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United Nations Development Programme

# ENVIRONMENT AND ENERGY THEMATIC TRUST FUND 2013 ANNUAL REPORT

ENVIRONMENT AND ENERGY GROUP  
BUREAU FOR DEVELOPMENT POLICY



Photo by Elena Yefimova/GEF SGP: Kazakhstan.


# FOREWORD

The search for development solutions that combine the delivery of social, environmental and economic benefits has gained renewed momentum as a result of the 2012 Rio+20 Conference on Sustainable Development, and the subsequent discussions on the post-2015 development agenda and the Sustainable Development Goals.

UNDP has responded to this global priority by emphasizing the need to deal with development challenges in an integrated manner. Its Strategic Plan for 2014-2017 identifies three major inter-related areas of work: Sustainable Development Pathways; Inclusive and Effective Governance; and Resilience-Building. The focus on these areas is in line with the conclusions of the Thematic Consultation on Environmental Sustainability, which was held in 2013 as part of the global discussions on the post-2015 agenda, and supported by the Environment and Energy Thematic Trust Fund (EE TTF).

As the EE TTF refocuses its support to undertake the new cycle of work under the 2014-2017 Strategic Plan, it is worth reflecting on the accomplishments of, and lessons learned from, the 2008-2013 Strategic Plan. The general assessment is positive. UNDP's overall portfolio in the area of environment and sustainable development rose by 50% between 2008 and 2013, from US\$404 million to over US\$610 million, making UNDP a leading provider of technical assistance and grant financing in sustainable development. Demand from countries for support in this area continues to rise. As a result, UNDP is now working with over 150 countries on linking environmental sustainability initiatives to broader strategies for human development.

The EE TTF supports UNDP's work on promoting integrated approaches to development in which environmental sustainability contributes to poverty reduction, equity, growth, and inclusive and effective governance. We will build on our experience to pursue development solutions that provide multiple benefits across social, economic, and environmental priorities—with a focus on meeting the needs of poor and vulnerable people, on promoting gender equality and women's empowerment, and on redirecting major public and private financial flows towards more inclusive and sustainable investments.



**Nik Sekhran, Director a.i.**

Environment and Energy Group  
Bureau for Development Policy

# ACRONYMS



Photo by UNDP-UNEP Poverty-Environment Initiative (PEI): Bangladesh.

<b>BIOFIN</b>	Global Biodiversity Finance Initiative
<b>CFO</b>	Climate Finance Options
<b>COP</b>	Conference of the Parties
<b>DfID</b>	United Kingdom's Department for International Development
<b>EEG</b>	Environment and Energy Group
<b>EE TTF</b>	Environment and Energy Thematic Trust Fund
<b>EMG</b>	Environment Management Group
<b>GCF</b>	Green Climate Fund
<b>GEF</b>	Global Environment Facility
<b>IPCC</b>	United Nations Intergovernmental Panel on Climate Change
<b>LDC</b>	Least Developed Country
<b>MDG</b>	Millennium Development Goal
<b>MRV</b>	Measuring, Reporting, and Verification
<b>NAMA</b>	Nationally Appropriate Mitigation Action
<b>NAPA</b>	National Adaptation Programme of Action
<b>NGO</b>	Non-Governmental Organization
<b>OWG</b>	Open Working Group on Sustainable Development Goals
<b>PEI</b>	UNDP-UNEP Poverty-Environment Initiative
<b>SDG</b>	Sustainable Development Goal
<b>SE4All</b>	UN Secretary-General's Sustainable Energy for All Initiative
<b>SECU</b>	Social and Environmental Compliance Unit
<b>SIDS</b>	Small Island Development States
<b>UN</b>	United Nations
<b>UN-DESA</b>	United Nations Department of Economic and Social Affairs
<b>UNDP</b>	United Nations Development Programme
<b>UNEP</b>	United Nations Environment Programme
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>WRI</b>	World Resources Institute

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# OVERVIEW OF THE EE TTF

The Environment and Energy Thematic Trust Fund (EE TTF) mobilizes and allocates resources to support innovative, catalytic and strategic initiatives that advance sustainable development. It promotes an integrated approach that delivers policy, technical and oversight services on key environmental and sustainable development issues. As a flexible co-financing mechanism, the EE TTF is designed for rapid approval and expenditure of funds at the global, regional and country levels. It is meant to strategically complement UNDP work funded from core resources and other trust funds, such as the Global Environment Facility (GEF) and the Multilateral Fund for the Implementation of the Montreal Protocol.

The report describes UNDP activities supported by EE TTF in 2013, and the results achieved. Non-earmarked EE TTF funds provided resources for global level policy advice aligned under four key results areas:

1. Mainstreaming environment and energy;
2. Catalysing environmental finance;
3. Scaling up action on climate change; and
4. Expanding access to environmental and energy services for the poor.

A number of strategic knowledge products in the areas of sustainable development and climate change were also supported.

In 2013, the EE TTF had a particular impact on the shaping of the post-2015 development agenda and the Sustainable Development Goals. It enabled UNDP to continue its support for the global Thematic Consultation on Environmental Sustainability, national stakeholder consultations, the Open Working Group on Sustainable Development Goals and its Technical Support Team, and the thematic debates organized by the President of the General Assembly.

The EE TTF also delivered results through support for ongoing UNDP programmes and projects, such as the Boots on the Ground Initiative, the Water Governance Facility, the Poverty-Environment Initiative, and the Climate Finance Options programme, as well as through policy support to global processes such as the climate change negotiations and the UN Secretary-General's Sustainable Energy for All (SE4All) Initiative. In addition, it was instrumental in strengthening UNDP's social and environmental standards and accountability mechanism.



Photo by Albert González Farran/UN:  
Sudan.

Other EE TTF funds were earmarked by donors to support specific environmental programmes, such as: the Indigenous Peoples' and Community Conserved Areas and Territories; the Low Emission Capacity Building Programme; the Down to Earth: Territorial Approaches to Climate Change programme; the SIDS DOCK; the Climate Risk Management project in Moldova; and the BIOFIN initiative.

This report presents more specific information on the programmes and activities mentioned above. Section 2 describes the activities and results supported by UNDP through the EE TTF for 2013 in line with the four Key Result Areas of the associated work plan:

1. Mainstreaming environment and energy;
2. Catalysing environmental finance;
3. Scaling up action on climate change; and
4. Expanding access to environmental and energy services for the poor.

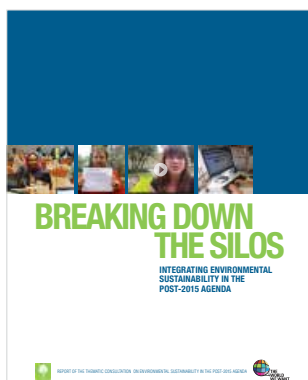
A dedicated section on knowledge management is also included. (Results from earmarked projects are presented in boxes throughout the report.) Chapter 3 presents the financial status, and incomes and expenditures for 2013. Finally, Chapter 4 offers some concluding remarks. The annex provide a detailed summary of the proposed targets, indicators and development outcomes for the EE TTF 2013 work plan.

# ACTIVITIES SUPPORTED AND RESULTS ACHIEVED IN 2013

## MAINSTREAMING ENVIRONMENT AND ENERGY

### Policy Advisory Services for Mainstreaming Environment and Energy

In 2013, global discussions progressed from Rio+20 outcomes to engagement on the post-2015 development agenda and the Sustainable Development Goals (SDGs). With funding from the Environment and Energy Thematic Trust Fund (EE TTF), as well as other sources, UNDP provided important advisory services, technical inputs and country-level evidence in support of these global policy discussions, with a focus on both integrated development solutions and specific environmental thematic considerations.



From November 2012 until May 2013, UNDP, in collaboration with the UN Environment Programme (UNEP), co-hosted the post-2015 global Thematic Consultation on Environmental Sustainability. This thematic consultation, sponsored by the Governments of France and Costa Rica, created an open dialogue with a wide range of participants from 173 countries, including decision makers, leading members of academia, and representatives from civil society and the private sector. The platform provided opportunities to stimulate creative thinking and generate consensus around **how best to reflect environmental sustainability issues in the post-2015 development agenda**. The consultation process included a leadership meeting in Costa Rica and 11 moderated online discussions, with contributions of 60 discussion notes and over 1100 online comments. The final report entitled “Breaking Down the Silos: Integrating Environmental Sustainability in the Post 2015 Agenda”<sup>1</sup> highlighted the need for simultaneous progress on poverty eradication and environmental sustainability, rather than seeing the first as a pre-condition for the second.

<sup>1</sup> [www.worldwewant2015.org/node/382890](http://www.worldwewant2015.org/node/382890)



In its role as co-chair of the **Technical Support Team for the Open Working Group on SDGs (OWG)**, UNDP worked with the UN Department of Economic and Social Affairs (UN-DESA) in bringing the UN System together to assist Member States in their stocktaking phase. UNDP contributed to the process by co-leading the drafting of 15 of the 29 Issue Briefs prepared for Member States ahead of the related OWG sessions<sup>2</sup>. Of these, five were co-led by UNDP's Environment and Energy Group (EEG), three of which received EE TTF support – those on Energy, Water, and Climate Change and Disaster Risk Reduction<sup>3</sup>. For those briefs, EEG contributed lessons and examples from its broad range of initiatives and support to national partners.

