3 The Political Economy of Mainstreaming

This chapter introduces a programmatic approach to poverty-environment mainstreaming that can be implemented with participatory stakeholder engagement, along with a theory of change for applying this approach. The chapter then discusses how to set the stage for poverty-environment mainstreaming by finding the right entry points and making the case. It details the specific activities comprising this effort—namely, preliminary assessments; identifying and understanding the poor; understanding the governmental, institutional and political contexts; assessing and strengthening mainstreaming capacities; raising awareness and building partnerships; and establishing working mechanisms for sustained mainstreaming.
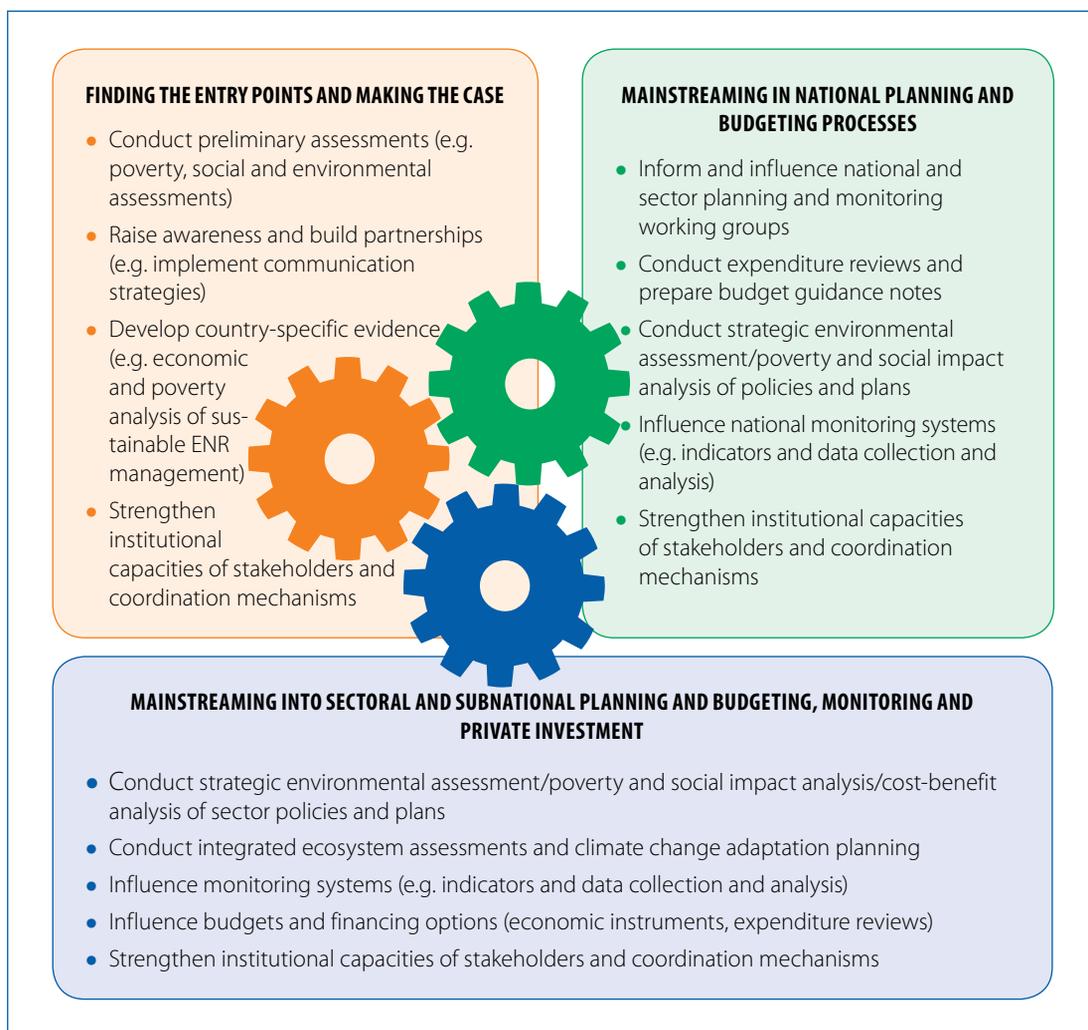
3.1 A Programmatic Approach for Poverty-Environment Mainstreaming

The key aim of poverty-environment mainstreaming is to reduce poverty and achieve other development goals through integrating pro-poor ENR sustainability objectives into the core policies and activities of government—in particular, into national development, sector, and subnational planning and budgeting for public and private investments. An example of such an objective would be to increase the percentage of agricultural land covered by a country's soil erosion control programmes from 20 to 50 per cent. Making this objective part of a government's development agenda is a demanding task that requires a **programmatic approach** to mainstreaming (figure 3.1). The approach developed by PEI is highly flexible, allowing practitioners a broad choice of

Figure 3.1 PEI Programmatic Approach for Poverty-Environment Mainstreaming

FINDING THE ENTRY POINTS AND MAKING THE CASE

- Conduct preliminary assessments (e.g. poverty, social and environmental assessments)
- Raise awareness and build partnerships (e.g. implement communication strategies)
- Develop country-specific evidence (e.g. economic and poverty analysis of sustainable ENR management)
- Strengthen institutional capacities of stakeholders and coordination mechanisms

MAINSTREAMING IN NATIONAL PLANNING AND BUDGETING PROCESSES

- Inform and influence national and sector planning and monitoring working groups
- Conduct expenditure reviews and prepare budget guidance notes
- Conduct strategic environmental assessment/poverty and social impact analysis of policies and plans
- Influence national monitoring systems (e.g. indicators and data collection and analysis)
- Strengthen institutional capacities of stakeholders and coordination mechanisms

MAINSTREAMING INTO SECTORAL AND SUBNATIONAL PLANNING AND BUDGETING, MONITORING AND PRIVATE INVESTMENT

- Conduct strategic environmental assessment/poverty and social impact analysis/cost-benefit analysis of sector policies and plans
- Conduct integrated ecosystem assessments and climate change adaptation planning
- Influence monitoring systems (e.g. indicators and data collection and analysis)
- Influence budgets and financing options (economic instruments, expenditure reviews)
- Strengthen institutional capacities of stakeholders and coordination mechanisms

Chapter 3: The Political Economy of Mainstreaming

activities, tactics, methodologies and tools to use in a particular country situation. To apply the programmatic approach requires a thorough understanding of national development planning and budgeting processes, institutions, decision-makers, political economy and poverty-environment issues.

