 2018–2020 was completed. Data were collected and a report developed that provides analysis on budget allocation and spending for climate change–related programmes under line ministries, as well as on the climate budget reallocation in 2020 that was affected by COVID-19. PEA continued to support Indonesia's Ministry of Finance in developing an analysis report and policy brief on the climate change mitigation and adaptation budget for 2021. Based on the budget tagging designations of 16 ministries/institutions in 2020, budget realization is IDR 51.188 trillion: IDR 36.210 trillion for mitigation and IDR 14.978 trillion for adaptation. Following a decline in 2020 due to budget reallocation caused by the pandemic, the 2021 budget allocation increased for climate change to a total of IDR 97.562 trillion (IDR 79.201 trillion for mitigation and IDR 18.249 trillion for adaptation). PEA also provided capacity building for three line ministries – the Ministry of Health, the Ministry of Transportation and the National Agency for Disaster Management – to assist in re-tagging several untagged outputs.

Malawi. Public Expenditure Review 2013–2023 was finalized to assess and review the efficiency and effectiveness of the use of funds and investments by ministries, departments and agencies in the ENRM and agriculture sectors in relation to the National Agricultural Investment Plan. Overall, total government expenditure, modified to a common price index with 2013 as the base year, over the 10-year period from 2013 to 2022 was \$12.730 million – meaning that expenditure related to ENR represented 5.5 per cent of total government spending. Agriculture is estimated to have spent 96.5 per cent, followed by forestry with 1.8 per cent of the expenditure

(\$12.8 million), parks and wildlife (\$4.8 million) representing 0.7 per cent, and fisheries at 0.4 per cent. The ENR sector is a significant and principal economic and social development driver in Malawi and contributes close to 30 per cent of gross domestic product.

- Mozambique. Funding of MZN 88 million was allocated in the 2020 Budget Law and Budget for Citizens. A study on a revenue-sharing mechanism in the mining sector was undertaken to provide guidance to government on collecting royalties and securing transfers to the district level where funds should be applied. The expected output includes a manual that will guide the various government institutions on their responsibilities to secure the smooth collection, flow and application of funds to promote transparency and accountability.
- Rwanda. PEA reviewed the budget allocation for FY 2019/20, which indicated a slight increase in the budget allocation for the environment and climate change from 6.2 per cent (2018/19) to 6.8 per cent (2019/20). The assessment was based on the environment and climate change checklist developed as a tool to support effective mainstreaming. In 2022, the environment and climate change assessment report for 2020/21 was completed; overall performance is 69.1 per cent from 61.6 per cent of the previous financial year, and the budget performance is at 4.9 per cent from 4.6 per cent, respectively the increase of environment and climate change key performance indicators integration from 57.8 per cent to 69.1 per cent as well as budget expenditure on environment and climate change indicators from 2.9 per cent to 4.9 per cent between FYs 2017/18 and 2020/21.

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

The target was surpassed, as six countries, including one covered by the technical assistance on green bonds, demonstrated efforts towards the formulation of fiscal instruments that prioritize quality **Investments through.** The six countries were Bangladesh, Indonesia, Nepal, Rwanda, South Africa and Tanzania.

- Bangladesh. In 2022, the national Development Finance Assessment and SDG Financing Strategy was updated with PEA support, including assessment of the financing strategies for two critical areas – water and sanitation (SDG 6) and climate finance (SDG 13). These reports offer a comprehensive analysis of the public and private financing outlook, financing policies and institutional structures; they highlight opportunities to build a more integrated approach to financing the SDGs.
- Indonesia. Three pilot activities on climate budget tagging were completed at the subnational level in three provinces, one city and three districts (Gorontalo, West Java and Riau provinces; Pekanbaru City; and Gorontalo, Siak and Sumedang districts). In 2022 and 2021, Indonesia issued a number of Islamic green bonds (green sukuks) valued at more than \$1 billion; these bonds build on budget tagging work initiated under PEI/PEA. PEA supported the Ministry of Finance in developing the Third Green Sukuk Allocation and Impact Report, which was published in May

5 5 Target Achieved 2021. Proceeds from the bonds issuance are allocated towards financing and refinancing projects in two eligible sectors: sustainable transportation and resilience to climate change. PEA supported the Ministry of Finance in piloting subnational climate budget tagging; additionally, as noted earlier, a policy brief was developed on gender-responsive climate budget tagging with recommendations on a gender-responsive climate budgeting handbook.

- Nepal. PEA supported the National Planning Commission in conducting a gap analysis of special and matching grants of the federal government to the provincial and local levels. The study identified the gap between management, allocation and monitoring by analysing the grant allocating agency (the NPC and the Ministry of Finance) and the grant recipient (local and provincial government). Sixty local governments were selected for the study. Priorities and recommendations have been made for improving the efficiency and effectiveness of grant selection, allocation and monitoring. Intergovernmental fiscal transfers in the form of complementary and special grants are meant to provide financial support to provincial and local governments in the most viable projects and programmes in selected priority sectors so they can fulfil the responsibilities entrusted them by the Constitution.
- Rwanda. PEA's technical support to the Ministry of Environment and FONERWA resulted in a draft ministerial order which imposes a fee of \$300 for large projects and \$200 for small projects. PEA's support included drafting a policy brief on environmental impact assessment fees to support the Ministry of Environment and FONERWA in mobilizing internal resources, fees and fines. A meeting between the ministry and the Rwanda development board agreed in principle on the proposed fees. The draft ministerial order is pending approval.
- Tanzania. The establishment and management of special-purpose vehicles (SPVs) has widened the revenue collection base in district council authorities. All districts in Mara and Simiyu regions started establishing and registering SPVs. For instance, in Simiyu, all district council authorities have successfully established and registered SPVs; in Mara, only four out of nine district councils have done so. FYDP III spells out that revenues from local government authorities' own sources are expected to increase from TZS 0.86 trillion in 2021/22 to TZS 1.102 trillion (28 per cent) in 2025/26. To ensure financial sustainability, FYDP III explicitly points out one of the measures to include facilitating the establishment of SPVs for investments and ventures in which the government has an interest instead of the government managing it. Formation of SPVs for local government authorities' investments supports the 2009 Private-Public Partnership Policy, which encourages the private sector to partner with government (e.g. local government authorities) in investments and hence improve own-source revenue collection.

The Poverty Eradication Division within the Ministry of Finance and Planning, with PEA support, updated its National Framework for Local Economic Development to align with FYDP III and provide an entry point for local government authorities' inclusion of poverty, the environment, gender and climate change in their planning and budgeting frameworks. This built on a PEA-supported multidimensional poverty analysis conducted in 2020 in two regions to achieve the twin objectives of poverty analysis and establishment of a baseline in the respective areas.

Green bonds. PEA engaged with two municipalities and the National Treasury to build capacities on green bonds following development of the <u>Technical Handbook on</u> <u>Issuing Municipal Sustainable Bonds in South Africa</u>. Green bonds are fixed-income instruments specifically earmarked to raise money for climate and environmental projects. The first national Green Finance Taxonomy is under development under the direction of <u>South Africa</u>'s National Treasury. It distinguishes environmentally impactful sectors and activities that are needed as part of a future South African sustainable economy and provides agreed definitions of "green" performance for South Africa – minimum requirements that are uniformly agreed upon. These efforts set the groundwork for future green finance flows in the country.

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

The target was exceeded at 70 from the planned 31. Nine countries and two technical assistance initiatives contributed to identifying new areas of investment to enhance poverty reduction and promote incentives for private and public investment opportunities. Seventy guidelines and tools have been formulated to help manage private sector investment decisions that prioritize quality investments. This high number of tools and guidelines reflects the growing interest and recognition by governments and non-governmental entities of the critical role of the private sector in achieving poverty-environment sustainability and the SDGs. The private sector is an untapped resource willing to take part in sustainable development if given appropriate tools and guidelines. Table 3 outlines the summary of the results by country and technical assistance.

31 Target Achieved

OUTPUT 3:

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

Output 3 focuses on enhancing the spread and effectiveness of poverty-environment mainstreaming by better capturing, assessing and documenting good practices; by linking ongoing work of key global and regional actors supporting national SDG implementation and acceleration processes (e.g. national SDG platforms, regional SDG knowledge exchanges); and through South-South cooperation.

This output was tracked through three indicators. Indicators 3.1 and 3.2 were partially achieved; while Indicator 3.3 surpassed the project target. Overall, advocacy efforts need to be scaled up if more countries, regional and global networks are to adopt integrated poverty-environment mainstreaming approaches and tools. As a long-term goal, this has been strategically addressed in the post-PEA sustainability plan.