On water in particular, UNDP co-led thematic and national consultations<sup>4</sup> through the UN-Water interagency mechanism<sup>5</sup>, which provided valuable insights and led to the **UN-Water technical paper**<sup>6</sup> (coordinated by UNDP's Water Governance Facility<sup>7</sup>). This paper was conceived as a contribution to the SDG process, and proposes a global goal on water, along with a set of potential targets and indicators. The proposed water goal was shaped by the Rio+20 Conference, as well as comments received from Member States during a side event organized in the margins of the sixth session of the OWG. The UN-Water technical paper stresses the crucial importance of the suggested water goal and targets for the global development agenda, and also demonstrates the magnitude and urgency of the need for global action on water. One extension of this work was the development of a framework for integrating water-related activities as an element of annual UN Country Team reporting.

The launch of the UN-Water technical paper in February 2014 was followed by the initiation of another set of national consultations to inform and sensitize policy and decision makers at the national level about the proposed global goal on water, and potential implementation options. This work will continue to feed into the intergovernmental discussions. UNDP will also complete a comprehensive survey of coordination mechanisms that exist in specific pilot countries, and engage with country actors to better understand their perspective on the role of UN-Water.

*"The physical world of water is closely bound up with the socio-political world, with water often a key factor in managing risks such as famine, migration, epidemics, inequalities and political instability... The future development agenda should contain a global goal dedicated to water, building on the MDGs, and redouble efforts to develop water supplies and sanitation services for human needs, to make societies resilient to extreme events and climate change, and to positively shape human development in the coming decades by supporting other efforts aimed at reducing extreme poverty by 2030."*

### **UN-Water "A Post-2015 Global Goal for Water"**

<sup>2</sup> Featured under UN System inputs here: <http://sustainabledevelopment.un.org/owg.html>

<sup>3</sup> The other two briefs co-led by EEG were on Biodiversity and Oceans.

<sup>4</sup> World We Want - The Final Water Thematic Consultation Report; National Stakeholder Consultations on Water: Supporting the Post-2015 Development Agenda.

<sup>5</sup> UN-Water is the UN interagency mechanism for all freshwater and sanitation related matters, of which UNDP is a lead agency. It provides the platform to maximize system-wide coordinated action and coherence and serves UN Member States in their efforts towards achieving development goals related to freshwater and sanitation.

<sup>6</sup> [www.unwater.org/publications/publications-detail/en/c/216087/](http://www.unwater.org/publications/publications-detail/en/c/216087/)

<sup>7</sup> UNDP Water Governance Facility: in collaboration with the Stockholm International Water Institute, the programme is a mechanism to implement parts of the UNDP Water and Ocean Governance Programme. UNDP proactively worked to assist countries to reduce poverty and vulnerability, sustain and enhance livelihoods and protect environmental resources through adaptive water governance, specifically in the areas of water supply and sanitation, Integrated Water Resources Management, strengthening transboundary cooperation, and governance and cooperative management institutions.

In addition, UNDP engaged in a number of interagency global, regional, and country-level initiatives in response to paragraph 66 of the Rio+20 Outcome Document, which calls on the UN to develop green economy toolboxes and policy best practices, and strengthen platforms that contribute to this. UNDP supported the work of the UN Partnership for Action on Green Economy in **Mongolia** and **Peru**, and partnered with UNEP and UN-DESA to organize an inter-regional technical workshop in Nairobi, **Kenya**, on Inclusive Green Economy Tools and Measures. UNDP also provided technical inputs to the ongoing advocacy and research of the Green Growth Knowledge Platform and Green Growth Best Practice Initiative, including a report on country policy experiences. The Inclusive Green Growth Toolkit was revised and re-disseminated through an interagency group including the UN, the African Development Bank, the Organisation for Economic Co-operation and Development (OECD), and the World Bank, and submitted to the G20 Development Working Group. The UN contribution was coordinated by UNDP and included inputs from the Food and Agriculture Organization, the International Fund for Agricultural Development, the International Labour Organization, the UN Environment Programme (UNEP), the World Food Programme and UN-DESA.

### National Capacities to Mainstream Environment and Energy

UNDP's work in this area centred on knowledge management activities that brought forward experiences from the ground to feed into global and regional policy making. Dedicated support was also offered for reviewing and strengthening internal UNDP planning frameworks, such as Country Programme Documents, to ensure the mainstreaming of environmental concerns in development actions. Overall, the Country Programme Documents reveal that attention to environmental aspects of development is increasing within UNDP, reflecting a more integrated perspective on environmental factors and actions as critical elements of poverty reduction efforts.



The EE TTF supported a publication that describes the contributions of the UNDP-UNEP Poverty-Environment Initiative (PEI). This initiative was established during the 2005 World Summit on Sustainable Development at the request of Member States, and has been recognized as making a substantial contribution to building national capacity for integrating poverty and environmental issues into development planning and budgeting.

To highlight the achievements of the PEI, the publication **“Stories of Change from UNDP-UNEP Poverty-Environment Initiative”<sup>8</sup>** brings together selected reports – five from different countries and one from the global level – that demonstrate the development impacts UNDP is achieving around the world through its work in the area of environment and energy. For example,

<sup>8</sup> [www.unpei.org/knowledge-resources/publications/stories-of-change-from-africa](http://www.unpei.org/knowledge-resources/publications/stories-of-change-from-africa)



a story about the **Lao People's Democratic Republic's** new rulebook for foreign investment in natural resources described how PEI has promoted efforts to address community grievances and enabled village residents to be protected by legal remedies that safeguard their livelihoods and local resources. The story from **Malawi** showcased the government's shift towards a national strategy that builds more resilient futures for local communities and ecosystems across the country, after analysing the real costs and benefits of sustainable and unsustainable practices of the forestry, fisheries, wildlife, and land sectors' management of natural resources. By signalling a way towards "the future we want", the publication is expected to catalyse and motivate governments, stakeholders, and the international development community at large to invest in, and support, poverty-environment mainstreaming as one element of the transition to an inclusive, green economy.

Photo by UNDP-UNEP Poverty-Environment Initiative: Bangladesh.



Photo by Jennifer Baumwoll/UNDP GEF: Sudan.

### UNDP's Social and Environmental Sustainability and Accountability

Application of social and environmental standards across UNDP programming helps UNDP protect its values and become more effective in mainstreaming social and environmental sustainability, delivering on the Strategic Plan, and supporting a shift to sustainable development pathways. The objectives of **UNDP's draft Social and Environmental Standards** and the associated Compliance Review and Stakeholder Response Mechanism are to provide the policies, tools and systems needed to: 1) strengthen the social and environmental outcomes of programmes and projects; 2) avoid adverse impacts to people and the environment; 3) minimize, mitigate, and manage adverse impacts where avoidance is not possible; 4) strengthen capacities for managing social and environmental risks; and 5) address complaints from people and communities that have been affected by a particular project. Compliance with social and environmental standards was included as an indicator in the Integrated Results and Resources Framework of the Strategic Plan 2014-2017.

Since this work cuts across UNDP programming, various parts of UNDP are fully engaged in the process in addition to EEG. The EE TTF has helped to drive this effort by contributing resources, catalysing internal cross-practice engagement, and increasing the commitment of all of UNDP's Bureaus.

These standards support UNDP's commitment to promoting a human rights-based approach to development programming, gender equality and mainstreaming of environmental sustainability. They contain specific requirements to ensure that social and environmental dimensions of UNDP programmes and projects are well designed and managed through an inter-disciplinary approach to quality assurance. In 2014, UNDP launched an open comment period on the draft Social and Environmental Standards to obtain feedback and inputs from internal and external stakeholders prior to finalization.

Additionally, in 2013 UNDP launched a review of its current project-level **Environmental and Social Screening Procedure** to identify lessons learned from its application and obtain feedback from UNDP staff who applied the procedure. These lessons, along with the Social and Environmental Standards, will provide the basis for a subsequent revision to the screening procedure.

With regard to the **Compliance Review and Stakeholder Response Mechanism**, the EE TTF contributed resources to the establishment of the Social and Environmental Compliance Unit (SECU) within the Office of Audit and Investigations. Key results include: the recruitment of two compliance review experts; the revision of the Office of Audit and Investigations' Charter to include a mandate to investigate allegations of non-compliance with social and environmental standards; the development of standard operating procedures for the SECU; and creation of a dedicated website and communication materials. Progress was also made in the development of a case management



system for complaints received by SECU. Additionally, the EE TTF contributed resources for the design of UNDP's Stakeholder Response Mechanism, including the development of an overview that outlines the roles and responsibilities of UNDP staff, as well as an outline for operationalizing the Stakeholder Response Mechanism over the next one and a half years.

