

Chapter 3

ACTIVITIES AND PROGRAMMES

This chapter presents the findings of the country case studies with regard to the country programmes and their performance, as well as the broader non-programmatic role of the country offices. It also reviews the results of UNDP in policy, advocacy, knowledge management and programmes at the global and regional levels. It focuses on mainstreaming as one of the major strategic considerations for UNDP, as well as the role of learning in strategy development.

3.1 COUNTRY PROGRAMMES

The evaluation placed particular importance on the environment and energy work at the country level because this is the crux of UNDP's programmes aimed at supporting the partner countries' development efforts. This chapter draws primarily on the findings of the eight country studies undertaken by the evaluation team as well as some evidence from earlier evaluations.

3.1.1 PRIORITY SETTING OF COUNTRY PROGRAMMES

The objectives and priorities of UNDP programmes in each country are periodically documented in Country Cooperation Frameworks (CCF) and Country Programme Documents (CPD). The drafting and finalization of these documents, generally every four or five years, is a major event in each country office, involving extensive consultations and negotiations with government and other stakeholders on the inclusion or exclusion of specific priorities. More recently, following the push towards UN coordination at the country level, these discussions have frequently involved other UN agencies within the framework of the UN Development Assistance Framework (UNDAF). These strategic documents are therefore a potentially important source of information on the degree of priority given to environment and energy (Annex 5).

In practice, any tension between local and global priorities, as expressed in the MYFFs, has usually been diffused by a widespread view among country office staff that higher level UNDP plans and strategies can be interpreted to cover almost any activity deemed worthy within the broad practice areas and for which financial resources are available. Including a specific topic in UNDP's country programme does not guarantee an allocation of financial resources from the core budget. This is especially the case with environment and energy, where the availability of external funding substitutes for core funds and has significant influence over real priority setting. As a result, the inclusion or exclusion of environment and energy topics in UNDP country-level planning documents does not appear to be a strong indicator of their ranking among competing country office priorities. For a true picture of UNDP's country-level work on environment and energy, it is necessary to look at the actual use of resources in country programmes.

Since its launch, the availability of GEF funding has been the most important driving force determining where, how and when UNDP country-level environment and energy work has been undertaken. This was overwhelmingly confirmed by all available information sources, including all of the country case studies. The case study country portfolios appear to be from 71 to 99 percent supported by GEF resources (except for China where GEF funding covers only 67 percent) and related co-financing, supplemented in some cases by funding through the Montreal Protocol (for example, in China and Malawi).

In a moderate number of cases UNDP has secured or helped mobilize significant financing from other partners to support complementary activities. TRAC funds have sometimes been

used as seed money to attract GEF funding, for example, by supporting project feasibility studies or proposal development. In a few cases TRAC funds have been allocated to support specific priority environment or energy initiatives unrelated to GEF, for example in the South Pacific (Box 4).

A typical country programme in the LDCs and SIDS consists of a handful of full-size GEF projects and a relatively large number of small (less than \$250,000) 'enabling activities' linked to the reporting requirements of MEAs. In the larger country programmes there are usually more full-sized and sometimes medium-sized GEF projects but not more enabling activities as there is typically only one of each type per country. The information available on project activities undertaken by each of the case study countries during the 2002–2007 period together with their financing sources is listed in Annex 7.

As stated earlier in the introductory chapter, it has been very challenging to gather accurate and comprehensive financial data, especially for periods predating the introduction of the new enterprise software in UNDP. We focused on collecting accurate and comprehensive data sets in connection with the country case studies. Unfortunately, even the selected country offices have faced challenges in providing financial information on their environment and energy projects in a coherent and consistent manner.

3.1.2 RESPONSIVENESS TO NATIONAL PRIORITIES

Since the early 1990s, national priorities within various aspects of environment and energy have typically been set out in a series of plans and strategies referred to as enabling activities. GEF funding has been available for enabling activities related to conventions on biodiversity, climate change and POPs. There are two major types of enabling activity: (i) a plan or strategy to fulfil commitments under a global environmental convention or (ii) a national communication to a convention. UNDP has been particularly active in supporting these national government efforts

to participate in the evolving regime of international environmental governance. The smaller UNDP environment and energy portfolios tend to be dominated by these enabling activities, which typically have a budget of less than \$250,000. These smaller projects often require a considerable effort to manage, particularly in LDCs and SIDS where government capacities are limited, contributing to high transaction costs for the country offices.

The succession of plans and strategies required from developing countries in relation to the various MEAs has produced an impressive array of environment-related plans and strategies in many poor countries, but little evidence of effective action to implement these plans. Despite a discourse emphasizing national ownership, many countries clearly only undertook these activities because they were fully funded from outside, and there was an expectation that they would lead to further international funding on a significant scale. In many cases these expectations have not been realized, which is hardly the fault of UNDP.

The plans and strategies developed through enabling activities, often with UNDP support, are not consistently highly regarded. Common criticisms include a lack of national engagement from decision makers, inadequate consultations and the excessive use of consultants to meet deadlines. Most are prepared under the auspices of environment ministries. While working through environment ministries may have supported these emerging institutions, the lack of serious dialogue on plans and strategies with more powerful and influential ministries such as finance, energy and infrastructure automatically limited how seriously these products would be taken at a national level. These plans and strategies do not seem to provide a good guide to investment or future programming either for government or for other donors, and there is still limited local capacity to objectively assess national needs in environment and energy. This is the case in all of the case study countries except China, where the government's internal coordination ensures

cohesiveness of policies. Enabling activities are particularly dominant in UNDP's environment and energy portfolios in Malawi and the 15 Pacific Island countries covered by the Fiji and Samoa multicountry offices.

Environmental issues in general appear to have been compelling for the rapidly growing, more prosperous middle-income countries of East Asia with alternative funding sources available (like China and Thailand) as well as the former communist countries now building relationships with the European Union (for example, FYR Macedonia). Environmental issues, and the global environment agenda in particular, appear to be relatively low priorities for the governments of sub-Saharan Africa, however, as noted in the Burkina Faso, Kenya and Malawi case studies. These and other LDCs are heavily dependent on international donors for developing balanced environment and energy portfolios or supporting the most pressing national priorities.

China's development strategy is largely based on identifying and testing new approaches on a small scale and replicating those that prove successful through policy measures. China uses UNDP's support to bring in ideas and experiences from abroad and test them. Unlike many other countries, the resources mobilized by UNDP, through GEF, the Montreal Protocol and other sources, pale in comparison with those of the government.

UNDP-GEF projects are usually developed by or *with the support of* regional centre (or sometimes even headquarters) staff with particular technical areas of expertise, while the country offices are primarily responsible for implementation. The country offices do initiate projects at government request, but seldom have the technical capacity to develop them to the level required for approval by GEF. Projects are approved within the focal areas on a global basis rather than by reference to national-level activities in other environment sectors, which is not always conducive to creating a coherent country-level portfolio.

Recent efforts to develop more coherent national project portfolios based on GEF funding have been considerably enhanced by the UNDP-managed GEF National Dialogue Initiative (NDI). The NDI provides opportunities for the countries to present their vision for environment work and brings together various actors from the governments, civil society, academia and so on.

GEF funding, by definition, is intended to support incremental activities that will generate global environmental benefits, with the assumption that 'baseline' activities with direct national benefits will be undertaken using other financial resources. In reality this baseline barely exists in many countries, especially not in LDCs and many SIDS. So work considered to be in the national interest as a precondition for GEF programming is not getting done in many cases. Furthermore, these projects are intended to be pilot initiatives to demonstrate what is possible, so that other donors or national governments can finance their expansion or replication.

The result is that most UNDP environment and energy country portfolios appear to be composed of a series of opportunistic projects for which funding was available. In many cases these are high-quality projects in their own right. But strategic portfolio development, the matching of activities with priority needs and significant attempts to compensate for the distortions inherent in the reliance on GEF funding are largely absent. This finding emphasizes the importance of considering GEF as one, rather than the only, funding source in order to address national environment and energy priorities, especially in LDCs and SIDS.

In LDCs and SIDS in particular, there is an almost total reliance on GEF support for environment and energy activities, as other donors have scaled back and government commitments are often miniscule (for example, Danida had recently withdrawn from Malawi, leaving few other environmental donors). Elsewhere, and particularly in China and Central and Eastern Europe, these priorities have overlapped more

directly with national environment and development priorities.

Assessing consistency with national priorities highlights the difficulty in following UNDP's practice of considering environment and energy as one. Most countries have 'energy portfolios' that cover a wide range of energy supply and distribution activities and issues in which UNDP has little or no role. National budgets for these portfolios are orders of magnitude greater than budgets for 'environmental portfolios'.

3.1.3 EFFECTIVENESS OF PROJECTS

Virtually all UNDP monitoring and performance reporting takes place at the project level, and there is an absence of environment and energy performance reporting at the country office outcome level. This section describes some of the main trends that emerged from a strategic review of projects in each of the case study countries.

The scope of the evaluation did not provide for an extensive sample of individual projects to be reviewed. However, in each case study country a number of key projects were discussed in some detail with the country office staff and local stakeholders. A few projects were visited and previous project evaluations were reviewed, including those highlighted in this report. While such a sample does not provide the basis for rigorous extrapolation, it was generally evident that the design, and in most cases implementation, work being carried out by UNDP and its partners is of high quality.

UNDP has been found by the GEF Evaluation Office to provide quality supervision to the projects that it implements. The GEF 2006 Annual Performance Report rated 88 percent of UNDP-implemented projects as receiving supervision that is moderately satisfactory or better.¹⁵ Quality of supervision has been found to correlate strongly with the likelihood of projects achieving their outcomes.

While many current projects appear impressive and innovative as stand-alone initiatives, sustaining gains and benefits over the longer term is a ubiquitous problem. Systemic constraints limit insight into post-project sustainability issues, especially the lack of an ex-post monitoring and evaluation culture and a fragile institutional memory of terminated initiatives that declines rapidly over time. Sustainability, however, is clearly impaired by weak counterpart institutions with staffing and budget constraints, limited coordination among institutions and projects, as well as cycles of political instability. These factors are all compounded by the uncertainty and unpredictability of future funding and the fact that few recipient countries share the environmental priorities in particular with regard to the global issues.

