

# CONCLUSIONS

## Conclusions

- 1. Environment and energy are central to the mission of UNDP.**
- 2. UNDP corporate plans and strategies have had little influence on the selection of programme priorities and activities for the country programmes. In practice, the availability of financial resources from GEF has had a far greater influence on the priority setting and choice of activities of country offices.**
- 3. UNDP responsiveness to national priorities has been uneven. The type and effectiveness of environment and energy work done by UNDP vary significantly between partner countries, with some project portfolios appearing opportunistic and uncoordinated.**
- 4. Imbalances in priority setting and programming arising from the substantial reliance of UNDP on GEF funding have received insufficient attention.**
- 5. Capacity for planning and managing environment and energy work varies considerably within UNDP. Most country offices lack the capacity to engage in high-level policy dialogue with the governments.**
- 6. Mainstreaming within UNDP—that is, including environmental considerations in other major practice areas such as poverty reduction and democratic governance—has been very limited at any level (headquarters, regional centres or country offices).**
- 7. The role of UNDP in environment and energy within the United Nations system is potentially central but not fully realized.**
- 8. Measuring progress in environment and energy continues to be a challenge.**
- 9. UNDP has taken some important steps to reposition for future work in environment and energy, including seeking more diverse funding sources, although progress seems likely to be limited unless genuine mainstreaming of environment and energy takes place within the organization.**

### **Conclusion 1. Environment and energy are central to the mission of UNDP.**

The relevance of environment and energy to the principal UNDP mission of poverty reduction seems overwhelmingly clear. The negative consequences of the deteriorating international environmental situation on the poorest countries and communities have been elaborated unequivocally by a variety of credible international bodies and studies, notably the International Panel on Climate Change and the Millennium Ecosystem Assessment.

UNDP programmes in environment have made significant contributions to international environmental efforts. Programmes in environment and, to

a lesser extent, energy have expanded significantly since the 1990s, and UNDP is now among the leading global organizations working in these areas. It has produced high-quality analytical knowledge products recognized for their value in policy dialogue, advocacy and awareness raising. These have not, however, translated systematically into programming.

UNDP plans and strategies have emphasized environment and energy as high priorities for the organization throughout the last decade. The strategic plan, 2008–2011, and its predecessor MYFFs (for 2000–3 and 2004–7) all highlighted environment and energy, while UNDP’s senior

management and headquarters staff have been energetic in representing UNDP in a variety of important international environmental fora, although leadership within country-level programmes is less evident.

**Conclusion 2. UNDP corporate plans and strategies have had little influence on the selection of programme priorities and activities for the country programmes. In practice, the availability of financial resources from GEF has had a far greater influence on the priority setting and choice of activities of country offices.**

Environment and energy programmes in UNDP have relied predominantly on outside funding, mobilizing an average of over \$200 million annually from GEF and \$30 million from the Montreal Protocol on Substances that Deplete the Ozone Layer during the past five years, supplemented by significant co-financing from project partners. The use of core budget resources for environment and energy has been very limited since about 2000.

UNDP has been effective and efficient in implementing GEF projects and has made a significant contribution to its overall success. Using GEF funding, UNDP has built up a specialized and capable technical team at headquarters and in the regional centres that is a credit to the organization.

While the success in mobilizing funds is to be commended and the GEF-funded projects implemented by UNDP are generally of high quality, the former has steered UNDP's environment and energy programming towards the so-called 'global' environmental issues. In contrast, national sustainable development priorities—such as water supply and sanitation, energy services, waste management and local and indoor air pollution—have received scant attention.

UNDP has not developed a clear corporate position, competence or niche for environment and energy that is independent of its role implementing GEF projects. Governments and other national stakeholders generally consider UNDP environment and energy work at the

country level as synonymous with GEF projects. There is little sign that the environment and energy agenda resulting from GEF priorities is perceived as important or even particularly relevant within much of UNDP, which continues to regard GEF primarily as a potential source of funds for country offices that are highly dependent on their ability to mobilize resources.