UNDP continues to work with both other UN entities and external partners to exchange experiences and promote integrated approaches to development that mainstream environmental sustainability. One of the key interagency coordination mechanisms has been the consultative process on advancing social and environmental sustainability in the UN system, under the auspices of the UN Environment Management Group (EMG). UNDP continues to co-chair this process, which is linked to its work with the Social and Environmental Standards, and remains an active participant in a smaller working group.

During 2013, UNDP co-chaired a meeting in which UN agencies came together and exchanged experiences on implementation of the EMG "Framework for Advancing Environmental and Social Sustainability in the UN System". With EE TTF funds, UNDP is contributing to the development of a guidance note for UN entities to operationalize this framework.

## Greening UNDP

In addition to UNDP's global and national work on environmental mainstreaming, substantial progress has also been achieved on moving UNDP itself towards 'greener' operations, thereby demonstrating the organization's commitment to leading by example. UNDP's objectives in this effort are to: 1) comprehensively, consistently and transparently compile and publicly report the environmental impact of its global operations; 2) minimize the environmental impact of its operations and increase resource efficiency; and 3) implement offsetting mechanisms to compensate for remaining greenhouse gas emissions with the target of organization-wide climate neutrality. This work was initiated with support from the EE TTF, and has now been adopted as a corporate priority funded almost exclusively through corporate sources. In 2013, the **'UNDP Goes Green'** initiative continued to assess and report its annual greenhouse gas emissions as part of the 'Moving towards a climate neutral United Nations'<sup>9</sup> programme and EE TTF funds were used to enhance interagency collaboration on this.

The goal of climate neutrality was achieved in UNDP's Headquarters operations, while other locations initiated greening activities, including plans for climate neutrality. The UNDP Strategic Plan 2014-2017 also views the organization's carbon footprint (i.e. CO<sub>2</sub> emissions) as an indicator of institutional effectiveness. Going forward, UNDP plans to further mainstream environmental performance assessments into its reporting systems, both to facilitate UNDP-wide participation and to streamline monitoring and reporting on its environmental footprint.



Photo by UN Photo/JC McIlwaine:  
New York, USA.





Photo by One Moon Photography/  
DOUNGJUN ROONGRUANG: MALAYSIA.

## CATALYSING ENVIRONMENTAL FINANCE

UNDP plays a role as a neutral convener, bringing together governments and the business sector to promote sustainable development approaches and environmental financing. In 2013, EETF supported activities on environmental financing related to climate finance readiness and investments in biodiversity management.

### Climate Finance Readiness

UNDP assists countries in becoming 'finance ready' so that they can meet the requirements for accessing and managing available funding resources. In 2013, national capacity on climate finance readiness was strengthened in at least 50 countries through a broad range of support based on country-specific needs: establishing national and sub-national strategies on climate change, designing and implementing adaptation and mitigation actions, capturing and analysing results to inform future strategies, and on-the-ground actions.

The 2010 UNFCCC Conference of the Parties established a **Green Climate Fund (GCF)** that is expected to become the main global fund for financing climate change mitigation and adaptation measures in developing countries. To support countries in strengthening their national capacity to access the GCF funds, UNDP, UNEP and the World Resources Institute (WRI) jointly launched the Green Climate Fund Readiness programme. Under this programme, **Fiji, Ghana, Benin, El Salvador** and **Columbia** took part in trainings and consultation activities to define their climate finance capacity needs and consider solutions to address them. Support was also given to the Ministry of Finance of **Kenya** to develop a national climate change finance framework, which led to the development of a climate change budget code in the national Medium Term Expenditure Framework.

A number of other climate finance readiness tools and approaches were developed in 2013, including a framework and guidance document on "Readiness for Climate Finance", national climate funds guidance, a methodology for assessing investment and financial flows for climate change, a **climate public expenditure and institutional review (CPEIR)** methodology, and direct access institutional analyses and guidance.

Through the **Climate Finance Options (CFO)** web platform, an online portal of comprehensive information and guidance on climate finance issues for developing countries jointly developed by UNDP and the World Bank, a community of practice was developed and supported that hosts a number of webinars and moderated discussions.

Registration for the CFO has expanded to over 600 users, who receive special updates and email newsletters about the state of climate finance in developing countries. The platform serves a mix of stakeholders from developed and developing countries, and five out of ten of the countries with the highest site



Photo by George Frayne/UN: Haiti.

traffic are developing countries. The CFO now features 74 climate finance sources from multilateral development banks, international financial institutions, bilateral donors and public-private partnerships (more than twice the number at its launch in Cancun in November 2010). It also offers 23 best practice examples, and 300 climate-finance relevant resources in the knowledge centre, including up-to-date publications and a wide range of tools to enable project developers to analyse their own projects and make better-informed decisions.

In 2013, the breadth of content available on the CFO platform was further expanded and greater emphasis was put on user-to-user communication, which allows the CFO audience to share lessons learned and use publicly-available open data for their financial and investment decisions. The 'communities' space allows instruction through webinars and Twitter chats designed to engage users and stimulate discussion. The space is currently used by UNDP-GEF and the World Bank Institute to co-host webinars and discussions on targeted areas of support, including on carbon finance and sectoral approaches.

The EE TTF also supported a needs assessment regarding climate finance information in **Indonesia**, and development of a platform to address identified needs in **Vietnam**. The CFO-Viet Nam Platform will be hosted by the Ministry of Planning and Investment, and will become a tool to support decision makers in accessing climate finance. UNDP is currently assisting the Government of Vietnam to incorporate aspects of the national Green Growth Strategy into the platform for added impact. These actions helped to strengthen knowledge and understanding of climate finance within the countries, as well as the capacity of stakeholders to access and apply available information and tools.

### The Biodiversity Finance Initiative



The multi-donor Global Biodiversity Finance Initiative (BIOFIN), also entitled “Building Transformative Policy and Financing Frameworks to Increase Investment in Biodiversity Management”, was launched in October 2012 at the eleventh meeting of the Conference of the Parties to the Convention on Biological Diversity (CBD COP 11). BIOFIN is supported by the European Union, the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB), and the Swiss Government for a total budget of approximately US\$15 million. The initiative involves 19 countries (including seven countries added in late 2013/early 2014). Progress in 2013 included the following measures:

First, the BIOFIN Central Technical Unit was set up in September 2013. This unit will lead and support the initiative over the coming years in conjunction with national, regional and global experts within the UNDP Ecosystems and Biodiversity Programme.

Second, an overall approach and methodological framework for BIOFIN was developed and a workbook was produced to guide national-level assessments in the BIOFIN pilot countries. The first section of the workbook reviews the institutional and policy framework of biodiversity finance, specifically looking at sectoral linkages, and helps define the baseline investment expenditure in biodiversity through comprehensive reviews of recent public and private expenditures. Countries can use this information to assess how different economic sectors and related policies and investments impact biodiversity and ecosystems both positively and negatively. The second section of the workbook offers countries assistance in estimating the investment required to meet the targets set forth in their updated National Biodiversity Strategies and Action Plans (NBSAPs), and calculating financing gaps. The third section assesses the suitability of different revenue sources and mechanisms for biodiversity, identifying related gaps and opportunities. After completing the above assessment, countries can develop nationally-appropriate resource mobilization strategies to secure new financing they may need to achieve the Aichi biodiversity targets adopted by the CBD COP in 2010. The workbook underwent a peer review involving over 40 experts from national governments, development organizations and the scientific community.

Third, BIOFIN pilot countries began establishing a national constituency and process to implement the BIOFIN initiative. Country-specific hosting arrangements and government focal points have been agreed upon in the participating countries, with Ministries of Finance, Economy or Planning the preferred host option. National team leaders are being recruited and national steering committees are being established. Through a series of national workshops and three regional workshops and webinars, countries have started developing a common understanding of the BIOFIN vision, approach and methodology at the national level. Each country has also developed a national work plan and budget. Finally, through relevant GEF-financed support projects, all pilot countries are engaged in the revision of their NBSAPs, with most countries being at the stage of national stocktaking and reviewing the results of previous NBSAPs.

Photo by M Wild/UN: Thailand.



## SCALING UP ACTION ON CLIMATE CHANGE

UNDP, through the EE TTF, tracks global policy processes related to climate change (particularly the UNFCCC and the post-2015 development agenda), and works to integrate climate change concerns into development planning and processes at the national, sub-national and/or sectoral levels, with a special focus on Small Island Development States (SIDS) and Least Developed Countries (LDCs).

### Policy Coherence and Inputs Through Global Policy Processes

UNDP has been actively engaged in the **UNFCCC negotiation sessions**, analysing the proceedings and providing inputs to the activities of relevant technical committees and work programmes under the UNFCCC, such as the Adaptation Committee, the Nairobi Work Programme on impacts, vulnerability and adaptation, the LDC Expert Group, the Loss and Damage mechanism, and National Adaptation Planning. As a result, UNFCCC processes have benefited from UNDP's on-the-ground experience and knowledge, which have helped inform the UNFCCC about countries' needs and contributions. In addition, countries supported by UNDP for participation in the UNFCCC process have gained an increased understanding of the policy discussions and outcomes of global policy discussions on climate change.