One particularly successful stand-alone project, financed by the Multilateral Fund for the Implementation of the Montreal Protocol, is the Phase Out of Methyl Bromide in Malawi (Box 2).

Projects have often taken a long time to develop and begin implementation. Over such long preparation periods, the underlying context often changes or is overtaken by events, threatening project relevance and effectiveness. Other problems are associated with projects' short duration. For example, implementation timeframes are often insufficient to consolidate change or capacity development processes, and many projects follow boom-to-bust cycles that provide high levels of support that exceed local absorptive capacities and then terminate abruptly. Projects often lack realistic exit strategies, thereby limiting opportunities for an effective transfer of activities. The latter is particularly problematic within projects that do not reflect genuine national priorities.

The most impressive projects often appear to be those where other donors are encouraged to support

15. 'GEF Annual Performance Report 2006'. GEF Council (GEF/ME/C.31/1). GEF Evaluation Office. 2007.

Box 2. Phase Out of Methyl Bromide in Malawi

Methyl Bromide (MeBr) is an ozone-depleting substance that is being phased out globally. Until the early 2000s, Malawi was the second largest user of MeBr in Africa, mainly due to its use in the tobacco industry (lesser amounts are used in grain storage). In 2000, UNDP mobilized funding from the multilateral fund for the Montreal Protocol to phase out the use of the estimated 111 metric tons of MeBr used annually in the country and introduce more ozone-friendly technologies for farmers. MeBr had been used for tobacco seedbed sterilization since the early 1970s, especially by large-scale tobacco farmers.

The project took a multi-pronged approach that turned out to be very effective. There were awareness campaigns on the need for the phase out using radio and TV spots, posters and printed media in addition to traditional agricultural extension services. The project also promoted recommended alternative technologies and undertook research, testing existing alternatives under Malawian conditions. It demonstrated effective alternative technologies to the farmers and trained them in their use. The project also developed a legal framework for banning MeBr in Malawi. The subsequent import ban has been accompanied by training to help customs officials recognize the chemicals.

The project, executed through the Department of Environmental Affairs and the Agricultural Research and Extension Trust, was highly successful in phasing out virtually all of the MeBr used in the tobacco sector by the time it closed at the end of 2006. Its success can be attributed to several factors, most importantly the well-defined target of MeBr within a known sector and the availability of alternatives that were both effective and economically viable. Although the initial investment is higher, the newer technology will produce savings both in labour and land area required, as well as in water use and transportation costs. The alternative technologies were therefore accepted and rapidly adopted by the farmers once their initial reluctance was overcome by convincing demonstrations.

parallel activities that complement UNDP's GEF-funded projects, leading to a set of activities that is more diverse and is responsive to a range of local and national priorities. In such cases it is often easier to see the potential for poverty reduction, and it becomes easier to see how environmental considerations can effectively be integrated with economic development. Examples of these more promising broader approaches in the case study countries include the Prespa Lake project in FYR Macedonia (linking to transboundary efforts in Greece and Albania, see Box 3) and the Galapagos Islands project in Ecuador (see Box 8).

The Burkina Faso country office has explicitly targeted a move towards fewer, larger projects that address environmental issues within a broad development approach. This transition in approach has helped UNDP become more relevant in relation to government priorities. While the opportunities for demonstrating impact, sustainability and broader-based results appear to have improved, reporting specifically on achievements in environment and energy is more complicated in such programmes.

Biodiversity projects have increasingly tried to demonstrate the local and national benefits from more effective conservation while building policy relevance. These projects frequently include impressive work supporting policy and legislation. Such projects are gradually shifting away from a focus on individual protected areas towards the governance of overall protected area systems and the institutional, financial and economic sustainability of these systems within broader governance frameworks. Separate work on invasive species management has helped governments to gauge the true scope of associated economic damage and then develop policy and programme responses that match the potential risk. Implementing such changes in emphasis has been an enormous challenge in an area that was not considered central by much of the mainstream development community and which still receives little attention within UNDP. The biodiversity portfolio is discussed further in chapter 4.3.

The impacts of international waters projects have been easier to demonstrate in terms of their contributions to governance, with most aimed at supporting the development of new or

Box 3. Prespa Lake International Ecosystem Management Project

This project provides an important example of UNDP drawing on both GEF and non-GEF funding sources to achieve national and global environmental benefits.

The GEF-supported Transboundary Prespa Park Project is the focal point for a series of linked activities in a region shared by The Former Yugoslav Republic of Macedonia, Albania and Greece. The region's unique flora and fauna are threatened by unsustainable exploitation and inappropriate land use practices. The project explicitly adopted an ecosystem approach that brings environmental objectives into policy and planning and involves spatial planning, water use management, agriculture, forestry, national park and fishery management and conservation and protected area management. The strengthening of transboundary coordination mechanisms appears promising so far.

The broader Prespa region programme now encompasses several projects funded by international donors that are clearly complementary to the original UNDP-GEF international waters project. These include restoring the Golema River, reducing agrochemical use and improving solid waste management services in 20 settlements. This waste collection programme is consistent with broader efforts to generate revenues from users' payments to local service providers, of which there is little tradition. So far, revenue collection from households, although insufficient to ensure self-sufficiency of the operation, has been higher than elsewhere in the country. Local tree fruit producers' associations appear satisfied with UNDP support that has allowed them to reduce the costs of key inputs (pesticides, irrigation water and fertilizers) while also reducing their ecological impacts. The mayor is also satisfied because these environmental activities support the local government's primary goal: the economic growth of the municipality. These parallel and linked investments, mainly managed by UNDP, seem to have increased the original project's prospects of having genuine and sustainable impacts.

strengthened institutions for international governance of shared rivers, lakes and seas. The Danube Regional Project was characterized by the final evaluation as “the culmination of fifteen years of GEF assistance and a lynchpin of the Danube-Black Sea Strategic Partnership...a highly successful project, and well-deserving in its characterization as one of the flagship efforts under the GEF International Waters Focal Area.”¹⁶ This programme helped to catalyze some \$5 billion in new investments in waste water treatment in the Danube Basin since its launch in the early 1990s. This is a case where the priorities of the countries and their UNDP offices coincided with those of GEF and, not incidentally, those of the expanding European Union.

UNDP's efforts in support of the Montreal Protocol on Substances That Deplete the Ozone Layer are generally very highly regarded, although these are sometimes hard to integrate with other development programmes.

While GEF-funded projects in the past several years have increasingly been directed to focus on policy issues, such as market transformations and barrier removal for the adoption of new technologies, these efforts naturally focus on global environmental issues. While this does not prevent country office environment and energy teams from focusing on broader sets of environmental and natural resource management policy issues—which a few have managed to do with support from particularly motivated resident representatives—there is little practical incentive to do so, and most country offices lack the requisite capacity. The country office environment and energy teams report that their UNDP-GEF colleagues, undoubtedly driven by perceptions of the types of projects that GEF is likely to finance, are mainly interested in projects and have little time for policy issues that are not specifically related to these projects. Nevertheless, there is considerable scope for projects where global environmental issues merge with national

16. Fox, A. and S. de Mora, 'Final Evaluation of the UNDP/GEF Project RER/01/G32 – Danube Regional Project: Strengthening the Implementation Capacities for Nutrient Reduction and Transboundary Cooperation in the Danube River Basin', UNDP, 2007.

development priorities, such as in the case of energy efficiency, renewable energy and sustainable use of biodiversity.

Staying current on GEF funding priorities and documentation requirements is an extremely challenging task that clearly could not be replicated in each country office. UNDP-GEF project design tends to be well regarded but there are widely held concerns over the general quality of project implementation supervised by the country offices. As a rule, UNDP relies on national execution of projects by an implementing partner at the country level. Adequately supervising projects located far from the capital cities where the country offices are located appears to be a challenge in some case study countries (notably Ecuador, Kenya and FYR Macedonia). It would be unfair, however, to assign all implementation difficulties to UNDP. The lack of capacity in the environment and energy sectors in many countries makes effective project implementation very difficult indeed. Past periods of political instability and rapid turnover in government counterparts have also undermined projects' effectiveness.

While some country offices expressed a strong desire to focus on more strategic environment and energy activities, rather than many relatively small projects, it is not clear under current approaches how this could be financed, and many country offices do not appear to have sufficiently strong staff to sustain such an approach.

3.1.4 CIVIL SOCIETY INVOLVEMENT

UNDP manages the corporate GEF Small Grants Programme (SGP), widely recognized as one of the most successful initiatives of UNDP. The SGP makes grants of up to \$50,000 in more than 100 countries and is unique among GEF programmes in targeting poor and marginal communities. It helps such communities contribute to achieving global environmental goals while responding to local socio-economic development imperatives. The SGP has probably been the

most consistent and effective among the GEF programmes in contributing directly to poverty reduction at local levels. In many countries SGP is heralded as having really 'made a difference' by responding quickly and effectively to local and national priorities.

The SGP's success in working with the non-governmental sector and at the community level has had some influence on UNDP (and GEF) programming. SGP has had to respond to frequent criticism, usually from within the GEF Council and Secretariat, that its aggregate impacts are not significant for remediation of global environmental problems. A recent independent global evaluation of the SGP was extremely favourable,¹⁷ matching the findings of two previous evaluations. The governments of several countries even requested additional funds to be allocated to SGP from their national GEF allocations, thereby reducing the money the government would have discretion over.

The SGP is highly regarded within UNDP and often serves as a flagship programme for the country offices to demonstrate that they have effective environment programmes on the ground. The SGP national coordinators, although autonomous and reporting directly to the SGP's Central Programme Management Team in New York, are usually based in the country offices, and the resident representatives appoint the National Steering Committees that make grant decisions. In some cases the relationship between SGP and the country office is close and constructive, as in Ecuador, where the collaboration was commended by the recent global SGP evaluation, and Burkina Faso, where learning from SGP experiences has been incorporated into the country office's two main projects. In other countries, such as Kenya, the relationship is distant or strained. The potential benefits and opportunities for synergies—not just in environment, but in poverty reduction, governance and other areas—

17. 'Joint Evaluation of the GEF Small Grants Programme', Evaluation Report No. 39, GEF Evaluation Office and UNDP Evaluation Office, 2008.

do not seem to have been fully grasped by all country offices.

