

# 9

## Lessons Learned

**T**his chapter highlights significant lessons learned from PEI's experience in supporting governments to mainstream poverty-environment objectives into planning, budgeting and monitoring processes. The lessons learned have important implications for policymakers and practitioners in advancing their work at the country level.



The Rio+20 outcome document, “The Future We Want,” reaffirmed commitment by UN member states towards sustainable development and the establishment of the next-generation SDGs. The SDGs will reflect a global consensus on a new development paradigm that includes the following, among others:

- National institutional frameworks that enable effective integrated, cross-sectoral, development planning that addresses the connections between the economic, social and environmental strands of sustainable development
- Going beyond GDP to include the environmental costs and benefits associated with growth and the full economic value of ecological services and biodiversity
- Transitioning towards more resource-efficient, low-carbon economies
- Government-led national development planning which integrates local governance and community-led development

The approach to mainstreaming pro-poor, gender-responsive environmental and climate issues outlined in this handbook and drawn from PEI experience can contribute to this new development paradigm and the realization of the SDGs. The lessons learned from PEI and its focus on promoting integrated approaches to sustainable development have important implications for policymakers and practitioners in advancing this work at the country level. These key lessons are discussed below.

## 9.1 Making the Case for Poverty-Environment Mainstreaming and a Transition to Inclusive Green Economies

PEI experience suggests that **linking poverty-environment issues to high-priority policy areas** such as economic growth, job creation or poverty reduction is the preferred strategy in making the case for poverty-environment mainstreaming. These higher-level policy objectives are mostly anchored in national development plans and the sectoral policy sphere. It is typically in sectors such as agriculture and energy where the strongest links between poverty-environment mainstreaming and economic growth exist. These linkages also exist with regard to climate change and ENR management.

PEI has recognized the need to devote greater attention to the political economy. Institutional analyses do not sufficiently encompass **political economy issues**—e.g. the identification of winners and losers in the current state or attitudes to reform. Understanding these can help improve poverty-environment programme focus and activities. Because these issues are often sensitive, practitioners should proceed with caution.

To identify and understand the **target populations** for mainstreaming efforts, some form of poverty and vulnerability assessment should be carried out—e.g. gender-disaggregated assessment, poverty and social impact analysis or poverty impact assessment. Efforts should be made to ensure the empowerment and inclusion of the poor—including women, minorities and indigenous peoples—in the development process. Mainstreaming gender along with poverty-environment helps improve the efficiency, efficacy and long-term sustainability of poverty-environment objectives.



Mainstreaming requires the **cooperation of many government actors**, each of whom represents significant opportunities and challenges throughout the process. An early and crucial decision is determining which government agency will lead the mainstreaming effort. Because of the close relationship between poverty-environment mainstreaming and national development planning and budgeting, it is recommended that the ministry responsible for national development planning or finance should take the lead. Country experience demonstrates that the ministry of finance or planning is an especially effective host institution to promote poverty-environment mainstreaming activities, while ensuring close links with the ministry of environment and other relevant line ministries such as agriculture, energy and transport.

**Economic evidence** on the costs and benefits of unsustainable and sustainable ENR management is vital in making the case for poverty-environment mainstreaming and justifying budget/investment allocations. Public climate and/or environmental expenditure reviews help highlight the gap between the economic benefits of sustainable ENR management and the amount currently spent, thereby informing policy, planning and budgeting processes. The tools for poverty-environment mainstreaming can be adapted to country needs, and it is recommended that the government fully participate in each phase of the work. It is also important that the choice of tools not be supply driven and that government counterparts be well informed of the pros and cons of the various tools available. Economic arguments are useful, and the chances of having a short-term influence are greatest if tools that resonate with current thinking and language are used—e.g. cost-benefit analysis.