**Conclusion 3. UNDP responsiveness to national priorities has been uneven. The type and effectiveness of environment and energy work done by UNDP vary significantly between partner countries, with some project portfolios appearing opportunistic and uncoordinated.**

UNDP responsiveness to national priorities in environment and energy has been varied and largely dependent upon the type of countries involved. UNDP programmes in the LDCs and small island developing states tend to be dominated by support for the preparation of plans and strategies. Those efforts have been of variable quality, rarely provide a sound guide for future investments and do not always appear relevant to the most pressing needs of countries. Countries viewed many such plans as worthwhile only as a step towards further international funding, little of which has materialized. There are indications of a better fit between national priorities in environment and energy with the services provided by UNDP in the larger, higher income countries where government environment programmes are able to draw on additional resources, including in China.

The project-based country portfolios suffer from many of the problems endemic to development projects, notably a limited focus on longer term impacts and significant challenges to sustaining benefits after project completion. There are few obvious signs of genuine improvements in government capacities for environmental management over the last decade or two, especially in the LDCs and small island developing states, and lack of capacity is continually cited as a principal barrier to progress. Significant capacity often exists outside government, and this could be developed and utilized more effectively.

**Conclusion 4. Imbalances in priority setting and programming arising from the substantial reliance of UNDP on GEF funding have received insufficient attention.**

Insufficient efforts have been made by UNDP senior management at a strategic, global level to encourage staff to identify the key differences between UNDP and GEF priorities and to alert donor partners that there are important gaps to be filled. Rather, staff have been encouraged implicitly, if not pressured, to seek whatever funding is available and make the most of it, which they have generally done with considerable skill and persistence.

While UNDP has sought opportunities to broaden access to the significant resources for greenhouse gas mitigation available through GEF, more eligible project opportunities are obviously found in relatively well-off industrialized countries rather than in LDCs and small island developing states. Opportunities for greenhouse gas mitigation in Africa, for example, have so far been limited. Partly as a result, the pervasive challenge of supporting low-cost energy access for the poorest countries and communities has tended to receive less attention from UNDP than carbon mitigation, for which funding has become easier to obtain.

Within UNDP, recent efforts to harmonize GEF with other environment and energy work are both commendable and long overdue. Notable progress has been made at the regional and global levels. The urgency of such convergence efforts has been fuelled by some uncertainty over the level of future UNDP access to GEF resources and increased awareness of the need for more diversified funding sources, apparently assuming that core budget support would remain very limited. Even so, further integration or convergence of GEF teams with the rest of the Energy and Environment Group remains challenging.

**Conclusion 5. Capacity for planning and managing environment and energy work varies considerably within UNDP. Most country offices**

**lack the capacity to engage in high-level policy dialogue with the governments.**

With a few notable and impressive exceptions, country office environment and energy teams do not appear strong, and they only rarely participate in high-level policy discourse with governments and other donors on environment and energy topics outside the areas of specific interest to GEF. Project implementation tends to absorb most of the attention of country office environment and energy teams. Overstretched staff and the limitations of UNDP management capacities mean that many national stakeholders are dissatisfied with project management while headquarters and regional centre staff have also expressed concerns.

Within the country offices, enthusiasm for and effectiveness in environment and energy work appear to vary significantly depending on the interest and convictions of the respective resident representatives, which differ substantially.

In some countries frequent turnover among country office staff and among their government counterparts has led to losses of institutional memory that undermine learning processes. This may be at least partly attributable to the lack of attractive career paths for technical staff within the organization. Country offices are also burdened with poor administrative systems and reporting demands from headquarters that are burdensome and shift frequently.

**Conclusion 6. Mainstreaming within UNDP—that is, including environmental considerations in other major practice areas such as poverty reduction and democratic governance—has been very limited at any level (headquarters, regional centres or country offices).**

Within countries, there are few indications that UNDP has played an influential role in helping governments develop and implement sound environmental policies of direct relevance to the sectors where economic growth is anticipated (such as agriculture, industry, transport and mining). The emerging UNDP-UNEP Poverty-Environment Initiative holds some promise in

this area, but requires careful nurturing and cannot do the job alone.