Relatively little other funding has been used to complement and build on SGP successes, suggesting that there are still few linkages to other UNDP work, even after more than a decade of SGP operations. This appears partly due to SGP operating fairly autonomously, with project selection strictly subject to the global programme criteria. As a result, country offices have limited influence on SGP operations.

Many of the strongest and most experienced national SGPs are being requested by the GEF Council and Secretariat to prepare for 'graduation' out of the programme. To the extent that the country offices consider SGP an integral part of their operations—and it seems almost inconceivable for this not to be the case—they need to

engage more with SGP in helping map out its future, ideally one that links SGP operations more closely with country office programmes.

3.1.5 SMALL ISLAND DEVELOPING STATES

UNDP has multicountry offices in Fiji and Samoa, managing programmes in 10 and 4 countries, respectively, with environmental teams in both multicountry offices. These case studies provided the evaluation's main inputs on the issues facing SIDS. The bulk of sub-regional environment programmes in recent years in the Pacific and a substantial percentage of energy initiatives have been implemented by UNDP with GEF funding, although the European Community has a sizeable presence in both areas. Most of the UNDP projects take the form of Pacific sub-regional programmes, seeking economies of scale in sharing services, skills and experiences among the countries.

Box 4. Kiribati – A Solid Waste Management Success

Kiribati is a fragile, isolated LDC of 92,000 people on small Pacific islands scattered over an area larger than Western Europe. Densely populated South Tarawa, the national administrative centre, has long experienced difficulties with solid waste management and disposal, threatening the ground water used by households.

In 2003, a civil society organization long active in Kiribati, the Foundation for the Peoples of the South Pacific Kiribati, approached UNDP Fiji with a concept for improved solid waste management that built upon existing activities, including a UNDP-GEF International Waters project. With strong endorsement from government, community groups, the private sector and other donors, UNDP provided \$227,000 in core (TRAC) funds for a government-executed, three-year project. It was agreed that operations would be contracted to the private sector once a viable business concern had been established.

An independent evaluation in late 2006 and a final Tripartite Review in early 2007 concluded that the effort had been successful and highly relevant for Kiribati in terms of improved access to essential services by low-income people and improved local capacity to deal with environmental vulnerability. The project provided a good model for Kiribati and other Pacific atoll nations for better management of solid waste:

- The key achievement has been the establishment of an income-generating venture for South Tarawa, with improved island cleanliness and hygiene. Pollution has been reduced appreciably.
- The commercially viable recycling system has been a very effective model of government, community and private sector collaboration.
- Over 100 households were financially supported with \$260,000 in 2007 payouts.
- The volume of rubbish dumped at landfills has fallen by over 50 percent.

Practical opportunities have been identified to extend the project and there is potential for replication. Nearby countries are well aware of the achievements, and UNDP Fiji has received three proposals for similar solid waste management initiatives based on the Tarawa experience. This is a good example of UNDP's ability to build effectively on earlier work, cooperate with other donors, and build a successful government, NGO and private sector coalition with excellent prospects of sustainability, environmental improvement and modest poverty reduction.

Operational weaknesses in the environment and energy programmes of the two multicountry offices are elaborated in an annex to this report. These have been exacerbated, and to some degree caused, by the extraordinary logistical challenges of working in this sub-region with its small population widely dispersed over enormous areas. Despite extraordinarily high operational costs, the multicountry offices do not receive additional financial resources to offset these costs. Senior staff characterize the situation as a negative spiral where extraordinarily high operating costs reduce the quality of service, leading in turn to even lower resource allocations. This situation is particularly extreme for UNDP Fiji with its responsibility not only for managing 10 country programmes with its tiny staff, but also responding to headquarters' planning and reporting information needs for each of them. Not surprisingly, UNDP's credibility in environment within the sub-region appears to be eroding.

While GEF funding dominates the Pacific environment agenda and choice of activities, at least two impressive programmes have demonstrated what can be achieved when UNDP commits its core or other funds to these areas. Box 4 describes a project in Kiribati under UNDP Fiji.

3.2 COUNTRY OFFICES AND NON-PROGRAMMATIC ACTIVITIES

UNDP is valued by national governments for several reasons, notably being a long-term partner, supporting national planning and strategy development processes and contributing to capacity development. These strengths are clearly relevant in all of the sectors where UNDP provides development assistance, not just environment and energy. In addition, both donor and government partners in many countries recognize UNDP's suitability as an appropriate spokesperson or coordinator for the international community due to the agency's objectivity and neutrality. Environment and energy work benefits considerably from these strengths.

From the countries' perspective UNDP has obviously been a major gateway to the GEF, and for that reason it has been a key partner for anyone hoping to access GEF funding. Community-level initiatives of the SGP are widely appreciated. Also with GEF resources, UNDP has been a major supporter of government activities in compliance with MEAs. Many environment ministries would not have been able to respond adequately to the reporting requirements of these global agreements without the substantial technical support they have received from UNDP. The country offices have been an important factor in mobilizing international resources for environment ministry activities, even though a lot of this work seems to take place outside mainstream policy formulation and decision making.

3.2.1 ENHANCING GOVERNMENT ATTENTION

The relevance and effectiveness of UNDP's environmental programming is directly influenced by the commitment and capacity of recipient governments. Many national stakeholders expressed the view that international donors are tending to support a global environmental agenda that diverges from national environment and development agendas, especially in LDCs and SIDS. UNDP's reliance on GEF funding does not enable it to counter this view. Our assessments of LDCs and SIDS in particular suggested that governments' interest in environmental management issues is stagnating. Very few of the stakeholders interviewed suggested that environmental issues figure high among their government's priorities. Among the case study countries, feedback from national stakeholders and experienced observers in Burkina Faso, Fiji, Kenya and Malawi give little room for optimism regarding the priority these governments are assigning to environment and energy. FYR Macedonia is starting to give environment more attention in the context of EU accession, while in China the issue is highly visible, the national government is becoming fully engaged and it is local governments' commitment that may be inconsistent.

It is somewhat paradoxical that governments, particularly of LDCs and SIDS, do not give

higher priority to the environment, given the fundamental importance of the natural resource base for their economic growth (for example, in Burkina Faso, Kenya, Malawi and the Pacific Island states). UNDP, with the encouragement of other international partners, often acts as an advocate trying to ensure that principles of sustainable natural resource management are not ignored. However, a lack of resources hampers important work in this area on a significant scale.

Environmental legislation is now in place in many countries, and UNDP has helped bring this about. Unfortunately the capacity and decisiveness needed for effective implementation are often lacking, especially among relatively new environment ministries and departments that tend to lack political influence and have no field presence. Environmentally related shocks and disasters do periodically lead to a renewed focus on natural resource management, for example, in cases of drought and famine in sub-Saharan Africa, but there appears to be little sustained appetite for addressing the long-term structural constraints to reduce vulnerability to such events.

3.2.2 BUILDING COUNTRY CAPACITY

Based on the observations of the evaluation team members and their discussions with national stakeholders in the case study countries, there is little sign that the capacities of many developing government agencies responsible for environment and energy are improving; in some cases these capacities appear to be deteriorating, especially in LDCs and SIDS. This is despite UNDP's efforts aimed at capacity development, including the enabling activities. This pattern applies equally to environment ministries and to departments within ministries with environmental mandates such as forests, fisheries, wildlife, soil conservation, pollution control and waste management.

While some bright, motivated people are making a difference, not enough seem to remain in government for long. Fiji's Ministry of Environment had lost 14 of its professional staff of 22 during the last year, although it is important to note that in Fiji, as elsewhere,

former government employees whose capacities have been developed may still be contributing in the country either within NGOs or as consultants. According to national and international stakeholders, none of the Pacific Island states has significantly improved their government capacity to manage environment and energy during the last fifteen years (Samoa may be an exception). Assessments written ten to twenty years ago in some of the case study countries elaborating and lamenting limited capacities in the environmental sector appear equally applicable today, despite significant investments in capacity development over recent decades. Compounding unattractive career prospects for trained staff and continual recruiting of capable people by international organizations, a massive shortage of skilled workers over coming decades in Europe seems likely to fuel a continuation and expansion of the brain drain, further depleting limited national human resources.

In LDCs and SIDS there often seems to be a greater capacity and even engagement in the NGO and private consulting sectors than in government. In the case study countries it is evident that governments are often unwilling or unable to tap this expertise through partnerships with NGOs. In several countries where government capacities in environment and natural resource management are modest, certain NGOs are notably knowledgeable and effective in a variety of sectors, including sustainable land management, water, food security, famine relief and community-based development (notably in Burkina Faso, Ecuador, Fiji, Kenya, Malawi and Samoa). It is not clear that UNDP is taking full advantage of this, although there are recent, emerging signs of cooperation in some countries. There are exceptions, notably the Sustainable Socio-economic Empowerment for Poverty Reduction project in Malawi, where NGOs have been engaged in a highly regarded literacy and learning initiative that seems more typical of an SGP project.

UNDP and others have long struggled with how to build and retain capacity in extremely small countries, most of which will never have the critical population mass for a wide range of skills,

and nearly all of whom lose a high percentage of skilled government staff to emigration and non-government sectors. Capacity limitations continue to be universally, and justifiably, cited as a barrier to progress, most recently in the case of climate change. Looking at recent models, there seems little basis for expecting increased capacity development investments to yield significant benefits. While most UNDP environment and energy initiatives have had significant capacity development elements, long-term capacity gains in government seldom seem apparent in LDCs and SIDS. Capacity may indeed be built on a short-term basis through project-supported interventions, but it is not at all clear how can any such gains be sustained. The implications of the many failed efforts over recent decades for current and future capacity development programmes do not seem to have been analyzed at a strategic level, either within UNDP or elsewhere.

3.2.3 CAPACITIES FOR DECENTRALIZED ENVIRONMENTAL MANAGEMENT

Capacity limitations come into even sharper focus in countries that have decentralized environmental management. UNDP has supported decentralization in several of the case study countries, with some promising results. But the challenge is massive. Decentralization often results in shifts of authority and responsibility for decision making and provision of services to local levels without adequate financial resources and with extremely modest local human resource capacities. If environment and energy capacities in national government are limited, they are often almost nonexistent in local government. Decentralization in the forestry sector in Malawi, for example, appears to have virtually eliminated the capacity in the centre with no significant gain in local capacity, considerably exacerbated by personnel losses due to HIV/AIDS.

