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Poverty-Environment Initiative: 2013-2017

United Nations Development Programme and United Nations Environment Programme

The Poverty-Environment context

Despite progress made by governments towards achieving the Millennium Development Goals (MDGs), absolute poverty remains unacceptably high at 1.2 billion people. Some 70% of these people depend on natural resources for all or part of their livelihoods.¹ At the same time, climate change, biodiversity loss, land use change, and chemical pollution continue to impede sustainable human development (and thus, the achievement of the MDGs). Environmental conditions and access to natural resources are intimately linked to people's livelihoods, health and vulnerability, especially for people living in poverty. Expanded public and private investment to improve the poor's access to these environmental assets can generate strong returns for poverty reduction and contribute to pro-poor growth. Yet, despite their critical importance, environmental assets continue to be degraded at an alarming rate. Unsustainable patterns of consumption and production increasingly risk breaching planetary boundaries.

¹ Green Economy Coalition, 2012.

² Human Development Report 2011 - Sustainability and Equity: A Better Future for All. United Nations Development Programme, 2011. Simulations suggest that by 2050 the global Human Development Index (HDI) would be between 8-15% lower during a business-as-usual scenario.

The UN Conference on Sustainable Development (Rio+20) reaffirmed commitments towards sustainable development and highlighted the interconnectivity of the three aspects of sustainable development — social, economic and environmental. Lifting people out of poverty requires significant transitions to more resource-efficient, resilient forms of growth that help bring multiple social, economic and environmental benefits. Without a paradigm shift in how natural resources are managed, inequality and instability will deepen and human development in current and future generations will be halted, perhaps even reversed.²

To preserve the full range of natural ecosystems required for human well-being, poverty-environment objectives must be embedded in policies that influence productive sectors of the economy, as well as national development planning frameworks and budgets, institutions, governance, and market-based mechanisms. This integration of poverty and environment issues is also instrumental to promoting development that is sustainable and climate-resilient.



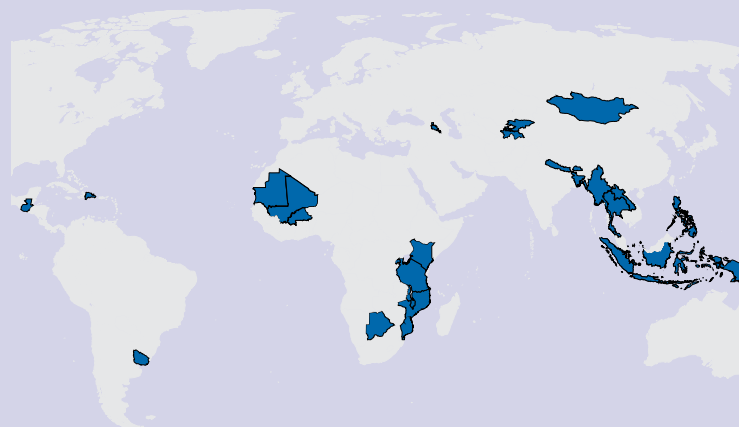
“PEI adds value to PE [poverty-environment] mainstreaming by providing practical approaches and tools for mainstreaming and including PE in an integrated manner in policy and planning processes. This responds well to international agendas such as climate change and inclusive green economy. The technical quality of the tools and support provided is seen as high. There is a strong demand for PEI support and PEI is good at building national ownership...” — PEI MTR 2011, p.4

Who we are

The United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) jointly launched the *Poverty-Environment Initiative* (PEI) in 2005 to support countries to integrate poverty-environment linkages into national and sub-national development planning, policymaking, budgeting, implementation and monitoring. The overall aim is to bring about lasting institutional change and to catalyze key actors to increase investment in pro-poor environmental and natural resource management. PEI works with key government partners, including central ministries of planning, finance, environment and other key sectors such as agriculture to raise awareness, influence policy making and strengthen the integration of poverty-environment into budget processes, sector programmes and sub-national planning.

The PEI scale-up phase 2008-2012 demonstrated significant economic, social and environmental results from integrating poverty and environmental linkages in development policy, planning and budget processes. The process however requires a sustained engagement over time (10-20 years) to realize direct economic, social and environmental gains. To strengthen and consolidate the PEI partnership to effectively address increasing demand from developing countries, UNDP and UNEP propose **a next phase of PEI (2013-2017)** that will focus on meeting the implementation challenge of poverty-environment mainstreaming and achieving positive pro-poor and environmental outcomes in programme countries.

“...the experience and results of PEI represent policy, capacity, and institutional building blocks for an inclusive green economy, and provide both lessons and inspiration for those countries and stakeholders who strive for a prosperous, socially just, and sustainable future.” — Achim Steiner, UNEP Executive Director



Where we work

The PEI supports poverty-environment mainstreaming programmes in 24 countries across Africa, Asia and the Pacific, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean.