The programmatic approach to poverty-environment mainstreaming comprises the following components. **These components are not necessarily sequential; rather, they are implemented pragmatically and iteratively according to the national context**.

Component 1: Finding the Entry Points and Making the Case

This component sets the stage for mainstreaming across policy, planning, budgeting and monitoring processes (i.e. Components 2 and 3). It encompasses activities designed to help countries identify (i) desirable pro-poor sustainable ENR, inclusive green economy, and climate change adaptation and mitigation outcomes; and (ii) entry points into government-led processes as well as the primary institutional stakeholders who share an interest in making a strong case for the importance of poverty-environment mainstreaming. It involves gaining a good understanding of institutional and political economy contexts at the country level; and identifying drivers of change within a particular country's development policy, planning and public finance processes, including inter- and intra-sectoral coordination mechanisms. Lastly, it involves identifying and understanding the poorest segments of society and their links to and dependence on ENR. Activities include the following:

✿ Carrying out preliminary assessments

✿ Identifying and understanding the poor, taking into account the differences between women and men

✿ Understanding the governmental, institutional and political contexts

✿ Developing impact, vulnerability and adaptation assessments

✿ Assessing and strengthening mainstreaming capacities

✿ Enhancing coordination mechanisms for sustained mainstreaming and raising awareness and building partnerships

Component 1 is detailed in section 3.3.

Component 2: Mainstreaming into National Planning and Budgeting Processes

This component focuses on integrating poverty-environment objectives into national development planning and budgeting processes. This integration is based on country-specific evidence of how more sustainable ENR management, inclusive green economy, sustainable consumption and production, and climate change adaptation can help achieve national development goals. It also includes ensuring that gender-disaggregated evidence and priorities are included. Activities build on work conducted under Component 1 including, among others:

✿ Engaging with, and supporting the work of, planning and budgeting units in ministries of planning and finance

✿ Undertaking ex ante and ex post poverty, environmental and social assessments (e.g. strategic environmental assessment, poverty and social impact analysis, integrated ecosystem assessment) and economic appraisals (e.g. cost-benefit analysis) of policies and plans with a view to strengthening pro-poor environmental sustainability

✿ Commissioning public expenditure reviews to track and report on past and current investments for climate change and the environment, and corresponding benefits

✴ Formulating indicators to measure change towards pro-poor environmental sustainability, including inclusive green economy and climate change, to be included in national monitoring systems to enable reporting on national development plan outcomes

Component 2 is further discussed in chapters 4 and 5.

Component 3: Mainstreaming into Sectoral and Subnational Planning and Budgeting, Monitoring and Private Investment

This component involves operationalizing poverty-environment objectives, including a gender-sensitive focus, through implementation by relevant sectors and subnational administrations, in budget processes, monitoring and private investment processes. Increasing budget allocation and capacity in sectors relevant to poverty-environment, such as agriculture, enables government to support implementation of poverty-environment–related national development policies and plans, such as smart agriculture, value-chain addition, etc. Increased sector-based expenditure can also serve as a catalyst to generate financial and capacity support from donor, civil society and international technical partners. Lastly, national monitoring systems, whether tracking finances or progress, capture information to substantiate positive development change for intended beneficiaries as a result of policy, planning and budgetary reforms due to mainstreaming. Examples of activities conducted in this component include the following:

✴ Ex post environmental, social and economic assessments of sector policies and plans

✴ Ecosystem-based integrated assessments to inform subnational planning and budgeting

✴ Integrating poverty-environment indicators into national and subnational monitoring systems

✴ Sector and subnational gender-responsive budgeting and fiscal policies and instruments

✴ Strengthening institutions and capacities

Component 3 is discussed at length in chapters 6, 7 and 8.

A country poverty-environment programme incorporating these three components should be developed in a fully consultative manner, led by government institutions—likely, the ministry of finance and/or planning—working in close collaboration with the institution responsible for the environment and facilitating the participation of marginalized groups to ensure that the needs of poor men and women, boys and girls, are addressed.

Underlying the three components is the need to foster wide stakeholder engagement, strengthen institutional capacities, and build intra- and intersectoral coordination to put in place integrated approaches for achieving sustainable development.

Certain actions can help ensure the sustainability of poverty-environment mainstreaming results. For one, sustainability is more likely with replication of annual budget allocations to support implementation of national development policies and plans, as well as with periodic review and update of these policies and plans. Similar cyclic efforts should be targeted at national monitoring systems where data are regularly collected over time on poverty-environment indicators, and the data used in annual analysis and reporting on progress towards national development objectives. It is essential to put in place a longer-term national capacity-building programme to embed capacity in each mainstreaming component. This includes individual and institutional capacity building.

3.2 Using a Theory of Change to Apply a Mainstreaming Programmatic Approach

A theory of change is an outcomes-based methodology that applies critical thinking and analysis to the design, implementation and monitoring of programmes and projects that intend to support change (Vogel 2012). Captured in the form of a matrix (logical framework) or diagram, the theory of change is both a concrete tool and an iterative process to support critical thinking at each step of the programme cycle. While there is no proscribed methodology for implementing a theory of change, it is seen as a realistic, flexible analytical tool offering an alternative to logical framework analysis, which can tend to have a narrower focus. A theory of change will normally comprise the following elements:

* Analysis of the context of the planned initiative, including the social, political and environmental conditions

* Definition of the long-term change that the initiative aims to achieve

* Identification of the causal pathway/sequence of change to reach the intended long-term change

* Identification of the assumptions that underpin each step in the causal pathway/sequence of change, critical assessment of whether the proposition that is assumed remains true, and—if necessary—subsequent reassessment of the causal pathway/sequence of change

* A matrix/diagram and narrative summary capturing the theory of change

In the context of designing a poverty-environment mainstreaming programme or a more specific mainstreaming initiative related to integrating climate change adaptation in subnational planning and budgeting processes (box 3.1), the theory of change can be a useful tool as it promotes the following:

* The context analysis fosters a participatory assessment process that can be tailored to different scales, from global to local.

* Connecting a number of linked projects and programmes into a coherent and strategic whole can enhance linkages and integration across important institutional and thematic sectors, thus contributing to breaking down sectoral silos.

* Identifying incremental and concrete steps towards achieving long-term change defines clear increments of change over time without losing sight of the long-term objective to be achieved. This consideration is particularly relevant in a mainstreaming context, since such processes can take 5–15 years of sustained institutional change.