TABLE 3 Summary of results for number of guidelines and tools to manage private sector investment decisions that facilitate or prioritize quality investments

Country/ intervention	Description	
Bangladesh	• "Promoting Sustainable Blue Economy in Bangladesh through Sustainable Blue Bond: Assessing the Feasibility of Instituting Blue Bond in the Bond Market of Bangladesh" was published in June 2021. This comprehensive report explains the importance, opportunities and challenges of promoting a sustainable blue bond and blue economy in Bangladesh, and highlights the required actions to institute a blue bond in the country's existing bond market. The report was later discussed at a national multi-stakeholder dialogue.	
	 Four high-profile forums were convened with PEA support to promote green growth dialogue with various government ministries and divisions, private sector organizations, international financial institutions, UN agencies, think tanks and universities: National dialogue on "Blended Finance to Support Green Development in Bangladesh" was held in collaboration with the General Economics Division 23 November 2021 with 72 participants. Key concepts of blended finance and green development were covered; along with the opportunities and challenges of promoting blended finance to mobilize resources for green COVID-19 recovery in Bangladesh. 	
	 Consultation workshop on "Mobilizing FDI for a Greener Energy Sector in Bangladesh" was held 5 September 2021. It emphasized how investment in green energy will accelerate Bangladesh's achievement of several SDGs and enhance general human welfare. 	
	National dialogue between public and private sectors on "Sustainable Blue Economy in Bangladesh through Sustainable Blue Bond" was held on 28 March 2021 with 70 participants. The consensus was that Bangladesh should emphasize investigating new innovative financing strategies to engage the private sector in financing the SDGs. A blue bond was endorsed as one such innovative tool to finance public investment but requires sensitizing relevant stakeholders as it is a new concept. The dialogue concluded that strong collaboration among key government agencies is vital in moving this initiative forward.	
	 The national dialogue on blue bonds and blended finance was continued through a PEA-organized regional consultation on "Voice of the Local Citizens: Investment for Sustainable Blue Economy in Bangladesh," held 24–26 September 2022. 	
	• Twenty-two investment profiles were developed in five northern provinces. These were translated into English, and approved by the respective provincial investment promotion and supervision committees. Thirty-two investment profiles were reviewed to incorporate green and responsible investment aspects.	
	• A first version of a zone-based incentives map was developed to present different investment incentives to attract green and quality investment into the targeted development zones with favourable incentives	
	 An investment database has been developed to manage compliance with guidelines. An associated corporate social responsibility (CSR) webpage was developed to promote CSR and disseminate supporting tools for businesses wishing to initiate CSR within their organizations; this includes a template for private sector CSR reporting. 	
	• A <u>video</u> on investment procedures was developed for potential national and international investors and launched at the Brunei Darussalam and Lao PDR Investment and Business Forum 26 October 2022.	
Lao PDR	 A monitoring manual has been developed for concession investment to provide guidance on conducting investment monitoring throughout the country and in recording compliance of investment projects systematically in the investment database. The manual provides detailed steps from pre-monitoring to post-monitoring mission, budget allocation to support regular monitoring missions, and monitoring forms linked to the investment database. 	
	• Evaluation of two provincial strategies (Savannakhet and Saravan) was completed. Overall, investment inflow to the two provinces increased prior the COVID-19 pandemic. Both provinces streamlined their investment approval process through a one-stop service mechanism and enhanced investment monitoring scheme to address investment non-compliance issues. This work will inform future strategies and serve as the basis for learning for other provinces.	
	• "Quality Investment Appraisal Guideline" integrates green growth criteria into the investment approval process.	
	 Investment Compliance Handbook for Agriculture, Tourism and Mining Concession was developed, along with guidelines for the tourism sector. An investment opportunity handbook was developed to map out key agricultural and industrial production together with the tourism industry in each province. 	
	 Guidelines on the submission and consideration of private-public partnership (PPP) solicited proposals, PPP standard operating procedures and a PPP model contract were developed with PEA support. An initial contract has been awarded for an Integrated Vehicle and Transport Management System Project 	

Country/ intervention	Description
Malawi	• A database to track funding related to poverty-environment programs and investments was developed and integrated into the Ministry of Economy for further centralized use of data from all government departments. This will help ensure that programs and projects in all sectors incorporate poverty-environment objectives.
	 An integrated community livelihoods training manual based on the National Soil Conservation Strategy and Action Plan; Cost Benefit analysis developed. It has 12 lessons/modules will be used in building capacity of communities in implementing community based ENRM projects for sustainable livelihoods.
	 Payment for Ecosystem Services (PES) draft framework developed was presented to the Technical Committee for validation and the committee approved the framework. PES is seen as an innovative tool for incentivizing ENRM financing and investment frameworks towards environmental sustainability and climate objectives for poverty eradication.
Mauritania	• A database to track funding related to poverty-environment programs and investments was developed and integrated into the server of the Ministry of Economy for further centralized use of data from all government departments. This database integrates programs and projects with poverty-environment objectives.
	• Rapid Needs Assessment and Mapping for Post-Pandemic Recovery of Green MSMEs in Myanmar (2022)
Myanmar	 <u>Guidance on Preparation of Environmental Impact Assessment in Myanmar</u> was completed; it addresses knowledge and capacity gaps identified in the technical report on "Compliance with Environmental Impact Assessment (EIA) Procedures in Myanmar. Capacity Needs Assessment of Private Sector and Civil Society Actors." In particular, the guidance addresses the adoption of robust social and environmental safeguards.
	 Fourteen training modules were developed to enable local EIA practitioners and developers understand and comply with the documentation process, legal requirements and approaches to minimize the risks that development projects may pose to the environment, humans and wildlife. Twenty-nine participants completed the training, which was conducted 6–14 December 2021 for 3 to 3.5 hours daily via Zoom, and passed the mandatory exam at the end of the training.
	• Work done pre-coup on green business development was reformulated as ASEAN-level guidance: Green Business Development: The Market for Green Business Opportunities in ASEAN; Green Business Development: A collection of cases in Southeast Asia; and an outline for environment, climate change and disaster risk reduction mainstreaming strategies.
Nepal	• The SDG 16 plus report presents Nepal's road map for peaceful, just and inclusive societies. Prepared as a call to action to change, the report shares Nepal's conceptualization of the SDGs along with corresponding achievements on goals, targets and indicators. SDG 16 deals with the core issues of peace, justice and strong institutions, and is thus viewed as fundamental in achieving the other goals.
	 A study on the private sector contribution to the SDGs was finalized; it aimed to assess the readiness of cooperatives and CSOs in SDG implementation in the Nepalese context. The assessment identifies strengths and weaknesses of the sector as well as opportunities as to how they could be best mobilized. The National Planning Commission will consider the recommendations for future years' planning process.
Rwanda	 Green Care Ltd. won a \$6,000 Youth Green Innovation and Investment Award for excellence in its creation of a model of sustainable waste management. The competition mobilized young entrepreneurs to create environmentally friendly businesses/projects/products with demonstrated environmental management for sustainable development. The project engaged and encouraged youth to invest in green projects and capitalize on innovations that contribute to poverty reduction. In 2022, four green projects – two for youth and two for women – were awarded the equivalent of \$24,000; this award was made by PEA in partnership with the Rwanda Environment Management Authority to support and encourage youth and women in creating solutions to environmental challenges while contributing to job creation and poverty reduction.
	 An in-depth assessment was prepared of industrial zones on environmental management and a strategy for implementation of an eco-industrial park/zone. Analyses of different master plans and of present-day development of industrial parks showed that none satisfy UN Industrial Development Organization prerequisites (2021) for eco-industrial parks. Study findings resulted in a strategy that will help the government implement eco-industrial parks in Rwanda that are resource efficient and environmentally friendly.

