

DFID Multilateral Aid Review

UNEP Right to Reply

UNEP welcomes the UK's Department for International Development (DFID) Multilateral Aid Review of the organization as it comes at a time when UNEP is implementing its reform agenda. Many of DFID's key questions in the Multilateral Aid Review reflect UNEP's own focus and rationale for having embarked on a major reform process, which resulted in its **Medium Term Strategy and Results Based Management Approach**, being adopted by its Governing Council. As of 1 January 2010, UNEP is implementing a new framework for results-based management that has reconfigured the organization's Programme of Work around 6 key result areas.

It represents a fundamental departure from traditional UN planning frameworks, which were focused on inputs and divisional budget allocations. A total of 17 change management projects from accounting and accountability to staff deployment and new monitoring- and evaluation platforms had to be implemented. Despite deep reforms, first progress and performance reports for 2010 indicate that UNEP is on track with delivering the 2010-2011 biennium results.

DFID's review examines many relevant parameters of an organization's performance and delivery, which are relevant to the specific mandate and profile of UNEP. Nevertheless, it reflects a particular focus in terms of aid objectives and operational parameters, which may not always capture or reflect the specific and distinctive mandate, as well as operational rationale, of an entity such as UNEP, which has significant normative functions as well as a mandate to address the underlying and cross-sectoral aspects of environment and sustainable development.

For future reviews aiming at assessing UNEP's overall relevance and effectiveness, a more comprehensive review of the entire portfolio of UNEP's work, including UNEP global- and multi-country/regional programmes would be beneficial.

Rather than focus on individual aspects of the Review, which we will study in more detail and with more time, we will focus our response on some elements of our work and performance, which speak to the broader objectives of the review. Specific examples of such programmes and processes are provided below; while an overview of 2010 results are available from UNEP's Annual Report at www.unep.org/annualreport/2010/

A New Focus on the Economy/Livelihoods and Environment Nexus

The **Green Economy Initiative (GE)** began as a pilot project idea in UNEP three years ago and has now evolved into a global policy discourse and debate. Initially focused on the response to the international financial crisis, UNEP developed the global "Green New Deal" concept to redirect fiscal stimulus packages. Subsequently, UNEP launched at its 26th Session of the UNEP Governing Council and Global Ministerial Environment Forum the report "Towards a Green Economy – Pathways to Sustainable Development and Poverty Eradication" – which has elevated the concept to the top of not only the sustainable development agenda, but also global economic policy fora. The Green Economy was chosen by the UN General Assembly as one of the two central themes for the Rio+20 conference, and the global green new deal became an important concept for the response to the financial crisis – including in the G20 summits – and many governments across the North-South spectrum have begun to work with the GE concept.

UNEP has requests from over 30 countries to assist with national green economy dialogues – including China, South Africa, Indonesia, Gabon, Senegal and Korea to mention a few. Through the UN Environment Management Group, a team of over 30 UN entities, including the World Bank and IMF are now in a partnership to further develop the concept. UNIDO and ILO are among the pioneer agencies that have

taken the lead on green jobs and green industry/resource efficiency as examples of how the Green Economy approach can be mainstreamed.

The Green Economy Initiative (GEI) also focused on the concept of an economy's natural capital and its relevance to the livelihoods of the poor. Ecosystem services and other non-marketed natural goods account for 47 to 89 percent of the so-called "Gross Domestic product of the Poor". The sound management of ecosystems and biodiversity, in the context of poverty eradication along with the inclusion of natural capital in government and business accounting can start to redress inaction and reduce the cost of future losses. These are some of the conclusions of the ***Economics of Ecosystems and Biodiversity (TEEB) partnership***, which successfully completed its work and presented the final report to CBD COP10 in Nagoya.

TEEB has transformed the policy discourse on biodiversity and ecosystems across the world. India and Brazil have announced national TEEB processes while the European Commission and a number of governments have signalled that they will also initiate national TEEB processes. The World Bank also recently announced a new partnership on developing green national accounts citing the TEEB reports as a key reference. An international community of institutes and NGOs has emerged through TEEB to continue the work and many private sector actors have through TEEB identified a framework for addressing ecosystem services in their business strategies.

Environmental Health – Chemicals and Hazardous Wastes

Chemicals and hazardous wastes continue to affect the health of millions of people: An estimated 18 to 22 million people are at risk from lead poisoning, 15-19 million from mercury, 13 to 17 million from chromium, and 5 to 8 million from pesticides. Enhancing the capacity of developing countries to address this growing challenge has become a central focus of UNEP's new Programme of Work, including its lead responsibility with the Strategic approach to International Chemical Management (SAICM) that supports 117 projects undertaken by 97 governments and 12 civil society organizations.