* Continuous re-examination of assumptions that underlie a project or programme and identification of what is needed to advance along a non-linear, causal pathway are critical to programme/project success. For instance, the essential political will for mainstreaming cannot be assumed to be unfaltering. There is value in reassessing whether there is political commitment and, if not, in identifying barriers for change and actions to overcome these barriers.

Dialogue regarding perspectives and values can result in a shared vision and strong relationships between partners and stakeholders. This dialogue can also be important in the context of reaching consensus on possible trade-offs between environmental and development aspirations, and on who benefits and who bears the costs.

Box 3.1 PEI Theory of Change

The PEI theory of change is centred on the desired impact (change) from poverty-environment mainstreaming: improved livelihoods and human development through more sustainable use, management and equitable allocation of ENR. This long-term change addresses the identified problem that, over the medium to long term, unsustainable ENR management reduces the economic and livelihood benefits produced from ENR—making it more difficult to achieve sustainable development goals such as poverty reduction and food security.

Impact in generating economic, social and environmental benefits is achieved by catalysing change in government policies, plans, budgets and financing to make them more pro-poor and environmentally sustainable. The PEI mainstreaming approach is a proven, integrated, cross-sectoral model, aligned with the approach called for in the Rio+20 outcome document to address the interlinkages between the three pillars—economic, environmental and social—of sustainable development.

The intended outcome of catalysing change is achieved over time by attaining key outputs reflecting the inclusion of pro-poor environmental sustainability into national development policies and plans, sectoral strategies and policies, national budgeting and financial management processes, and national monitoring systems, as well as supporting
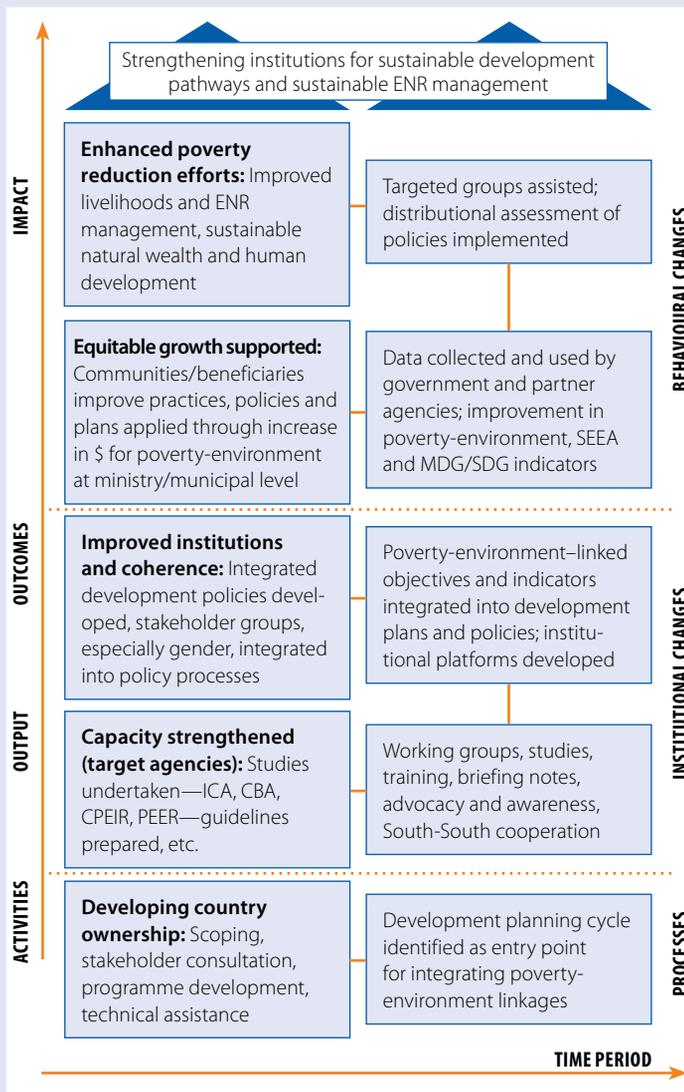
subnational processes to implement these reforms. Strengthening the capacity and political will of decision-makers and practitioners is critical—especially within the ministries of planning, finance and key sectors (e.g. environment, agriculture) as well as within the presidency/prime minister office, and

legislative and judiciary institutions, depending on the country situation. A variety of tools are used to generate the economic, ecological and social evidence of how sustainable ENR management would help achieve development goals such as poverty reduction in order to convince key stakeholders.

Strengthening institutions for sustainable development pathways and sustainable ENR management

IMPACT

Enhanced poverty reduction efforts: Improved livelihoods and ENR management, sustainable natural wealth and human development

Targeted groups assisted; distributional assessment of policies implemented

Equitable growth supported: Communities/beneficiaries improve practices, policies and plans applied through increase in $ for poverty-environment at ministry/municipal level

Data collected and used by government and partner agencies; improvement in poverty-environment, SEEA and MDG/SDG indicators

BEHAVIOURAL CHANGES

OUTCOMES

Improved institutions and coherence: Integrated development policies developed, stakeholder groups, especially gender, integrated into policy processes

Poverty-environment–linked objectives and indicators integrated into development plans and policies; institutional platforms developed

OUTPUT

Capacity strengthened (target agencies): Studies undertaken—ICA, CBA, CPEIR, PEER—guidelines prepared, etc.

Working groups, studies, training, briefing notes, advocacy and awareness, South-South cooperation

INSTITUTIONAL CHANGES

ACTIVITIES

Developing country ownership: Scoping, stakeholder consultation, programme development, technical assistance

Development planning cycle identified as entry point for integrating poverty-environment linkages

PROCESSES

TIME PERIOD

3.3   Finding the Entry Points and Making the Case

This component of the PEI programmatic approach comprises the initial set-up work that must take place before a full mainstreaming initiative goes forward. Key activities of this component are discussed below. Specific entry points into national planning and budgeting processes are discussed in chapters 4 and 5, respectively.

