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United Nations Development Programme

ENVIRONMENT AND ENERGY THEMATIC TRUST FUND 2011 ANNUAL REPORT

FOREWORD

UNDP recognizes that social, economic and environmental objectives are supporting goals that can reinforce each other. Rio+20 presents a critical opportunity for resetting the development agenda, stimulating a greening of economies within the framework of sustainable development and poverty eradication that is inclusive and respects planetary boundaries. Supporting developing countries to advance sustainable human development is one of UNDP's principal goals. UNDP's Environment and Energy Group (EEG) helps developing countries achieve their sustainable development objectives by strengthening national capacity to make informed policy and investment choices that are both pro-poor, pro-growth and also less carbon intensive, and redirecting public and private investments towards the achievement of the Millennium Development Goals and longer term sustainability.

The catalytic support from the Environment and Energy Thematic Trust Fund (EE TTF) continues to enable EEG to provide high quality, global policy services ranging from policy development and advocacy to investment support and knowledge management in the field of environment and sustainable development. Benefitting from UNDP's on-the-ground presence in over 170 countries, EEG also brings local realities and needs to global level policy processes on key environmental issues, including climate change, ecosystems, energy, water, and chemicals.

As in previous years, demand for the services provided by EEG continued to rise in 2011, both from countries and across UNDP and the UN system. This trend is reflected in an increased allocation of UNDP country offices' own core funds to environment and energy activities. However, given the relatively modest contributions received by the EE TTF in the last 2 years, activities had to be streamlined. In 2011, EEG placed major emphasis on policy services and knowledge management, in particular in the area of climate change, while continuing on-the-ground piloting of innovative activities and approaches as much as possible. The integration of environmental concerns into national development planning and programming – the mainstreaming agenda – was one of the focuses during 2011. The results documented in this year's Annual Report continue to demonstrate the catalytic nature of this funding modality, showing how the EE TTF has continued to stimulate and contribute to a wide array of processes and new projects at the regional and country level.

Moving forward, EEG maintains its commitment to deliver high quality policy advisory services and innovative programmes under the current UNDP Strategic Plan (2008-2013). The continued support of the EE TTF will be critical in helping EEG to deliver on its strategic priorities in developing countries – ensuring that environmental action benefits the poor and development action does not harm the environment.

Dr. Veerle Vandeweerd

Director

Environment and Energy Group

United Nations Development Programme

LIST OF ACRONYMS

CBD	Convention on Biological Diversity
CDM	Clean Development Mechanism
CIF	Climate Investment Fund
COP	Conference of the Parties
CPD	Country Programme Document
DESA	Department for Economic and Social Affairs
DNA	Designated National Authority
EEG	Environment and Energy Group
EE TTF	Environment and Energy Thematic Trust Fund
EMG	United Nations Environment Management Group
EU	European Union
GEF	Global Environment Facility
GoAL WaSH	Governance, Advocacy and Leadership for Water, Sanitation and Hygiene
GCF	Green Climate Fund
LECRDS	Low-emission and Climate-resilient Development Strategies
LDC	Least Developed Country
LIC	Low Income Country
MDG	Millennium Development Goal
MLF	Multilateral Fund for the Implementation of the Montreal Protocol
NGO	Non-Governmental Organization
OECD	Organization for Economic Cooperation and Development
ODI	Overseas Development Institute
PEI	UNDP-UNEP Poverty-Environment Initiative
RBEC	Regional Bureau for Europe and the Commonwealth of Independent States
REDD	Reducing Emissions from Deforestation and Forest Degradation
Rio+20	UN Conference on Sustainable Development
SIDS	Small Island Developing States
SGP	Small Grants Programme
TACC	Territorial Approach to Climate Change
TNA	Technology Needs Assessment
UN	United Nations
UNCT	UN Country Team
UNDAF	UN Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries

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OVERVIEW OF THE EE TTF

The Environment and Energy Thematic Trust Fund (EE TTF) provides UNDP with a source of discretionary finance to fund innovative, catalytic and strategic interventions. It has been instrumental in developing global sustainable development policy services and supporting on-the-ground initiatives that contribute to poverty reduction. The EE TTF also helps UNDP to better align and focus its global, regional and country programmes around the four strategic areas of the Strategic Plan.

The EE TTF complements UNDP's work funded from its core resources and from other sources such as the Global Environment Facility (GEF) and the Multilateral Fund for the Implementation of the Montreal Protocol (MLF). As a flexible co-financing modality designed for the rapid approval of proposals and swift disbursement of funds at the global, regional and country level, **the EE TTF enables UNDP to effectively address the continuing and emerging challenges in the global and local environment through initiatives that are innovative, catalytic and strategic and raise external resources.** The EE TTF supports programmes and projects under the four strategic areas of the Strategic Plan, with the following main objectives in 2011:

UNDP Strategic Plan Key Result Areas	2011 Objectives of the EE TTF*
<i>Key Result Area 1:</i> Mainstreaming Environment and Energy	<ul style="list-style-type: none"> • Provide global policy support and backstopping to programme countries in preparation for Rio+20. • Strengthen the integration of environmental sustainability and climate change into UN Development Assistance Frameworks (UNDAFs). • Pilot and finalize UNDP's Environmental and Social Safeguards. • Develop a framework for the strategic quality review of environmental sustainability and climate change in Country Programme Documents (CPDs).
<i>Key Result Area 2:</i> Mobilizing Environmental Finance	<ul style="list-style-type: none"> • Support partner countries on direct access to climate finance. • Support climate policy expenditure and institutional reviews (CPEIRs) in programme countries. • Support the design phase of the Green Climate Fund.
<i>Key Result Area 3:</i> Promoting Adaptation to Climate Change	<ul style="list-style-type: none"> • Coordinate UNDP's global knowledge and advocacy activities on climate change, including engagement with the UNFCCC negotiations at global and national levels. • Provide policy support to LDCs and SIDS on climate change. • Establish the SIDS DOCK programme to support SIDS transition to low-emission, climate-resilient development. • Strengthen capacity of government decision-makers, UNCTs and UNDP Country Offices to integrate climate change risks into national development policy and planning, and UN country programming.
<i>Key Result Area 4:</i> Expanding Access to En- vironmental and Energy Services for the Poor	<ul style="list-style-type: none"> • Design and implement UNDP's new Environmental and Social Compliance Review and Grievance Processes (Accountability Mechanism). • Provide policy and implementation support to projects on the ground through earmarked funds.