TABLE 3 (continued)

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Country/ intervention	Description	
Rwanda (continued)	 A tool was developed for engaging the private sector and civil society in mainstreaming gender, environment and climate change for poverty reduction and sustainable development. It will enable the Rwanda Environment Management Authority to bring on board and fully engage all key actors in mainstreaming gender, environment and climate change. A project on single-use plastics waste management is being implemented jointly by the private sector and the Rwanda Environment Management Authority; its total budget of \$69(,000 will be provided by the Private Sector Federation. Three hundred public servants from procurement units were trained on green procurement guidelines. This capacity building is expected to result in the procurement of goods, services and works that have minimal impact on the environment. As a large consumer, the government's procurement of green product will influence the market for sustainable production. PEA supported the Ministry of Finance to develop proposals for fund mobilization to implement the NDCs. The proposal was funded at \$1.62 million, and another \$200,000 was mobilized for country efforts to revise the NDC. NDCs are part of overall national mainstreaming efforts. PEA supported the development of a project proposal for a green national recovery plan under the UN's Rapid Finance Facility, \$1.5 million was approved. Five green projects were recognized for bringing green solutions to the environment as well as creating jobs and generating income for socioeconomic development. PEA supported the development and final review of the national land use and development master plan. This effort focused on ensuring that components of green growth and climate-resilient actions were embedded in the master plan, including integrated water resource management; agriculture; and population, urbanization, settlement and housing. PEA supported the development and final review of the national land use and development master plan, inclu	
Tanzania	 actions. In line with the FYDP III recognition of the private sector as an engine for growth and a key partner in achieving the SDGs, PEA supported development of a training manual to guide private-led business and enterprise development at the subnational level to facilitate private sector involvement in establishing solutions for growth and poverty eradication through business enterprises. The manual was prepared through a consultative process involving the National Microfinance Bank, the Cooperatives and Rural Development Bank and Tanzania Agricultural Development Bank. It covers all aspects of standard business planning and implementation. PEA supported the development of the National Blue Economy Strategy including review of the blue economy assessment report, which provides an analysis of various options and opportunities in different sectors for poverty reduction and for addressing gender disparities and inequalities as part of the strategy to fulfil the SDGs' leave no one behind objective and ensure inclusive socioeconomic development. Nineteen concept notes were developed around investment opportunities along the Standard Railway Gauge corridor with a potential for community involvement, gender mainstreaming, benefits for poverty reduction and livelihood improvement. The notes were presented and discussed as a basis for pre-feasibility studies at a review meeting involving key stakeholders (e.g. UNDP, Institute of Rural Development Planning, Tanzania Investment Center, SAGGOT Catalytic Fund, Ministry of Lands, Housing and Settlement Development). 	

(continued)

TABLE 3 (continued)

Country/ intervention	Description	
Tanzania (continued)	 Capacity-building sessions were undertaken focusing on the establishment of a special-purpose vehicle (SPV) meant to enable local government authorities to carry out business solutions through public-private partnerships. An SPV can be used to enhance local government revenue generation, and build partnerships with the private sector and communities to mobilize finance and investments for addressing development challenges. The sessions targeted officials of two regions (Mara and Simiyu) and benefited 177 councillors and district leaders, including district commissioners. A pre-feasibility study report for six projects in the Simiyu Region and eight in the Mara Region was finalized. As a result, 34 investment ideas were presented and concept notes for each idea developed. A total of 16 projects were subjected to the pre- 	
	 Completion of a local content assessment report revealed a lack of strategic local content policy, which would serve to guide investors on matters such as employment conditions for foreigners and locals. The assessment further revealed that many local firms produce goods and services of low quality and inadequate quantities. A lack of skills meeting job market requirements greatly hinders progress in local content implementation through competitive employment. Government bureaucracy and poor infrastructure and services further hinder investment opportunities and limit local content utilization. Improvements are needed; and the report's findings can be instrumental in enhancing community involvement – especially of women and youth – in investment processes through harnessing their potential in nature-based, environmentally friendly socioeconomic enterprise development. 	
Blue economy	 A joint PEA-ADB report, "Financing the Blue Economy: Investments in Sustainable Blue Small-Medium Enterprises and Projects in Asia and the Pacific," was produced. This joint report highlights opportunities for mobilizing investment for a sustainable blue economy in Asia and the Pacific, focusing on small and medium-sized enterprises (SMEs). SMEs' limited access to capital makes them the "missing middle" in sustainable blue economy development. This report proposes SME sector priorities in the blue economy, analyses the financing gap, and shares tools and resources to support new financial connections between international capital and local actors. It recommends the establishment of a new blended finance platform – SME Blue Impact Asia – to help fill the estimated \$2 trillion SME blue economy financing gap in developing Asia. Following investment industry practice and metrics developed with ADB and PEA, five investment dossiers were prepared and completed following the format used by Blue Invest-Europe. ADB will further review each of these projects for their alignment with programmatic goals. A role for catalytic capital is envisioned in each project. 	
Green bonds	 "Technical Handbook on Issuing Municipal Sustainable Bonds in South Africa" was developed and launched in 2022. Training materials were developed based on the handbook contents for capacity-building activities – specifically, a virtual three-day session covering the full bond issuance process – for the two targeted municipalities (Tshwane and eThekwini). The training received positive feedback from participants. Feedback and recommendations from the training were used to update the draft handbook and training materials. Technical assistance was closely coordinated with the National Treasury as a key stakeholder in green bond matters, with the treasury providing key inputs into the handbook's development linking municipal processes to national ones. 	

LEVERAGING A UNIQUE PARTNERSHIP TO PRIORITIZE POVERTY-ENVIRONMENT MAINSTREAMING



Target Achieved

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

The target was partially achieved at 60, missing the target by 3. Advocacy and coordination efforts were scaled up with development partners engaged in supporting SDG implementation to mainstream use of PEA integrated approaches and tools in their programmes to ensure synergies. This is evident in the steady increase in the number of times PEA learning products were referenced by regional and global networks - from 1 in 2019 to 20 in 2020, and 27 in 2021. To raise awareness of the knowledge products, PEA kick-started the initiative by organizing global expert group meetings; making presentations at international sustainable development forums; and publishing three landmark guidance and lessons learned documents capturing poverty-environment mainstreaming experience, methods and results. PEA also co-organized the global Expert Group Meeting "Building Resilience for All: Poverty Reduction, Equity, and Inclusion in Climate Change Adaptation,: hosted by the United Nations Research Institute for Social Development (UNRISD) in Geneva on 13 September 2019. The meeting was attended by experts from 20 countries. PEA disseminated the publication Looking Back, Looking Ahead: Lessons on Integrated Approaches to Sustainable Development from the Poverty Environment Initiative (2005– 2018) to the UN Environment Management Group, the UN Department of Economic and Social Affairs, and the ADB. The reports Strengthening the Environmental Dimensions of the Sustainable Development Goals in Asia and the Pacific: Tool Compendium and Reward and Renewal: UNDP-UN Environment Poverty-Environment Initiative Phase 2 Final Progress Report 2014-2018 were also published and disseminated. Notably, the latter report features a composite table summarizing Phase 2 outcome and output indicators and related achievements, and almost 10 pages of lessons on integrated approaches to poverty-environment mainstreaming for sustainable development.

The integrated approach of PEI/PEA was incorporated by the UN Environment Management Group and the UN Department of Economic and Social Affairs in the Workshop on Integrated Approaches to Implementing the Sustainable Development Goals at the 2018 and 2019 UN High-Level Political Forum on Sustainable Development. The joint PEA-ADB publication Strengthening the Environmental Dimensions of the Sustainable Development Goals in Asia and the Pacific: Tool Compendium was launched in February 2019. PEI provided expert advisory services on equity and poverty to UNEP's 2019 Sixth Global Environment Outlook, and drafted a case study on land acquisition in Lao PDR to demonstrate the relevance of equity to land management, deforestation and poverty reduction. The case study was incorporated in the final publication of the Global Environment Outlook released at the Fourth United Nations Environment Assembly in March 2019. The PEA Africa publication Achievements and Lessons Learned 2005–2018, based on PEI experiences in Africa, was used to provide input to the UNEP Africa Office UN Sustainable Development Group-UN Resident Coordinators Africa Dialogue. As a result of this dialogue, the Resident Coordinators' Offices in Malawi and Mozambique requested support to enhance the inclusion of environmental sustainability in UN Country Team processes.

PEA scaled up its advocacy and coordination efforts with development partners engaged in supporting SDG implementation to mainstream the use of PEA integrated approaches and tools in their programmes

to ensure synergies. These advocacy and coordination efforts paid off as evidenced in the steady increase in learning products being referenced by regional and global networks. The Appendix details the referencing of PEA knowledge products.