Preliminary Assessments: Understanding the Poverty-Environment Linkages

Usually, the first step of a poverty-environment mainstreaming effort is to undertake a preliminary assessment of the country's development, ENR, climate and socio-economic situation. The objective is to determine the nature of poverty-environment linkages in the country, to define gender-sensitive pro-poor ENR priorities on which to focus the mainstreaming effort and to develop arguments to make the case for such an initiative. Preliminary assessments also help countries identify possible champions for poverty-environment mainstreaming. Through these assessments, the actors engaged in the mainstreaming initiative begin to refine their understanding—from the perspective of their own sector or subnational organization—of the country's ENR challenges, poverty-environment linkages and the relevance of these to national priorities (box 3.2). The preliminary assessments carried out should remain relatively limited in scope, depth and time frame, allowing the government to achieve in the short term the objectives of finding the entry points, raising awareness and making the case. Later in the mainstreaming effort, the preliminary assessments will be complemented by extensive analytical work aimed at influencing the policy process at stake.

An understanding of poverty-environment linkages and how to influence policy requires a strong focus on three issues in addition to the conventional assessment of the state of the environment:

- ❁ **Identification and understanding of the poor and their dependence on ENR.** It is important to capture gender differences in relationship to ENR.

- ❁ **Understanding of the political, economic and institutional landscape in which policymakers operate.** Note that certain elements of the environment, e.g. air and water quality, may affect broader segments of the population than just the poor; therefore, it will potentially be easier to mobilize support around these.

- ❁ **Developing an understanding of climate risks and vulnerability.** This topic is discussed further below.

Preliminary assessments of poverty-environment linkages can be largely based on existing information. Typically, a significant body of information can be sourced through previously conducted surveys and reports commissioned by the government and especially by development partners, including poverty and gender assessments, state of the environment reports, economic reports, Intergovernmental Panel on Climate Change (IPCC) and regional climate models and reports, analysis on environmental costs and benefits, and Beyond GDP studies.

Identifying and Understanding the Poor

Identifying and understanding the poor and their dependence on ENR is a prerequisite for poverty-environment mainstreaming. Contextual analysis should be disaggregated to take account of and shed light on differences

Box 3.2 Economic Studies on Natural Resource Management in Rwanda and Land Degradation in Tajikistan

In 2006, the Government of Rwanda, with PEI support, conducted an economic analysis of natural resource management (Government of Rwanda and UNDP-UNEP PEI 2006). The study found that, due to environmental degradation, poverty had increased, provincial health budgets were escalating, and soil loss of 15 million tons per year was costing the country 2 per cent of its GDP annually—equivalent to a reduction in the country's capacity to feed 40,000 people a year. The cost of electricity had increased by up to 167 per cent per unit cost following the degradation of the Gishwati forest and the Rugezi wetland. Siltation from soil erosion and the reduced water levels in the lakes and hydropower reservoirs downstream decreased electricity generation and resulted in an additional cost of $65,000 per day as fossil fuel–generated electricity replaced hydro-electricity.

The economic analysis was instrumental in convincing decision-makers that sustainable ENR management could contribute to Rwanda's development goals. The Ministry of Finance and Economic Planning and the Rwanda Environmental Management Authority's capacity to mainstream poverty-environment issues in a cross-sectoral, integrated manner was strengthened. As a result, the environment was included as a cross-cutting issue in the country's Economic Development and Poverty Reduction Strategy (EDPRS) and a specific target on soil erosion control was included; a poverty-environment indicator strategy for the EDPRS was also adopted. Concurrently, environment was made a sector in its own right.

The economics of land degradation in Tajikistan's agricultural sector was explored by a PEI-commissioned study conducted in 2011 (UNDP-UNEP PEI 2011b). The study estimated the economic loss of land degradation and identified a range of associated impacts and costs. Along with the identified problems, the study looked into suggesting certain techniques tailored to Tajikistan for addressing land degradation. Specifically, it explored determining the net benefits of sustainable land management, identifying data requirements and gaps, and assessing capacities. The study found that, if based on a broader concept of cost-benefit analysis, sustainable land management approaches could often be self-sustaining—for example, funds saved from water treatment or sediment removal could be used to prevent soil loss and sedimentation. Such analyses will inform policymakers and aid in private sector decision-making by setting forth the economic arguments for investment in sustainable land management practices.

Sources: PEI Africa; PEI Europe and the Commonwealth of Independent States.

according to gender (box 3.3), age, ethnicity, urban/rural status, and other variables so that development interventions adequately address the needs of different social groups. Several methodologies can be used to identify and understand the poor, including income poverty assessments through household surveys, participatory survey techniques and assessments, gender analysis and multidimensional poverty assessments (see annex B for further details).

Increasingly, household surveys conducted by national institutions have captured links between income and livelihoods regarding access to and use of natural resources.

The rights-based approach to poverty reduction underlines the multidimensional nature of poverty, describing it in terms of a range of interrelated and mutually reinforcing deprivations, and drawing attention to the stigma,

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Box 3.3 Gender Analysis for Equitable and Sustainable ENR Management

Gender analysis aims to identify gender differences and draw attention to the conditions needed for equitable and sustainable ENR management. Gender analysis can be used to explore the following, ideally using participatory methodologies:

✹ Assessing the roles and needs of women and men, including gender-based labour division

✹ Understanding gender-differentiated systems for access to resources, labour, uses, rights and the distribution of benefits and products

✹ Focusing on gender relations, not just on women (looking at differences, inequalities, power imbalances, differential access to resources between women and men)

✹ Seeing how gender is a factor in influencing how people respond both individually and collectively

✹ Perceiving the gender dimensions of institutions at all levels in society

Source: UNDP 2003.

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discrimination, insecurity and social exclusion associated with poverty. Unlike earlier approaches to poverty reduction, the rights-based approach is more process oriented. It emphasizes active and informed participation by the poor in the formulation, implementation and monitoring of poverty reduction and pro-environmental strategies as well as access to productive resources and participation in public life—all of which are important to overcome economic and political marginalization (annex E).

Understanding the Governmental, Institutional and Political Contexts

The preliminary assessments also entail looking at the governmental, institutional and political contexts in the country (figure 3.2); this is sometimes known as institutional and context analysis. This analysis helps develop a thorough, shared understanding of the situation, which in turn provides the basis for finding the most effective entry points for mainstreaming poverty-environment objectives in national development planning. It also enables countries to identify potential partners and champions for poverty-environment mainstreaming. Successful mainstreaming requires change: changes in the ways institutions are structured, and changes in the ways departments and ministries interact, communicate and cooperate.

The analysis begins with identifying and understanding the various processes, institutions, actors, mandates, policies and other factors that affect the poverty-environment mainstreaming effort.