In FYR Macedonia, UNDP project staff placed within ministries or local governments serve as resource people to these organizations while also contributing to their longer term capacity development. UNDP also provides its national counterparts with access to global networks of

knowledge and expertise. However, FYR Macedonia faces the need to rapidly develop local environmental management capacities as part of its EU accession process. Even in such a small country UNDP's approach of supporting local governments cannot come close to meeting the capacity development needs for decentralized environmental management.

Even excellent national legislation and policies will prove ineffective without dramatically enhanced local capacities, not least to offset the widespread tendency for local authorities and their private sector partners to emphasize increased economic activity above any environmental considerations.

3.2.4 COORDINATION ROLE

The coordination role played by UNDP vis-à-vis the UN Country Teams and donors in environment and energy varies considerably. Coordination has been carried out to the satisfaction of all major donor partners in some cases, for example, in Burkina Faso and in Ecuador, specifically for the Galapagos Islands, while in others, like Kenya, UNDP has lacked the staff resources and credibility to carry out the role adequately. In some smaller countries like FYR Macedonia, the donor community is so small that informal coordination suffices. In yet other cases UNDP has been unable to successfully promote donor coordination because of a combination of capacity limitations in the country office and a lack of sustained government interest (as in Malawi). Here again, the personal commitment of the resident representative or a senior UNDP staff member who can command respect among other partners seems a prerequisite.

In a promising example in Ecuador (separate from the Galapagos), UNDP's Sustainable Development Unit chairs an Environment Working Group composed of several UN agencies, the Spanish cooperation agency AECID and the Ministry of Environment. This working group has been effective in coordinating agency roles for the recently approved Yasuní Biosphere Reserve project. Procurement and contracting for

the Yasuní project will be managed by an inter-agency panel with oversight by the Ministry of Environment. This model has worked so well that it is being considered for other projects in other sectors.

3.2.5 COUNTRY OFFICE HUMAN RESOURCES

The technical capacities of the country offices are not highly regarded by many national stakeholders (in both governments and civil society), donors or UNDP staff at headquarters and the regional centres. The country offices rely on poor systems and overstretched staff hampered by endless requests and requirements from headquarters, including frequently shifting administrative and financial reporting requirements. Too much time is being used on cumbersome reporting systems. This has led to significant delays in very basic project management procedures (such as procurement, contracting and disbursements), poor communications with partners, inadequate supervision of technically challenging projects and limited capacity to effectively engage with governments on key policy issues.

Many environment and energy staff are relatively inexperienced, work on short-term contracts, lack technical expertise and spend a significant amount of time on reporting. This does not aid delivery of timely, relevant and effective services to the countries. There is a lack of consistent evidence-based advice to countries and a similar lack of people with the time and often expertise and stature to provide advice. It seems clear that the country offices are frequently driven more by funding opportunities in their general areas of concern than by the systematic analysis of priority issues.

With a few notable and impressive exceptions, such as China, the country office teams have very limited capacities to identify, prepare and manage projects, especially in the LDCs and SIDS.

The environment and energy teams in the country offices vary from one person in the smaller offices to up to 15 in China (see Table 3). The LDCs and SIDS tend to have one lead person who may

be a regular international or national staff member or a UN Volunteer, supported by a few temporary or junior staff with uncertain funding support, often consultants or junior professional officers. Our observations were that these teams are very hard working and stretched to the limit, especially in the smaller country offices. But junior, inexperienced staff are often playing too broad a role, without adding a lot at a policy level or having credibility with government. The addition of volunteers and junior professional officers cannot make up for the need to have more permanent staff on board, ideally with a professional background in natural resource management.

The post of environmental focal point in a country office is very demanding, requiring the incumbent to stay current on a wide range of rapidly evolving technical issues while managing a broad portfolio of projects and facing tremendous pressure to mobilize resources. In the LDCs and SIDS, this means operating in a sector where the national capacity is often extremely limited and where project proponents and implementers (such as environment ministries) often lack political support. These challenges are compounded by frequent changes in key government counterparts and long periods where government staff positions remain unfilled.

Some of the case study country offices are expanding their environment and energy teams. China has increased the size of its team significantly, from 6 to 15 staff members since 2005. Burkina Faso, FYR Macedonia and Malawi as well as the Fiji and Samoa multicountry offices have also expanded their human resources focused on environment and energy, although the funding for most of the additional positions is uncertain and fragile, and it is unclear if this increased momentum will be sustained. Again, the personal commitment of the resident representatives to the environment and energy agenda and their ability to be entrepreneurial in finding additional resources has been critical.

The country offices have suffered from high rates of staff turnover. In some cases this has led to

Table 3. Country Office Environment and Energy Team Staff Details Supplied by Case Study Countries

Country	Total No. of Staff	Staff Position	No. of Staff	Source of Funds	Time Period Employed
Burkina Faso	4	National Staff	1	UNDP Core	1990-present
			1	UNDP Core	1996-present
			1	UNDP Core	2006-present
		Junior Professional Officer	1	Government of Luxembourg	2006-present
		UN Volunteer	1	Japan International Cooperation Agency/UNDP Core	2005-present
China	18	International Staff	1	Regional Bureau for Asia and the Pacific	2005-present
		National Staff	6	Extra-Budgetary	2006-present
		Seconded Staff	1	Italian Government	2007-present
		Support Staff	3	Extra-Budgetary	2006-present
		Long-term Consultants	5	EU Project	2006-present
			1	Extra-Budgetary	2007-present
			1	UNDP Core 3	2007-present
Ecuador	4	National Staff	1	UNDP Core	2001-present
			1	National Project	2004-present
		Support Staff	1	National Project	2001-present
			1	National Project	2004-present
Kenya	10	International Staff	1	UNDP Core (PEI)	2006-present
		National Staff	1	Regular Budget	1997-present
			1	Extra-Budgetary	2001-present
			1	UNDP Core	2001-present
			1	UNOPS (SGP)	2001-present
			1	UNOPS (SGP)	2000-present
			1	UNOPS (SGP)	1994-present
		UN Volunteers	1	UNV	2007-present
			1	UNV	2007-present
		Long-term Consultant	1	UNDP Core	2004-present
FYR Macedonia	3	National Staff	1	Extra-Budgetary and UNDP Core	2003-present
			1	Extra-Budgetary	2007-present
		Junior Professional Officer	1	Government of Japan	2006-present
Malawi	1	National Staff	1	Extra-Budgetary	1998-present
Pacific Island states (Fiji MCO)	5	National Staff	1	UNDP Core	1999-present
			1	Extra-Budgetary	2005-present
			1	Extra-Budgetary	2006-present
		Young Professionals on Service Contracts	2	Extra-Budgetary	2006-present
Pacific Island states (Samoa MCO)	8	International Staff	1	Extra-Budgetary	2001-present
		National Staff	1	UNDP Core and Extra-Budgetary	2000-present
			1	Extra-Budgetary	2000-present
		Junior Professional Officers	1	Government of Netherlands	2005-2007
		Support Staff	1	Extra-Budgetary	2006-present
		Short-term Interns	1	UNDP Core	2007-present
			1	-	2007
2	-		2008		

disquieting lapses in institutional memory. In at least two of our seven case study countries, the country office staff were unaware of earlier UNDP activities that had generated lessons or experiences relevant to current or planned initiatives. In many country offices where the environment and energy programme is led by a strong and experienced national officer, the real 'lessons learned' are mostly possessed by and limited to this individual.

3.3 GLOBAL AND REGIONAL LEVELS

The role of EEG at the global and regional levels combines different functions, including 'think tank' research, policy advice and programme implementation. However, with the emphasis and relative weight given to each role changing continually, there are various opinions within UNDP on the value of these functions. The country offices tend to appreciate the policy advice received through EEG (especially from the GEF unit, because this is directly and practically linked to specific projects), while the global programme's contributions are not always understood. This mutability combined with the internal incentives to raise external funds for EEG's own programmatic activities has resulted in a certain lack of direction and has diluted the impact of any of the three basic functions. BDP appears aware of this, and there are efforts underway to consolidate the GCF.

The regionalization process started in the early 2000s was intended to bring UNDP closer to its clients. Initially motivated to allow BDP to provide more efficient policy support to the programme countries by outposting its policy advisers to the regions, the process was taken over by the regional bureaux, which gradually assumed a greater role in management of the decentralized units. Now the regional centres are integral units of the regional bureaux. BDP's role remained to provide intellectual inputs to their work. As

discussed earlier in chapter 2, the regionalization process has proceeded at highly varying paces in the different regions.

3.3.1 POLICY, ADVOCACY AND KNOWLEDGE MANAGEMENT

Over the years UNDP, through EEG, has participated in important intergovernmental and global policy events and discussions, such as the World Summit on Sustainable Development (WSSD) in 2002, the annual sessions of the Commission on Sustainable Development and the UN Climate Change Conference held in Bali, Indonesia, in December 2007. A particular contribution was through the 'Greening of WSSD' effort, which was the first-ever attempt to reduce the environmental impact of a major UN conference on the host city, in this case Johannesburg, South Africa. UNDP joined GEF and IUCN to help local authorities and communities manage critical areas like transport, waste, energy and water more sustainably during the summit.

The Millennium Ecosystem Assessment (MA) was a major, international, multi-actor effort to provide a state-of-the-art scientific assessment of the condition and trends pertaining to global ecosystems and the services they provide for human well-being. Between 2001 and 2005, MA involved well over one thousand scientists and was sponsored by 16 international agencies, amongst them UNDP, although its role in the MA was limited.