The proactive use of economic evidence (and other outputs) is critical to generating change. Findings of economic assessments should be

disseminated broadly among government, civil society, academia, business and industry, the media and the general public. Key messages should be prepared and targeted to different audiences (e.g. decision-makers, practitioners, parliamentarians, the media) to ensure that the evidence generates change. In this regard, identify those individuals with requisite power and interest to promote poverty-environment mainstreaming. Although having such champions at the highest political level is critical, little progress can be made without the support of dedicated people at the director level who can, in turn, motivate others to adopt new ideas. Donor representatives, parliamentarians, academics or civil society organization leaders may also be influential; they should be consulted with and kept informed about ongoing studies, findings and activities.

Weak **organizational capacity** constrains opportunities for poverty-environment mainstreaming. The capacity of relevant ministries to influence economic decision-makers should be built through sharing of analytical results, policy briefs, on-the-job learning and more formal types of training.

## 9.2 Mainstreaming Poverty-Environment Objectives in Planning and Budgeting Processes

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To successfully influence development planning processes to include pro-poor sustainable poverty-environment objectives takes **ongoing substantive engagement** with these processes. Poverty-environment mainstreaming staff face a significant amount of work, including attendance at regular working group meetings, preparation of working papers and submission of detailed justifications for why poverty-environment objectives should be included in development plans. Subsequently, they must continue to engage plus prepare additional

evidence to support the implementation of poverty-environment objectives through plans, programmes and budget allocations. To make change happen, staff must be proactive in generating and using outputs. For example, they could support the government in undertaking economic studies on ENR management, the results from which can then be used to influence policy.

Governments often lack **effective horizontal and vertical coordination mechanisms**, making it difficult to implement cross-sectoral priorities and plans, particularly at subnational levels. To sustain the impact of poverty-environment mainstreaming, these mechanisms must be assessed and enhancements to improve intra- and intersectoral coordination supported at national and subnational levels. As with gender or HIV/AIDS mainstreaming, successful poverty-environment mainstreaming means that cross-cutting issues such as pro-poor environmental sustainability must be integrated in the policies, plans and budgetary priorities of more than one ministry or sector.

**Influencing budgets and financing arrangements** is another important—and demanding—process. Engaging in both annual and medium-term budget processes is required as well as in regulatory frameworks on investment and revenue generation (e.g. fiscal investments). Because poverty-environment mainstreaming in budgets is a new task for finance ministries, capacity-building support is needed. Climate change poses additional challenges. CPEIRs, for example, will need targeted support.

In some countries, PEI has supported governments in increasing the budget envelope for poverty-environment expenditures across sectors other than the environment. In general, several related factors are in play when

allocations are decided. Having a strategy for increasing understanding of the linkages between poverty-environment outcomes, inclusive green economic growth, etc., among decision-makers can increase the likelihood of higher expenditures being allocated. But note that establishing new procedures and having them replicated takes time, capacity, incentives, demand and political will.

### 9.3 Addressing the Implementation Challenge: Mainstreaming into Sector and Subnational Planning, and Monitoring

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Experience shows that the inclusion of poverty-environment objectives at the national level does not guarantee implementation at the sector and/or subnational level—making it critical to engage with sector and subnational planning processes. Influencing sector and subnational processes is a very substantive, time-consuming effort; for this reason, **priority ENR sectors should be selected and focused on**. Because cross-sector coordination is sometimes inadequate and breaking down silos can be a challenge, these issues should be reviewed and ways to address them supported.

To ensure poverty-environment issues are monitored within the framework of a national monitoring system, **long-term engagement with the entire monitoring and reporting cycle** is needed, including institutional capacity development involving the national statistics office and delegated agencies responsible for data provision. Providing relatively long-term access to a global network of experts on poverty-environment mainstreaming has been an important element in strengthening the capacity of coordinating ministries.





The lessons learned from the PEI experience as discussed above and in the examples presented in earlier chapters of this handbook can inform and contribute to the implementation of the upcoming new development paradigm

reflected in the SDGs. As this handbook shows, mainstreaming pro-poor, gender-responsive environmental and climate concerns into national, subnational and sectoral planning and budgeting processes can help ensure that ENR management reduces poverty and promotes sustainable and inclusive growth.