In 2013, UNDP provided submissions and analytic documents to UNFCCC and its negotiators. For example, the lessons from UNDP's portfolio of projects with relevance to the topic of Loss and Damage were shared with UNFCCC negotiators, which was highly appreciated and contributed to an informed agreement at UNFCCC COP19 in Warsaw.

UNDP has also provided **training on UNFCCC processes**. For example, the EE TTF funded a technical expert to support training of UNDP Country Office staff and government counterparts from the **Arab States** region (organized under the Arab Climate Risk Initiative) focusing on UNFCCC processes and climate finance readiness. The training provided countries with an opportunity to share experiences and jointly identify common needs and opportunities on these critical issues. At least 15 countries have provided positive feedback on UNDP's support to UNFCCC processes, including National Communications, Nationally Appropriate Mitigation Actions (NAMAs), Low Emission Development Strategies (LEDS), Loss and Damage, and Adaptation.

UNDP also informed other global processes through its experience working with developing countries. For example, in support of the **post-2015 development agenda**, UNDP advocated for recognition of the links between climate change and poverty reduction, and initiatives to address these links in the new 2015 climate change agreement. UNDP also substantively contributed to the UN Technical Support Team Issue Brief on Climate Change and Disaster



Photo by Jennifer Baumwoll/UNDP GEF: Sudan.



Photo by Piedad Martin/UNDP:  
Colombia.

Risk Reduction, which was produced for the OWG on the SDGs. Ahead of **the Secretary-General's September 2014 Climate Summit**, UNDP provided inputs to the Secretary-General's Climate Change Support Team on mapping of initiatives by UN agencies and core partner organizations that could help in reaching the ambitious targets for the Climate Summit.

The EE TTF continued its support to the **South Centre** in 2013, working to enhance the capacity of developing countries to undertake climate actions and engage in global climate change processes and decisions. Activities supported included: policy research analysis, publications, and technical advice to developing countries in the international climate change negotiations. Many of these activities were directly used by the South Centre's Member States and other developing countries and civil society in the context of the climate change negotiations.

The South Centre produced a number of research papers, informal notes and other research outputs analysing various issues in relation to the climate change negotiations, such as an "Analysis and Assessment of Impacts of Climate Response Measures", papers examining the climate finance architecture and financing for sustainable development in Africa in the context of climate change, and a series of Green Climate Fund briefing notes.

In 2013, the South Centre issued two Informal Notes on Gender in the UNFCCC negotiations: 1) "The Implications of the Recent COP18 Gender Decisions for Developing Countries", which discusses the nature, content and implications of the gender COP18 decision, including likely resource implications and subsequent actions for developing countries; and 2) "Gender Perspective in Global Climate Protection and Development Policy and Gender Mainstreaming in the UNFCCC", which analyses the opportunities, challenges and constraints for integrating a gender perspective into global climate protection policy, as well as gender mainstreaming in the UNFCCC. The South Centre also contributed to the review of the Fifth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC 5).

The South Centre has participated in a number of meetings relevant to climate change and sustainable development, providing technical and policy research inputs to developing countries and civil society. For example, it collaborated with the Third World Network and LDC Watch in organizing a capacity-building workshop for LDC NGOs with respect to multilateral policy issues; it organized a workshop for policy makers and diplomats from 20 developing countries in August in Xi'an, China, to discuss the global climate change agenda and national climate actions being undertaken; and it hosted a technical pre-meeting briefing session for developing country members of the GCF Board ahead of the Paris meeting in October. Finally, the South Centre attended the UNFCCC COP 19 as an observer organization and provided technical advice and support to developing country delegations in the UNFCCC negotiations.



## Governments' Readiness in the Framework of Low Emission, Climate Resilient Development Strategies

The EE TTF funded two studies that contributed to government readiness on adaptation and developing low emission, climate resilient development strategies. The report "Adaptation to Climate Change in Mexico: Vision, Elements and Criteria for Decision Making" was published by the UNDP **Mexico** Country Office and has subsequently been used to develop the adaptation component of the National Strategy for Climate Change. The report presented the Mexican government as a leader in the struggle against climate change, and outlined the vision, elements and criteria required to identify and articulate policy guidance designed to strengthen the adaptation capacity of the society, ecosystems, and production systems.

Second, the EETTF supported a collaborative research project in **China** and **India** on low-carbon development, which will be used to support policy development and facilitate South-South cooperation. The "Low-Carbon Development for China and India" study examines the main elements of low-carbon development (i.e. financing, low-carbon technologies, and on-the-ground implementation), and identifies several priority sectors and areas for technology cooperation between the two countries. These include: clean coal incineration and power generation technologies, energy-saving technologies in the industrial, building and transportation sectors, wind and solar power, and carbon capture. The study also provides practical recommendations for greater cooperation between China and India in sharing experiences, promoting knowledge exchange and disseminating ideas to shape domestic policies and implementation.

The project represents one of the first collaborative efforts between key research institutes working on climate change-related issues and involving experts from various sectors and institutions, including the China's National Climate Change Strategy Research and International Cooperation Center, which focused on South-South cooperation, the China Central Finance University, which focused on financing tools to address climate change in urban settings, and Zhejiang University, which focused on lowering carbon emissions in the urban and transport sectors. The Energy and Resources Institute (TERI) was the Indian research partner, with the activities of the India component guided by a steering committee chaired by the Planning Commission of India.

The study strengthened communication and dialogue between the two countries, recommended strategies and policies for future China-India cooperation, and built a convincing case for South-South exchange. The study is currently leading to negotiations on additional investments from the Asian Development Bank for a next phase.



Photo by UNDP: China.

### The Low Emission Capacity Building (LECB) Programme in support of developing countries to design low emission development strategies

Funded by the European Union, Germany and Australia, the LECB Programme aims to assist developing countries in designing low emission development strategies in the context of national development needs. The programme objective is to build public and private sector capacity on Low Emission Development Strategies (LEDS), Measuring, Reporting, and Verification (MRV), and Nationally Appropriate Mitigation Actions (NAMAs), including identification of mitigation actions in the private sector.

Over the course of 2013, UNDP continued to support mitigation activities in 25 countries through the LECB Programme. For example, in **Costa Rica** LECB partnered with the Ministry of Agriculture and Livestock and the Ministry of Environment, Energy and Telecommunications to produce a Livestock NAMA Concept that covers both milk and beef producers. This was presented at COP 19 in Warsaw and was submitted to the NAMA Facility.



The concept was used to engage stakeholders and decision makers in establishing a basis for mitigation measures, which will be elaborated into a more detailed NAMA proposal. In **Lebanon**, the Ministry of Environment, as part of the LECB programme, established a Ministerial Decision that introduces greenhouse gas emissions reporting for industries and commercial institutions. This decision is based on the provisions of the Environmental Framework Law and specifies the guidelines to follow. The Decision also requires the information to be verified by an independent third-party, testing the possibility of using independent entities as part of the “Verification” of the MRV process. In **Uganda**, a NAMA stakeholder engagement process was established and publicized through the December 2013 edition of the

International Partnership on Mitigation and MRV newsletter. In **Ghana**, reviews are taking place to finalize the highly anticipated NAMA Investor Guide, a guidance document intended to help attract local and international private investments in climate change mitigation and development projects in Ghana.

With additional earmarked funding from the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB) channeled through the EE TTF, a five million Euro ‘Enhanced Support’ component was launched as part of the LECB programme. This Enhanced Support component assists participating countries in overcoming design and implementation barriers to further scale up their mitigation ambitions. Rather than providing financial support to develop individual NAMAs, the Enhanced Support is meant to complement previously received funding and focus specifically on strengthening the readiness of partner countries and public and private sector actors to implement Low Emission Development Strategies. To deliver this component, the LECB Programme launched a call for proposals at the end of 2013 and received 20 high quality applications, ultimately awarding funding to 11 of the best submissions. Over the course of 2014-2016, these additional activities will target the removal of barriers in developing Low Emission Development Strategies and help scale up private sector engagement in 11 of the 25 participating LECB countries.

Photo by Jennifer Baumwoll/UNDP GEF: Sudan.

### Down to Earth: Territorial Approach to Climate Change (TACC) programme

Earmarked EE TTF funds from the United Kingdom's Department for International Development (DfID) and France's Rhone Alpes region are supporting the **"Territorial Approach to Climate Change (TACC) programme"** to foster low emission, climate resilient development at the sub-national level. The programme works with governments to factor mitigation and adaption into sustainable development plans to promote transformational change, capacity building, and policy development.

In **Uganda**, the Integrated Territorial Climate Plan was developed through a multi-stakeholder consultative process, and endorsed and launched by the Minister for Water and Environment. The plan was disseminated to District Local Governments, development partner working groups on environment and natural resources, the Thematic Working Group on Climate Change, and the Joint Water and Environment Sector Working Group. The project strengthened the capacity of district technical and political leadership in mainstreaming climate change into district plans. In addition, the registration of the "Afforestation/agro-forestry carbon finance scheme" was completed and piloted, and the feasibility assessment and baseline scenario for the "Improved cook stove scheme" was also completed. As a result of these schemes, communities in the TACC project area are earning carbon credits through the Environmental Conservation Trust of Uganda.