Figure 3.2 Components in Governmental, Institutional and Political Contexts
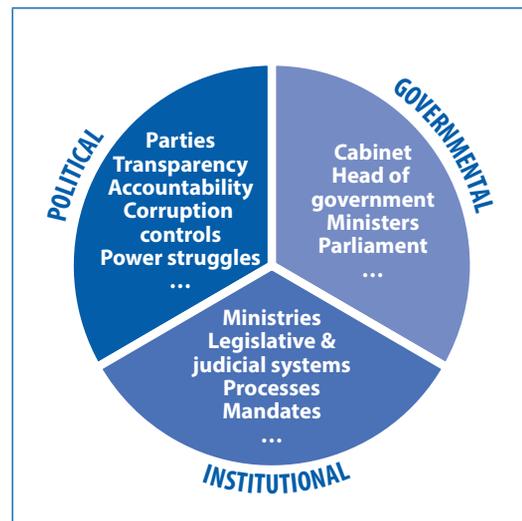
❋ **Planning and budgeting processes.** Understanding the planning and budgeting processes that shape a country's development and environmental priorities is a vital aspect of the analysis. Relevant processes might include strategies (poverty reduction strategy papers, national sustainable development strategies, sector strategies), action plans (national environmental action plans, national adaptation plans [NAPs], disaster risk reduction plans) and budget processes (annual and medium-term expenditure framework, expenditure reviews).

❋ **Institutions and actors.** Also critical is identifying the various institutions and actors in government, the non-governmental sector and the broader development community. Identifying partners that can provide technical, financial and political support to the mainstreaming effort is crucial.

❋ **Existing policies and initiatives.** It is important to take stock of major existing national and sector (e.g. agriculture, health, trade, education, industrial development, cleaner production and environment) development policies, programmes and projects, environment and climate change–related initiatives (such as NAPs) that are relevant to the poverty-environment mainstreaming effort, and to identify possible conflicting priorities (e.g. between a country's agriculture strategy which might stress input-intensive agricultural modernization and its environmental policy which might encourage low-input agriculture).

❋ **Governance and political situation.** Natural resources typically are important sources of national wealth, and different institutions and actors often have conflicting priorities concerning access to or control of their use. It is critical to be aware of and understand the political factors that may affect mainstreaming either positively or negatively.

Such factors include issues of corruption and rent-seeking around valuable natural resources, which may be controlled by certain political groups for their benefit with few benefits for poor people. These sensitive issues cannot be ignored if the underlying drivers of environmental change are to be understood and addressed.

The UNDP institutional and context analysis methodology can be used to better understand the governance and political context, and thereby develop a more effective mainstreaming approach. The methodology provides an insight into the incentives affecting political actors potentially involved in poverty-environment mainstreaming. See annex A and UNDP (2012) for more information.

Developing Impact, Vulnerability and Adaptation Assessments

It is important to develop climate risk and vulnerability profiles in order to understand how climate change will affect natural systems (e.g. ecosystems, natural resources) as well as human society (e.g. livelihoods and economic activities). The extent to which climate change will have an impact determines the level of risk and the adaptation measures needed to manage these risks. Additional assessments, including participatory community-level assessment and planning, are carried out to provide essential information to inform subsequent components of an adaptation process (i.e. planning, implementation, and monitoring and evaluation) (UNDP 2008).

A climate risk assessment can be created from easily accessible data on temperature and rainfall to determine past climate trends. Often, climate assessments utilize climate data for 1960–1990 as a baseline and projections for after 1990 to represent a changed climate. When assessing future trends, it is important to

combine socio-economic variables with various climate scenarios. Vulnerability assessments provide a means to understand how different groups, including women, will be affected by climate change and to identify adaptation measures based on needs and priorities (box 3.4). Several methodologies are available to assess climate risk and vulnerability at various scales and should incorporate climate data and local knowledge. For further guidance on impact, vulnerability and adaptation assessments, see the United Nations Framework Convention on Climate Change's technical guidelines for the national adaptation plan process (UNFCCC 2012), UNEP's Global Programme of Research on Climate Change (PROVIA) guidance (UNEP 2013), PEI's guidance for mainstreaming climate change adaptation into development planning (UNDP-UNEP PEI 2011c), and the Women for Climate Justice toolkit (GenderCC–Women for Climate Justice 2009). Annex B provides more information on vulnerability assessments.

Assessing and Strengthening Mainstreaming Capacities

Designing a poverty-environment mainstreaming initiative that is rooted in national and local institutional capabilities requires evaluating institutional and capacity needs. This evaluation can be done through a needs assessment that focuses on existing capabilities and their associated strengths and weaknesses in relation to poverty-environment mainstreaming. The objective is to take institutional and capacity needs into account in the mainstreaming initiative and ensure the effective involvement of all national actors.

Box 3.4 Multidimensional Vulnerability Index at the Household Level Developed to Address Climate Shocks in the Dominican Republic

Heavily affected by extreme weather events such as hurricanes, tropical storms, flooding and drought, the Dominican Republic is one of the most sensitive countries to climate risk in the world. Over the years, extreme weather events have resulted in extensive damage to agriculture and pasture land, and affected the livelihoods of the local population.

Since 2010, PEI has been working with the Dominican Republic's government to reduce the vulnerability of poor households to climate shocks through integration of poverty-environment objectives in national and subnational development planning. The specific purpose of this work has been to create tools that enable development of policies and plans that link poverty, the environment and climate change.

PEI, in close collaboration with the National Beneficiary System of the Social Policy Cabinet, facilitated the design and implementation of an environmental vulnerability index (IVAM) for the Lake Enriquillo region. The national government decided to scale-up this methodology and introduce a household-level multidimensional vulnerability index at the national level. This national IVAM was launched by the vice president of the Dominican Republic. National household socio-economic surveys are now being reviewed to incorporate environmental issues that had not previously been taken into account. This is especially relevant as the information gathered by the National Beneficiary System forms the basis to select beneficiaries of all poverty reduction programmes in the country.

**Source:** PEI Latin America and the Caribbean.

The needs assessment focuses first on identifying the level of understanding among the national actors with regard to poverty-environment linkages and evaluating the extent to which there is a basic, shared understanding to help the various governmental and non-governmental institutions form—and sustain—successful working relationships for poverty-environment mainstreaming. This shared understanding should encompass gender dimensions as well as sector-specific aspects. Based on the results, the needs assessment can then highlight options to strengthen and improve understanding of poverty-environment issues in specific contexts. After assessing the levels of understanding of poverty-environment linkages, the evaluation should move on to examine capacities at all stages of the planning cycle.