INDICATOR 3.2 Number of countries adopting Poverty-**Environment Action tools/approaches resulting from South-South** knowledge collaborations

The target was partially achieved, with half of the planned 18 countries demonstrating adoption of PEA tools and approaches resulting from South-South knowledge collaboration. To promote uptake and use of poverty-environment integrated approaches, tools and programmes to ensure synergies with similar projects by global, regional and local institutions supporting SDG implementation in other countries, PEA showcased such approaches and tools through the following forums in 2019:



Target Achieved

- 8-11 January: Green Economy Coalition and Partnership for Action on Green Economy (PAGE) Ministerial Meeting, at which PEA shared best practices on inclusion and discussed partnerships and the new investment focus. Main theme: Advancing inclusive and sustainable economies.
- 23-25 January: The Third Forum of Ministers and Environment Authorities of Asia Pacific, at which the joint ADB-PEA publication Strengthening the Environmental Dimensions of the Sustainable Development Goals in Asia and the Pacific: Tool Compendium was showcased in a joint booth at the forum.
- 3-4 February: High-Level Panel on the Impact of Climate Change on Displacement of Women during the 33rd pre-summit meeting on mainstreaming gender equality, convened by the Gender Is My Agenda Campaign.
- 19 February: EU Parliamentary meeting to which PEA was invited to deliver a keynote speech on the poverty-environment nexus for SDGs in Europe, "No Social Policy without Environmental Action."
- 21 February: A panel discussion on governance for a just transition to a green economy was held at University College London, where PEI/PEA experiences were shared on how the dimensions of governance, institutions and actors should be incorporated into the transition process.
- **11 March:** Poverty-environment nexus resolution adopted at the Fourth United Nations Environment Assembly. PEA elicited special interest at the assembly with regard to the link between the environment and social inclusion issues, evidenced by PEA having been invited to participate in five 2019 UN Environment Assembly side events on human rights, poverty and biodiversity themes.
- 27-29 March: The Sixth Asia Pacific Forum on Sustainable Development, at which the joint PEA-ADB tools compendium report was showcased in the Asia-Pacific Forum on Sustainable Development exhibition area.
- 1-2 April: Inclusive Green Economy institutional collaboration meeting hosted by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in Germany, at

which opportunities for PEA's contribution to global and country-level partnerships were showcased.

I6 July: PEA at the United Nations High-Level Political Forum on Sustainable Development in New York. UNEP Executive Director Inger Andersen supported the launch of <u>Principles</u>, <u>Priorities and Pathways for Inclusive Green Economies</u>: <u>Economic Transformation to Deliver the SDGs</u>. These principles were produced by Partners for Inclusive Green Economy, of which PEA is a member, along with GIZ, the Global Green Growth Institute, the Green Economy Coalition, the Growth Knowledge Partnership, the International Labour Organization, the Organisation for Economic Co-operation and Development (OECD) and PAGE.

The South-South collaboration webinar on "Development and Implementation of Municipal Sustainable Bonds" (5 October 2021), organized in partnership with GIZ, PAGE, Government of South Africa (Department of Forestry, Fisheries and the Environment), and the Government of Indonesia (Ministry of Finance), provided a platform to expand networks of practice; showcase progress and contexts of the different participant groups; and grow confidence for new entrants by showcasing how challenges were met and addressed from a contextual perspective.

Following successful organization of the webinar on green private finance (17 November 2021), the economist at the UN Resident Coordinator Office in Cambodia and the Resident Coordinator Office in Sri Lanka followed up with PEA to explore application of the tools and requested more collaboration on green private finance and supporting UN Country Teams in the area. To strengthen participatory decision-making and monitoring, PEA supported capacity development of a CSO network in Myanmar to understand SDG monitoring and to carry out an independent review of the progress of implementing SDGs from the lens of the poverty-environment nexus, resulting from and similar to the effort undertaken by PEA in Bangladesh. A South-South exchange visit by Malawi to learn from Mozambique about conceptualizing, development and use of a budget code system for tracking environment and climate change expenditures took place. Mozambique is at a more advanced state of implementing budget coding, particularly of environmental code 05000, which makes it easy to track expenses related to natural resource management, climate change and the environment and recommend better policies for decision-makers on poverty eradication. Further synergies were explored to strengthen Malawi systems.



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

The target was exceeded at 23, surpassing the project target of 20. PEA successfully established regional and global partnerships with agencies that apply an integrated mainstreaming approach – notably, UN Resident Coordinators, the International Labour Organization, UN Women, the United Nations Capital Development Fund, the United Nations Institute for Training and Research (UNITAR), the Green Growth Knowledge Platform (GGKP), GIZ, PAGE, the ADB, UNRISD, the University of Sussex, IDEP/International Movement ATD Fourth World, Center for International Forestry Research (CIFOR), World Agroforestry (ICRAF), Blue

Impact Asia, the UN CC:Learn platform, and the Chinese Academy of Science, among others. A HelpDesk has been established, hosted on the GGKP, to be used by country and technical assistance projects to share knowledge as well as request specific support. The HelpDesk will act as a link between projects and experts in specific areas of work.

PEA successfully established regional partnerships through technical assistance initiatives with UN Women in gender and agriculture; the ADB on the blue economy; GIZ on green bonds embedded in the Green Economy Transformation project in cooperation with PAGE; and with the Green Economy Coalition/Partnership for Inclusive Green Economy on country and global work. A partnership with the Chinese Academy of Science was established on the <u>South-South Cooperation</u> Forum on Food Security and Agrobiodiversity in Times of COVID-19 and Climate Change. The technical assistance partnerships yielded results through leveraging financial and technical expertise. In Asia Pacific, the partnership with the ADB resulted in sharing tools and applying poverty-environment in the context of a blue economy. A webinar was held with more than 85 ADB staff participating, including the directors of the ADB's Finance Division and Environment Division. UNEP signed a partnership agreement with the Eastern and Southern Trade and Development Bank in November 2019, opening a new chapter in cooperation between the leading regional sustainable financial institution and PEA. The agreement includes cooperation in the areas of clean energy (especially for marginalized communities) and access to climate finance.

To advocate for increased application of the integrated mainstreaming approach, a series of webinars were conducted. For example, PEA and the GGKP, GIZ and PAGE jointly organized a webinar (30 September 2021) on "How Green Bonds Are Financing Sustainable Development" that delved into the opportunities, challenges and broad potential of green bonds for driving sustainable development in advance of the climate finance and biodiversity discussions held at the 26th UN Climate Framework Convention on Change Conference of the Parties (31 October–12 November 2021). Webinar series in 2021 and 2022 were conducted in partnership with the ADB, UNRISD and the Sussex Sustainability Research Programme at the University of Sussex.

A webinar on SDG bonds was organized and showcased promising approaches and good practices on SDG finance among UNDP Country Offices in the Asia Pacific region. It featured the financial sector specialist from the ADB and presentations from UNDP China, which is working on the SDG Finance Taxonomy, and from UNDP Indonesia, which supported the country's issuance of Southeast Asia's first SDG bond in the global capital market. The webinar was conducted in partnership with the ADB. Additionally, the ADB-PEA Blue Impact Asia funding mechanism was launched at the ADB Healthy Oceans Tech and Finance Forum at a joint session during the forum. With this launch, the ADB adopted Blue Impact Asia as one of its key mechanisms/accomplishments under the ADB Action Plan for Healthy Oceans and Blue Economies, which aims to mobilize \$5 billion in funding by 2024 for a range of financing mechanisms.

An opportunity to highlight PEA's programming and integrated mainstreaming approach was taken via its inclusion in the Fourth Forum of Ministers and Environment Authorities of Asia Pacific's official background documents (5–7 October 2021). In Indonesia, the Leveraging Climate Finance for Gender Equality and Poverty Reduction project of UNDP's Bangkok Regional Hub, with co-financing from the CGIAR Research Program on Forests, Trees and Agroforestry (CRP-FTA), collaborated with the Center for International Forestry Research (CIFOR) and World Agroforestry (ICRAF) and PEA.

The third edition of the PEA mainstreaming handbook, *Sustainable Development in Practice: A Handbook for Integrating Environment, Climate and Poverty Reduction,* has been updated. The handbook describes in detail a practical framework for integration – organized around the typical decision-making cycle of planning, budgeting, investing, executing, monitoring, review and dialogue; along with detailed guidance on tasks, tools and tactics for each step of integration; and the different types of integration as well as the processes and requisites of integration. The work has been delineated in eight chapters, using experiences from the PEA project building on its predecessor, PEI.

PEA, through UNITAR, developed user-friendly and easily accessible interactive training modules for mainstreaming poverty-environment-climate capacity development in a post-COVID-19 environment through 2022 and beyond, as well as video documentaries for select countries. Draft syllabi for the introductory and advanced courses were developed based on the PEA mainstreaming handbook, results from the learning assessment and available materials produced during country missions. The introductory e-course is to be launched in the second quarter of 2023. A video lecture was produced for a module on transforming institutions (added to the advanced e-learning course). The importance of transforming institutions has also been integrated in the introductory course. Initial conceptualization was done for a more innovative peer-learning mechanism that can disseminate lessons from the PEA experience to more development cooperation initiatives (e.g. in collaboration with OECD's Development Assistance Committee).