In **Senegal**, the programme aims to strengthen the capacities of six regions to integrate climate change risks into local planning activities. In 2013, the programme contributed to research and technical mappings in support of policy development, including the "Vulnerability Mapping in the Territory of Fatick", the "Interim Report Carbon Footprint", a mapping of the Ferlo area, and environmental profiles of six regions. TACC provided financial support to the development of Ferlo's Integrated Territorial Climate Plan, which relied on a participatory and inclusive process, and in Fatick TACC supported a range of climate change mitigation activities, including 300 reforested acres, 1000 improved cooking stoves, and financing of the "Green School" project.

Best practices and lessons learned will be fed back to the global level TACC programme to improve future initiatives, especially in terms of enhancing effective participation of local communities and ensuring relevance and efficiency of support by authorities. In this way, the EE TTF serves as a catalytic instrument to both mobilize funds and develop innovative and strategic methodologies on the ground.

Photo by UN Photo/Milton Grant: Kenya.

### Climate risk management in Moldova

Earmarked EE TTF funds from the Government of Austria supported the **“Climate Risk Management at local level in Moldova”** project, which successfully achieved its 2013 target to reduce vulnerabilities and strengthen capacities to manage climate risks in ten locations, bringing about the following results:

- Effective mainstreaming of climate risk reduction measures into development policies, such as urban and local development plans in selected communities. The mainstreaming was done in a participatory way, with the involvement of experts/NGOs working in the area of community mobilization.
- Enhanced capacities of farmers in the towns of Boghenii and Negurenii Vechi. A study tour to visit farmers from other areas of Moldova was organized, which provided the opportunity to learn from the experiences of other regions.
- Successful infrastructure improvements. These included: rainwater run-off systems; strengthened dikes and other structures; reservoirs for rain water collection; forest protection belts to prevent the soil erosion; and reconstructed river beds.
- The village of Cetireni was selected to pilot gender sensitive climate risk reduction measures, to be finalized by mid-2014 and co-financed by another disaster and climate risk reduction project.



In contribution to South-South cooperation, an event was organized in June 2013 to promote the results and achievements of the project. Initiatives and pilot projects were presented and representatives from the villages shared their views and achievements. In addition, stakeholders from national and regional levels exchanged experiences gained from the project implementation.

Finally, an independent evaluation conducted in August 2013 found that the project's impact was positive. The evaluation concluded that the project output was relevant and addressed the identified needs of the target group. The project also earned high scores on effectiveness of implementation and sustainability of results.

Photo by Elena Yefimova (GEF SGP/UNDP): Kazakhstan.



## Capacity Development Services With a Focus on LDCs and SIDS

Photo by Martine Perret/UN:  
Timor Leste.

The “Strategic Initiative to Address Climate Change in Least Developed Countries”, also known as the **Boots on the Ground Programme**, is a core-funded initiative with complementary support provided by the EE TTF. Through this Programme, UNDP supported 26 countries in responding to the threat of climate change by providing high quality and timely policy advice and sustained institutional and capacity development support on climate change at the country and regional levels. Boots on the Ground has intensified UNDP’s policy support to low-income and LDC governments, particularly on integrating climate change into development planning and climate finance readiness.

Results were achieved on implementing the 2013 annual work plan in all partner countries through a network of 26 national climate change specialists and four regional climate change advisors. Key examples include: **Ethiopia’s** new readiness programme to access GCF resources, and its preparation and implementation of a Sectoral Reduction Mechanism to reduce climate change vulnerability and greenhouse gas emissions; as well as **Tanzania’s** concept note on UN engagement for the emerging extractives industry, and its National Action Plan for implementation of Rio+20 recommendations, including the development of a green economy road map.

The “**Integrating Climate Change Risks into Development Planning and Programming**” (ICCDPP) project provided technical support on mainstreaming climate change issues into economic and human development policies to various countries and regional organizations. These included the African Union, the Regional Economic Commission of the West African States, the Regional Economic Commission of Central African States, and the UN Integrated Sahel Strategy. Technical support was also provided to develop the GEF Climate Change Early Warning System Project in participating countries, as well as support on climate finance readiness.



### SIDS DOCK Support Programme

Jointly implemented by UNDP and the World Bank with funds from Denmark and Japan, the **SIDS DOCK Support Programme** assists 31 SIDS in developing and deploying renewable energy and energy efficiency projects, which are expected to contribute to reductions in fossil fuel imports and greenhouse gas emissions and also generate development benefits, such as green jobs, poverty reduction and health improvements. To achieve these objectives, SIDS need to create an enabling environment for such initiatives, including relevant legal and regulatory frameworks and market support mechanisms.



Progress was made in 2013 on implementation of the SIDS DOCK-funded elements of the “Pacific Greenhouse Gas Abatement through Renewable Energy Project” via the Secretariat of the Pacific Regional Environment Programme. This included a power plant performance improvement and energy efficiency finance scheme project in the Republic of the **Marshall Islands**, and a solar project for well water pumping in **Tonga**. In **Mauritius**, progress was made on the implementation of energy efficiency measures in public and industrial buildings. A biofuels feasibility study in **Suriname** was also launched in 2013.

As part of the global activities of SIDS DOCK in 2013, UNDP organized two regional meetings of SIDS DOCK national coordinators – senior representatives and technical experts from government ministries responsible for energy – as well as representatives from finance and public information ministries. A meeting for Pacific SIDS DOCK members was held in **Fiji** in May, and a meeting for Africa/Indian Ocean members was held in **Cape Verde** in July. Separately, the World Bank organized a Caribbean regional meeting in Saint Lucia in March. The regional meetings provided an opportunity for national coordinators to deliberate on their priorities for future funding tranches, and for participants to discuss progress to date on initiatives already underway, including country/regional projects and SIDS DOCK platform building activities, such as national financing mechanisms, SIDS appropriate renewable energy technologies, and capacity building needs.

Photo by Zafer Kizilkaya: Comoros.



Photo by UNDP-UNEP Poverty-Environment Initiative: Bangladesh.





Photo by UN Photo/Sean Sprague:  
Senegal.

## EXPANDING ACCESS TO ENVIRONMENTAL AND ENERGY SERVICES FOR THE POOR

UNDP, with the financial support of the EETF, provided a wide range of support in this area, especially on expanding access to energy for the poor:

First, as part of the **Sustainable Energy for All (SE4All)** activities, UNDP provided support for rapid assessments and gap analyses in over 60 countries to identify opportunities for meeting the three goals for 'sustainable energy for all' by 2030 – universal access to modern energy services, doubling the percentage of the renewable energy in the global energy mix, and doubling the rate of energy efficiency. In Africa, UNDP provided technical support to undertake rapid assessments and gap analyses to 35 of the 42 countries that have committed to SE4All.

Second, UNDP brought together 60 SE4All partners, including government, civil society and private sector representatives, to develop and conceptualize a "bottom-up" decentralized energy solutions strategy for the SE4All. UNDP advocated for "bottom-up" energy options to complement large scale investments, and for institutional, sector and policy reforms, offering solutions such as off-grid, small scale, decentralized and community-based sustainable energy services. The strategy identifies three pillars: i) scaling up sustainable energy solutions, ii) strengthening and mainstreaming women/gender and energy issues into the SE4All initiative, and iii) integrating outcomes of global energy processes, such as Rio+20 and the UNFCCC COP, into national energy priorities and programmes. With UNDP's effort, this strategy is now included in the SE4All Strategic Work Programme for 2013 to 2015.

Third, UNDP continued to strengthen local capacity on sustainable energy through policy advisory services and technical support to national and local institutions. Specifically, support was provided on integrating and mainstreaming decentralized "bottom-up" energy solutions for poverty reduction and climate change mitigation in national policies, priorities and programming.

Fourth, UNDP played a key role in ensuring the success of the global post-2015 discussions on energy. UNDP supported the organization of country consultation meetings in **Tanzania, Mexico, and India**. UNDP also supported the documentation and sharing of information on the discussions in social media. In addition, UNDP worked with UN-DESA, UN Women and UNEP to draft a briefing note on energy in an effort to support Member States in the Open Working Group deliberations on energy in November 2013. The brief benefited from contributions of UN Energy members through the coordination of UNDP and UN-DESA.

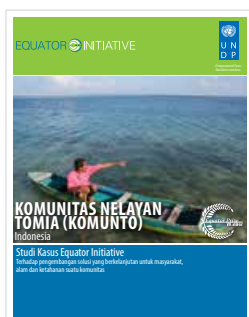


Fifth, UNDP contributed to knowledge management efforts and provided opportunities for South-South learning and collaboration on energy. For example, UNDP collaborated with UN-DESA in organized a meeting on rural energy access, which brought together over 400 participants from Africa, Asia, and Latin America and the Caribbean to share knowledge and experiences on energy policy and programmes that go beyond the energy sector and link energy to health, education, women's empowerment, and food security. In addition, UNDP contributed to the development of SE4All's "Global Tracking Framework"<sup>10</sup>, launched in May 2013 at the Vienna Energy Forum with 16 other organizations, to be used as a critical tool to collect data and track progress in coming years.