Through EEG's work, and activities such as the HDRs, UNDP has played a role in global policy dialogue on environment and energy issues, although it is not generally recognized as a major player in the field. The two latest HDRs¹⁸ both focused on environment-related themes. The HDRs are arguably the best-known products of UNDP and are widely cited. Several other studies and reports produced by EEG have been

18. *Human Development Report 2006. Beyond Scarcity: Power, Poverty and the Global Water Crisis*. UNDP 2006. Also *Human Development Report 2007/2008. Fighting Climate Change: Human Solidarity in a Divided World*. UNDP 2007.

recognized for their high quality, in particular their ability to extract experiences and lessons from the field and draw broader conclusions.¹⁹

The Equator Initiative, a partnership programme run by EEG since 2002, was designed to “reduce poverty through the conservation and sustainable use of biodiversity by identifying and strengthening innovative community initiatives.”²⁰ The initiative is primarily concerned with advocacy work through four action areas: (i) the Equator Prize is awarded biennially to communities from the tropical developing countries for efforts that conserve biodiversity while also reducing poverty; (ii) Equator Knowledge promotes knowledge management through research, documentation and sharing of lessons learned and through raising public awareness concerning biodiversity; (iii) Equator Dialogues are intended to create a platform for community dialogue and events and (iv) Equator Ventures promotes small- and medium-sized business enterprises that conserve and use natural resources to generate sustainable income opportunities. The Equator Initiative is supported by 12 organizations, including donor agencies, NGOs, academics and the CBD. While the Equator Initiative has created interest and awareness through its well-received advocacy work, it is difficult to gauge its impact on biodiversity conservation and sustainable use or how it connects with the country office programmes.

3.3.2 EFFECTIVENESS OF PROGRAMMES

Apart from providing intellectual leadership and policy advice, BDP is also the custodian of the GCF, within which EEG develops and manages the global programme on environment and energy. The stated purpose of the GCF is to create and share knowledge through a global network and to link global advocacy and analysis

to the policy support function. The GCF is thus intended to contribute to policy development at UNDP.

The environment and energy global programme has consisted of a wide range of activities, many of which have been small and somewhat scattered. The Second GCF (2001–2003) contained no fewer than 46 environment and energy projects with a total value of \$42 million. Out of this sum, just \$6.4 million was from the GCF core; the rest came from cost sharing and trust fund contributions. The smallest project in the environment and energy practice area amounted to just \$55,000. A 2004 GCF evaluation concluded that the global programme had not fully articulated what it intended to do.²¹

The current global programme still contains activities under all MYFF-2 service lines, identifying four crosscutting themes: poverty-environment, climate change, environmental governance, and community-based initiatives. The global programme’s main projects are: MDG Carbon Facility, Access to Energy Services, Drylands Development Centre 2005 Operations, Effective Water Governance, Biodiversity Global Programme, Sound Management of Chemicals, Climate Change, Equator Initiative and Frameworks and Strategies for Sustainable Development.²² As is apparent from the list, these projects are closely related to larger operations funded by GEF and the Montreal Protocol. Additional funding through Thematic Trust Funds (TTFs) from various donors has been raised for these activities. A separate evaluation of the Third GCF is currently underway.

Apart from the GCF, there are global programmes funded and implemented under GEF. Their nature, however, is quite different because they

19. For instance, *Energizing Poverty Reduction: A Review of the Energy-Poverty Nexus in Poverty Reduction Strategy Papers*, UNDP 2007, and *Making Progress on Environmental Sustainability: Lessons and Recommendations from a Review of over 150 MDG Country Experiences*, UNDP 2006.

20. ‘Equator Initiative Annual Narrative Report 2007’ UNDP 2007.

21. ‘Evaluation of the Second Global Cooperation Framework of UNDP’. UNDP Evaluation Office 2004.

22. ‘UNDP Global Programme 2006 Annual Report’. UNDP/BDP 2007.

are projects with practical objectives addressing specific global environmental issues. Examples of these include the projects on 'Removal of Barriers to the Introduction of Cleaner Artisanal Gold Mining and Extraction Technologies' (GEF grant: \$7.1 million) and the recent 'Supporting Country Early Action on Protected Areas' (GEF grant: \$9.5 million).

Each of the five regional bureaux manages a Regional Cooperation Framework (RCF) consisting of regional programmes in each of the practice areas. The direction and emphasis given to the various programmes varies considerably by region. Independent evaluations have been recently completed of three of the five RCFs, in Africa, Asia and the Pacific and Latin America and the Caribbean,²³ revealing highly diverse approaches to the environment and energy programme. In Latin America and the Caribbean, the main effort was under the banner of energy and climate change, where the focus was on knowledge generation and sharing, advice for policy formulation and support to specific programmes in energy, climate change, risk management and biodiversity. The evaluation found that their results were mixed, with only 4 of the total of 18 initiatives performing as expected. Similarly, in Africa, the integration of environmental sustainability into the regional programme was found to be weak. In Asia and the Pacific, sustainable development was initially one of the three main thematic areas of the RCF, but during implementation, activities under it were submerged within the poverty and governance themes and core funding for environment was cut significantly.

Established in 2005, the Regional Centre in Bangkok (RCB) supports 25 country offices and their national partners in the Asia-Pacific region. Energy and environment for sustainable

development is one of the three main focus areas. The overall strategic outcome of the practice area in RCB has been framed in the context of achieving the MDGs and social and economic development,²⁴ implying close linkages between environment and energy and the poverty and democratic governance areas.

The Asia-Pacific region has a large portfolio of GEF-funded projects, consisting of 160 approved projects of which 130 are under implementation, amounting to a total of \$307 million in GEF funding and \$530 million leveraged in cash and in-kind co-financing.²⁵ The portfolio is focused on climate change mitigation, which accounts for more than half of the resources and half of the projects. This is followed by biodiversity with slightly over a quarter of the resources and projects. While there is demand from the governments in the region, regional technical advisers have found that this is not always the case with the country offices. GEF is primarily seen as a source for generating revenue for the country offices, while the programmatic work tends to be driven by the GEF technical staff in RCB. Furthermore, GEF is project-driven with its own logic and cycles, which are difficult to integrate into the country programmes. The country offices don't feel that they are in control of the GEF-funded projects. Recent changes in GEF policies, such as the introduction of the resource allocation framework (RAF), have aggravated these difficulties. Consequently, the regional GEF staff foresee that future programming will become harder, with more emphasis on a larger number of smaller projects with high requirements for co-financing and leveraging additional financing.

A significant new initiative without GEF funding is the joint UNDP-IUCN Mangroves for the Future (MFF) partnership, which aims to promote investment and action in ecosystem

23. 'Evaluation of the Second Regional Cooperation Framework in Africa'. UNDP Evaluation Office 2007; 'Evaluation of the Second Regional Cooperation Framework in Asia and the Pacific'. UNDP Evaluation Office 2007; 'Evaluation of the Second Regional Cooperation Framework in Latin America and the Caribbean'. UNDP Evaluation Office 2007.

24. '2007 Consolidated Workplan', Regional Centres in Bangkok and Colombo. UNDP 2007.

25. 'Regional Business Plan for 2007'. Asia and the Pacific Region. UNDP Environment Finance Group 2007.

conservation in coastal areas.²⁶ The initiative emerged from the response to the Indian Ocean tsunami, recognizing the need to go beyond the short-term responses to develop a longer term vision for sustainable coastal development. The Regional Bureau for Asia and the Pacific (RBAP) allocated \$400,000 of core funds for 2008–2011 to the initiative. Several bilateral donors have pledged to invest \$12 million, and the project is seeking private sector funding from coastal industries, such as ports and tourism. The project has begun work in a number of countries along the Indian Ocean. Even some tsunami-affected African countries have expressed interest in joining, thus raising the option of turning MFF into a cross-regional initiative. MFF is also intended to operate as an umbrella for relevant projects funded from different sources (including GEF) and implemented by different agencies (such as UNEP and FAO).

As the only major environmental initiative outside of the EEG ambit in the region (apart from the ongoing Regional Energy Programme for Poverty Reduction (REP-PoR); see section on energy in chapter 4), MFF shows a very promising approach to partnership building. However, the collaborative mechanisms at the national level are unclear. In Thailand, one of the early countries to join, the relationship between RCB and IUCN is strong, but the relationship with the country office is non-existent. Logically, the country office should facilitate the implementation of MFF at the national level, but as this is a RCB project it has not been included in the country office work programme, nor can the country office dedicate resources to the project unless it is compensated financially for it. This demonstrates the generally problematic link between RCB and the country office in the host country.

Recently, there have been efforts to integrate the core and GEF-funded environment and energy agendas in RCB. The distinction between the modes of operation is blurring as the GEF

strategy is moving from site-specific project implementation upstream towards systemic capacity and policy. However, it is often difficult to discern the results of policy dialogue unless it is linked to implementation on the ground. UNDP's comparative advantage as a development agency is that it can link environment and energy to multisectoral work in governance and poverty reduction using its country office network. However, there are significant challenges to such integration.

A specific challenge is posed by the RAF, which favours large middle-income countries that have high potential for global environmental remediation, while UNDP must give priority to LDCs and other poor countries. UNDP can no longer expect that GEF resources will be available to subsidize environment work in the poorest countries. For this, core and other resources will be needed. However, many country offices still fail to see environmental sustainability as a basic development issue. In particular, climate change adaptation and risk management are crosscutting development considerations within UNDP's core mandate. PEI (see chapter 3), which is evolving in the region as a joint UNDP-UNEP initiative, may in the future play an important role.

Four years into operation, the Bratislava Regional Centre (BRC) has pioneered an integrated environment and energy programme and serves as a model for reform in other regions. Significant progress has been made towards integrating the GEF-funded and other programmes within the regional centre both administratively and technically. A particular positive result has been that BRC now can speak with one voice to the region's governments and other partners. GEF still dominates by providing approximately 90 percent of the funding, resulting in some important thematic areas not receiving very much attention, notably waste management, water and sanitation, all priorities for the countries in the region but none eligible for GEF support.

26. 'Mangroves for the Future: A Strategy for Promoting Investment in Coastal Ecosystem Conservation', 2007-2012. UNDP and IUCN 2006.

Nevertheless, it is evident that strong synergies in information flow, coordination and common missions result from an integrated environment and energy practice. The downside is that such integration absorbs more time through participation in meetings and being kept informed about what is happening both in UNDP and GEF. Some resistance to this integration has stemmed from the differing cultures, for example with accountability on the GEF side tending to be more rigorously linked to the delivery of projects and financial results. Experiences with integrated projects and activities are still limited, and it is not yet clear how much further integration can proceed. Practical integration opportunities have so far been mostly in the climate change area. The regional priorities are developing markets for environmentally friendly technologies and protecting national development prospects from the risks of climate change.