*2011 objectives of the EE TTF as per the UNDP Strategic Plan 2008-2013 and the EEG Global Programme

This report builds on the EE TTF 2010 Annual Report. In 2011, the availability of unearmarked funds was significantly lower than in previous years. As a result, UNDP has focused the available resources on those programme areas with greater impact and most in demand by developing countries, namely Promoting Adaptation to Climate Change and Mainstreaming Environment and Energy. In comparison to 2010, fewer on-the-ground initiatives could be supported and some programmes are being phased out as these are integrated into country office programming. However, the EE TTF has continued to serve as a catalytic instrument to mobilize funds and to make the link between national programmes and global policy processes. The more limited resources have been used strategically to mobilize funds for follow-up activities or replicate successful approaches in other countries. Examples of this catalytic impact are highlighted throughout the report.

The EE TTF continued to enable UNDP to deliver on the sustainable development priorities of its Strategic Plan 2008-2013 and to move the Environment and Energy Practice away from the previously thematic and project-based approaches towards more integrated programmatic ones. The EE TTF continues to be critical in making this transition by supporting strategic planning, guideline preparations and consultations with development partners; assisting global environmental policy processes and UN inter-agency coordination (such as the UN Development Group (UNDG), UN-Energy, UN-Water, UN-Oceans, etc.); and initiating a number of innovative interventions, particularly in the field of climate change and environmental financing. Major emphasis has been placed on ensuring the coherence of UNDP-supported environmental policies and programmes from the global to the regional and national levels and between regions. The EE TTF has continued to support such integration at different levels:

- **Policy advisory services:** The EE TTF continued to enable the provision of policy advice, capacity development and programme design support to national governments, UNDP Country Offices and international processes. For example, the EE TTF supported UNDP's involvement as an "active observer" in the **Climate Investment Funds (CIF)**, under which UNDP provided specific inputs into the CIF design process and assisted recipient developing countries in preparation of their participation. Similarly, UNDP provided dedicated technical expertise and resources to the design phase of the **Green Climate Fund (GCF)**, demonstrating leading-edge thinking on climate finance through the publication of advocacy papers and analyses on climate finance. UNDP is also providing support to the UN Secretary General's **Sustainable Energy for All (SE4All)** initiative and has increased investment in this area, including in decentralized renewable energy, energy efficiency efforts, and in national energy planning work.

The EE TTF has continued to serve as a catalytic instrument to mobilize funds and to make the link between national programmes and global policy processes.

The EE TTF has been instrumental in developing innovative initiatives on the ground while bringing in new partners and resources to respond to the urgent needs of countries to move towards sustainable development.

- **Informing global policy processes:** In the area of environmental negotiations, UNDP has built a strong reputation as a neutral trusted advisor to developing countries. In 2011, in response to strong demand, EE TTF funding enabled UNDP to provide capacity development services to partner governments and UNDP Country Offices in the lead-up to the 2011 UN Climate Change Conference in Durban, as well as to offer negotiation training to Least Developed Countries (LDCs) and female negotiators. In addition, UNDP supported the UN Conference on Sustainable Development, or Rio+20, preparatory process as co-chair of the undg Task Team on Environmental Sustainability, Climate Change and Rio+20. In the form of expertise and resources, UNDP advocated for strengthening all three dimensions of sustainable development and addressing them in an integrated manner at the country level. UNDP also supported national-level Rio+20 preparations by facilitating stock-taking exercises and multi-stakeholder dialogues in collaboration with the Department for Economic and Social Affairs (DESA).
- **Flagship initiatives:** Over the years, EE TTF support has enabled the development of a number of UNDP's most innovative and catalytic initiatives. These flagship initiatives, designed with support from UNDP's policy advisory services, include the UNDP-UNEP Poverty Environment Initiative (PEI), the Africa Adaptation Programme, UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD), and Green, Low-Emission and Climate-Resilient Development Strategies (Green LECRDS). These initiatives have in turn helped UNDP to raise the profile of environmental issues in the development agenda at the global, regional and country level.
- **Setting Corporate Standards for Environmental and Social Safeguards:** In 2011, funding from the EE TTF supported the development and testing of UNDP's new **Environmental and Social Screening Procedure**, which is being rolled out across UNDP in 2012. This new screening procedure provides an integrated environmental and social sustainability approach to programming that is consistent with international best practice. It looks at the potential environmental and social impacts of UNDP's projects, including those related to gender equality, indigenous peoples, climate change, ecosystems and biodiversity, livelihoods and health, and supports UNDP project developers in responding to increasingly complex and interconnected development challenges. With the introduction of this screening procedure, UNDP is also demonstrating its leadership in the application of such safeguards within the UN system. EE TTF funds have provided the primary source of funding to support this ongoing work and are contributing to the design and implementation of the new **Environ-**



mental and Social Compliance Review and Grievance Processes (Accountability Mechanism), intended to receive and address grievances of those affected by UNDP-supported projects. This mechanism will be a key component of ensuring UNDP's accountability with respect to the application of environmental and social safeguards and will further strengthen UNDP's capacity to respond to the needs of its clients, partners and stakeholders.

