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**MAINSTREAMING GLOBAL ENVIRONMENTAL ISSUES:
REPORT OF UNDP TO THE GEF COUNCIL**

(Prepared by the United Nations Development Programme)



4 September 1998

Dear Mohamed,

Thank you for your letter on behalf of the GEF Council inviting UNDP to prepare a paper on our efforts to mainstream global environmental issues in all our activities.

My staff, under the direction of Ms. Eimi Watanabe, Director of the Bureau for Development Policy (BDP), have prepared the attached submission, entitled "Mainstreaming Global Environmental Issues: Report of UNDP to the GEF Council."

I trust this will meet the needs of the GEF Council and look forward to staying in touch on this and other important issues.

Best regards,

Sincerely,

A handwritten signature in cursive script, appearing to read 'James Gustave Speth'.

James Gustave Speth

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Mainstreaming Global Environmental Issues: Report of UNDP to the GEF Council

Executive Summary

The GEF Council requested the Secretariat, in consultation with the Implementing Agencies, to prepare an action plan for responding to the recommendations of the *Study of the GEF's Overall Performance*. Regarding the recommendation "Mainstreaming by the Implementing Agencies" UNDP is submitting the attached report, which highlights UNDP's efforts in this regard.

In response to the recommendation, UNDP has installed a new system that tracks every UNDP programme and project according to area of focus, including biodiversity, climate change, and the freshwater/marine resource continuum. UNDP is also developing a data system to track the actual impact of these interventions on key global environmental indicators.

UNDP Country Offices are now aligning their programmes according to a directive from the UNDP Executive Board stating that sustainable energy, forest management, water resources, and food security/sustainable agriculture are key focus areas for future programming. The Programming Manual (PM) used by Resident Representatives for programme development is being revised to ensure that global and local environmental dimensions are essential to the formulation of all programmes and projects. Based on the Country Cooperation Frameworks the UNDP country offices, together with their government counterparts, are preparing "Country Programme Outlines", that detail project planning assumptions. Close to 400 Country Programme Outlines for 1997-2000 were recently analyzed, and 85% were found to include activities related to renewable energy; forests; water; food security/sustainable agriculture; and desertification and land degradation. During the 1994-1997 period, allocations to programmes in environmental resources and food security approximately amounted to 22% of all resources (\$350 million annually). This figure is expected to increase substantially in the new programming cycle beginning in 2001.

Current efforts to "mainstream" global environmental issues throughout UNDP operations have, as their central objective, the building of capacity and awareness within programme countries necessary for them to independently pursue policies that are responsive to the needs of their citizens while being responsible for the global environment shared by all. Each of the 260 UNDP-GEF projects strives to enhance the in-country human capacity to utilize the information, knowledge, and technology necessary to halt degradation of the global environment. Capacities are being built not only in government agencies, NGOs, and research institutions, but throughout a very broad spectrum of civil society through the projects' educational and outreach components. At the grass-roots level, the GEF Small Grants Programme managed by UNDP has built substantial local capacity and awareness in 46 different countries. At the national level, UNDP-GEF Enabling Activity projects in 138 countries are steadily building capacities to prepare national inventories, strategies and action plans in response to the UNFCCC and the CBD.

United Nations Development Programme

Mainstreaming Global Environmental Issues: Report of UNDP to the GEF Council

1. At its March 1998 meeting, the GEF Council requested the Secretariat, in consultation with the Implementing Agencies, to prepare an action plan for responding to the recommendations of the *Study of the GEF's Overall Performance*. This document is intended to respond to this request. It provides a brief description of actions that UNDP has taken to date to integrate global environmental activities into its own policies and programmes, and outlines UNDP strategic action plans for the future, along with implementation timelines.

2. In his address to the GEF Assembly in New Delhi, the Administrator of UNDP, Mr. James Gustave Speth, elaborated a few of the many initiatives undertaken by UNDP to integrate global environmental protection into all of the institution's projects and programmes worldwide. As the lead United Nations agency responsible for development assistance in the implementation of Agenda 21, UNDP has been steadily building the human and institutional capabilities required to pursue integrated development planning that simultaneously protects the global commons and creates income-generating options for the poor. The organization's participation in the GEF partnership has accelerated this trend.