BRC has proved itself as an important centre of innovation within the environment and energy practice, particularly in the area of international lake and river basin projects. The region boasts an impressive portfolio of relatively few, large multicountry projects with long (ten to fifteen year) time horizons in Eastern Europe. The eleven-country Danube project that was recently handed over to the countries is a flagship. It and the overall Danube/Black Sea partnership have demonstrated exemplary cooperation between UNDP, the World Bank and the European Union. Other notable projects include those around the Caspian Sea, Lake Peipsi and Prespa Lake, which all have followed the process starting with a scientific transboundary diagnostic analysis to identify the environmental threats, leading to strategic action programmes and establishment of mechanisms for coordinating actions across the countries. Some of them have led to international conventions around the water bodies.²⁷

These projects, primarily funded by GEF, have received limited support or inputs from the

country offices in the region because the country offices lack the human resources to participate and it is unclear how to involve them in regional projects. The Prespa Lake project, which is supported by the FYR Macedonia and Albania country offices, is an exception. Other water activities in the region involve the country offices more, although there are few examples yet of integrative activities on the ground.

UNDP has the mandate to lead UN Water, started at WSSD in 2002. In the region UNDP has established a solid role in integrated water resources management and water governance and, as an on-the-ground project development and implementation organization, UNDP also leads coordination efforts in the Danube and Black Sea basins, the Caspian, and the South Caucasus (Kura/Aras basin).

Other notable water activities initiated by BRC include the UNDP-Coca-Cola Water Partnership 'Every Drop Matters' (funded with \$5 million by the Coca-Cola Company); SNS Real, a partnership with a private Dutch bank investing in affordable loans for water-related investment projects in the region; and the Water Wiki, a new and innovative approach to support and facilitate knowledge management.

The biodiversity portfolio, while more recent, is impressive. Important progress has been made in helping countries implement conservation legislation, especially in Central Asia, as well as supporting the ratification of the Ramsar and Bonn conventions. Work on fisheries and water law improvements has been generally successful. One constraint in this area has been the weak capacity of the country offices to identify, prepare and manage projects. As in other programme areas, the understaffed and overworked environment units in the country offices are under tremendous pressure to mobilize resources, resulting in inadequate support to project development and implementation.

27. While most of these projects are classified by GEF under International Waters, the Danube and Prespa Lake projects are both GEF Integrated Ecosystem Management projects.

3.3.3 ENVIRONMENT AND ENERGY STAFFING

UNDP began significantly reducing BDP staff in 2000, especially at headquarters. In the first year, staff positions were reduced from 250 to 215, of which only 117 would remain in New York. Out of 110 approved professional positions in BDP, what was then ESDG was to receive nine positions in the headquarters and seven in decentralized locations. By 2004, a further three of the headquarters positions had been retracted.²⁸

At the time of this evaluation,²⁹ EEG had 123 posts at headquarters and in the regions. This constituted about a third of all 353 BDP posts. However, only 18 percent of these were funded from core resources.³⁰ At headquarters, EEG core professional positions consisted of 10 posts (the director, practice manager, six policy advisers and two knowledge managers). In addition, several non-core professionals have been hired using project funds. The bulk of EEG staff in the headquarters, however, consists of those working with the GEF and Montreal Protocol units, amounting to 22 professional staff in January 2008.

Outside headquarters the contrast is even starker. EEG has only four core-funded, outposted policy advisers globally. For example, at the end of 2007, the RCB environment and energy team consisted of 21 staff members. Of these, two were core-funded BDP policy advisers (half of the global total), while 14 were funded through GEF or the Montreal Protocol, three by RBAP and two through shorter term donor arrangements.

EEG staff feel that they have been ‘punished for their success’ in raising funds, notably GEF resources, to support staff positions by being denied core resources for functions such as knowledge management and global advocacy.

Of the operational units in the headquarters, each of the five regional bureaux, as well as the Bureau for Crisis Prevention and Recovery, has a

staff member serving as the environment focal point, although this is not a full-time position and is usually not filled by a technical specialist.

3.4 MAINSTREAMING POVERTY AND ENVIRONMENT

The 2004 UNDP Environmental Mainstreaming Strategy, states that “Environmental mainstreaming is the integration of environmental considerations into UNDP’s policies, programming and operations to ensure the coherence and sustainability of our mission and practices.” A policy of environmental mainstreaming has been promoted since the late 1990s, with an action plan adopted in 1999. Most recently, the UNDP strategic plan for 2008–2011 includes ‘Mainstreaming Environment into Development’ as one of UNDP’s four ‘Environment and Sustainable Development’ priorities.

A certain lack of clarity over mainstreaming persists, however, including how mainstreaming should be interpreted in practice. For this evaluation, two aspects of environmental mainstreaming have been considered: (i) mainstreaming within UNDP, that is, how environmental considerations have been integrated within the poverty reduction, democratic governance and crisis response and recovery practices and (ii) mainstreaming at the country level, or whether the environment is taken into account not just by environment ministries but by ministries and departments responsible for key economic development sectors, including industry, agriculture, transport, water and energy, as well as local governments. In addition, this chapter considers the promising joint UNDP-UNEP initiative, PEI, which is explicitly aimed at mainstreaming.

3.4.1 MAINSTREAMING WITHIN UNDP

There has been relatively little collaboration between environment and energy and the other

28. ‘Evaluation of the Second Global Cooperation Framework of UNDP’. UNDP Evaluation Office 2004.

29. UNDP BDP, June 2007. Updated data from BDP HR Adviser.

30. In contrast, 96 percent of the MDG Support Team, 77 percent of the Poverty Group, 73 percent of the Democratic Governance Group and 70 percent of the Capacity Development Group are funded from the core.

main practice areas within UNDP, giving a strong impression that environmental mainstreaming has not taken place to any significant extent. This observation seems equally applicable at headquarters, regional centres and country offices. Even in smaller country offices, staff report minimal communications between the environment team and the rest of the office. There is every indication that this is not a new development.

While UNDP staff working in environment and energy are thoroughly convinced of the need for mainstreaming, there seems to be little interest on the part of UNDP's poverty reduction and democratic governance practices. Crucially there are very few institutional incentives for mainstreaming to take place within the organization. We were told there is no structure to facilitate collaborative work with poverty and governance. It would not be exaggerating to say that in significant parts of UNDP, including some country offices, environment work is only tolerated because it is very largely externally funded.

There have been numerous planning and programming documents in the past decade that indicate the broad role of energy and environment within UNDP regional and national programmes, and there are government national planning documents that discuss environmental issues. But there is little evidence of clearly developed or articulated strategies that link or genuinely mainstream environmental initiatives into UNDP's poverty, governance, human rights or sustainable livelihoods core work.

The HDR has been a barometer of priorities within the organization since it was launched in 1990 and has emerged as a key document in the development literature. The 2007/08 HDR on climate change, and the 2006 HDR on water, suggest that these topics have recently engaged UNDP more broadly. An internal UNDP discussion was launched on both the Environment and Energy and the Human Development Report networks regarding the implications to UNDP of the HDR and, in particular, climate change adaptation. This discussion clearly shows that

environment, including climate change adaptation, is still seen primarily as a separate sector and the linkages to poverty reduction have not received due attention.

One of the early arguments for engaging UNDP as a GEF implementing agency was the opportunity to introduce and embed, in other words to mainstream, environmental considerations within UNDP's principal mission of poverty reduction. Instead, GEF resources have been used to develop a separate and autonomous environment function within UNDP that—while broadly recognized as competent and well organized—has generally exchanged neither resources nor knowledge with the rest of the organization during the last fifteen years. Ironically, one result of UNDP's success in accessing GEF resources seems to have been to minimize the incentive for mainstreaming.

UNDP does not have a safeguards policy like, for example, the World Bank. There is an implicit assumption that UNDP projects do not cause environmental or social harm, although no set of procedures are in place to monitor this. While it might be argued that UNDP's goals of technical assistance and capacity development are less likely to cause inadvertent harm than the large investment or infrastructure projects frequently supported by the development banks, the lack of safeguards does seem an unusual omission. It also provides even less incentive for the poverty and governance practices of UNDP to routinely consider environment as part of their work.

3.4.2 MAINSTREAMING AT THE COUNTRY LEVEL

UNDP tends to focus its environmental relationships on ministries of environment, especially in smaller countries, LDCs and SIDS, although its overall counterpart is most often the ministry of finance or planning. Many of the environment ministries were set up during the early 1990s following UNCED in Rio de Janeiro. UNDP has helped many of these ministries mobilize financial resources, especially for the national plans, strategies and other communications

required for compliance with MEAs. However, most of these relatively new and often junior ministries lack resources, capacity and influence. Few are able to have a significant impact on major social and economic development decisions. As a result, their ability to promote or contribute significantly to mainstreaming environment within national development processes is often modest.

The types of work carried out by UNDP in environment and energy can be difficult to mainstream within countries. The environment portfolio is almost entirely based on individual projects of limited duration in the areas of climate change, biodiversity and international waters. Such projects can become very complex when they involve several ministries or departments from different sectors, while lead ministries are sometimes reluctant to share the resources or benefits attached to projects. Furthermore, GEF priorities are related to global environmental benefits and are not always perceived as supporting national environment and development priorities linked to poverty reduction. Outside the context of specific projects, country office staff do not consistently engage with government counterparts on the environmental issues arising in key economic development sectors. To do so would require staff who have broad development experience based on solid environmental knowledge; this is lacking in most country offices.

GEF has periodically asked UNDP for evidence of mainstreaming.³¹ A 2007 submission to the GEF Council on this topic highlighted the relative paucity of unequivocally convincing examples within UNDP's country work. A few individual successes were reported. For example, UNDP reports facilitating consultations in Kenya between the Ministry of Energy, parliamentarians, civil society organizations and the private sector that led to new energy laws. The other examples of mainstreaming provided were scattered and did not add up to a significant impact.