Photo by iStockphoto / Bartosz Hadyniak

- **Collaboration with the Multilateral Fund for the Implementation of the Montreal Protocol (MLF):** EE TTF support has been instrumental in catalyzing UNDP's work related to the Montreal Protocol, providing resources for innovative initiatives within ongoing programmes or opening up new strands of work. The EE TTF has continued to support the programme on **Mainstreaming Sound Management of Chemicals into National Development Planning**, which provides policy advice and coordination support to targeted projects in 12 countries. Additional resources have been leveraged through partnerships, for example, US\$1 million was mobilized to implement the programme in Belarus, Kazakhstan, Suriname and Vietnam.
- **Cross-practice integration:** Connecting and integrating UNDP areas of work to deliver integrated services at the national, regional and

global levels has been an EE TTF priority. Cross-practice work on climate change has increased, linking it to gender, capacity development, poverty reduction, and governance issues. Other examples include work on the poverty-environment nexus; cooperation with the Democratic Governance Group on UN-REDD, on anti-corruption mechanisms and the linkages with aid effectiveness and climate finance in Asia and Africa; as well as cooperation with the Capacity Development Group, Poverty Group and Gender Team in supporting the activities of the Africa Adaptation Programme.

- **UN system-wide and inter-agency collaboration:** The EE TTF enabled UNDP to contribute to the increased coherence of environmental programmes at the UN system level through its work under the UNDG, UN-Energy, UN-Water, UN-Oceans, and other inter-agency collaborative initiatives, such as PEI and the Inter-governmental Panel on Biodiversity and Ecosystem Services.
- **Facilitating knowledge sharing:** Finally, the EE TTF supported UNDP to connect people to knowledge across the four strategic areas of Environment and Energy. In 2011, UNDP produced various knowledge products that were strategically used to support policy makers and development practitioners on the ground. Government decision-makers and UNDP Country Offices were provided with a variety of methodologies to prepare LECRDS. In addition, the web-based Climate Finance Options Platform, developed by UNDP and the World Bank, continues to serve as a key source of information, particularly for stakeholders in developing countries, on how to mobilize and combine different sources of finance to address climate change. Similarly, with EE TTF support, UNDP's Environment and Energy Network (EE-Net) – a community of practice with over 1,400 members – effectively enabled and facilitated the sharing of experiences and knowledge on policies, programmes and projects related to environment and energy issues, reaching out to the 170 countries and territories where UNDP is active.

This report highlights the main achievements made in 2011 thanks to the generous support from the EE TTF donors. It also covers the emerging priorities of UNDP's Environment and Energy practice to support developing countries in a time when multiple financial, economic and environmental crises threaten to undo the development gains of the last decade.

ACHIEVEMENTS IN 2011

This section highlights key results achieved within the four strategic areas of the UNDP Strategic Plan (2008-2013) that were financed through the EE TTF in 2011. Detailed results can be found in Annex I: Summary of Reported Results for 2011.

MAINSTREAMING ENVIRONMENT AND ENERGY

The confluence of climate change and ecosystem decline in the face of pervasive and persistent poverty has brought a new urgency to achieving sustainable development. There cannot be true progress toward poverty reduction without addressing environmental and energy challenges and opportunities. Sound and equitable management of the environment is integral to pro-poor growth and the achievement of the Millennium Development Goals (MDGs). UNDP helps build the capacities of countries to integrate pro-poor environment and climate issues into national, sector and sub-national development plans and budgets to ensure that environmental actions benefit the poor.

Key results achieved through support from the EE TTF in 2011

- Global policy support and backstopping provided to programme countries in preparation for Rio+20.
- Strengthened integration of environmental sustainability and climate change into UNDAFs.
- UNDPs Environmental and Social Safeguards piloted and finalized.
- Framework developed for the strategic quality review of environmental sustainability and climate change in CPDs.

Global level policy advisory services

The EE TTF enabled UNDP to achieve, amongst others, the following results at the global level:

- **Poverty-Environment Nexus:** The EE TTF, in conjunction with other resources, enabled UNDP to respond to the recommendations from

"UNDP is ideally situated to strengthen partnerships within the United Nations system to coordinate action on poverty alleviation and environmental protection."

**Evaluation of UNDP
Contribution to
Environmental
Management for Poverty
Reduction: The Poverty-
Environment Nexus**
December 2010

the 2010 evaluation of UNDP's contribution to environmental management for poverty reduction. The evaluation noted that while UNDP is highly aware of the importance of the poverty-environment nexus for sustainable development, this awareness is uneven within the organization. Amongst others, the evaluation recommended enhancing the learning across practices, including replicating successes and overcoming functional silos that prevent cooperation between focus areas. In response to this evaluation, a cross-practice team with the poverty group was established to develop working arrangements around key policy issues. A systematic review of past and recent literature on the poverty-environment nexus and its implications for development programming and emerging scenarios was conducted. In addition, PEI documented and shared lessons learned to inform UNDP programming. These efforts will lay the groundwork for strengthened cross-practice collaboration and policy support to countries on issues related to the poverty-environment nexus.