3. Current efforts to "mainstream" global environmental issues throughout UNDP operations have, as their central objective, the building of capacities and awareness within programme countries necessary for them to independently pursue policies that are responsive to the needs of their citizens while being responsible for the global environment shared by all. To address this overall objective, UNDP's environmental mainstreaming strategy has five major thrusts:

- Strengthening UNDP Capacity at the Policy Level
- Strengthening UNDP Capacity at the Operational Level
- Programming Resources at the Country Level
- Capacity Development at the Country Level
- Tracking Global Environmental Activities across UNDP

Strengthening UNDP Capacity at the Policy Level

4. Several major initiatives in this area have already been implemented. UNDP carried out the extensive "Environmental Management Guidelines" training program for staff in nearly every UNDP country office worldwide after the Rio Earth Summit in 1992 to ensure environmental concerns are properly integrated into the design and implementation of UNDP projects and

programmes. During this time, Sustainable Development Advisors were also recruited and placed in 41 country offices around the world to strengthen UNDP's in-country technical capacity. The Sustainable Energy and Environment Division (SEED) comprised of 10 environment and resource management-related units, including the UNDP/GEF office, was formed in 1994 to facilitate the integration of global and other environmental activities throughout UNDP. Rather than isolating UNDP's GEF unit as an independent entity, GEF activities have been retained within SEED to help ensure close linkage with UNDP's other initiatives in environment and resources management, as well as linkages with UNDP's work on poverty, gender and governance.

5. In the past year, UNDP has taken a series of strategic decisions aimed at environmental mainstreaming. A key step was taken by the UNDP Executive Board at its January 1998 meeting, when it agreed that sustainable energy, forest management, water resources, and food security/sustainable agriculture – which correspond closely to the GEF's focal areas – should be key areas of focus for UNDP's programming in the future. UNDP Country Offices are now aligning their programmes according to this directive. Over half of UNDP's Country Offices (55%) are currently developing programmes in sustainable water management; 42% have programmes in sustainable energy; and 25% are working on forest management. These figures will undoubtedly increase in the next programming cycle, beginning in 2001.

6. UNDP has also taken a strategic decision earlier this year to contribute to reconciling climate change mitigation and sustainable human development. UNDP's approach in this area is based on the fact that measures that are needed to meet global climate change objectives (energy efficiency, renewable energy and new technologies and forest conservation) are also those that will facilitate sustainable development at the local level. In this context, UNDP has prepared a strategy and work plan aimed at continuing, expanding and accelerating its support to countries in achieving their sustainable development goals, while at the same time providing technical assistance to programme countries in clarifying issues related to the new implementation mechanisms proposed under the Kyoto Protocol. This effort is being undertaken in the spirit of enabling countries to reinforce their role in the global debate, and in close cooperation with the UNFCCC Secretariat and other United Nations bodies. To facilitate implementation of its strategy and work plan, a UNDP Climate Change Task Force has been established and is fully operational. In addition, UNDP's Administrator will lead the UNDP delegation to COP-4, where the UNDP Country Office is assisting the Convention Secretariat and the Government of Argentina to organize the meeting. UNDP's work on integrating climate change into UNDP's country programmes is an excellent example of 'mainstreaming' at both the policy and operational levels. This work has attracted additional resources from bilateral donors and the Turner-supported UN Foundation.

7. In the biodiversity focal area, UNDP has established a Biodiversity Task Force to enhance efforts to assist countries -- through its work in forestry, sustainable agriculture, water management and the biodiversity window of the GEF -- in developing strategies for the protection of biodiversity. The Task Force is actively pursuing its mandate to fully integrate biodiversity into UNDP's work, and to enhance UNDP's support to the Convention on Biological Diversity. Another focus is to document and expand collaboration on GEF projects by other UNDP-managed facilities, such as Capacity 21 and the Office to Combat Desertification and Drought (UNSO).

8. In the water resources area, UNDP published in April of this year a pioneering document, "Capacity Building for Sustainable Management of Water Resources and the Aquatic Environment: Towards A Strategic Framework for UNDP," which serves as a guide to UNDP Country Offices, Regional Bureaux and headquarters staff. UNDP is also funding two global networks for knowledge sharing along the freshwater-oceans continuum: the Global Water Partnership Water Forum, and the UNDP Strategic Initiative for Ocean and Coastal Management.