Photo by UN Photo/Kibae Park:  
Republic of Korea.

Finally, UNDP leveraged EE TTF support with resources from the OPEC Fund for International Development (OFID) to support sustainable energy work in **Benin, Togo, Sierra Leone, Tanzania, Kenya, Uganda, Mali, Senegal, Burkina Faso and Ghana**. The aim of the activity is to expand access to modern energy services in ways that simultaneously address national development, climate change and poverty reduction challenges. This can be achieved by strengthening both the overall capacity for scaling up proven clean energy initiatives, and national level capacity for planning, implementation and scaling up sustainable energy service delivery mechanisms.

<sup>10</sup> [www.worldbank.org/en/topic/energy/publication/Global-Tracking-Framework-Report](http://www.worldbank.org/en/topic/energy/publication/Global-Tracking-Framework-Report)



## KNOWLEDGE MANAGEMENT

In 2013, EEG produced key knowledge products in its work areas. These knowledge products strengthened the decision making of governments and development practitioners on topics including clean energy infrastructure, mainstreaming environment in development planning, climate resilient development, water and ocean governance, and valuation of ecosystem services. This section presents publications not yet mentioned in this report.

The EE TTF supported knowledge products that served to demonstrate the development impacts UNDP is having around the world through its work on environment and energy, such as **“Towards Transformational Change”** and the **“Poverty – Environment Initiative Stories of Change”**.

Some publications served as knowledge resources to enhance South-South cooperation. For example, the **Equator Initiative** further expanded the reach and impact of the 152 case studies of Equator Prize winners by translating these into over 30 local languages, including Tigrinya (Ethiopia), Igbo (Nigeria), Ndebele (Zimbabwe), Bahasa (Indonesia), Tagalog (Philippines), Pidgin (Papua New Guinea), and Tajik (Tajikistan), thus carrying the message of the power of local action to a wider and more relevant audience than ever before.

The guidebook **“Targeted Scenario Analysis – A New Approach Capturing and Presenting Ecosystem Service Value for Decision Making”**<sup>11</sup> presents the value of ecosystem services within decision making and provides a step-by-step innovative analytical approach to help make the business case for sustainable policy and investment choices that result in effective and sustainable management of ecosystems and ecosystem services. The Targeted Scenario Analysis helps practitioners working with governments and private enterprises generate and present data related to the management of ecosystems in a way that is relevant to the decision maker. The output of a Targeted Scenario Analysis is a balanced presentation of evidence that weighs the pros and cons of continuing with business as usual or following a sustainable development path in which ecosystems are more effectively managed. This alternate path is termed sustainable ecosystem management.

<sup>11</sup> [www.undp.org/content/undp/en/home/librarypage/environment-energy/ecosystems\\_and\\_biodiversity/Targeted-Scenario-Approach-2013/](http://www.undp.org/content/undp/en/home/librarypage/environment-energy/ecosystems_and_biodiversity/Targeted-Scenario-Approach-2013/)



UNDP partnered with WRI, UNEP, the World Bank and others in producing the **“World Resources Report 2013-2014: Creating a Sustainable Food Future”**. This report examines how the world can adequately feed more than 9 billion people by 2050 in a manner that advances economic development and reduces pressures on the environment. The framing paper and first four instalments were published in 2013, with further instalments to follow in 2014. The Report’s first instalment entitled “The Great Balancing Act” forms the foundation of the World Resources Report 2013-2014. It explores the scope of the challenge and proposes a menu of potential solutions. The second instalment, “Reducing Food Loss and Waste”, examines the implications of the large amount of loss and waste, profiles a number of approaches for reducing it, and puts forth five recommendations for how to move forward on this issue. Instalment 3 examines the nature of the population challenge globally, the effect of population growth on food demand in Sub-Saharan Africa, and the potential benefits of reducing fertility levels more quickly than currently projected. It also explores promising, non-coercive approaches for reducing fertility rates in ways that focus on increasing educational opportunities for girls, increasing access to reproductive health services and family planning, and reducing infant and child mortality. Instalment 4 examines the role of four improved land and water management practices and the effects they could have on smallholder crop yields and livelihoods in Sub-Saharan Africa. It proposes seven pathways to accelerate scaling up of these improved practices, which will help restore agricultural productivity, enhance rural livelihoods, and contribute to a sustainable food future.



# FINANCIAL OVERVIEW

The EE TTF receives both non-earmarked funds, and earmarked contributions directed towards specific programmes and projects. Non-earmarked contributions allow UNDP greater flexibility to respond to emerging demands, and are crucial for UNDP's capacity to respond to country level requests and new challenges related to sustainable development. However, these funds have been decreasing since 2010, which is affecting UNDP's capacity to provide services in an area where there are increasing demands from UNDP Country Offices.

## Income in 2013

In 2013, the total available earmarked resources of EETTF amounted to US\$45.94 million, with earmarked income of US\$23.4 million, as presented in Table 1. The Government of Germany was the largest donor, contributing US\$23 million: US\$16.3 million for support to Indigenous Peoples' and Community Conserved Areas and Territories and US\$6.8 million to BIOFIN. Of note, DfID strengthened its engagement on the Territorial Approach to Climate Change with a contribution of US\$75k (for a total contribution of approximately US\$465,000 since 2010). Other multi-year earmarked projects continued to deliver their planned activities, including the SIDS DOCK Support Programme, the Territorial Approach to Climate Change programme, the Climate Risk Management project in Moldova, Sweden's contribution to PEI, and Finland's Rio+20 support. Several of these initiatives were finalized in 2013, as shown in Table 1.

In spite of generous support from a number of key donors, the EE TTF continues to fall well short of its non-earmarked funding target, which allows it to respond quickly to country demand. This flexible support is critical to strengthen the catalytic role of the TTF to shape and expand UNDP's environment and energy activities, especially within the wider sustainable development approach stressed in UNDP's Strategic Plan, by providing ongoing support for the most vulnerable people to face the complex impacts of climate change.

## Non-earmarked Expenditures in 2013

The EE TTF disbursed US\$2,507,119 in 2013.

Facing limited resources but escalating environmental challenges, a paradigm shift was necessary to allocate funds for 2013. Traditionally, the EE TTF has been used as a source of finance for discrete projects. However, given the limited contributions received of late, UNDP has used the limited resources as a catalyst to leverage additional support and redirect other financial flows towards sustainable development technologies and practices.

The following tables show detailed information for earmarked and non-earmarked expenditures for 2013.

**TABLE 1: 2013 EARMARKED INCOME AND EXPENDITURE (US\$)**

Project	Donor	Opening Balance	Income	Available Resources	Expenditures	Closing Balance
Climate Risk Management project in Moldova (2010-2013)	Government of Austria	145,506.54	–	145,506.54	145,477.98	28.56
SIDS DOCK Support programme (2011-2015)	Government of Denmark	6,692,444.44	(89.59)	6,692,354.85	645,414.24	6,046,940.61
Rio +20 Support (2012-2013)	Government of Denmark	149,962.94	111.00	150,073.94	150,084.05	(10.11)
Indigenous Peoples' and Community Conserved Areas and Territories (ICCA) (2014-2019)	Government of Germany	–	16,304,347.83	16,304,347.83	–	16,304,347.83
BIOFIN (2012-2016)	Government of Germany	2,987,012.99	6,793,478.26	9,780,491.25	35,569.94	9,744,921.31
Low Emission Capacity Building Programme (LECB) (2010-2016)	Government of Germany	11,553,375.73	–	11,553,375.73	1,452,612.46	10,100,763.27
Down to Earth: Territorial Approaches to Climate Change programme (2010-2013)	DFID/Region Rhone-Alpes/ Region Poitou Charentes	233,423.68	75,987.84	309,411.52	294,251.74	15,159.78
Poverty Environment Initiative (2009-2012)	SWEDBIO	18,571.91	–	18,571.91	18,571.91	–
<i>* Various contributions to projects that will be closed in 2014</i>		56,460.24	64.00	56,524.24	5,883.67	50,640.57
<i>** 2013 interest income to be distributed to the respective projects in 2014</i>		678,203.40	248,406.43	926,609.83	–	926,609.83
<b>TOTAL EARMARKED</b>		<b>22,514,961.87</b>	<b>23,422,305.77</b>	<b>45,937,267.64</b>	<b>2,747,865.99</b>	<b>43,189,401.65</b>

**TABLE 2: 2013 NON-EARMARKED INCOME AND EXPENDITURE**

	Donor	Income	Balance
Adjusted Opening Balance			4,989,201
Income	Government of Norway	1,709,402	
	Government of Luxembourg	881,954	
	Interest Income	56,248	
Total Income			2,647,603
Available Resources			7,636,805
Expenditures			2,507,119
<b>CLOSING BALANCE NON-EARMARKED</b>			<b>5,129,686</b>

**TABLE 3: 2013 NON-EARMARKED EXPENDITURE BY KEY RESULTS AREA**

EE TTF Expenditures by Key Thematic Results Area	Expenditures
Mainstreaming Environment and Energy	647,461
Catalysing Environmental Finance	51,324
Scaling Up Action on Climate Change	1,538,320
Expanding Access to Environmental & Energy Services for the Poor	270,013
<b>TOTAL</b>	<b>2,507,119</b>

# WAY FORWARD

The “Changing with the World: UNDP Strategic Plan 2014-2017” outlines three major areas of work: Sustainable Development Pathways, Inclusive and Effective Governance; and Resilience-Building. The plan emphasizes the need for dealing with development challenges in an integrated manner, tackling the connected issues of poverty, inequality and exclusion while transforming productive capacities, avoiding the irreversible depletion of social and natural capital, and lowering risks arising from shocks. There is growing demand for interlinking environmental sustainability and human development as part of our efforts to address poverty eradication, which is in line with the conclusions of the Rio+20 Conference on Sustainable Development and the 2013 Thematic Consultation on Environmental Sustainability in the post-2015 development agenda.