What we do

Using the poverty-environment nexus as a lens assists policymakers to focus on pro-poor environmental outcomes and equitable, inclusive economic considerations as part of the core business of government. In particular, the aim is for mainstreaming poverty-environment (P-E) linkages into national development, sectoral, and subnational planning and investment plans. Thus development outcomes are programmed from the beginning to be equitable and inclusive to the concerns and contributions of marginalized groups. This is done through a programmatic approach—adapted to national circumstances—that is applied as a flexible model to guide the choice of PEI methodologies, tools and associated activities in each country context. The framework has three components:



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- Finding the entry points and making the case: Sets the stage for mainstreaming, focusing on helping countries identify entry points into the development planning process and to make a strong case for the importance of P-E mainstreaming.
- Mainstreaming P-E linkages into policy processes: Direct engagement with policy processes to ensure that poverty-environment issues are integrated into policy documents and measures, and especially budgets, supported by country-specific evidence – often economic evidence - on the nature of poverty-environment linkages.
- Meeting the implementation challenge: Ensures integration of P-E linkages into budgeting, implementation and monitoring processes.

Our achievements

Capacity development is at the heart of the PEI approach. PEI has **strengthened coordination** at the national level by working through ministries of planning and finance and connecting those to the environment sector. This has resulted in **improved integration of poverty-environment issues as well as increased allocation of resources** in development plans and programmes. PEI leadership and facilitation has increased in-country collaboration and awareness among key stakeholders on P-E issues and **created enabling conditions** at policy and institutional levels across sectors. Strong government ownership and recognition of the effectiveness of PEI's mainstreaming approach has also **catalyzed additional in-country funding for PEI country programmes**. The ratio of donor investment is now close to 1:1 and 4% of total PEI resources come from recipient government contributions.

Notable achievements at the country level include the following:

Bangladesh: Poverty-environment-climate issues are now integrated into key national and sectoral planning documents including the 'Sixth Five Year Plan 2011-15' and the 'Perspective Plan (2010-21): Making Vision 2021 a Reality'. A PEI supported Climate Public Expenditure and Institutional Review (CPEIR) enabled the government to draw attention to the required levels of investment in different sectors and to ensure that money spent for climate change adaptation and mitigation is allocated more effectively.

Rwanda: Improved capacities of planning and finance agencies, sector ministries and the private sector to make informed budget allocations and investment decisions to manage natural resources sustainably for pro-poor development. Rwanda is now implementing integrated sectoral planning with the support of an innovative sustainable financing mechanism, the newly established National Climate and Environment Fund (FONERWA), endorsed by Rwanda's Parliament and operationalized in 2012.

Tajikistan: For the first time, representatives from the country's environmental department (Committee for Environmental Protection) were given a place at the table to inform the regional economic plans. As a result, the Sughd regional development plan and all fourteen district plans address poverty-environment issues. Almost 60% of the plans have fully integrated poverty-environment recommendations into relevant sectors and 40% have a separate chapter on environment.

Uruguay: The recent change of Uruguay's waste management systems, the so-called Packaging Law, has increased levels of social inclusion. For the first time, waste recyclers in Uruguay are recognized by national law - giving them the right to decent working conditions, stable salaries and social protection. The law has facilitated the establishment of cooperatives of recyclers and has achieved a 17% recovery rate of solid waste.

Future direction and vision

The next phase of PEI (2013-2017) will focus on meeting the implementation challenge of P-E mainstreaming and achieving positive pro-poor and environmental outcomes in programme countries. Such continued engagement in capacity development, annual planning, monitoring and reporting, and effective sectoral coordination involves connecting government to other stakeholders, including civil society, in order to:

1. Apply P-E approaches and tools for integrated development policies, plans and coordination mechanisms;
2. Institutionalize cross-sectoral budget and expenditure processes, and environment-economic accounting systems; and
3. Document and share P-E approaches and experiences to inform country, regional and global development programming by the UN and Member States.

In response to country demand, this engagement with ministries of planning

and finance:

- puts in place building blocks for **inclusive green economy** approaches;
- establishes **policy planning, coordination mechanisms and fiscal processes** that enable effective implementation of climate change adaptation and mitigation initiatives that increase the resilience of the poor;
- increases support to **cross-sectoral and participatory development planning** processes that are based on integrated economic, social and ecological assessments; and
- addresses **equity and gender** gaps, strengthening advocacy and the effective participation of target groups through inclusive programming.

During the next phase, strengthened and wider stakeholder engagement at national and sub-national levels will expand the constituency for P-E mainstreaming and lead to greater collaborative capacities in all sectors, enhancing the prospects for sustainability and meaningful, long-term, change.



Photo: © Paballo Thekiso

Our partnerships

Partnerships are at the core of PEI's work. At the country level, PEI's main partners are central ministries of planning, finance, environment and other key sectors such as agriculture. PEI works with these key government partners to raise awareness, influence policy making, and strengthen the integration of poverty-environment concerns. PEI benefits in many ways from strategic partnerships with local, national, and international institutions, and

a host of civil society organizations as they provide an avenue for knowledge exchange on P-E mainstreaming. Key to PEI's success is its partnership with bilateral donors including the European Commission and the governments of Belgium, Denmark, Germany, Ireland, Norway, Spain, Sweden, United Kingdom, and the United States.



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