Strengthening UNDP Capacity at the Operational Level

9. In addition to measures at a corporate policy level, UNDP has taken steps to enhance opportunities for mainstreaming at the operational level. As part of a far-reaching organizational restructuring, UNDP has recently decided to establish Sub-regional Resource Facilities (SURFs) in each geographical region of the developing world. These facilities will increase the level of technical expertise on global as well as local environmental issues available through the UNDP Country Offices for the implementation of Agenda 21 and other UNDP focal areas. SURF centers are supported by a global hub at headquarters that delivers the technical expertise on global and local environmental issues needed from in-house and external sources. SURFs in Pakistan and Thailand have completed a two-year pilot phase, while SURFs in Lebanon, Slovakia, Trinidad & Tobago, and Zimbabwe will be operational by the end of 1998. UNDP's Sustainable Development Networking Programme (SDNP), which provides assistance to 40 developing nations and 36 small island developing states in establishing electronic connectivity to national networks and the Internet, also contributes to mainstreaming global environment issues.

10. A further opportunity for mainstreaming global as well as local environmental concerns emerges from the official UN Resident Coordinator system through which UNDP has long focused on country-level support capacities. UN Resident Coordinators have a broad role and an extensive network of contacts that often extend beyond consultations with UN agencies to include assistance for environmental mainstreaming of ODA, government agencies, and national NGOs. A key task of the Resident Coordinator is to

ensure coherent and coordinated follow-up to the global conferences, including the Rio conferences. If properly supported and mandated by the GEF, UN Resident Coordinators could play an even more significant role in mainstreaming global environmental issues into development agendas.

11. Over the past 18 months, over 100 country-level professionals have received one month of hands-on training in GEF strategy, policies and the project cycle at UNDP headquarters. These professionals were drawn from UNDP Country Offices, government agencies, NGOs, and leading universities. The UNDP-GEF unit also coordinated several GEF Project Development Workshops in the field, and renewed funding for an expanded programme of Workshops will be proposed at the October 1998 Council meeting. A pilot initiative cosponsored by the German Foundation for International Development organized seven regional training workshops on the Logical Framework Methodology for joint planning, decision-making, and implementation monitoring processes necessary for all GEF projects.

12. GEF Regional Coordinators within each of the five UNDP Regional Bureaux have facilitated programme development and fostered opportunities for interventions jointly sponsored by UNDP, the GEF and other donors, and continue to do so on an ongoing basis. Within the UNDP Country Offices, designated GEF Focal Point Officers identify opportunities for GEF projects at the very beginning of the UNDP programming cycle. The National Coordinators and National Advisory Committees of the GEF Small Grants Programme (SGP) also mobilize environmental expertise, networking, and advocacy services on a range of policy and project interventions. Several SGP projects co-financed by UNDP and the GEF have resulted from this partnership.

13. UNDP staff is kept abreast of GEF developments through a number of communications vehicles including a monthly newsletter distributed institution-wide that has been published for 26 consecutive months. Brief descriptions of all UNDP-GEF projects are published quarterly in a bound volume, and a web-site provides ready access to a wealth of current information on the portfolio along with basic GEF documents and guidelines. Headquarters staff regularly visit the Country Offices to attend important meetings and brief Country Office personnel on GEF issues.

Programming Resources at the Country Level

14. During the period 1994 to 1997, approximately 22 % of all resources, and 24 % of all unrestricted resources, were allocated to programmes in the area of environmental resources and food security, including sustainable management of natural resources, especially water, forests and biodiversity. These percentages translate into total annual expenditures during this period of \$350 million, of which about \$150 million were from unrestricted sources.

15. UNDP resources are programmed through a process that is primarily directed by the needs of programme countries. UNDP Resident Representatives consult with government officials to draft Advisory Notes, Country Cooperation Frameworks, and Programme Outlines that describe a country's programming plan in progressively greater detail. Since these documents are frameworks for all activities supported and overseen by UNDP, including the GEF, they help ensure integration and complementarity of the GEF within country programmes.

16. Work is now underway to update the Programming Manual (PM) that Resident Representatives use to guide them in programme development and to ensure it addresses the global environment systematically. The new manual will be operational by the end of 1998. In the new manual, environmental regeneration is not only reflected as one of UNDP's focus themes, but also as a fundamental principle of UNDP's cooperation. It is UNDP policy that any intervention needs to be environmentally sound, globally as well as locally. The consideration of environmental dimensions is thus an essential element in the formulation process of programmes and projects. The emphasis is not only on avoiding or minimizing negative impacts, but also on maximizing positive ones and on seizing opportunities, inherent in most programmes, to protect and regenerate the natural environment.