To house the PEA knowledge products, a capacity-building virtual platform was developed to provide a space where PEA and its partners can provide capacity-building activities including on-demand training and South-South cooperation to governments and partners upon request. The platform also aims at enhancing the sustainability of the PEA project beyond its implementation period. The virtual platform includes the following components:

- A knowledge repository for PEA products including webinars in partnership with the GGKP on its website
- The PEA mainstreaming handbook, Sustainable Development in Practice: A Handbook for Integrating Environment, Climate and Poverty Reduction
- The PEA HelpDesk for use by country and technical assistance projects to share knowledge as well as request specific support
- Interactive training modules for mainstreaming poverty-environment-climate capacity development in a post-COVID-19 environment

Communication and Visibility

A

visibility and communications plan was developed, tailored to PEA objectives and activities and aimed to showcase PEA, the European Commission and other donors' cooperation as strategically enabling sustainable development and poverty alleviation; promoting and informing on successful results achieved and tools developed in the PEA framework; and contributing to enhance and ensure the long-term sustainability of poverty-environment mainstreaming. PEA made commendable progress towards achieving these objectives.

WORKING TOGETHER ON POVERTY-ENVIRONMENT MAINSTREAMING

In 2021 and 2022, partnerships were established and strengthened for knowledge sharing through a set of six uniquely themed webinars. These are discussed in detail under <u>Indicator 3.3</u>. Overall strategic take-aways and lessons from the webinars are outlined in Table 4.

Numerous publications were developed based on, and emphasizing, partnerships and integration. Policy briefs were produced focusing on green financing in private investment; eliminating poverty and enhancing environmental sustainability through <u>PEA's integrated approach</u> to implementing the SDGs; and the linkages between financial crises, poverty and



TABLE 4 PEA webinars and key takeaways

Webinar (date)	Key take away
"Poverty-Environment Action for a Blue Economy" (16 September 2021)	Investing in capacity building and policy coherence for institutional structures is key to delivery of the blue economy agenda
"How Green Bonds Are Financing Sustainable Development" (30 September 2021)	Availability of a comprehensive guide on issuance of green bonds, capacity and knowledge sharing on benefits are key components
"South-South Collaboration on Development and Implementation of Municipal Sustainable Bonds" (5 October 2021)	Bonds offer alternatives to revenue generation for local government with multiple additional benefits for the environment
"Eliminating Poverty and Enhancing Environmental Sustainability through Poverty-Environment Action's Integrated Approach" (11 November 2021)	Integrated approaches can employ tools for sustainable investment that will bring about economic benefits that protect and manage environmental resources through an ecosystems-based approach
"Green Financing in Private Investment" (17 November 2021; 1 December 2021)	Post-COVID provides an opportunity to ensure recovery is green and sustainable
"Moving to Accelerate Investments in the Blue Economy" (25 November 2021)	Blue economy is emerging as a vibrant economic sector that can balance nature with social well-being by safeguarding ocean ecosystems
"Financial Crises, Poverty and Environmental Sustainability in the Context of SDGs" (30 November 2021)	Private sector green finance investments bridge SDG financial gaps, accelerate achievement of poverty alleviation targets and support environmental governance
"Greening Budget and Public Finance Management" (1 December 2021)	Post-COVID provides an opportunity to ensure the recovery is green and sustainable
"HelpDesk: Mainstreaming Poverty-Environment Linkages" (8 December 2021)	The HelpDesk will support progress gained under PEA and expand its reach beyond PEI/PEA countries

environmental sustainability in the context of the SDGs and COVID-19. These briefs informed the revision of the 2015 PEI flagship mainstreaming handbook as *Sustainable Development in Practice: A Handbook for Integrating Environment, Climate and Poverty Reduction* in 2022. The handbook in turn informed the creation of a massive open online course using UNITAR's UN CC:Learn platform.

Engagement with the Green Economy Coalition resulted in the launch of the Fast, Fair and Green principles. These principles were featured in a joint side event, <u>Fast, Fair, and Green: Global</u> **principles for an inclusive green economic transformation**, at the seventh session of the UN High-Level Political Forum on Sustainable Development which took place under the auspices of the UN Economic and Social Council at the ministerial level 16 July 2019. The side event explored the question, How can we create an economic transition fast, fair and green enough to achieve the SDGs and NDCs to the Paris Climate Agreement? The event was jointly organized with Partners for Inclusive Green Economy, an initiative involving PEA, UNEP, GIZ, the Global Green Growth Institute, the Green Economy Coalition, the GGKP, the International Labour Organization, the OECD, UNDP, the United Nations Industrial Development Organization, and PAGE. Further recent high-level partnership and networking initiatives included the following; at these and other key project activities, PEA and the support of the PEA donors, were featured and acknowledged.

- In Indonesia there was a high-level panel discussion with the Indonesian Minister of Finance, Sri Mulyani, on public climate finance in March 2021.
- In Myanmar, a major milestone was reached in June 2019, with the official high-level launch of the National Environmental Policy by President U Win Myint. The policy was developed by the EU-funded Myanmar Climate Change Alliance, through UN-Habitat and UNEP, with additional UNDP technical and financial support. The policy was launched as part of the government's official commemoration of World Environment Day on 5 June. UNDP worked with the EU, UN-Habitat and UNEP to coordinate the launch event; facilitate technical dialogue sessions; and prepare a joint press release - all of which raised the profile of the respective organizations' efforts and collaboration, including that of PEA. The Governance for Resilience and Sustainability Project of PEA supported a major public



outreach event over three days covering the new policy, air pollution and waste management, reaching more than 10,000 people. This outreach was organized jointly between UNDP, the EU, UNICEF and Nokia and attracted significant local presence and <u>media</u> attention, including on <u>Facebook</u>.



LEVERAGING A UNIQUE PARTNERSHIP TO PRIORITIZE POVERTY-ENVIRONMENT MAINSTREAMING

- In Rwanda, the EU is a key partner and funder of PEA; it is part of the PEA Steering Committee and has actively participated in various meetings. At the national level, technical meetings were organized to enhance partnership between PEA and the EU Country Office.
- In Malawi, the project held consultations with the Department of Forestry on supporting payment for ecosystem service interventions. Payment for ecosystem services is seen as an innovative tool for incentivizing ENRM financing and investment frameworks towards environmental sustainability and climate objectives for poverty eradication. The Forestry Department acknowledged the support rendered by the EU towards foundational payment for ecosystem work in Malawi including studies and catchment conservation/protection work such as the military engagement initiative in Dzalanyama Forest Reserve.

PUBLICIZING SUCCESSFUL RESULTS ACHIEVED AND TOOLS DEVELOPED

A series of stories of change, comprising 11 impact stories from in-country initiatives, was created and shared with PEA stakeholders and uploaded on the project website. The impact stories were well received and picked up by UNDP websites. One example is the story <u>Supporting young</u> green entrepreneurs, an innovative approach to tackle environmental problems and climate change in Rwanda. On World Environment Day, 5 June 2021, UNDP Rwanda honoured Noel Nizeyimana, the young CEO of Green Care Ltd., with the Youth Green Innovation and Investment Award. The company was established in 2016 by four young university graduates who transformed a district landfill into a waste management plant. Located in the city of Huye, Southern province of Rwanda, it is a model of sustainable waste management. The annual award was established in 2020 by the Rwanda Environment Management Authority (REMA) in partnership with UNDP in Rwanda to recognize the best green businesses managed by young people. It was part of the PEA-REMA project.

UNDP's Nairobi Global Policy Centre on Resilient Ecosystems and Desertification (GC-RED) launched a Poverty-Environment Mainstreaming webpage in 2019 featuring PEA. The GC-RED website

Stories



Poverty-Environment Action Stories of Change (09/2021) Indonesia Combats Climate Change through Gender-Sensitive Budgeting



Poverty-Environment Action Stories of Change (08/2021) Rwanda Green Village demonstrates how to significantly reduce poverty



Poverty-Environment Action Stories of Change (07/2021) Waste Not, Want Not! Peru Tackles Waste Management from a Social Perspective



Poverty-Environment Action Stories of Change (06/2021) Strengthening Indonesia's Climate Finance Governance through Climate Budget Tagging and Green Sukuk Issuance

featured the 2019 PEI publication <u>Looking Back</u>, <u>Looking Ahead</u>: <u>Lessons on Integrated</u> <u>Approaches to Sustainable Development from the Poverty Environment Initiative (2005–</u> 2018), the first publication prepared under PEA.

The PEI community page on Facebook, which had 2,069 followers, was rebranded to feature PEA. A WordPress website was developed featuring an information brochure



about the publication "Looking Back, Looking Forward: Lessons on Integrated Approach to Sustainable Development from PEI (2005–2018)."

UNEP's website created a page featuring the PEA programme among regional initiatives in the Asia Pacific region. PEA was included within the Sustainable Development Goals Partnerships Platform #SDGAction26516.