The ***Chemicals Synergy process*** is gaining its momentum after three years of intense work led by member states and supported by UNEP. The extraordinary, simultaneous CoPs of the Basel, Rotterdam and Stockholm Conventions that were held in 2009 in conjunction with the UNEP GC/GMEF in Bali approved a series of reforms that are now being implemented and marks a fundamental shift for the future evolution of these treaties – including the international financing of efforts by developing countries.

Following a decade of stalemate, a breakthrough was achieved at the UNEP GC/GMEF in 2009 opening the pathway for negotiating a ***Mercury Convention*** – a new treaty on mercury phase out. All indications are that a new treaty will be agreed by 2013.

Since 2009, UNEP in consultation with Multilateral Environmental Agreements (MEAs) Secretariats has been ***strengthening support and synergies with these agreements*** and has integrated regional MEA advisors - one each for the Chemicals and Biodiversity clusters located in each of UNEP's six regional offices. This has enabled countries to interact directly with MEAs and led to new opportunities for synergies and capacity building between UNEP's Programme of Work and the work of the MEA Secretariats.

Science and Normative Frameworks for Accelerating Sustainable Development

UNEP believes that any review should be cognisant of the UNEP's dual mandate – normative and operational. The broader reform process includes ***strengthening the science/normative role of UNEP*** and the new UNEP Science Strategy – to enhance our support to governments in addressing the risks of environmental change – is now being implemented. UNEP's Rapid Appraisal Series has produced key policy changing reports and initiatives on agriculture, ecosystems, blue carbon, and bio-sequestration. The International Panel on Sustainable Management of Natural Resources led by co-chairs Von Weizsaecker and Khosla has produced widely acclaimed reports on biofuels, mining and minerals and decoupling

economic growth from resource consumption. All of the above are examples of how UNEP has assisted governments by delivering cutting edge science to global and national policy processes.

After years of failed attempts to establish a sister panel to the IPCC for biodiversity and ecosystems UNEP facilitated a 2-year global dialogue and negotiation process that culminated in the Busan/Korea meeting in 2010, which agreed to the establishment of the **Intergovernmental Panel on Biodiversity and Ecosystems Services (IPBES)**. Since then, the CBD CoP.10 in Nagoya endorsed the proposal and the United Nations General Assembly resolved during its current session for IPBES to be established in 2011.

IPBES will enhance the credibility, legitimacy and relevance of scientific findings relating to biodiversity and ecosystem services – i.e. the natural capital of our economies – to ensure that policy is more rapidly and directly informed by the best available science.

The **Atmospheric Brown Cloud Project**, with far reaching implications for agriculture, health and climate change, which began in Asia, is now expanding to Latin America and Africa. Black Carbon and other non-CO₂ Gases are gaining increasing attention following the UNEP project. A consortium of 20 institutes convened by UNEP undertook the “Emissions Gap Analysis on the Gigatonne gap” following Copenhagen. This analysis was presented at the UNFCCC COP16 in Cancun last December and was welcomed by delegations for future climate change negotiations.

UNEP’s fifth **Global Environment Outlook (GEO-5)** process – addressing global environmental change parameters – has also been initiated and is scheduled to be completed 6 months ahead of plan to feed into the Rio+20 conference. GEO is a complex and comprehensive global undertaking, involving a multi-disciplinary partnership of hundreds of policy experts, researchers, UN Agencies and regional/global collaborating centres. GEO-5 will provide policy options that could help speed up the realization of internationally agreed goals such as the Millennium Development Goals, and those agreed through Multi-lateral Environmental Agreements.

Mainstreaming Environment - Leveraging the Capacity of the UN Family

While UNEP is working to ensure its work is driven by the needs of countries, its impact at country level is quite different from other organizations with a strong institutional presence at country level. UNEP has implemented a “strategic presence approach” with a focus on regional hubs and selected country offices. Building on UNEP’s comparative advantages, UNEP’s work is scaled at global and regional levels in order to provide responses to environmental challenges, which are transnational in nature.

UNEP’s implementation modality at country level includes working through partnerships on pilot projects, which, once successfully implemented, can be replicated as capacity building and technology support programmes on a larger scale by partners – particularly UN organizations – with greater operational capacity at country-level. UNEP’s direct operational role at country-level is thus deliberately focused on piloting new approaches and strategic partnerships, unlike organizations with a larger country presence. Through its collaboration with the UN system of humanitarian and development organisations, UNEP is working to mainstream environmental sustainability across a broad range of sectors.