- **UNDP Environmental and Social Safeguards:** In 2011, UNDP conducted a trial phase of a safeguards procedure that integrates the environmental and social dimensions to ensure quality programming. UNDP worked with 10 Country Offices (Afghanistan, Belarus, Bosnia and Herzegovina, Burkina Faso, Cuba, Ghana, Kazakhstan, Lesotho, Nicaragua, and Sudan) to apply the screening tool and provide feedback. With the approval of UNDP's Organizational Performance Group, a phased roll-out approach was adopted and a cross-bureau Steering Group was formed to provide strategic oversight to the ground-truthing and roll-out process. The new procedure will be implemented across the organization starting in 2012. The EE TTF is the primary source of funding for this ongoing work.
- **Framework for Advancing Environmental and Social Sustainability in the UN System:** UNDP continued to support and co-chair the consultative process coordinated under the auspices of the UN Environment Management Group (EMG) to strengthen environmental and social safeguards across the UN system. This has culminated in the development of a Framework for Advancing Environmental and Social Sustainability in the UN System, which was endorsed by Senior Officials of the EMG in September 2011 and provided as an input to the Rio+20 process. With the EE TTF financial contribution, UNDP was able to play a lead role in the development of this framework.



- **Gender and Environment:** EE TTF funds ensured that EEG maintained a gender focal point to continue to strengthen collaboration with the Gender Team and to implement and report on UNDP's Gender Equality Strategy. In 2011, the EE TTF supported 1) a stocktaking of key UNDP gender and environment guidance, advocacy, policy papers, and case studies; 2) a stocktaking of UNDP environmental projects that potentially have significant gender components; and 3) the elaboration of seven case studies of gender-environment projects.
- **Mainstreaming Environment and Climate Change in Country Programmes:** In 2011, EEG developed a framework for the strategic quality review of environmental sustainability and climate change in CPDs. This framework was used to conduct a review of and pro-

Photo by IFAD/ David Rose

vide comments on approximately 40 CPDs. A final review of overall findings and lessons was prepared and shared with UNDP's Regional Bureaux. EE TTF resources contributed to this process.

"Throughout our work, we advise our partners not to pursue economic, social, and environmental objectives as competing goals, but rather to treat them as interconnected and mutually reinforcing objectives. UNDP is therefore strongly committed to lead by example and green our own operations."

Helen Clark
UNDP Administrator

- **Rio+20 national preparations:** In 2011, UNDP and DESA initiated a partnership, funded by the government of Finland as well as through other sources, to support national preparations for Rio+20 in over 80 countries. This initiative supports country-level stocktaking, multi-stakeholder dialogue processes and the elaboration of a final report. A guidance note was developed on supporting national preparations for Rio+20. UNDP Country Offices took the lead in providing policy support to countries participating in this initiative.
- **Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) ENVIRONET:** UNDP continued to play an active role in OECD DAC ENVIRONET, a network that enhances the coherence of OECD country policies in the areas of environment and development co-operation. In particular, UNDP contributes to various task teams related to climate change, Strategic Environmental Assessment (SEA), and governance and capacity development. As part of its support, UNDP continued to maintain and moderate the website and network for the SEA Task Team. Additionally, UNDP provided inputs to the OECD DAC's new guide, Greening Development: Enhancing Capacity for Environmental Management and Governance, which was published in early 2012.
- **Greening UNDP Carbon Neutrality:** Since 2010, the EE TTF has been instrumental in greening UNDP's own operations and moving the organization towards climate neutrality. With EE TTF support, UNDP has established itself as a leading organization in the UN-wide 'Greening the Blue' initiative. In 2011, the UNDP Green Team, established to manage the initiative, coordinated the 'greening' efforts of more than 60 UNDP offices and provided technical helpdesk support for measuring, reducing and offsetting Greenhouse Gas (GHG) emissions from UNDP operations. The Green Team ensures that UNDP greening efforts comply with UN-wide methodologies, approaches and standards agreed upon by the UN Issue Management Group on Sustainability Management. The Green Team also played a proactive role in supporting the UNEP's Sustainable United Nations Facility by contributing to the development of UN standards and guidance for measuring, reducing and offsetting GHG emissions within the UN context.

On-the-ground delivery

The EE TTF enabled UNDP to achieve, amongst others, the following results on the ground:

- **Integration of Environmental Sustainability and Climate Change in UNDAFs:** Earmarked funds channeled through the EE TTF for the **Project Integrating Climate Change Risks into National Development Processes and UN Country Programming**, supported UN Country Teams (UNCTs) to mainstream environment and climate change in their UNDAFs. By linking up country level efforts with the **UNDG Task Team on Environmental Sustainability, Climate Change and Rio+20**, the project contributed to the delivery of regional training workshops in Nairobi, Bangkok and Panama for 83 staff members from 38 UNCTs rolling out their UNDAFs in 2011 and 2012. The workshop enabled participants to identify opportunities and tools for mainstreaming environmental sustainability, climate change and disaster risk reduction as part of the UNDAF preparation process. The project also contributed to the **Rio+20 preparation process** by coordinating and analyzing a UNDG Task Team survey on UNCT experiences supporting government efforts to green their economies in the context of sustainable development and poverty eradication. Finally, the project supported the mainstreaming of climate change considerations into UNDP's new Environmental and Social Screening Procedure.
- **Increased attention to environmental issues in Country Office activities:** An analysis of CPDs from recent years shows that environmental concerns are drawing increasing attention and are more visibly addressed. There is also an increase in the volume of funding dedicated to the environmental field, in particular in relation to climate change, which has experienced a 300% increase between 2008 and 2011 (measured as expenditures in Country Offices globally). In line with this, UNDP Country Offices have also increased their allocation of core resources (TRAC) to environment and climate change activities. This is in response to the increasing demand for support in these same areas by host countries, as well as a reflection of the policy and technical/advocacy work that is carried out globally, regionally and at the country level, and which the EE TTF is supporting.
- **UNDP-UNEP Poverty-Environment Initiative (PEI):** PEI supports country-led efforts to integrate pro-poor environmental issues into development planning, implementation and monitoring at national and local levels. In 2011, earmarked funds channeled through the EE TTF supported PEI in undertaking ecosystem and human well-

being assessments, also known as Sub-Global Assessments (SGA), in Thailand and Guatemala. These assessments help develop country-specific evidence to justify budget increases in environmental sustainability. In Thailand, the SGA was undertaken in close collaboration with provincial administrations, farmer groups, private sector associations and community groups, and will be completed this year. The SGA process in Guatemala commenced in late 2011, with strong country interest and engagement, and additional resources mobilized for its implementation.