PEA expanded its efforts to identify areas for knowledge exchange through South-South cooperation and to communicate key results beyond national and regional borders. The PEA website was



The Story of Poverty-Environment Initiative and Poverty-Environment Action

THE POVERTY-ENVIRONMENT INITIATIVE · THURSDAY, JUNE 20, 2019 ·

launched 29 June 2020 and dedicated spaces for facilitating internal work and interactions between the UNDP Country Offices and the global PEA team. A steady inflow of news updates and reports from countries and technical assistance initiatives was evident over the project period.

As of January 2023, the PEA website was deactivated, with key knowledge products – ultimately including an interactive version of the new PEA mainstreaming handbook – migrated to the GGKP's Green Policy Platform for continued access by partners. The GGKP has a strong record of service within the UN community of managing "legacy" websites, extending their life and reach to a broader community of practitioners. The GGKP would further be commissioned to conduct communications and outreach on behalf of poverty-environment action. Many PEA knowledge products/resources and webinars can be accessed on the GGKP platform. UNDP has also created a dedicated internal webpage with PEA resources available for all UNDP staff and consultants.

ENHANCING LONG-TERM SUSTAINABILITY OF POVERTY-ENVIRONMENT MAINSTREAMING

The PEA Global Retreat took place 13–14 September 2022 with the theme "Sustaining and Broadening Poverty-Environment Action Impacts in a post-COVID-19 World." It had three core objectives: extract and record PEA lessons learned and transformational results, prepare an action plan for sustaining poverty-environment-climate mainstreaming post-2022, and facilitate PEA project closures at the country and global levels.

The retreat was a unique opportunity for many key stakeholders to come together and share experiences and lessons learned as well as future plans relating to sustainability. Participation from all countries involved in the PEA project was very good. Other key partners – notably UNITAR, government ministries, the ADB and the International Institute for Environment and Development – also made significant contributions to the retreat. Through this process, it was very clear that the country- and regional-level impact of PEA had been both significant and far-reaching. The Global Retreat was highly significant in synthesizing these impacts and enabling participants to carefully consider the future action plan and points shared. In particular, inspiration and practical lessons from country- and regional-level projects will undoubtedly add significantly to future activities and actions.

Moving forward, the following key points stood out for future consideration by those involved in PEA work in different countries as well as at the regional and global levels:

- The countries will now be the key drivers in moving the PEA concept and activities forward. There are numerous examples related to sustainability and future actions that suggest a bright future for poverty-environment work, albeit likely to be structured differently and largely decentralized.
- There continues to be great need for dialogue, exchange and peer learning between different countries. Ideally, countries will also drive this, regionally and/or bilaterally, exemplified by the engagement between Malawi and Mozambique in Africa, and between Nepal and Lao PDR in Asia.
- Documentation using different methods, such as the excellent and innovative PEA video project, will continue to play a role in the future if the PEA concept is to continue having a significant impact at different levels. The PEA flagship handbook,

UNDP-UNEP POVERTY-ENVIRONMENT ACTION FINAL NARRATIVE REPORT 2018-2022



Sustainable Development in Practice: A Handbook for Integrating Environment, Climate and Poverty Reduction, is also a great undertaking and excellent resource which will undoubtedly continue to provide inspiration and ideas to existing and future stakeholders.

The element of learning programmes being developed by UNITAR is another critical aspect that will ensure the sustainability of the PEA concept as well as the broadening of its impact. While learning can be challenging to measure, the courses are well structured and are reaching large numbers of people who are targeted by them; they are also having a great impact not only in terms of learning but also applicability.

After almost two decades, PEI/PEA projects have made enormous achievements; this work should be continued beyond the end of the formal project.

Challenges and Opportunities



uring the implementation period, challenges were encountered and mitigated while maximizing identified opportunities as appropriate. This section provides a summary of key challenges and opportunities.

- The COVID-19 pandemic affected project implementation in all countries including at the global level due to travel bans, restrictions on in-person meetings/workshops and government offices working at limited capacity in most instances. Activities that required trainings, workshops, data collection and international consultants were either postponed or cancelled in some cases. PEA implemented a series of approaches to mitigate the impact of the pandemic. The project demonstrated positive adaptive management strategies to the pandemic, including PEA management's conducting a series of follow-up calls with the countries to provide support.
- Stakeholder engagement mainly took place through virtual consultations, which proved to be challenging for government counterparts due to capacity and connectivity issues especially at subnational levels. There is need to revert to in-person meetings as the situation permits on a case-by-case basis. Where possible, a hybrid modality will be used with part of the meetings held in person and part of the sessions held virtually for a smooth transition to the "new normal." At the country level, PEA provided support to the COVID-19 response, much of it within the context of the UN Socio-Economic Response and Recovery Framework. Five of the eight PEA countries (Indonesia, Lao PDR, Mozambique, Myanmar and Nepal) have integrated their work within this framework and similar endeavours. This allowed PEA to be integrated in the UN system's national COVID-19 responses.
- Virtual capacity building in the African country context and some countries in Asia Pacific (Lao PDR, Myanmar) has been fairly unsuccessful. COVID impacts continued to cause problems for example, in restricting the conduct of capacity-building workshops. Virtual meetings at the country level often did not work because of Internet inadequacies and stakeholders not having laptops. Meetings where participants used smartphones were particularly ineffective, as participants were reluctant to do so or simply did not attend.
- On project strategy and development, the PEA theory of change failed to capture critical assumptions on finance and subnational capacity for scaling. In the project document, the PEA theory of change was rooted in a detailed problem analysis, but the assumptions within the theory of change were at a much higher and less detailed

level.⁴ The midterm review, in its assessment of the PEA theory of change, did not highlight subnational capacity and funding for scaling issues despite doing a good job focusing on implementation. The lack of a strategic review (as well as the pandemic) hindered adaptive management and delivery of the program outcome and progress beyond this.

- Political and environmental challenges affected implementation in some countries, as these examples illustrate.
 - Mozambique. Cyclones Idai and Kenneth in 2019 were followed by Tropical Storm Eloise in 2021. Naturally, government efforts shifted to focus on recovery efforts and away from policy and strategic projects such as PEA. This affected PEA project delivery, as focus shifted from normal project implementation to emergency response and recovery by all key implementing partners. Support was provided to the countries to implement project activities, where appropriate, after the emergency response phase lapsed.
 - Myanmar. A combination of the third wave of the COVID-19 pandemic, political crisis and intensification of armed clashes made project implementation extremely challenging. The situation radically changed the assumptions made during the project design. For example, investing in green business - one of the key expected outcomes of the project - became difficult with no new private investments coming in. Capacity development took a back seat, and target project beneficiaries prioritized commercial survival and more immediate concerns such as overcoming cash shortages, supply chain disruption and lost markets. Mitigation measures were adopted; these included halting engagement with the government until further notice, in line with the UN Principles of Engagement with the de facto authorities. This led to revision of annual work plans to focus on project activities that did not involve government engagement and towards activities that directly benefit communities and non-state actors on the promotion of green businesses. Project implementation continued, enabled by the Country Office to continue advancing implementation of the SDGs in the new development context in Myanmar.
 - Tanzania. The demise of President J.P. Magufuli in March 2021 resulted in major changes in political leadership and government officials at various levels including ministers, permanent secretaries, regional/district commissioners, councillors and mayors. In Simiyu, for instance, the implementing partner of the PEA project and all top leaders (regional commissioner, regional administrative secretary) and other officials were transferred, and new ones brought in. The project needed to undertake orientation meetings for the new staff, which affected the pace of implementation.

Lessons Learned

his section summarizes lessons learned during the PEA project implementation period.

G E N E R A L

Poverty-environment mainstreaming becomes more challenging as progress is made. The initial stage of poverty-environment mainstreaming involves influencing the national development plan, which is a single process. Subsequent stages of mainstreaming require influencing the national budget process, four to five key poverty-environment-relevant sectors and their budgets, and then subnational development and budgeting processes. In practice, this means, for example, influencing 30 districts in Rwanda and many more in larger countries.

Deepening PEA mainstreaming has provided evidence to engage policymakers, facilitated partnerships, built capacity, provided technical guidance and launched demonstration pilots; it has only rarely scaled beyond this by accessing finance. Indeed, leveraging finance for scaling has proved to be much harder than expected. Lessons on financing identified primarily by the PEA team include the following:

- There is a need for increased support from the UN at both global and regional levels on SDG financing. PEA's innovative focus dealt with aligning finance and investment with poverty, environment and climate objectives to accelerate SDG implementation. In practice, however, this was not always the focus of country projects. This need for global and regional UN funding reflects more broadly on UNDP and UNEP's rapid scaling-up of public and private SDG financing work since PEA inception to meet demand from UN Country Teams and governments.
- The limited maturity of capital markets is problematic. Particularly in low and many middle-income countries, this limited maturity makes it very difficult to find strategic poverty-environment entry points for the private sector.
- Some environment ministries particularly in Africa are reluctant to apply PEA's successful poverty-environment cross-government approach co-led by planning/finance ministries to build climate resilience, as they prefer to monopolize climate finance. This is problematic, as environment ministries have a much lower capacity to effectively mobilize and use funds compared with a cross-government approach. Environment ministries also have lower credibility with donors and international financial institutions in terms of effective use of funds compared with planning/finance ministries. Further, effective

policy development and implementation to build resilience (a core PEA focus area) is seriously impaired as this requires a cross-government approach.