The assessment should focus on both functional and technical capacities and needs within a given organization—notably the environment,

planning, finance and relevant sector ministries—as well as of appropriate civil society and private entities. For example, the capacity within a country to adapt to impacts of climate change should be assessed by examining the capacities in a variety of institutions, the level of information and resources available, the political will to address the problem and the knowledge of potential risks. Institutions and capacities should also be assessed in relation to future activities of the poverty-environment mainstreaming process, including participatory engagement, analysis and visioning, policy formulation, operational management and poverty-environment monitoring. These concepts are illustrated in figure 3.3.

Initially, the needs assessment should build on the preliminary assessments of poverty-environment linkages and the governmental, institutional and political contexts. It should also rely on existing institutional and capacity needs, as well as any existing environmentally focused

Figure 3.3 Dimensions of Capacity Development
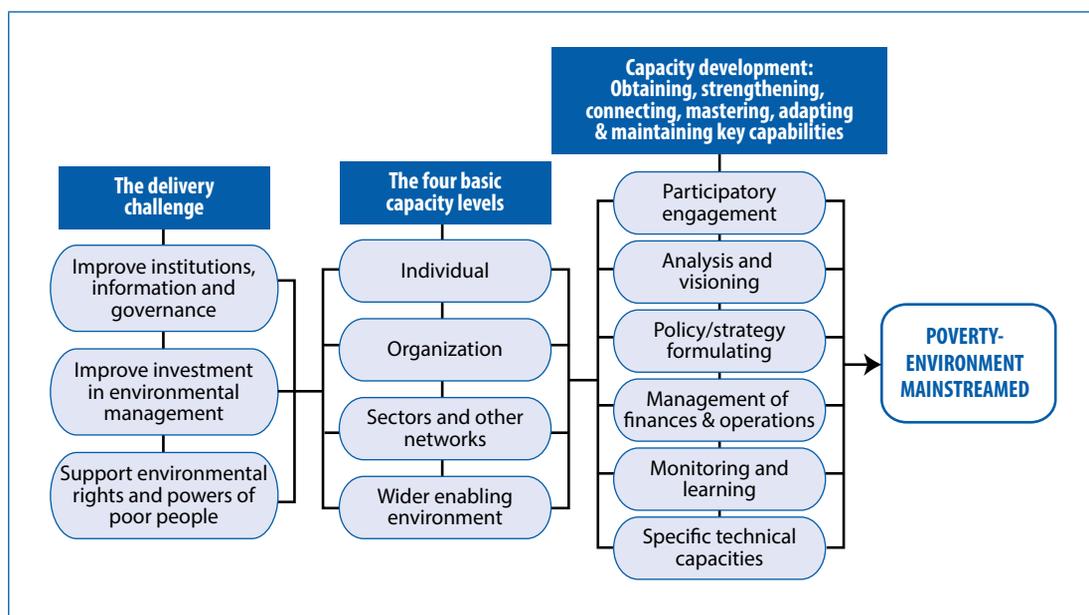
Source: Steve Bass, International Institute for Environment and Development, 2008.

institutional-strengthening programmes. Additional targeted assessments may be carried out as needed subsequently, with special attention to the environment, finance and planning bodies.

Several tools and approaches are available for assessing institutional capacity. These include UNDP's primer on capacity development (UNDP 2009a), a resource kit for national capacity self-assessments (GEF GSP 2005) and the Organisation for Economic Co-operation and Development's (OECD's) report on assessing environmental management capacity (OECD 2009). A particularly useful resource is a report on results and lessons learned from national capacity self-assessments (GEF GSP 2010), which highlights lessons learned from 119 countries.

Enhancing Coordination Mechanisms for Sustained Mainstreaming

Governments have vertical and horizontal coordination mechanisms designed to ensure, among other items, that national-level priorities and plans are implemented at subnational and sector levels. Mechanisms also exist to ensure cross-sector coordination of policy and budget prioritization, development and implementation, as well as intra-sector coordination. Because these mechanisms do not always function adequately, poverty-environment mainstreaming programmes should assess their effectiveness and support enhancements to improve them. This action will be especially helpful in sustaining the impact of poverty-environment mainstreaming programmes. See figure 4.1 for more information on how these coordination mechanisms work.

Engaging Key Stakeholders

Successful mainstreaming requires the engagement of many stakeholders, encompassing government and non-governmental actors and the broader development community operating in the country. Focusing on the pro-poor environmental outcomes to be achieved, a mainstreaming effort should be based on careful analysis and an understanding of the roles of different stakeholders in the country's development processes and how to best complement them (figure 3.4). Be aware that stakeholders have different interests and that some may not be as supportive as others of poverty-environment mainstreaming, improved ENR management and pro-poor reforms. Understand what motivates various stakeholders and determine how to craft appropriate arguments that will appeal to different interests.

The mainstreaming effort entails the cooperation of many government actors, including the head of state's office, political parties, parliament, the judicial system, finance and planning bodies, environmental institutions, sector ministries and subnational bodies, and the national statistics office—each of which raises significant challenges and opportunities throughout the process (table 3.1). Early on, determine which government agency will lead the mainstreaming effort. Because of the close relationship between poverty-environment mainstreaming and national development planning and budgeting, the ministry of planning or finance, in collaboration with the environmental institutions, will usually be a logical choice.

Non-governmental actors, including civil society organizations, academic and research institutes, business and industry, media, and the general public, can play a big part in advancing the integration of poverty-environment objectives into development planning at national, subnational and sectoral levels, and powerful advocates can be found among them. Involving these actors is an integral part of the mainstreaming process and should take place throughout the effort. There are many challenges and opportunities when engaging