- **Water Governance:** Over the years, EE TTF resources have been strategically used to provide management and oversight to the activities of the Water Governance Facility, 'Every Drop Matters', GoAL WaSH, and the Capacity Building for Integrated Water Resource Management (Cap-Net) programmes. These initiatives have generated new knowledge, scaled up delivery and leveraged substantial co-financing. The UNDP Water Governance Facility, mainly supported by Sweden, provides policy support and advice on water gov-

Photo by UN/ Fred Noy



ernance reforms. As reported in 2010, Iraq, Jordan, Mongolia and the Palestinian Territories benefited from comprehensive advice and technical support for policy formulation through the Facility. In 2011, through its policy advisory services, UNDP provided support to water governance reforms in more than 20 countries in relation to both water resources and water supply and sanitation. The EE TTF also supported the implementation of the UNDP Water Governance Strategy and developed a number of reports and tools on water governance. Additional resources were mobilized from other donors with support from the EE TTF. For example, the Water Governance Facility secured close to US\$ 2.3 million in additional external funding for Water Integrity Training in Sub-Saharan Africa. The Every Drop Matters programme, a partnership between UNDP and the Coca Cola Company, leveraged over US\$ 130,000 in-cash and almost US\$ 394,000 in-kind contribution through partnering agencies and donors.

- **Sound Chemicals Management:** EE TTF resources continued to support the programme on **Mainstreaming Sound Management of Chemicals into National Development Planning**. The programme provides policy advice and programme coordination support to targeted projects in 12 countries (Belarus, Belize, Ecuador, Honduras, Kazakhstan, Kyrgyzstan, Liberia, Mauritania, Moldova, Nigeria, Suriname, Vietnam). For example, through EE TTF support, Belize developed an action plan to mainstream sound management of chemicals into national development plans. As a result of this work, mainstreaming sound management of chemicals has become an integral part of the Belize Medium-Term Development Strategy (2010-2013) and is a component of the Horizon 2030 development plan. In addition, EE TTF funds supported countries by providing policy advice on emerging chemicals and waste priorities that have profound poverty, governance and gender dimensions. The EE TTF also helped leverage additional resources through partnerships. For example, US\$ 1 million was mobilized towards the implementation of the programme in Belarus, Kazakhstan, Suriname and Vietnam. The EE TTF funds also made possible the assessment of the regulatory, socio-economic and technical situation for processing of electric and electronic waste (e-waste) in Burkina Faso, El Salvador, Jordan and Serbia. The EE TTF funds are also supporting global advocacy and fostering UN agency and bilateral donor partnerships on chemicals and hazardous waste for facilitating sound management of chemicals mainstreaming as well as sector relevant priority issues contributing to the MDGs and wider UNDP goals, including gender.

The above mentioned country-level activities and programmes are increasingly implemented as part of an integrated package of support that UNDP and its partners are providing to help countries achieve sustainable human development. The EE TTF continues to play its catalytic role in making this integration possible at the global, national and sub-national levels by contributing to UNDP's support to UN system-wide coordination mechanisms and its work on the ground.

"We're giving governments a recipe on how to access more funding and how to improve management of climate change activities. Through national climate funds, countries can access more financing and accelerate their response to climate change. This can be a major contribution to setting the world on a cleaner, more equitable and sustainable path."

Olav Kjørven

*UN Assistant Secretary-General
and Director of UNDP's Bureau
for Development Policy*

ENVIRONMENTAL FINANCE

Poor people depend heavily on the natural environment for their livelihoods and are often more vulnerable to degraded environmental conditions, natural disasters and the impacts of climate change. These environmental challenges are fundamentally development challenges and a key response must include an integrated approach to environmental financing that enables the delivery of multiple development benefits including poverty reduction and sustainable livelihoods, green employment and biodiversity conservation. UNDP helps national and sub-national governments to prepare sustainable development action plans that identify priority measures, and provides guidance on how to access new sources of environmental finance and design the most appropriate financing schemes and policies.

In 2011, this key result area received significantly lower contributions compared to 2010. As a result, there was less possibility of supporting innovative projects on the ground and UNDP focused on using the available resources to provide catalytic support to partner countries in the area of climate financing.

Key results achieved through support from the EE TTF in 2011

- Partner countries supported on **direct access to climate finance**.
- **Climate policy expenditure and institutional reviews (CPEIRs)** undertaken in programme countries.
- Technical expertise and documentation provided in the design of the **Green Climate Fund (GCF)**.

Global level policy advisory services

The EE TTF enabled UNDP to achieve, amongst others, the following results at the global level:



- UNDP significantly scaled up its work on climate finance and developed and implemented a number of initiatives aimed at advancing global knowledge on climate change issues and building national capacities to address them. This work included research, analysis, and support to partner countries on direct access to climate finance. EE TTF support enabled UNDP to test a capacity assessment tool to identify National Implementing Entities for direct access to the Adaptation Fund in Burkina Faso, Laos, and Mozambique (with UNEP). UNDP also co-authored with the Overseas Development Institute (ODI) a discussion paper on lessons learned on **direct access to climate finance**. The paper is intended to inform the current and future discussions on direct access modalities, including within the design process for the GCF. With EE TTF support, UNDP provided training on national climate funds for environmental focal points in the RBEC region. UNDP also published a guidebook on the design and establishment of national climate funds. The guidebook aims to enable developing country government decision-makers, UNDP Country Offices and project managers to acquaint themselves with a variety of methodologies most appropriate to their development contexts in support of their transition to green, low-emission and climate-resilient development.