The economic evidence of the costs of unsustainable ENR use and climate change produced by PEA influenced UN agencies to support prioritizing the environment, natural resources and climate change.

The investment in PEI built relationships and capacity that provided opportunities for agile, flexible technical assistance projects to secure relatively quick wins. In these cases, PEA technical assistance projects were able to focus on key missing links in the delivery chain (where the enabling environment was already in place). This secured greater progress towards scaling than would be expected for relatively modest PEA expenditure. The projects in South Africa and Tanzania provide examples of very different ways in which PEA broadened mainstreaming using technical assistance projects with partnerships for scaling. There is evidence that technical assistance projects have been more successful in Asia than Africa, reflecting higher levels of capacity and funding within governments (i.e. a more conducive enabling environment for technical assistance).

PEI/PEA analysis provided strong evidence of how more sustainable management of ENR and resilience (SDGs 14, 15 and 13) can increase economic growth and significantly reduce poverty in both a monetary and multidimensional sense (SDGs 1 and 8). The PEA model includes a focus on gender and has, for example, demonstrated how empowering women to invest in more sustainable agriculture can improve both agricultural sustainability and women's income. The PEA model supports the design of integrated policy and budgetary mechanisms that improve ENR and sustainability and resilience in a manner that also helps achieve developmentfocused SDGs such as SDG 2 (food security) and SDG 1 (poverty eradication). Examples include supporting increased priority for reducing soil erosion in agricultural sector investment plans. Another component of the PEI/PEA model that is directly relevant to implementation of the environmental SDGs focuses on strengthening policy coherence (SDG 17). This includes supporting a cross-government approach to environment and climate change and supporting governments in improving policy and budgetary vertical and horizontal coordination mechanisms - for example, mechanisms to align budget allocation and expenditure with national and sectoral poverty-environment objectives, or drafting and adopting guidelines for the inclusion of sustainability objectives in policy development.

Concrete socioeconomic evidence of the development impacts of unsustainable ENR use and climate change remains the most important way to convince decision-makers to mainstream poverty-environment objectives, when appropriately generated and proactively used. As poverty-environment mainstreaming progresses, more detailed economic evidence including the impact on poverty (e.g. through multidimensional poverty analysis and cost-benefit analysis) is required to help guide sector and subnational policy and investment decision-makers.

PEA country projects and teams, backed by regional-focused PEA staff, provide an excellent platform to engage with UN Country Teams and support UN Resident Coordinators. For example, the poverty-environment approach – focusing on the development impacts of unsustainable ENR use and climate change plus how investments in sustainability and resilience can significantly

contribute to key development objectives such as poverty reduction and food security – resonates very well with Resident Coordinators and other UN agencies.

Embedding project staff in government offices tends to significantly strengthen implementation. PEA staff were often embedded in national government structures and offices, which allowed for very close cooperation and increased national ownership. Having the project team embedded in the powerful **Bangladesh** Ministry of Planning was critical in facilitating government commitment and institutional coordination – key elements of a supportive enabling environment. For the **Indonesia** technical assistance project, it helped to have some of the PEA team based within the Ministry of Finance, as the high capacity and convening, planning and financing power of this ministry magnified the relatively small PEA project. In part, this reflects the strong country relationships and capacity built when **Indonesia** was a PEI programme country. Embedding project staff in overstretched ministries does not guarantee they will be used for poverty-environment work. For example, in **Nepal**, PEA faced requests from the Ministry of Planning for such tangential poverty-environment links as support for a national suicide action plan.

Partnerships have proven to be very important for PEA scaling; this is well illustrated by the blue economy and green bond examples. The PEA knowledge products for these projects will continue to be relevant into 2023 and 2024, and the ADB and GIZ, respectively, are expected to take the work forward with relevant country counterparts. There are also potential linkages with the UNEP-administered Regional Seas Programmes, UNEP's Sustainable Blue Economy Finance Initiative and UNDP's ocean finance and blue economy programmes. Making the most of these potential linkages will require investment of time by all parties concerned to produce a strategy for scaling. More generally, partnerships with finance providers offer a key route to scaling PEA good practice. For example, there may be scope to engage with the International Monetary Fund in PEA countries with strong poverty-environment macroeconomic evidence to take the environment, natural resources and climate change into consideration when allocating funds and working with government to set budgetary priorities. There may also be scope to influence World Bank lending by encouraging the use of gender and climate budgeting in loans made. The scale of these tasks should not be underestimated, and World Bank programs such as the Global Program on Sustainability are already working to incorporate natural capital and environmental services in country lending. Engagement with the World Bank Global Program might be a useful step.

The strengthened UN Resident Coordinator system requires UN Resident Coordinator Country Offices to have strong and strategic advice. This has generated demand for PEA economic evidence on poverty-environment. In Mozambique, for example, the United Nations Development Assistance Framework (UNDAF) and its successor entity, the United Nations Sustainable Development Cooperation Framework (UNSDCF), has had PEA support through the UN Resident Coordinator Office to have poverty-environment issues included in the Mozambique Common Country Analysis and UNSDCF. (PEA also contributed significantly to the preparation of Mozambique's voluntary national review.) PEA has not always had the in-country capacity to meet the demand for strategic advice, and this route has not been developed as an exit strategy. **PEA has shown that designing with gender as a cross-cutting issue for poverty-environment is possible and effective.** PEA can provide good practice examples for gender mainstreaming to other programmes. The PEA project document identified gender mainstreaming as a core approach, and this has been reflected in a number of country project and technical assistance outputs. Examples include the cost of the gender gap in agriculture assessments begun with PEI and acted on under PEA, Indonesia's gender-responsive public climate budgeting assessment and the use of gender and environment indicators in **Rwanda**.

BY STRATEGY

Gender and rights-based approaches to ensure social inclusion

PEA provided technical advisory support to countries on how to address gender equality issues in key sectors and to include gender in poverty analytics guided by PEA's strategy on integrating gender as outlined in the signed Project Document. PEA countries have increased gender mainstreaming in their work. Indonesia and Rwanda are developing gender-specific indicators and guidelines that are included in their broader set of poverty-environment mainstreaming tools. Tanzania has advocated for inclusion of gender considerations in private investment proposals and concept notes to ensure that women benefit from them. In Malawi, PEA partnered with UN Women on climate-smart agriculture targeting women farmer groups and capacity building for extension workers on gender mainstreaming. At the technical assistance level, the UN Women–PEA partnership focused on capacity building for climate-smart agriculture at the country level (Mozambique and Zimbabwe) in collaboration with the relevant ministries of finance/planning and gender as well as statistics departments. The importance, methodologies and impact of this work have been shared at both the country and regional levels.

Strengthening strategic partnerships and improving coordination

Over the years, PEA has built on PEI collaboration with organizations engaged in promoting the transition to an inclusive green economy, including efforts to jointly construct a best practice framework and in-country delivery model for avoiding duplication and enhancing programming collaboration and synergies. Collaborations have been pursued, for example, with the PAGE assessment and strategies with respect to the green economy (UNEP); the EU SWITCH regional programmes in Asia and Africa; and the Green Economy Coalition–International Institute for Environment and Development–GIZ–OECD–GGKP partnership.

Collaborations were identified with several partners and associated institutions. PEA worked with UN Women on increasing regional priorities and investments in environmentally and gender-responsive climate-smart agriculture; with the ADB on the blue economy, focusing on identifying and developing PEI/PEA tools that support budgeting and finance for a blue economy and disseminating this work through the Coordinating Body for the Seas of East Asia programmes and the Forum of Ministers and Environment Authorities of Asia Pacific; and with GIZ on green bonds in South Africa, building on synergies between low-emissions pathways and the SDGs.