Ongoing global discussions on the post-2015 agenda and the SDGs, as well as the climate change negotiations, highlight the need to transform economies and societies towards greater sustainability in order to improve the lives and livelihoods of the poorest people, change production and consumption patterns, and redirect public and private financing towards long term sustainable investments. Guided by the overall commitment to ensuring that environmental and climate change interventions benefit the poor and reduce environmental degradation, the EE TTF will continue to support efforts and work with all partners to move towards a more sustainable world.

2014 is a transition year for UNDP, as it is the first year for delivering a new set of results and resources under the Strategic Plan 2014-2017. It also brings a restructuring of the organization's architecture in order to create a more effective and efficient organization for achieving the objectives of the new Strategic Plan. The EE TTF will need to be re-aligned with the new Strategic Plan, which will require a review of the current set of programmes and projects to identify those that can be finalized or adjusted, as well as the launch of new initiatives. A key feature of this ongoing work is the strengthening of multidisciplinary approaches – in close collaboration with programme countries, other UN agencies, multilateral and bilateral development partners, civil society, indigenous peoples and the private sector.

The 2014 EE TTF work plan aims to support Sustainable Development Pathways (Outcome 1), while also recognizing important linkages to Effective Governance and Institutions (Outcome 2) and the fact that 2014 will be an important time for global development policy discussions (Outcome 7). It also aims at supporting the enhancement of institutional effectiveness called for in the Strategic Plan, of which Social and Environmental Standards are an integral part. These will influence programmes and projects on the ground more systematically, to ensure they reflect the UNDG country principles, namely, a human rights-based approach, gender equality and environmental sustainability.





Looking even further ahead, we envisage two complementary work streams for the period 2015-2017: sustainable development and climate change. These streams of work will have a number of cross-cutting elements, including knowledge generation and advocacy, design of innovations in development solutions, and fostering of partnerships and South-South and triangular cooperation. The proposed work will support countries and communities that suffer disproportionately from degradation of natural resources and related pressures on planetary resources, as well as the short and long term impacts of climate change. Without a strong response to climate change and a paradigm shift in how ecosystem goods and services and natural resources are managed, poverty, inequality and instability are likely to deepen in all countries, and human development for current and future generations may be halted, perhaps even reversed.

Photo by UN Photo/P Mugabane:  
South Africa.

UNDP's thematic trust funds play an important role in the quality and responsiveness of UNDP programmes, as they offer a range of delivery modalities (including at the country, regional and global levels), and thematic entry points, as well as earmarked and non-earmarked structures. New avenues for delivering on the Strategic Plan will continue to be explored and discussed with major partners, in order to enable UNDP to respond to demands from programme countries and serve the needs of the poorest populations most effectively.

## ANNEX: RESULTS BY UNDP STRATEGIC PLAN OUTCOMES/2013 EE TTF WORK PLAN

Environment Energy Global Programme Outcomes	Expected Outputs	Indicators	Income
<b>UNDP STRATEGIC PLAN OUTCOME 4.1.</b> Development plans and programmes integrate environmentally sustainable solutions in a manner that promotes poverty reduction, MDG achievement and low-emission climate-resilient development			
<b>OUTCOME 60:</b> Capacities are strengthened to mainstream environment and energy concerns into UN Development Assistance Frameworks, UNDP Country Programmes, country partner planning and programming processes, and relevant thematic areas (i.e. energy, biodiversity, water, chemicals).	1. Policy advisory services and policy tools enhanced for mainstreaming environment and energy for sustainable human development (e.g. Rio +20 follow-up, post-2015 thematic consultations, UNDP Environmental and Social Safeguards, UN system mainstreaming of sustainable development, Poverty-Environment nexus, Water Governance, CBD).	<ul style="list-style-type: none"> <li>• # of policy, knowledge and outreach products launched (handbooks and guidelines, lessons learned, events/workshops, communications, UNDP environmental and social screening procedure, etc.)</li> <li>• # of UNDP and UN inter-disciplinary (cross-practice) initiatives with EEG support</li> <li>• # of staff trained in UNDP environmental and social safeguards</li> <li>• Support provided to UN system-wide mainstreaming of sustainable development</li> <li>• UNDG and EMG follow-up to paragraph 66 supported</li> <li>• Support provided to UNDG post-2015 environmental sustainability thematic consultation</li> <li>• Updated Toolkit on Inclusive Green Growth</li> </ul>	<ul style="list-style-type: none"> <li>• Supported the Technical Support Team to the Open Working Group on SDGs, by co-leading with other UN Agencies and providing technical input to the Issue Briefs on Water, Energy, Biodiversity and Climate Change, Sustainable Consumption and Production, including Chemicals and Waste, and Sustainable Cities and Human Settlements.</li> <li>• UNDP coordinated a joint UN-Water technical paper proposing a global goal on water, with a set of potential targets and indicators to support a dedicated water goal.</li> <li>• UNDP hosted with the Governments of France and Costa Rica, an open dialogue with participants from 173 countries; organized a leadership meeting in Costa Rica; moderated 11 online discussions; and produced the report "Breaking Down the Silos: Integrating Environmental Sustainability in the Post 2015 Agenda".</li> <li>• The knowledge product on lessons learned from the GEF Biodiversity portfolio influenced the negotiations at the Convention on Biological Diversity COP and directly fed into the resulting Aichi targets.</li> <li>• Draft Social and Environmental Standards were developed.</li> <li>• Launch of a review of implementation of UNDP's project-level Environmental and Social Screening Procedure.</li> <li>• Two "Facilities Assessment and Recommendations for Sustainability" (FARS) contracts were launched under "greening UNDP" project.</li> <li>• Guidance relating to facilities management – in particular on 'choosing facilities', 'leasing facilities', 'renovating facilities' and 'operating facilities' – was developed and is currently mainstreamed into UNDP operational processes and operational frameworks.</li> <li>• A staff tutorial on 'green behavior in the UN office space' was developed. In UNDP the tutorial will be integrated into the Learning Management System and application will be monitored. Other UN agencies confirmed interest in using the tutorial as well.</li> <li>• As part of para 66 follow-up, UNDP strengthened the work of the UN Partnership for Action on Green Economy and partnered with UNEP and DESA to organize an inter-regional technical workshop in Nairobi on Inclusive Green Economy Tools and Measures.</li> <li>• UNDP provided technical inputs to the ongoing advocacy, research and country experience sharing of the Green Growth Knowledge Platform and Green Growth Best Practice Initiative.</li> </ul>