Photo by UNDP/ Adam Rogers

- UNDP provided support to governments for **finance readiness (including for Reducing Emissions from Deforestation and Forest Degradation (REDD+), Technology and Adaptation funding)** in the framework of Green LECRDS.
- With EE TTF resources, UNDP supported **CPEIRs** in programme countries (Nepal, Bangladesh and Thailand), in cooperation with the Asian Development Bank (ADB), the World Bank and the OECD. The CPEIR assesses to what extent government expenditures are climate related, what delivery mechanisms are being used, and how well the institutional arrangements are functioning. UNDP also advanced work on the linkages between aid effectiveness and climate finance in Asia and Africa in collaboration with OECD, ADB, and the African Development Bank (AfDB).
- UNDP has been strongly engaged in the design of the **GCF** as a major new component of the global climate change architecture. In 2011, UNDP provided dedicated technical expertise and documentation to the intergovernmental process designing the GCF, and supported its adoption at the UNFCCC conference in Durban. UNDP will continue to provide technical expertise as needed while the GCF Board undertakes the fund's design and operationalization.
- The web-based **Climate Finance Options Platform**, developed by UNDP and the World Bank with EE TTF support, continued to serve as a key source of information, particularly for stakeholders in developing countries, on how to mobilize and combine different sources of finance to address climate change. In 2011, the platform attracted over 30,000 visitors and data was accessed over 100,000 times. It is currently being replicated in Hanoi by UNDP and World Bank country offices for a Vietnam-focused national Climate Finance Option Platform. Potential partnerships with the World Bank Group's Climate Innovation Centre are also being explored.

On-the-ground delivery

The EE TTF enabled UNDP to achieve, amongst others, the following results on the ground:

- UNDP continued contributing to the **Climate Investment Funds (CIFs)** channeled through the Multilateral Development Banks through its formal role as an "active observer." The CIFs are a set of funds to help developing countries pilot transformations in clean technology, sustainable management of forests, increased energy access through scaled-up renewable energy in low-income countries, and low emission and

climate-resilient development. In 2011, UNDP provided targeted support to 6 pilot countries (Ethiopia, Honduras, Maldives, Mali, Nepal and Kenya) under the “Scaling Up Renewable Energy in Low-Income Countries” program by participating in joint missions and in the development of investment plans.

- To help remove barriers and institutionalize systematic approaches for scaling-up the production of sustainable agricultural commodities, UNDP through the **Green Commodities Facility** is supporting developing countries to address environmental externalities within the supply chain, strengthen financial sustainability for technical assistance, reform policies to level the production playing field, and introduce incentives for sustainability. Since 2009, EE TTF resources, in conjunction with other funds, have supported the Facility in contributing to transformational change through the development of innovative National Commodity

Green Commodities Facility: National Platform of Responsible Production and Trade of Costa Rican Pineapple



Photo by UNDP/ Nancy McGirr

The production and trade of pineapple in Costa Rica generates approximately US\$ 140 million annually and contributes to 8 percent of global pineapple production. The production model in Costa Rica is sustainable from a macroeconomic and international market perspective (due to rising demand) and from producers and exporters standpoint, as no other agricultural product generates the same level of utility per hectare as the pineapple. Nevertheless, environmentalist, grassroots and cattle ranching organizations have claimed that pineapple expansion has caused severe impacts to local communities due to agrochemical run-off into water sources, poorly managed plantation waste that stimulates the breeding of a hematophagous fly that affects cattle ranching activities, high-

level of erosion from tillage practices in plantations, and violations of trade union rights by some plantation owners. This has led to an escalating conflict between producers/exporters and rural communities, environmentalists groups, and cattle ranchers. In 2010, to address this conflict and to promote the responsible production and trade of pineapple, the Green Commodities Facility helped establish the *National Platform of Responsible Production and Trade of Costa Rican Pineapple*. The Vice-presidency of the Republic, with support from UNDP's Green Commodities Facility, implemented a 24-month long multi-stakeholder and inter-institutional dialogue. The National Platform coordinates actions among all the major stakeholders of the supply chain, such as producers and companies involved in production and exports of pineapple from Costa Rica, national and international buyers, civil society organizations, and relevant ministries. It aims to articulate multi-sector actions into a joint strategy that will reduce negative impacts, increase social benefits, and mobilize additional resources to institutionalize the responsible production and trade of pineapple in Costa Rica.

Platforms — a new public-private partnership and mechanism of inclusive participation to promote sustainability at scale. Platforms have been established in Costa Rica for pineapple (see box) and politically agreed to be established in Ghana and the Dominican Republic for cocoa, in Indonesia for palm oil, in Ethiopia for coffee, and in Mozambique for rice. The Facility's outreach and development of partnerships with multi-national companies – traders (Cargill), retailers (Walmart, Tesco), manufacturers (Kraft, IKEA) – have enabled the establishment of public-private partnerships between companies and government partners at the country level, which is critical in promoting sustainable agriculture, environmental management and rural development.