PEA also promoted the transition to an inclusive green economy through a webinar series jointly organized with the GGKP, GIZ and PAGE on "How Green Bonds Are Financing Sustainable Development." It explored the opportunities, challenges and broad potential of green bonds for driving sustainable development in advance of the climate finance and biodiversity discussions planned for the 26th UN Climate Change Conference of the Parties (COP26). In addition, PEA in collaboration with Partners for Inclusive Green Economy and a number of UN Agencies, identified "Ten Priority Options for a Just, Green & Transformative Recovery from COVID-19" which were included in The African Green Stimulus Programme (UNEP, January 2021), an innovative African-led initiative developed to support a sustainable recovery response by the continent to the devastating socioeconomic and environmental impacts of the COVID-19 pandemic.

Synergies among programs and with various partners were further ensured through a partnership meeting on 24 June 2021. This was attended by 28 participants: 5 representatives from the project's donor agencies and 14 participants from implementing partners including GIZ, the GGKP, the International Institute for Environment and Development, the OECD, PAGE, the United Nations Office for Disaster Risk Reduction and UNRISD. The meeting aimed to engage partners in joint capacity building, present the first draft of the capacity-building platform to be launched in 2022 and ensure continuity of poverty-environment-climate mainstreaming.

New strategic partnerships were formed with UNITAR at the regional level through technical assistance on the capacity-building platform. Through this long-term partnership, a massive open online course and related customized learning modules were developed; these will be distributed by UNITAR through its UN CC:Learn platform. Furthermore, PEA, in collaboration with the Sussex University Sustainability Research Programme and UNRISD, published a compilation of studies focusing on the interplay of financial distress, poverty dynamics and environmental sustainability. The aim of this compilation is to foster a better understanding of the multiple, complex and often opposing ways and channels through which financial crises, poverty dynamics and environmental sustainability interact and to offer timely and unique contributions to the immediate global challenge of sustainable development. The policy recommendations from these studies and other sources have been distilled in a brief for policymakers to better understand and address the poverty-environment impacts of financial crisis.

Engaging with non-government stakeholders

Various partnerships have been formed at the country level with CSOs, non-governmental organizations, academia and media, among others. The revision of Indicator 1.2 to "Number of non-government actors supported to advocate/take action on poverty-environment issues" resulted in a sharp increase in engagement with non-government stakeholders.

In Indonesia, PEA initiated a dialogue with DBS Bank Singapore, which is interested in supporting the issuance of the world's first blue sukuk. In Bangladesh, an online campaign, My Goal, was launched in 2021 to influence youth and youth-led organizations to share their thoughts on SDGs including on poverty and the environment. Seventeen influential sector-specific leaders, including the Resident Representative of UNDP Bangladesh, joined the campaign

to promote awareness. In addition, a consultation workshop with wider stakeholders on SDGs 5, 8, and 13 through a whole-of-society approach was organized. The participants were from FCDO, East-West University, HSBC, BRAC, the University of Dhaka, *The Daily Star*, Oxfam Bangladesh, Naripokkho, Concern Worldwide, bKash, the Federation of Bangladesh Chambers of Commerce and Industry, ActionAid Bangladesh, Young Power in Social Action, the Bangladesh Environmental Lawyers Association and the Center for Policy Dialogue.

In Lao PDR, GIZ applied and replicated PEA-developed instruments and tools to deal with provinciallevel policies in areas of the country where PEA does not operate. In Myanmar, 30 CSOs were supported to undertake CSO-led SDG monitoring and review to enhance accountability on poverty alleviation actions and promote the environmental dimensions of SDGs. Fifteen private sector entities were trained to advocate for responsible business through environmental impact assessment. In Rwanda, PEA organized and conducted a youth knowledge exchange and exhibition for green initiatives for knowledge transfer and to scale up good initiatives among youths; this brought together 35 young entrepreneurs across the country. In addition, faith-based organizations were engaged in mainstreaming the environment and climate change, starting with capacity building, awareness and promotion of key information and knowledge about the environment and climate change.

UNDP-UNEP partnership

PEA relied on the sustained partnership between UNDP and UNEP as strategic actors within the UN system to advance the environmental dimension of the 2030 Agenda and the SDGs. As the leading global environmental authority, UNEP sets the global environmental agenda, promotes coherent implementation of the environment within the UN system, advocates for the global environment, and implements its global mandate to ensure capacity building and technical assistance – particularly with respect to institutional strengthening in developing countries. Throughout PEA project implementation, UNDP and UNEP continued to combine their complementary mandates and operational strengths to implement the project, including country presence through UNDP, participation in the UN Development Group, the Environment Management Group and other joint global coordination mechanisms. PEA was highlighted as a good example of UN cooperation in mainstreaming the environment, Sustainable Development and Green Deal, at the UNEP@50 event held in March 2022.

Implementation and management arrangements

PEA was governed by a Project Board as stipulated in the Description of the Action. UNDP and UNEP Co-Managers led day-to-day project implementation, guided by the Project Board Executive under the strategic direction set by the Board. PEA was implemented under UNDP corporate standard rules and regulations (as the Managing Agent of the project) in close collaboration with national counterparts, UNDP Country Offices and UNDP and UNEP Regional Offices and headquarters units. The programmatic approach and strategy remained as stipulated in the Description of the Action. A no-cost extension from 1 September 2021 to 31 December 2022 was approved by the Project Board and formalized through signature of an addendum to the EU-UNDP agreement to enable

completion of project activities, followed by a six-month period in 2023 for operational and financial project closure in accordance with the relevant contractual provisions of Annex 2 (General Conditions). Operational closure includes a final evaluation, a lessons learned report, a final report and a final project board meeting. Following the midterm review recommendation, the project's budget was reduced to reflect the actual financial resources available for implementation of identified and approved activities in line with the Description of the Action. The changes did not affect PEA's main purpose or strategy.

Way Forward

s environmental degradation and the impacts of climate change continue to worsen across the globe, with the poorest segments of the population bearing the greatest burden, the case for povertyenvironment mainstreaming is as strong as ever – as is the need for the kind of integrated approaches and practical tools championed by PEA and PEI to help meet the SDG implementation challenge. This final PEA report presents many promising examples of applying integrated approaches to address the multidimensional linkages between environmental sustainability and poverty eradication. PEA focused on helping countries create an enabling policy, regulatory and institutional framework for aligning public and private finance and investment with national poverty-environment and related climate objectives for achieving the SDGs.

These results and impact are expected to continue post PEA through sustainability mechanisms. This includes integration into ongoing UNDP and UNEP initiatives, eventually leading to attainment of the project's outcome. UNDP will continue to mainstream PEA's work through its six signature solutions (poverty reduction, governance, resilience, environment, energy and gender equality) as entry points to inform policy work⁵ and ongoing work on institutionalization mainstreaming in UNDP's Nature, Climate, Energy and Waste (NCEW) and Inclusive Growth portfolios and with UNEP, sister UN agencies and partners. UNEP will mainstream PEA's work through alignment with policies and strategies on green transition. UNEP's Nature Branch has been designated to take PEA's mainstreaming work forward, as it is deals with nature-based solutions to adaptation that positively affect livelihoods at the policy level. A new delivery model will be used by organizing briefing sessions on PEA results for regional offices and promoting uptake of advocacy for Resident Coordinators. A HelpDesk will to available to provide support, hosted on the GGKP interactive site. At the country level, results achieved will continue to grow where the capacities of institutions have been strengthened and the benefits of integration have been demonstrated by PEA; and where complementary UNDP, UNEP and partner programming can contribute further to successful PEA outcomes.

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Appendix:

REFERENCES TO PEA LEARNING PRODUCTS BY REGIONAL AND GLOBAL NETWORKS

This list is not comprehensive, but is intended to indicate the breadth and scope of references made during 2018–2022 to PEA (and PEI) work on the web and in the literature. All reasonable efforts have been made to ensure the currency of the hyperlinks cited.

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Endnotes

- 1. Source: United Nations, The Sustainable Development Goals Report 2021.
- 2. Source: UNDP Strategic Plan 2022-2025.
- 3. For example, the need for environmentally sustainable farming under SDG 2 (Zero hunger), for environmental health under SDG 3 (Good health and well-being), for technology to address environmental issues under SDG 9 (Industry, innovation and infrastructure), for environmental protection as a contributing factor under SDG 16 (Peace, justice and strong institutions), for including environment as a contributing factor in support of a national social development framework on implementation of the SDGs under SDG 17 (Partnerships for the Goals).
- 4. Source: 2022 PEA Lessons Learned Report.
- 5. Source: UNDP Strategic Plan 2022-2025.

Poverty-Environment Action for Sustainable Development Goals of the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) (2018– 2022) promoted an integrated approach which contributes to bringing poverty, environment and climate objectives into the heart of national and subnational plans, policies, budgets, and public and private finance to strengthen the sustainable management of natural resources and to alleviate poverty.

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With many thanks to our partners





Poverty-Environment Action for Sustainable Development Goals