Environment Energy Global Programme Outcomes	Expected Outputs	Indicators	Income
			<ul style="list-style-type: none"> <li>The Inclusive Green Growth Toolkit was revised and re-disseminated through an inter-agency group constituted of the UN, the AfDB, the OECD, and the World Bank, and submitted to the G20 Development Working Group. The UN contribution was coordinated by UNDP and included inputs from FAO, IFAD, ILO, UNEP, WFP and UNDESA.</li> <li>UNDP partnered with WRI, UNEP and the World Bank to produce the "World Resources Report 2013-2014: Creating a Sustainable Food Future"</li> </ul>
	2. National capacities strengthened to mainstream environment and energy (e.g. application of mainstreaming instruments and UNDP Environmental and Social Safeguards in UNDAFs, CPDs, projects; country support for Rio+20; thematic programming).	<ul style="list-style-type: none"> <li># of countries supported on integrating thematic programming into national development reporting frameworks</li> <li>Discussion paper on challenges and opportunities for reporting on environmental sustainability prepared</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed and provided comments on E&amp;E to 12 Country Programme Documents upon requests, namely Benin, Burundi, Bhutan, Cuba, the Republic of the Congo, Egypt, Eritrea, Mexico, Namibia, Niger, Nigeria, Rwanda, and Togo.</li> <li>The Stories of Change from UNDP-UNEP Poverty-Environment Initiative was published, bringing together selected stories – stories from five countries and a global story.</li> </ul>
<b>UNDP STRATEGIC PLAN OUTCOME 4.2.</b> Local and national authorities have the capacities to access and integrate multiple sources of public and private environmental financing in support of sustainable human development, including gender equality and poverty reduction			
<b>OUTCOME 61:</b> National and sub-national country capacities are strengthened to assess, combine and sequence financial instruments and/or market mechanisms with policy instruments to support environmental management.	1. Policy services and technical support delivered to inform the global environmental and climate financial landscape (e.g. CIF, Green Climate Fund, MDB, IFI)	<ul style="list-style-type: none"> <li># of advocacy and knowledge products disseminated on environmental financing and inclusive green, low-emission climate resilient development.</li> </ul>	<ul style="list-style-type: none"> <li>The Guidebook "Targeted Scenario Analysis – a New Approach Capturing and Presenting Ecosystem Service Value for Decision Making" was published.</li> <li>Participated in the Green Climate Fund meetings, provided technical input, and informed UNCTs of the proceedings.</li> <li>Capacity on climate finance readiness has been strengthened in at least 50 countries.</li> <li>Six countries have undergone trainings and consultation activities to clearly define capacity needs, gaps and define solutions under the newly launched Green Climate Finance Readiness programme.</li> <li>The Climate Finance Options (CFO) expanded to over 600 users, featuring 74 climate finance sources; 23 best practice examples; and 300 climate-finance relevant resources and publications.</li> <li>Needs assessments on climate finance were supported in two countries.</li> </ul>
	2. Environmental financing services delivered to respond to country requests (Green Commodities Facility)	<ul style="list-style-type: none"> <li># of countries that developed project proposals.</li> <li>Advocacy and knowledge products disseminated.</li> <li># of agreements with private sector</li> </ul>	<i>Previous investments from the EE TTF in this innovative area of work have borne fruit: as of 2013, the Green Commodities Facility is a separate self-sustained programme that delivers activities in line with the listed indicators. This an example of the EE TTF's catalytic value.</i>

Environment Energy Global Programme Outcomes	Expected Outputs	Indicators	Income
<b>UNDP STRATEGIC PLAN OUTCOME 4.3.</b> National and local governments and communities have the capacities to adapt to climate change and make inclusive and sustainable environment & energy decisions benefitting in particular under-served populations			
<b>OUTCOME 62:</b> <b>National capacities are strengthened to mainstream climate change policies into national development plans.</b>	1. Advice for policy coherence and substantive inputs made through the UNFCCC process, other related climate change meetings, UNDP regional and country offices networks.	<ul style="list-style-type: none"> <li>• # of briefings on UNFCCC sessions and related processes.</li> <li>• # of policy, advocacy and training products prepared and disseminated</li> </ul>	<ul style="list-style-type: none"> <li>• Analyzed the proceedings and provided inputs to the activities of relevant technical committees and work programmes under the UNFCCC</li> <li>• Actively engaged in the UNFCCC negotiation sessions both in Bonn in June and COP19/CMP9 in Warsaw.</li> <li>• Advocated for the recognition of the links between climate change and poverty reduction, and the recognition of these links in the new 2015 climate change agreement.</li> <li>• Contributed technical inputs to joint UN Technical Support Team Issue Brief on Climate Change and Disaster Risk Reduction, contributing to the Open Working Group on the post-2015 development agenda.</li> <li>• Continued support offered to the South Center to enhance capacity of developing countries to undertake climate actions and engage in global processes and decisions (research papers and notes were produced).</li> </ul>
	2. Support to governments for (finance, REDD, Technology, Adaptation) readiness in the framework of low emission, climate resilient development strategies	<ul style="list-style-type: none"> <li>• # of countries trained on capacity diagnostic tool for identifying National Implementing Entities for direct access.</li> <li>• # of countries supported to undertake Investment and Financial Flows assessments or climate public expenditure and institutional reviews (CPEIRs)</li> </ul>	<ul style="list-style-type: none"> <li>• Through the Low Emission Capacity Building (LECB) Programme in support of the process of strengthening GHG inventory systems and contributing to the development of robust NAMAs, UNDP produced three key resource guides including: the Guidance for NAMA Design: Building on Country Experiences, prepared in collaboration with UNEP and UNFCCC and translated by LECB into French and Spanish, and two information briefs analyzing engagement of the private sector and barriers to LEDS implementation.</li> <li>• A series of knowledge products were produced on climate finance readiness, e.g. the framework and guidance document on Readiness for Climate Finance, national climate funds guidance, a methodology for assessing investment and financial flows for climate change, a climate public expenditure and institutional review (CPEIR) methodology, and direct access institutional analyses and guidance.</li> <li>• UNDP Mexico CO produced report: Adaptation to Climate Change in Mexico, which established the vision, elements and criteria to articulate policy guidance to strengthen Mexico's adaptive capacity.</li> <li>• The "Low-Carbon Development for China and India" study was funded to provide policy guidance and facilitate South-South cooperation.</li> </ul>
	3. Capacity development provided through RSCs and COs with a focus on LDCs and SIDs.	<ul style="list-style-type: none"> <li>• # of needs identified by COs for better addressing climate change issues.</li> <li>• # of SIDS receiving capacity building support services in preparation for SIDS 2014 Conference</li> </ul>	<ul style="list-style-type: none"> <li>• UNDP organized two regional meetings of SIDS DOCK national coordinators: a meeting for Pacific SIDS DOCK members in Fiji in May and a meeting for Africa/Indian Ocean members in Cape Verde in July.</li> <li>• UNDP and the Secretariat of the Pacific Regional Environment Program launched a \$2 million portfolio of SIDS DOCK Support Program renewable energy and energy efficiency projects in six countries.</li> <li>• In December UNDP signed an agreement with the Government of the Republic of Suriname that launched a \$250k biofuels feasibility study under the SIDS DOCK Support Program.</li> </ul>



Environment Energy Global Programme Outcomes	Expected Outputs	Indicators	Income
			<ul style="list-style-type: none"> <li>Progress was made on the development of guidelines for energy audits in the industrial sector under the previously launched Mauritius energy efficiency in buildings SIDS DOCK/GEF project.</li> <li>Complementary support was provided to the core-funded initiative “Boots on the Ground”, which is active in 23 LDCs, e.g. Ethiopia’s Green Climate Fund readiness programme.</li> </ul>
<b>OUTCOME 63:</b> <b>Local capacities are strengthened to manage the environment and expand access to environmental and energy services, especially for the poor.</b>	1. Global advocacy and knowledge management to support bottom up approaches for SE4All.	<ul style="list-style-type: none"> <li># of advocacy and knowledge products disseminated on environmental financing and inclusive green, low-emission climate resilient development.</li> </ul>	<ul style="list-style-type: none"> <li>UNDP provided support to conduct rapid assessments and gap analysis in over 60 countries to identify opportunities for meeting the three goals of the SE4All.</li> <li>UNDP convened a meeting of 60 SE4All partners such as Governments, civil society and private sector representatives to develop and conceptualize a “bottom-up” decentralized energy solutions strategy for SE4All.</li> <li>Support to strengthen local capacity development in the area of sustainable energy was provided through policy advisory services and technical support to national and local institutions on better integration and mainstreaming of decentralized, bottom-up, energy solutions for the poor and marginalized communities in their policy/programming.</li> <li>On post-2015, UNDP contributed to the energy consultations in Tanzania, Mexico, and India, and worked with UN-DESA, UN Women and UNEP in drafting the Energy Issue Brief.</li> <li>EE TTF resources were leveraged to obtain funds from OFID to support 10 counties to expand their access to modern energy services that simultaneously address national development, climate change and poverty reduction challenges.</li> <li>Mainstreamed gender issues into the SE4ALL initiative’s key policy documents including its Action Agenda, and its Framework for Action, as well as its strategic work programme for the 2013.</li> </ul>
	2. Development of Accountability and Grievance Mechanism	<ul style="list-style-type: none"> <li>Set of training materials prepared on compliance review and grievance process for UNDP staff</li> <li>Trainings/capacity building workshops held for pilots of interim accountability mechanism</li> </ul>	<ul style="list-style-type: none"> <li>OAI Charter Revised to include mandate to investigate allegations of non-compliance with social and environmental standards</li> <li>Development of Standard Operating Procedures for the Social and Environmental Compliance Unit (SECU) in OAI</li> <li>Development of Guidance for UNDP Staff on roles/responsibilities for operationalizing the UNDP Stakeholder Response Mechanism</li> <li>Tested the applicability of SECU’s procedures with a complaint received by the UN-REDD Programme</li> <li>Organized briefings with UNDP Senior Management in BDP, BOM, BERA, RBLAC, RBAP, Communications Offices in NY, Evaluation Office and Principle Technical Advisors of UNDP/GEF.</li> <li>Developed an informational brochure on UNDP’s accountability mechanism.</li> <li>Organization of a consultation with indigenous peoples at the UN Permanent Forum on Indigenous Issues.</li> </ul>

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Darfur Women at Community-Run SAFE Centre





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