- With earmarked funds, the EE TTF continued its support to the **Carbon-2012 project**, which promotes the uptake of the Kyoto Protocol's Clean Development Mechanism (CDM) as a tool for increasing investments in lower carbon-intensity development in the Latin America and Caribbean region. In 2011, with EE TTF resources, the Carbon-2012 project supported capacity development activities through three workshops that trained participants on the main principles of the CDM, identifying opportunities and challenges for the implementation of projects related to carbon markets, and sharing lessons learned and best practices. Through one of these workshops, six projects were identified as having the potential to become CDM Programme of Activities in the following sectors: wind energy generation, treatment of refrigeration residues, solar panels, treatment of effluents from dairy industry, and residential energy micro-generation.
- As reported in 2010, the EE TTF, in conjunction with other funds, provides support to UNDP's **Regional CDM Capacity Development in Africa project**. The project assists participating countries in creating an operational CDM framework to promote access to the carbon market, financing and technology. In 2011, the project supported the Kenya Tea Development Association to prepare the groundwork for a CDM Programme of Activities that would develop several micro-hydro generation facilities in the Highlands to provide clean electricity to tea factories and the grid. UNDP's MDG Carbon Facility is also assisting the Kenya Tea Development Association to identify a purchaser for the carbon credits that the project will generate. In addition, the project funded the formulation and validation of the Grid Emission Factor for the designated national authority (DNA) in Kenya. This critical element will benefit a number of carbon-related activities in Kenya. In Ethiopia, the Regional CDM Capacity Development project provided continued scoping and capacity strengthening support to the DNA, while in Mauritius it funded a National Coordinator. As in previous years, the project sponsored the participation of 15 representatives from African countries in the third Af-

rica Carbon Forum, held in Morocco, in 2011. This is the premier annual carbon event and trade show in Africa, co-organized by UNDP together with UNEP, the World Bank, the United Nations Framework Convention on Climate Change Secretariat and IETA as founding members of the Nairobi Framework partnership.

PROMOTING ADAPTATION TO CLIMATE CHANGE

Climate change poses extreme challenges to society, particularly in developing countries. The impacts of climate change could reverse decades' worth of human development gains and threaten achievement of the MDGs. While many developing countries remain the most vulnerable to these current and future threats, they have limited capacity to adapt to climate impacts. Addressing climate change is a monumental challenge precisely because it requires transforming whole economies in a more sustainable and resilient direction. UNDP supports developing countries to formulate and implement green, low-emission and climate resilient development strategies (Green LECRDS). This work encompasses support in international climate change negotiations, formulation of national and sub-national policies, and capacity development for addressing the challenges posed by climate change, including to access, combine and sequence various sources of financing. Within UNDP, adaptation and mitigation activities are not seen in isolation but treated as complementary within a low-emission, climate-resilient development framework.

Due to increased demand for support in the area of climate change from programme countries, in 2011, EEG concentrated available resources on climate change policy services and strategic initiatives likely to have a catalytic effect. For example, the EE TTF financed the **Capacity Development to Support Policy Makers to Address Climate Change** project, which, thanks to the successful results achieved in a number of countries, catalyzed additional climate change initiatives as countries began to use the outcomes of the project in various ways.

"Looking forward, the entire UN development system - with its network of country offices and its tremendous knowledge on all areas related to climate change, including on its inseparable link to development - is acting to promote climate-resilient development, and to support countries to place adaptation, and indeed mitigation, strategies at the very center of their national development plans."

Helen Clark
UNDP Administrator

Key results achieved through support from the EE TTF in 2011

- Knowledge and advocacy activities on climate change coordinated, including engagement in the UNFCCC negotiations at global and national levels.
- Regional level policy advice provided to LDCs and SIDS on climate change, including on direct access, REDD+, and Finance, Technology and Adaptation readiness.

ACHIEVEMENTS IN 2011

- Establishment of the SIDS DOCK programme to help SIDS transition to low-emission, climate-resilient development.
- Strengthened capacity of government decision-makers, UNCTs and UNDP Country Offices to integrate climate change risks into national development policy and planning, and UN country programming.

Global level policy advisory services

As in 2010, in 2011 the EE TTF enabled EEG, on behalf of UNDP and in close consultation with other UN agencies, to contribute to global climate change policy processes, to translate the outcome of these processes into impact at the national level, and to assist countries to have their concerns heard at the global level.

“An important part of UNDP’s work in this field is ... to support developing countries to mainstream environmental concerns into development policies and investments, and to formulate, finance, and implement green, low emission, and climate resilient strategies.”

Rebeca Grynspar

UNDP Associate Administrator

- UNDP continued to scale up climate change assistance in response to overwhelming demand from programme countries. Funding from the EE TTF supported the coordination of UNDP’s global knowledge and advocacy activities on climate change within the global development agenda. This included an intense engagement with the **UNFCCC** negotiations, at both global and national levels, through development of discussion papers on key emerging areas of climate change assistance, organization of workshops and side events for policy-makers and stakeholders, and development and roll-out of the organization’s climate negotiations capacity development toolkit, covering all regions.
- The EE TTF helped support UNDP involvement as an “active observer” in the **Climate Investment Funds (CIFs)**, under which UNDP provided specific inputs into the CIF investment plan design process and supported the participation of recipient developing countries in Joint CIF-Multilateral Development Banks missions.
- Funding from the EE TTF also enabled UNDP to increase the provision of dedicated Climate Change support to LDCs and Small Island Developing States (SIDS) via UNDP’s Regional Bureaux. For example, UNDP’s **Integrating Climate Change Risks into Development Planning and Programming (ICCPP)** programme provides regional level policy support for climate change, and has been closely aligned with UNDP’s strategic initiative ‘**Boots on the Ground**’, which supports national climate policy officers to deliver high quality, timely advice on climate change to 26 low income countries (LICs), including 23 LDCs. The ICCPP regional policy advisors provide climate policy support to all countries in their respective regions and work seamlessly with the Boots on the Ground regional and national climate policy



advisors and environment focal points in other countries as needed. In 2011, the regional advisors and Boots on the Ground officers provided support to governments on REDD+, and Finance, Technology and Adaptation readiness. Support was also provided on CPEIRs, in cooperation with ADB, the World Bank and the OECD.