Malawi illustrates the dilemmas faced by the country offices, especially in Africa. The government has prioritized economic growth, agricultural development and food security, and these are reflected in the United Nations Development Assistance Framework for 2008–11. Although it is a crosscutting concern, environment is usually treated as a separate sector. While there are key environmental issues and opportunities within agriculture, the mainstay of the economy, UNDP has had neither the people nor the financial resources to engage the ministries and departments concerned. Instead, UNDP's environment and energy portfolio in Malawi largely consists of stand-alone projects and enabling activities related to MEAs, largely funded by GEF and the Montreal Protocol, and executed by the Department of Environmental Affairs. While these projects have positive aspects, they are not mainstreaming. This particular situation may be improved by some anticipated changes, including (i) an expansion of the country office environment and energy team, with renewed links to crisis prevention and recovery, (ii) the start up of a PEI pilot with the Ministry of Economic Planning and Development and (iii) the launch of a national SGP.

Variations on this theme were noted in Burkina Faso and Kenya where government efforts to promote economic growth do not seem closely tied to sustainably managing the natural resource base. While environmental responsibilities in Burkina Faso are spread over several ministries, which suggests the potential for mainstreaming, many stakeholders do not see evidence that it has strengthened priority setting and decision making related to natural resources management. UNDP has helped develop new energy legislation in Kenya but has not been able to engage consistently with the government on environmental policy issues, largely due to the demands of managing an extensive portfolio of small, stand-alone environment and energy projects.

31. See, e.g., 'Report of GEF Agencies on Efforts to Mainstream Global Environmental Challenges into Core Development Work'. GEF Council (GEF/C.32/Inf.4), November 2007.

In many countries it is proving difficult for UNDP to consistently and convincingly engage in environmental issues within those economic development sectors and programmes that aim to increase incomes and productivity. Instead, UNDP's efforts to mainstream environment usually start from the limited set of global environmental issues, a more challenging task and one apparently viewed by countries as less responsive to their national priorities. This issue came up repeatedly in discussions with government departments, NGOs and donors. Governments do not often recognize UNDP as principal policy adviser on environment and energy issues. UNDP's ability to articulate its role in natural resource management as countries pursue economic growth strategies seems very limited at the country level, with a few impressive exceptions. UNDP prides itself on helping governments get policies right. But the country offices, with individual sector specialists from headquarters or regional technical advisers more focused on projects, rarely have the appropriate staff to help governments develop policy. Thus UNDP does not consistently give the kind of advice that is needed (a notable exception would be the important work done to pass environmental legislation in many countries). If UNDP is to do more high-level strategy work to help governments genuinely mainstream environment, it will need to make significantly more experienced people available to the country offices.

The inclusion of environmental considerations in national development plans and strategies (including Poverty Reduction Strategy Papers–PRSPs) is conventionally presented as evidence of environmental mainstreaming. The same is true for key UNDP documents such as the CCF. While the *absence* of environment from such plans and strategies would be a cause for concern, its *inclusion* is clearly only a first step towards demonstrating that mainstreaming is actually taking place.

The NDI aims to strengthen intersectoral and interagency coordination and partnerships. This programme facilitates country-level multi-stakeholder dialogues aimed at strengthening priority setting in the GEF focal areas, but it serves a broader purpose. The approach relies on providing government agencies, NGOs, communities, academic and research institutions, private sector, donors and the media with opportunities to participate more effectively in national decision making. The closely related Country Support Programme aims to strengthen country-level coordination and promote country ownership of GEF-financed activities. These important programmes appear to have helped countries coordinate more actively the range of GEF-financed activities they are undertaking with support from UNDP and the other GEF implementing agencies. This has been a useful contribution to mainstreaming, although it is mainly focused on activities in the GEF focal areas that aim to generate global benefits, rather than on environment and energy from the perspective of national priorities.

UNDP has also taken some promising steps towards developing capacity in and implementing strategic environmental assessments, most active so far in Eastern Europe, which could also make an important mainstreaming contribution.

3.4.3 POVERTY-ENVIRONMENT INITIATIVE

The UNDP-UNEP Poverty-Environment Initiative directly and explicitly supports environmental mainstreaming at the country level. PEI has worked with key decision-making ministries in several pilot countries and is in the process of expanding. It responds to the following diagnosis: “poverty-environment linkages have been poorly integrated into PRSPs...have not been operationalized...[and] there is still a general lack of understanding of how environment and poverty are linked and/or how to include environmental sustainability in national, sectoral and district development processes.”³²

32. PEI documentation.

PEI gives nine countries in Africa and Asia financial and technical support to build capacity for mainstreaming poverty-environment linkages into national development plans (such as PRSPs and MDG Achievement Strategies), budgets and sector programmes. Recent efforts have begun to expand PEI to other countries and regions, coordinated by a joint facility established in 2007 in Nairobi.

UNDP and UNEP had begun working in this area separately and were subsequently encouraged to join forces by governments and by other donors. UNDP had started piloting 'poverty and environment' programmes in six countries in 2000, including Kenya and Tanzania, with support from DFID, the European Commission and Danida. UNEP, encouraged by its Governing Council to advise governments on how to incorporate environmental considerations into PRSPs and national development plans, started to develop comparable pilot projects in seven African countries, also including Kenya and Tanzania. At this point there was no coordination.

Recognizing that these two parallel and similar initiatives risked showing the UN system as unable to coordinate, cooperation became essential. A joint initiative was eventually negotiated and then launched at WSSD in Johannesburg in 2005, based on a Memorandum of Understanding (MOU) emphasizing that UNDP's experience in working with governments at the country level would be combined with UNEP's normative and advocacy role in environment at global, regional and sub-regional levels. This MOU designates UNDP as the country-level executing partner with UNEP providing substantive expertise and capacity to the programming. Joint pilot projects were then launched in Kenya, Rwanda and Tanzania with fully integrated work plans, pooled resources and shared staffing. PEI has been consistently supported with advice from the Poverty-Environment Partnership, an informal network of development agencies and international NGOs that aims to address key poverty-environment issues within the MDG framework.

The new UNDP-UNEP partnership duly moved forwards, progress was made and PEI began to be cited as an example of how the UN family of organizations could and should work together. Scaling up to more than 40 developing countries over the next five years is now anticipated. The expectations of donors and other stakeholders appear very high, with PEI regarded, at least informally, as a test case for the UN 'Delivering as One' model.

Progress on the ground has not been free of problems, however. Interviews for this evaluation showed the actual experiences from the joint pilot projects in Kenya, Rwanda and Tanzania to be varied. On the positive side, at least some senior government decision makers have been engaged and are enthusiastic, there is expanded awareness of the issues, a programmatic model has been developed, a range of analytical tools have been tested, some indicators have been developed and an exchange of capacity development experiences has taken place. In Kenya and Tanzania in particular, effective steps have been taken to coordinate with existing bilateral programmes with comparable objectives, mainly funded by Danida.

Similarly, in Asia, PEI is building upon existing work, initially in Vietnam. In 2007 a joint workshop was organized to develop PEI work in several new countries. PEI is seen as an umbrella under which related work, including selected projects funded by GEF, could contribute. The cooperation between RCB and UNEP's ROAP is close, with joint management of funds and joint missions. Environmental expertise from UNEP is also being used by the region's UNDP country offices that lack capacity.

PEI clearly has some way to go before tangible impacts are likely to become apparent. Bringing UNDP and UNEP together operationally has proved challenging, with a variety of problems still to be resolved. These include inconsistencies in procedures, document formats, implementation and funding protocols, and reporting standards, many of which have contributed to significant

delays.³³ These factors appear to have hindered both effectiveness and efficiency. More broadly, the impacts of the PEI pilot projects have also been influenced by local differences, such as national interest, ownership and capacity.

These challenges have not been helped by the often tenuous state of trust and respect between the staff of UNDP and UNEP, exacerbated in some cases by the unclear roles of the UNDP country offices. Difficulties have ranged from some country offices resenting being treated “as a contractor,” to others that insist on treating PEI as “just one more project” to be implemented. These difficulties have not gone unnoticed at higher levels, with the UNEP executive director emphasizing the need to “...encourage the support and engagement of senior managers in UNDP and UNEP to ensure that habits of the past do not get in the way of dynamic and effective partnerships between our two institutions.”³⁴

History clearly cannot be ignored or overcome in a short period, although there are regions where cooperation between UNDP and UNEP staff is exemplary, such as in Bangkok. Here, differences in procedures, formats, allegiances and so forth were overcome. A series of joint regional workshops were held that engaged national policymakers, and the UN resident coordinator’s role was enhanced to set the tone for the joint effort. This effort also had strong buy-in from the poverty and governance practices in several UNDP country offices.

UNDP and UNEP have signed a joint programming agreement designating UNDP as the ‘managing agent’ for PEI. The exact function of the coordination unit recently established in Nairobi is still evolving, however, and the division of labour between UNEP and UNDP requires further clarification, especially during the very ambitious scaling-up phase now being launched. Convincing arrangements do not yet seem to be

in place to ensure that effective communications and decision making will reduce complexity and minimize transaction costs. Within UNDP, the roles of BDP, the regional bureaux and the autonomous country offices also need further definition.

The scaling up of PEI, while promising and obviously necessary at some point to achieve significant impacts, currently appears fraught with risk. PEI’s potential could easily be lost if organizational complexity, administrative practices and routines, decision-making structures, agency rivalries and duplication, and the struggle for institutional territory are not effectively addressed. The project document itself—a generally frank and admirable analysis—does not define outcome, achievement and impact indicators, explaining that “appropriate” poverty-environment indicators and monitoring systems will be developed later. This is a tall order given the nature of the capacity development that will be needed across the various ministries and other local and national stakeholders.

To be effective, mainstreaming must eventually lead to action on the ground with positive outcomes. Seen in this light, some members of the Poverty-Environment Partnership would like to see PEI connect more clearly with local communities and their daily struggle for survival. There may be a role here for SGP with its experience in linking community-level initiatives to policy issues, especially as SGP has strong programmes based in the UNDP country offices of each of the PEI pilot countries.

A more critical issue is how to engage the rest of UNDP in environmental mainstreaming. There is a certain irony in the level of effort being made through PEI to persuade governments that environment is an essential consideration in national development planning and fighting poverty, while the major UNDP departments

33. ‘Harmonization of UNEP and UNDP Operational Procedures for Joint Programming’. Dalberg Final Report, 2006.