Figure 3.4 Role of Stakeholders in Achieving Pro-Poor Environmental Outcomes
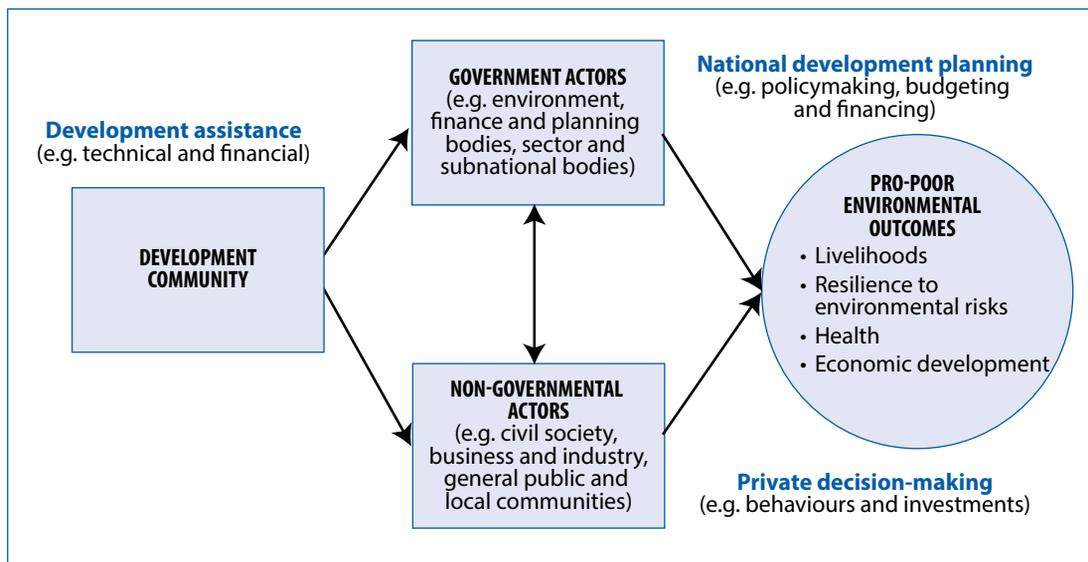
with non-governmental actors; these are outlined in table 3.2.

Raising Awareness and Building Partnerships

Building national consensus and commitment, as well as building partnerships for poverty-environment mainstreaming, requires raising awareness within the government and among non-governmental actors, the general public and the development community at large.

The preliminary assessments conducted should provide a solid basis on which to build messages and awareness raising on poverty-environment issues. Findings from these assessments should be disseminated broadly within the government, including to the head of state's office, political parties and the parliament, the judicial system, finance and planning bodies, environmental institutions, sector and subnational bodies, and the national statistics office. National workshops or consultations can be held to raise awareness among various audiences, including

government, civil society, academia, business and industry, the media, and the general public. Exchange programmes with neighbouring countries that have experience with successful poverty-environment mainstreaming can also be useful.

Preliminary assessments also help in identifying and engaging with actors who may champion the poverty-environment effort. Champions can range from politicians to musicians, environmentalists to business persons, traditional leaders to media personalities. The champions can be partners in promoting messages around the need for sustainable use of natural resources for poverty reduction.

Involving the media requires special attention, and a specific approach should be designed to increase journalists' knowledge of poverty-environment linkages and to encourage them to report on poverty-environment issues (box 3.5). Mass media (press, television and radio) can be an effective tool in reaching out to target audiences.

Table 3.1 Challenges and Opportunities in Working with Government Actors

Actor	Challenges	Opportunities
Head of state's office	• Has many priorities to deal with • May face conflicting interests	• Turn this actor into a champion • Have it take a leading role in the mainstreaming effort
Political parties	• No direct involvement in development planning • May have limited awareness of environment-related issues • May face conflicting interests	• Use the election process to raise awareness on poverty-environment issues • Make these issues a theme of political campaigns
Parliament	• Often not involved in all stages of national development planning • May have limited awareness of environment-related issues • May face conflicting interests	• Leverage its legislative role • Foster its advocacy role, especially for budgeting • Cooperate with (or help create) committees on poverty-environment issues (e.g. access to land)
Judicial system	• May have limited awareness of environment-related issues • Enforcement of laws may be lacking • May face conflicting interests	• Develop synergies with laws related to good governance (e.g. corruption, illegal trade, tax evasion)
Finance and planning bodies	• Linkages with environmental institutions may be weak • Environment may not be seen as a priority for economic development and poverty reduction	• Turn these bodies into champions (e.g. through permanent secretaries) • Have them take a leading role in the effort (with environmental institutions) • Develop synergies with revenue collection measures (e.g. fight corruption, tax evasion)
Environmental institutions	• Financial, human and leadership capacities may be weak • May be focused on projects as opposed to development planning • May have an approach focused on protection rather than sustainable use of the environment	• Make use of their expertise, including in monitoring and climate change • Develop their potential to take on several roles (e.g. advocacy, coordination) • Develop synergies (e.g. with obligations related to multilateral environmental agreements)
Sector ministries and subnational bodies	• May have weak capacities with regard to the environment • Lack of funding of subnational bodies can lead to overharvesting of natural resources • Environmental units are usually not well connected to development planning	• Support them in fulfilling their roles in development planning • Make use of the fact that some of these bodies deal directly with environmental assets (e.g. fisheries, forestry) • Encourage them to integrate poverty-environment objectives into plans/budgets
National statistics office	• Data collection and management often weak • Poverty-environment data not generally captured by regular surveys • Capacity to produce policy-relevant information may be weak	• Develop poverty-environment indicators and integrate in national monitoring system • Build capacity to collect, manage and analyse data on poverty-environment linkages

Table 3.2 Challenges and Opportunities in Working with Non-Government Actors

Actor	Challenges	Opportunities
Civil society organiza-tions	• Capacities may be weak, especially with respect to engagement in national development planning • Often not involved in all stages of national development planning	• Make use of their expertise, including in addressing gender issues related to the environment • Help reflect local realities and bring voices from the community level • Foster their role in information collection, information sharing and awareness raising (from policymakers to local communities) • Encourage them in their watchdog role (i.e. in promoting transparency and accountability) • Turn them into champions for poverty-environment mainstreaming
Academic and research institutes	• May be disconnected from national development planning processes • Capacity to produce policy-relevant information may be weak	• Make use of their expertise, particularly with respect to data collection, analysis of poverty-environment linkages and collection of country-specific evidence • Promote interdisciplinary teams • Promote South-South and North-South cooperation (twinning approaches)
Business and industry	• May perceive environmental management and legislation (e.g. environmental impact assessments) as a barrier to their activities	• Mitigate the effect of their activities that have a large impact on poverty and the environment (e.g. mining, forestry, water services) • Make use of this major source of knowledge • Make use of this major source of investment • Focus on resource efficiency and sustainable consumption and production (e.g. sustainable energy, water efficiency, integrated waste management)
General public and local com-munities	• Ability to make their voices heard may be weak or non-existent • Generally disconnected from national development planning processes	• Include the poorest groups of the population • Integrate the voices of the poorest when defining the outcomes of the poverty-environment mainstreaming effort • Make use of their knowledge of poverty-environment issues at the grass-roots level
Media	• May lack knowledge of and attention to poverty-environment issues • May lack freedom of expression	• Make use of their role in shaping the opinions of both decision-makers and the general public • Work with them to encourage public involvement in national development planning • Collaborate with them to reach out to the community level • Provide them with scientific and policy-related information