Adaptation to climate change seems likely to emerge as one of the most prominent issues in international development and thus attract substantial resources. It seems clear that adaptation measures will need to be implemented across a broad spectrum of development sectors, especially in the most vulnerable countries, the LDCs and small island developing states. So far, UNDP has treated adaptation as an environmental issue, even though it is very closely linked with poverty, economic development, governance and disaster management. UNDP must start to treat adaptation as a multisectoral development issue, not just an environmental one, if it is to play a leadership role in this area. This shift will require genuinely mainstreaming adaptation within the organization through effective integration with poverty work.

Advocating for the need to integrate environmental thinking and considerations across the entire range of development sectors within governments will continue to be a 'hard sell' for country offices if the case for mainstreaming cannot be made effectively within UNDP.

**Conclusion 7. The role of UNDP in environment and energy within the United Nations system is potentially important but not fully realized.**

UNDP has the potential to play an extremely important role in the area of the environment and energy in the context of sustainable development within the United Nations system, where its operational and country-driven focus, augmented by a growing technical capacity in emerging priority areas, seems broadly complementary to the normative and scientific focus of UNEP.

The relationship and quality of operational collaboration between UNDP and UNEP have improved significantly during the last two to three years, although there continue to be challenges at the operational levels. There have been positive collaborations on the implementation of GEF projects, several new partnerships have

been entered into and the senior management of both organizations have sent strong signals of support for further collaboration. A review of longer term cooperation has revealed that competition for resources, incompatibilities in organizational culture and systems, a lack of clarity over respective roles at the field level and lingering distrust among staff are in some cases still proving hard to overcome.

Further opportunities for enhancing cooperation with other United Nations agencies active in environment and energy, such as the United Nations Industrial Development Organization, exist.

**Conclusion 8. Measuring progress in environment and energy continues to be a challenge.**

Substantial efforts have been and continue to be invested in results-based management in all UNDP programme areas. Yet UNDP reporting on environment and energy continues to focus on inputs and activities rather than on outcomes. Developing reliable, cost-effective indicators for environmental and energy investments, policy changes and capacity development remains a worthwhile but exceedingly difficult goal. Despite some commendable progress within individual technical areas, it is evident that not everything important can be measured, and it is not easy to establish what would have happened in the absence of the activity being assessed. The performance reporting challenge is compounded by the fact that UNDP is only one contributor to the development results of a programme country. The key is to assess carefully the impact and national results that UNDP helps achieve, and to analyze and document these in coordination with other partners, rather than trying to separate the impact of the UNDP contribution. Without clear results frameworks and reporting on outcomes, UNDP has allowed itself to be drawn into making representations and commitments on performance that are unrealistic given its resources.

**Conclusion 9. UNDP has taken some important steps to reposition for future work in environment and energy, including seeking more diverse funding sources, although progress seems likely**

**to be limited unless genuine mainstreaming of environment and energy takes place within the organization.**

The strategic plan, 2008-2011, presents a coherent set of energy and environmental priorities for UNDP, but is unconvincing insofar as these are not tied to resource allocations, and the plan does not acknowledge or react to the major issues resulting from the high level of dependence on GEF resources.

While the emergence of some new funding sources is encouraging, the emphasis still appears to be on pursuing available money rather than allocating core resources to sets of activities that are consistent with the UNDP mandate. As a result, there appears to be a real risk that

environment and energy will continue to receive insufficient or unbalanced attention, particularly in the LDCs and small island developing states.

The ability of UNDP to realize exciting new opportunities to work with a more diverse set of funding sources such as carbon market and adaptation funds may be constrained by limited capacity in its country offices. The move to a 'One United Nations' approach may help overcome those limitations to some extent. Yet even if it achieves greater cooperation with UNEP and other specialized agencies, UNDP will still need to strengthen its in-house environment and energy capacities if the country offices are to provide high-quality support to programme delivery at the country level.