34. 16 August 2006

responsible for poverty reduction and governance remain uninvolved and apparently unmoved by this line of argument. PEI needs champions within UNDP beyond the environment team. There may be opportunities to link with UNDP's emerging efforts in strategic environmental assessments, although so far this initiative has also stayed mainly within UNDP's environment team.

The principles of the PEI approach appear logical, sensible and badly needed. If environment is indeed to be mainstreamed into development planning and implementation, which is widely regarded as a precondition for sustainable development (and recognized as such in UNDP's new strategic plan), then an approach based on these or very similar principles seems essential. PEI appears an excellent complement to much of UNDP's GEF-financed work. Few other international environmental initiatives have so explicitly and consistently focused on communicating environmental issues to key national decision makers, such as the ministries of finance, planning, economic development and so on. PEI actually appears to have the potential to help fill this crucial gap, not only in UNDP, but in international environmental work in general. There is a lot at stake here: mainstreaming environment, the numerous UNEP-UNDP partnerships that have recently been launched and even the viability of translating 'One UN' into operational reality.

3.5 STRATEGY AND PERFORMANCE REPORTING

3.5.1 LEARNING AS A CONTRIBUTION TO STRATEGY DEVELOPMENT

Despite a stated emphasis on generating lessons learned, there appears to have been little systematic analysis of experiences to date as a basis for developing future strategies (exceptions include a useful review of lessons learned by countries striving to meet MDG-7 and some high-quality

lessons learned publications by the GEF unit³⁵). Future priorities are instead identified and selected through an internal discourse between staff and management that is based on perceived fundraising opportunities and a limited understanding of the impacts of previous strategies.

The Regional Bureau for Africa developed a regional strategy related to poverty reduction and natural resources management, which provides important guidance to the country programmes. However, this strategy does not seem to have had much more influence than the MYFFs in guiding the country offices, which are, not surprisingly, more responsive to both the government and the prospect of accessing diverse external funding sources.

Led by BRC and building on the integration of the regional and GEF teams within the centre, a regional environment and energy strategy for Europe and CIS was being developed during the evaluation. Now being replicated in other regions, this has the potential to emerge as a best practice model of strategic planning linked to practical goals and objectives. One of the most important thrusts of the Europe and CIS strategy development process has been aligning funding at different levels within the organization. Historically, financial resource allocations between different themes and priority areas have been carried out separately at the headquarters, regional and country levels. In practice, this means that a particular theme may be prioritized and supported by one level but not the others. Implementing effective strategies at global, regional and national levels throughout the organization must be extremely challenging under such arrangements.

The Europe and CIS strategy was apparently the first to try to align TRAC funding at all levels, and this is being done for each sub-practice—climate change, biodiversity, international waters and so on. This model seems likely to increase

35. *Making Progress on Environmental Sustainability: Lessons and Recommendations from a Review of over 150 MDG Country Experiences*, UNDP 2005; *Conserving Forest Biodiversity: Threats, Solutions and Experiences*, UNDP-GEF 2003; *Solar Photovoltaics in Africa: Experiences with Financing and Delivery Models*, UNDP-GEF 2004.

overall programme coherence, providing countries with the opportunity to invest in activities (with their own TRAC funds) that are assured of institutional support throughout all levels at UNDP. This should result in better service to the governments while providing adequate technical support to the country offices.

3.5.2 PERFORMANCE REPORTING

While the MYFFs may have provided useful guidance on UNDP priorities, the goals and objectives articulated are quite general. Staff at country offices and headquarters, including resident representatives, did not regard the MYFFs as identifying performance goals and targets that were particularly relevant to them. One reason why the influence of the MYFFs seems limited is that they were disconnected from the allocation of financial resources, especially at the country level where resident representatives have full control over the country office budget. Several respondents characterized the MYFFs as a menu of potential activities for countries to choose from. This has had two results:

1. In a positive sense, UNDP has retained considerable flexibility to focus on areas of emerging interest, especially where and when funding becomes available. In some ways this is essential as UNDP develops its work programmes without knowing what financial resources may become available.
2. On the other hand, a basis for measuring performance had not been established. Even in the detail underlying the MYFF, there are no targets against which progress could be assessed. The MDGs themselves contain targets, but these are intended for nations, supported by the entire development community, not just for UNDP.

Nevertheless, it does appear that the MYFFs encouraged the country offices to work within broad programme areas, thus providing UNDP with a more focused programme than had been the case before 2001.

The Administrator's reports on UNDP's performance during the two MYFF periods are expressed almost entirely in terms of money spent and numbers of countries worked in. Because it is much easier to measure these kinds of inputs rather than outcomes or results, that is what most organizations do, even though this tells little about impacts or effectiveness. A persistent problem is the confusion between activities and outcomes, with these two often treated as if synonymous.

Setting targets in environment and energy and selecting indicators that will be useful in assessing performance is hard, as all major organizations working in these areas have experienced. The specific problem here, however, is UNDP's assertion that MYFF-1 supported the introduction of results-based management for reporting, monitoring and setting targets with identified indicators, with no indication that this actually happened in either MYFF-1 or MYFF-2.³⁶

Finding meaningful indicators and measuring progress in a way that is useful has been particularly elusive in the case of capacity development. While UNDP has constantly reiterated that capacity development is its comparative advantage, there have been no effective progress assessments beyond reviews of individual, short-term projects. Many stakeholders do not consider that the overall government capacity for environmental management in UNDP partner countries has improved significantly over the past decade or so; in LDCs and SIDS it appears to have declined.

While the ROARs introduced during MYFF-1 were for assessing country-level outcomes and impacts, no reliable mechanisms have been established for aggregating the national ROARs or any other performance indicators above the level of individual projects (Annex 2). Beyond measuring and assessing individual project performance, the MYFF/ROAR approach did

36. A finding consistent with the results of the 2007 evaluation of results-based management.

not enable assessing the performance of country programmes, regions, thematic areas nor—it appears—the organization as a whole.

Many of the methodological problems are attributable to a lack of indicators and baseline data, a lack of effort in quantifying outputs and the difficulty of isolating impacts of a single actor on the country development scene. The outcomes documented in the ROARs more accurately describe the general areas in which UNDP plans to work. Another performance management tool, the Balanced Scorecard, does not have any indicators measuring the technical substance of the programme.

Although performance reporting was simplified for MYFF-2, it was still based mainly on inputs: the amount of money spent, the number of countries worked in and so on. None of the case study country offices made significant program-

matic changes in the shift from MYFF-1 to MYFF-2, although ongoing programmes were repackaged into a new format for reporting purposes. The difference in emphasis between the two MYFFs did not seem to reach down to affect the country programmes. Resident representatives and environment team leaders feel that headquarters focuses more on delivery, that is, on spending the budgeted allocation, rather than achieving performance targets.

Given these limitations, it is evident that little effective performance reporting takes place at the country level or above. While there are standard procedures to evaluate completed projects, there are no aggregation processes in place to reliably collect all the impacts of the initiatives undertaken to assess overall progress within national UNDP programmes in environment and energy.³⁷

37. A finding confirmed by the recent evaluation of results-based management in UNDP.

Key Points

- UNDP country programmes are intended to respond to priorities negotiated with the partner governments, within the boundaries of UNDP's global planning frameworks. However, instead of following clear strategies and showing leadership, UNDP has tended to allow available funding from external sources to shape these programmes. Consequently, the country programmes often appear to be a collection of opportunistic projects rather than coherent portfolios.
- How well UNDP programming has reflected national priorities depends largely on the type of country. In middle-income countries and especially China there has been a good match. In LDCs and SIDS, the focus on global environmental problems has left large gaps in national priority areas related to environment and energy.
- In all case study countries, the evaluation reviewed a number of key projects. It was found that in general the design and, in most cases, implementation work carried out by UNDP and its partners is of high quality.
- The headquarters environment and energy programme has focused on studies and advocacy work. Much of this has been of high quality, but the impacts of such work are unclear and synergies with the country programmes appear limited.
- The programmatic activities by the headquarters and regional centres were assessed largely based on separate evaluations of the global and regional cooperation frameworks and visits to two centres. In Europe and CIS, the BRC has proved itself as an important centre of innovation within the environment and energy practice. The centre has pioneered an integrated environment and energy programme and serves as a model for reform in other regions.
- Mainstreaming within UNDP has been limited. There has been relatively little collaboration between environment and energy and the other practice areas within UNDP. There is little evidence of clearly developed or articulated strategies that link or genuinely mainstream environmental initiatives into UNDP's poverty, governance, human rights or sustainable livelihoods core work.
- Mainstreaming at the country level has also been limited. There are systemic barriers to this, which include the often weak position of ministries of environment with whom UNDP works as well as the dominance of portfolios that focus on the global, rather than national, environmental problems.
- The still new UNDP-UNEP Poverty-Environment Initiative is attempting to address the vital need to mainstream environment into development planning and implementation. Current efforts to scale up PEI will require both additional support and operational clarification to be effective. Engaging the rest of UNDP in environmental mainstreaming is a critical unmet need.
- At the country level, UNDP is valued by national governments as a long-term trusted partner, supporting national planning and contributing to capacity development. UNDP has also been a major avenue to GEF funding. The relevance and effectiveness of UNDP's environmental programming is directly influenced by the commitment and capacity of recipient governments. UNDP has long struggled with how to build and retain capacity in partner countries. Still, long-term capacity gains in the areas of environment and energy are seldom apparent, especially in LDCs and SIDS.
- UNDP's own capacity in environment and energy leaves much to be desired. While the staff in headquarters and the regional centres are recognized for their expertise and the results they achieve, most of them are funded through extra-budgetary sources, which is not conducive to long-term capacity or career development for the staff. The environment and energy teams in the country offices are mostly small and often lack technical expertise in the field. Their main role is usually limited to administrative management tasks, without capacity to engage in policy dialogue with the governments.
- UNDP's strategy has not been formulated in a clear and cohesive manner. The planning documents and performance reporting systems, rather than focusing on well-defined goals and results, focus on broad areas where UNDP operates, as well as inputs and activities.