17. UNDP procedures will thus ensure that global environmental dimensions are assessed in a participatory manner, early in the planning stages of programmes, and that they are discussed in conjunction with other dimensions, such as gender or disaster preparedness, in order to identify synergies and address trade-offs.

18. UNDP is mindful that the challenge of ensuring environmental soundness of UNDP supported interventions is indeed the very challenge of integrated planning and assessment for sustainable human development. UNDP is therefore planning to develop a generic integrated planning and assessment tool as a useful instrument for the consultation processes that are so vital for the quality and sustainability of programmes and projects. This tool is expected to be operational by mid-1999.

19. In order to provide advice on the allocation of in-country resources and promote synergies among the GEF, UNDP, and non-core sources of financing, UNDP-GEF staff regularly attend meetings to review Country Advisory Notes, Country Cooperation Frameworks, Programme Outlines, and Project Documents. UNDP-GEF staff also regularly review the project pipelines of each Regional Bureau in order to identify potential joint projects or areas of conflict. As a result, several UNDP projects have been reoriented due to GEF participation. UNDP is the implementing agency for the Montreal Protocol in addition to being one of the tripartite GEF partners. The task of rapidly

translating international environmental agreements into activities in the field has heightened the profile of environmental mainstreaming initiatives throughout all levels of UNDP management.

20. Close to 400 Country Programme Outlines for 1997-2000 (85% of which had environmental components) were recently analyzed for the activities related to renewable energy; forests; water; food security/sustainable agriculture; and desertification and land degradation. This analysis provides a better understanding, based on geographical and focal areas, of how to maximize the synergy between UNDP and GEF resources. UNDP will be using this survey over the next year to identify specific methods for enhancing the partnership between UNDP and GEF resources.

21. To take one example of how UNDP's core programmes impact global environmental issues, since 1996 UNDP has undertaken a major effort to mainstream energy as it relates to sustainable human development. The UNDP Initiative for Sustainable Energy (UNISE) addresses how energy issues are linked to poverty, environment, jobs creation and women in development. The UNISE framework document was distributed to all UNDP country offices and sustainable energy activities are now reflected in almost half of approved UNDP country programmes. Sustainable energy training activities have been conducted at the headquarters, regional and country level involving staff from 27 countries.

22. UNDP cooperation at the country level stresses energy's links with the social, economic and environmental aspects of the development process since UNDP's development objectives cannot be met without a major reorientation in energy production and consumption patterns. To this end, in June 1997, a landmark UNDP document entitled "Energy After Rio: Prospects and Challenges" that described these linkages was published by UNDP. The Commission for Sustainable Development (CSD), in its ninth session in 2001 will address energy's links to sustainable development -- and UNDP, together with the UN's Department of Economic and Social Affairs (DESA) and the World Energy Council, have begun preparation for this.

23. A recently launched programme in India provides just one of many examples of UNDP programmes which, while focusing primarily on delivering development benefits to people, also generate important global environment benefits (in this case, climate change through reduced green house gas emissions). This \$4 million programme to develop local renewable energy sources for community income generating activities, as well as for schools and clinics, will support government efforts in rural and tribal villages in Bihar, Madhya Pradesh and Orissa states, and in communities in the country's desert regions.

Capacity Development at the Country Level

24. The success or failure of any effort to preserve the global environment ultimately rests with the countries, localities, and stakeholders who must undertake sustainable development planning and implementation based on an informed consensus. In order to do so, they require access to needed resources in the form of technical, financial, and policy expertise. They must also have the capacity to integrate this wealth of expertise into their own national endowment so that they may undertake such actions independently in the future. All UNDP-GEF projects point toward this goal, but certain activities illuminate the endeavor more clearly than others.

25. At the national level, UNDP-GEF Enabling Activity projects are steadily building capacities in 138 countries to prepare national inventories, strategies and action plans in response to the UNFCCC and the CBD. These projects represent the first time that these countries have attempted to fulfill Convention obligations, and for many it requires a major effort employing all available national expertise in coordination with international experts. In the climate change focal area, UNDP provides support to engage in international climate change negotiations, including a briefing kit sent to all Country Offices. A team on climate change is now prepared to support all Country Offices actively engaged in the issue with government counterparts. The group will provide technical backstopping and help countries to build their human capacity; create appropriate legal and economic frameworks; facilitate technological "leapfrogging"; support innovative demonstration projects; and implement national energy action programmes.