The jointly established, staffed and managed UNDP/UNEP **Poverty and Environment Initiative (PEI)** has evolved from a Pilot project to a globally active team supporting PEI projects in 21 countries. Support from PEI resulted in the “greening” of investment and development strategies for the poor in countries as diverse as Mali, Uruguay, Bhutan, Lao PDR, and Malawi. In Nepal, PEI supported the Ministry of Local Development to produce economic evidence for promoting pro-poor environment friendly rural infrastructure development and for sustainable natural resource use and -extraction practices by local governments. Advisors posted at regional level are also supporting UNDAFs and Country Teams on three continents.

With UNIDO, a network of over 40 National Cleaner Production Centres is jointly supported to promote resource efficiency in small and medium scale enterprises.

UNEP committed in 2007 to actively assist UN Country Teams in the One UN Pilot countries in support of the **“Delivering as One” at Country and Regional level**. It also appointed One-UN advisors in UNEP's regional offices to support UN Country Teams and UNDAFs. As a result, UNEP has been able to engage in more than 40 UNDAFs during this period resulting in much closer cooperation among UN entities at country and regional levels, thereby achieving significant progress in mainstreaming environmental sustainability aspects in country programmes.

Overall, 43 UN Country Teams began integrating environmental sustainability in their respective UN country programming processes in 2010. With this support through UNDG and UNDP, UNEP has responded to national capacity gaps to achieve MDG 7 (Environmental Sustainability).

Finally, UNEP's Sustainable United Nations (SUN) -team and the convening of more than 40 entities of the UN system through the Environment Management Group, chaired by UNEP, directly contributed to the Secretary General's and the Chief Executive Board's decision to move towards a **Sustainable UN and Climate Neutrality**. The first ever carbon assessment of the entire UN system was completed in time for the Copenhagen Climate Change summit. UNEP has become a climate neutral organization since 2009 and other agencies are working on their goals and strategies. A 'greening the blue' platform has been created for greening the UN and task teams on sustainable procurement and management are working on longer-term initiatives - including the UN's peacekeeping operations involving more than 100,000 personnel. It also resulted in the commissioning of a new UN building in Nairobi that produces its entire power supply for 1,200 staff through photovoltaic technology providing a learning platform for renewable energy in East Africa.

Relevance and Value for Money

The examples cited above are a sample of the kinds of investments UNEP has made with the UK government's contribution and how they are delivering tangible results. Given the often cross-sectoral nature of environmental sustainability issues as well as the need to support developing countries in the context of internationally agreed goals and targets, it is not easy for traditional reporting formats to accommodate the timelines and attribution of direct results. The phasing out of Ozone Depleting Substances under the Montreal Protocol (in 2009 UNEP announced that 98% of ODS under the protocol had been phased out) took 15 years and involved hundreds of government agencies and dozens of international partners. The result of this work can only be “measured” in intergenerational terms. Similarly, UNEP's global Partnership for Clean Fuels and Vehicles (with UNEP directly supporting over a hundred countries) involved a similar number of public and private sector actors over many years with UNEP being able to announce in 2010 that virtually all nations had eliminated lead from fuels with an estimated 1.1 million premature deaths avoided per year globally.

Assessing performance and value for money for a multilateral organization that relies entirely on unpredictable voluntary funding and a core budget that has oscillated between US\$59 million in 2006 to US\$79 million in 2010 will always present challenges. In providing examples of how UNEP's normative and scientific work relates to real outcomes and results on the ground we wish to highlight the value chain of UNEP's Programme of Work. Investing in the normative, scientific and policy foundations for international action on environment and sustainable development is an important precondition for catalyzing implementation and should be considered an integral part of any review that assesses the value and efficacy of a multilateral entity in terms of the UK's international foreign and development policy, objectives and commitments. As the DFID assessment also notes, UNEP nevertheless does suffer from unpredictable funding. An international environmental governance review process is well underway and governments will decide on their approach in the context of the Rio+20 Conference and the question of 'Institutional Frameworks for Sustainable Development.'

DFID's review speaks to UNEP's focus on its reform agenda as well as the enhanced monitoring and evaluation processes. UNEP has begun implementing these policies and plans: for instance, UNEP based its programme performance monitoring on its newly approved Monitoring Policy—to ensure that UNEP monitors and delivers against the objectives in its results-based planning framework set out in its *Medium-Term Strategy* and *Programme of Work*. UNEP will continue to strengthen its monitoring processes to enable the organization to take corrective action in areas where performance is sub-optimal.