Box 3.5 Raising Journalist Awareness of Poverty-Environment Linkages in Kyrgyzstan and Tajikistan

UNDP's Environment and Disaster Risk Management cluster and PEI conducted an environmental training for nearly 30 journalists in Issyk-Kul, Kyrgyzstan. The training was aimed at helping journalists become effective communicators and change agents for sustainable development. Additionally, to recognize outstanding coverage of environmental issues in the Kyrgyz Republic, PEI and UNDP announced an environmental journalism contest on the following themes: climate change, climate risk management, poverty and environment nexus, and green economy and sustainable development. The contest was open to reporters and observers in print media, photojournalists, radio and TV reporters, freelance journalists, news agency reporters and web-based authors. In Tajikistan, PEI supported two-day trainings on "Effective Media Coverage of Poverty-Environment Links" for journalists and editors of ecological publications. The training enabled participants to learn about practical tools for raising awareness on environmental degradation and its impact on the population's well-being.

Source: UNDP and PEI Europe and the Commonwealth of Independent States.

In addition to traditional media, web and social media platforms can be used to reach a broad audience—especially the general public, youth, civil society and the media. These platforms are effective tools to share news and publications and to promote messages on poverty-environment issues or disseminate study findings.

Given increasing climate variability, it is important to establish links between meteorological departments and planning departments, line ministries, extension services and local communities. Current climate information, disaster warning (early warning) and future scenarios need to be collected and shared in a timely, relevant, gender-sensitive and accessible manner to enable decision-making at all scales—from women and men farmers to government offices—to be informed by climate risks and vulnerabilities. This information sharing is an essential aspect of raising awareness and integrating climate change into short-, medium- and long-term planning (box 3.6).

A well-thought-out communications strategy is critical. Framing the environment as an economic and social asset, rather than a cost, and linking poverty and environment in meaningful ways using economic language and parameters, and in accessible language, will greatly facilitate successful mainstreaming. A communications strategy should contain an initial outline of the following elements of the communications "mix":

❁ The overall objective of the poverty-environment mainstreaming effort

❁ The principal target audience

❁ The secondary target audience

❁ Key messages to convey the evidence

❁ Tools and products to convey the messages using national and local language and multimedia

For more information, see annex F.

Box 3.6 Government, Donors, Non-governmental Organizations and Media Advocate for Sustainable Development in Malawi

Two evidence-based reports—the 2011 "Economic Analysis of Sustainable Natural Resource Use in Malawi" (Yaron et al. 2011) and the *Malawi State of Environment and Outlook Report* (Malawi Government 2011)—continue to be disseminated and used by top decision makers, non-governmental organizations and the media to advocate for improved ENR management in Malawi. In an interview with the *Daily Times*, a national newspaper, the minister of environment and climate change, Jennifer Chilunga, highlighted how the latter report effectively demonstrated the negative impact of environmental degradation and how its findings had influenced the government to enhance public awareness through, for example, the National Climate Change and Communication Strategy. She explained, "We have started bridging the gap and promoting positive behavioural change for sustainable development." The studies have been disseminated to the Eastern, Southern, Northern and Central Region districts, which are now using the findings to advocate for improved ENR management at the local level and to develop their own district state of environment reports and socio-economic profiles. Several studies on environment and climate change management have used these analytical reports to inform the design of various projects and programmes, including African and Latin American Resilience to Climate Change, Malawi's vulnerability assessment programme funded by the U.S. Agency for International Development. To reach the public, videos on each of the state of the environment report's chapters have been produced and telecast by the Malawi Broadcasting Corporation.

Source: PEI Africa.

Quick Reference Checklist:
Political Economy of Mainstreaming

Finding the entry points and making the case

☐ Has a preliminary assessment been undertaken of the country's development, ENR, climate and socio-economic situation?

☐ Have the following three issues been taken into consideration in understanding poverty-environment linkages and how to influence policy:

   ✓ Identification and understanding of the poor and their interdependence with ENR

   ✓ Understanding the political, economic and institutional landscape in which policymakers operate

   ✓ Understanding climate risks and vulnerability

☐ Is the analysis in identifying and understanding the poor disaggregated to take into account the following:

   ✓ Gender

   ✓ Age

   ✓ Ethnicity

   ✓ Urban/rural

   ✓ Other variables which address the needs of different social groups

☐ Have the following methodologies been considered to identify and understand the poor:

   ✓ Income poverty assessments

   ✓ Participatory survey techniques and assessments

   ✓ Multidimensional poverty assessments

☐ In understanding the governmental, institutional and political contexts, has the assessment begun by identifying the following:

   ✓ Planning and budgeting processes which shape the country's development and environmental priorities

   ✓ Institutions and actors in government, non-governmental sectors and the broader development community

   ✓ Existing development policies and initiatives at the national and sector levels which are relevant to the poverty-environment mainstreaming effort

   ✓ Governance and political situation which may affect mainstreaming

☐ Have gender-sensitive impact, vulnerability and adaptation assessments been undertaken to understand how climate change will affect livelihoods and development priorities?

☐ Have the following key steps been considered when assessing capacity development needs in the context of mainstreaming?

    ✓ Assess the political and institutional context

    ✓ Identify key actors and their capacity development needs

    ✓ Identify opportunities to shape organizational incentives

    ✓ Identify awareness and knowledge needs, and existing analytical tools

    ✓ Identify options for policy response

☐ Have poverty-environment mainstreaming programmes assessed the effectiveness of vertical, horizontal and cross-sectoral coordination mechanisms and supported enhancements to improve them in order to sustain programme impact?

☐ Has a communications strategy been developed to disseminate and translate the results of poverty-environment tools and assessments to a wider audience and into more accessible language?

☐ Have the following elements been considered in developing a communications strategy:

    ✓ The overall objective of the poverty-environment mainstreaming effort

    ✓ The principal target audience

    ✓ The secondary target audience

    ✓ Key messages to convey the evidence

    ✓ Tools and products required to convey the messages using national and local languages and multimedia