26. At the local level, the GEF Small Grants Programme managed by UNDP has provided funding for over 1,000 projects to date. These small-scale endeavors respond simultaneously to the global environment and to the needs of local stakeholders. The recent SGP independent evaluation found that the Programme "is often at the vanguard of building awareness of global environment issues." Through its success in raising awareness of global environmental challenges and opportunities at the grass roots level, the SGP has built substantial local capacity in 46 different countries. During its first operational phase, the SGP mobilised USD \$7 million in cofinancing, and during the second operational phase UNDP Country Offices plan a major effort to secure \$15 million in co-funding plus another \$15 million in-kind. A proposal to replenish the Programme for this phase two, and to incorporate it into regular GEF operations, will be considered during the October GEF Council meeting.

27. Each of the 260 UNDP-GEF projects strives to enhance the in-country human capacity to utilize the information, knowledge, and technology necessary to halt degradation of the global environment. Capacities are being built not only

in government agencies, NGOs, and research institutions, but throughout a very broad spectrum of civil society through the projects' educational and outreach components. The UNDP-GEF unit is now developing plans to expand the outreach, education, and communications components of all its projects so that an even larger segment of the citizenry benefits from the "win-win" opportunities being generated by the projects and by future integrated planning processes.

28. In addition to activities carried out in the framework of its work as implementing agency for the GEF, many of UNDP's other programmes aim at assisting countries to improve their ability to integrate global environmental issues into their national development plans. Particular emphasis is placed on the participation of all sectors of civil society, especially NGOs, in decision making and policy formulation.

29. Agenda 21 provides countries with an approach for integrating environmental, economic and social issues under a framework for sustainable development. Through its Capacity 21 programmes, UNDP has helped a number of countries to mainstream global environmental concerns under their Agenda 21 programmes. One example is Costa Rica, which has introduced taxes on road transport fuel that are used to maintain a fund that encourages investment in forests. The country has achieved pioneering success in selling its forest-based carbon sequestration services through joint implementation ventures and the selling of carbon bonds. Another example is China, whose Agenda 21 emphasizes the importance of clean technology. The latest figures indicate that a sum of about \$1.4 billion had been invested in the implementation of China's Agenda 21, a portion of which has been dedicated to clean technology. UNDP's Capacity 21 and GEF unit are working closely together, for example in Cuba and the Russian Federation, to ensure that "mainstream" capacities are built that encourage the full impact of GEF programmes.

30. Under the Montreal Protocol for the protection of the global ozone layer, UNDP has 22 ongoing national institution strengthening projects in all regions, which are developing governmental capacity to direct and monitor national efforts to meet the ozone depleting substance (ODS) elimination provisions of the Montreal Protocol. These 22 projects have budgets amounting to \$9 million; since most are based in national environmental ministries, they are also contributing to helping governments address the linkages between ozone depletion and climate change.

Tracking Environmental Activities Across UNDP

31. For the past three years, the UNDP-GEF unit has tracked projects in its portfolio by the computerized Project Information Management System (PIMS). This system is now being upgraded to allow for storage of a much larger amount of information on each project, and for access by GEF focal points in most Country Offices. It will include, among other information, details on a project's progression through the cycle; monitoring, impact and evaluation data; and financial tracking information. Global access to this level of current information will enable GEF focal points and others to be more proactive in packaging financing for projects, coordinating the activities of joint projects, and keeping project proponents abreast of the placement of their projects in the review/comment/approval portion of the project cycle.

32. In addition, an initiative is now underway to track every UNDP programmes and project according to area of focus, including environment and natural resources. A number of focus areas relate to themes impacting biodiversity, climate change and water resources. The new system will also allow selection of GEF projects by Operational Programme, and by keywords from the UNFCCC and the CBD. The new tracking system is now operational, and represents a major step forward in the broadening of global environmental work undertaken by all units and divisions of UNDP.

33. As part of the larger UNDP shift towards results-oriented monitoring and evaluation, UNDP is in the early stages of the development of a system to supply data on the actual impact of UNDP interventions on key global environmental indicators. These data could be used to evaluate the efficiency of resources allocated to specific types of projects or to specific geographical areas.