Photo by UN/ UNFCCC/ Jon Golinski

- Building on initial results achieved in 2011 and by leveraging the climate policy-related outreach, capacity building and training activities supported by the EE TTF, UNDP's Executive Board extended its strategic initiative '**Boots on the Ground**' to address climate change in LDCs for an additional two years. The programme continues to pilot innovative approaches in the area of climate change policy and knowledge management, backstopped by the regional climate policy advisors. The programme also benefited from EE TTF-funded policy advice and methodological tools, critical contributions for its assistance to LDC governments.

SIDS DOCK Programme

Supporting Small Island Developing States to transition to low-emission, climate-resilient development; demonstrating a pathway to limiting global average temperature rise to 1.5°C, that is pro-poor and pro-MDGs. Established in mid- 2011 by UNDP, the World Bank, the Government of Denmark and the Alliance of Small Island States (AOSIS), the overarching goal of the SIDS DOCK programme is to support SIDS to develop and deploy renewable energy and energy efficiency initiatives that are expected to contribute to the reduction of fossil fuel imports and GHG emissions and development benefits, such as green jobs creation, poverty reduction and health benefits, in the long term. These initiatives are also expected to generate increased fiscal space from avoided petroleum imports to support climate adaptation activities, which will further help promote SIDS in meeting the MDGs. Critical to these objectives is for SIDS to create an enabling environment, including relevant legal and regulatory frameworks and market support mechanisms. A core element of this is the development of a global SIDS energy platform, termed SIDS DOCK, which acts as a “docking station” through which SIDS can access global financial flows. The platform is a south-south, SIDS-SIDS knowledge sharing and expertise hub on energy for the programme’s current 30 member countries. In 2011, with support from the EE TTF, the Government of Denmark and AOSIS, SIDS DOCK held its first meeting of national coordinators and regional agencies responsible for energy programmes. Participants made decisions on regional priorities for SIDS DOCK projects and reviewed plans, including with respect to the online platform. At the first meeting of the Programme Coordination Group, the Government of Denmark allocated US\$10.5 million to a range of SIDS DOCK projects, with implementation duties shared between the World Bank and UNDP. UNDP will implement US\$2 million on renewable energy projects in the Pacific region, US\$2 million on Caribbean energy efficiency projects, and US\$1 million on a project in Mauritius that aims to remove barriers to enhancing energy efficiency in buildings.

On-the-ground delivery

In 2011, with EE TTF support, UNDP continued to assist developing countries in scaling up efforts that address climate change while advancing and strengthening national development priorities. The area of climate change offers good examples of how the EE TTF is used to catalyze additional resources from a diverse array of sources and donors to support country-driven programmes and build the capacities of countries.

- **The Capacity Development to Support Policy Makers to Address Climate Change** project, implemented with earmarked funds since 2009, aimed to increase national capacity to coordinate ministerial and stakeholder views on climate change, leading to enhanced participation in the UNFCCC process. In addition, the project provided support for long-term climate change planning and priority setting, using financial needs assessments. The project achieved successful results in a number of countries and as a result it has been catalytic in mobilizing resources from other donors. In terms of impacts on the ground, the results achieved by the project have led to additional climate change initiatives as countries used the outcomes of their needs assessments in various ways (see box).

Catalytic effects of the Capacity Development to Support Policy Makers to Address Climate Change project

Countries that undertook financial assessments have made use of the project outcomes in the following ways:

- **Dominican Republic:** the climate change inter-ministerial committee established to develop Investment and Financial Flows (IFF) assessments under the project is now being used for planning LECRDS.
- **Gambia:** the Government plans to incorporate the recommendations emerging from the project's financial needs assessments into its national development plan.
- **Turkmenistan:** one of the recommendations of the IFF assessments - the development of environmental standards for energy efficiency and improving water resource management - is being implemented, and will be integrated into the legislative framework.
- **Bangladesh:** IFF assessment results have provided insights to the climate public expenditure review for the OECD/ADB/UNDP.
- **Niger:** the results of the assessments are infused into National Action Plans and National Development Plans.
- **Colombia:** the costs of producing and importing agriculture staples were quantified to inform sector policies.

- With earmarked funds channelled through the EE TTF, the **Integrating Climate Change Risks into National Development Processes and UN Country Programming** project, helped strengthen the capacity of government decision-makers, UNCTs and UNDP Country Offices to integrate climate change risks into national development policy and planning and UN country programming in five focus countries – Cape Verde, Colombia, El Salvador, Malawi and Nicaragua. The project successfully codified the knowledge related to integrating climate change risks into planning by gathering and analyzing the project's experience in the form of a range of knowledge products, including multilingual project brochures, an online depository of project-related documentation and a final lessons learned report featuring a six-step approach to mainstream climate change into development plans.
- **Zambia:** In conjunction with other funds, the EE TTF provided support to the national Climate Change Facilitation Unit (CCFU). Established in 2009 by the Ministry of Tourism, Environment and Natural Resources, with support from UNDP and the Norwegian Government, the CCFU is an extended arm of the Zambian Government



Photo by UNDP

mandated to spearhead on-going climate change activities in the country. The CCFU successfully facilitated the formulation of a National Climate Change Response Strategy, coordinating the participation of relevant stakeholders in the process. Other initiatives included awareness and advocacy, facilitating analytical works and strengthening Zambia's participation in international conferences. Demonstrating the catalytic effect of the EE TTF, in 2012 the CCFU will be replaced by a new structure, a Climate Change and Development Council and an inter-ministerial Climate Change Secretariat that will continue the CCFU's work.

- **Mexico:** The EE TTF supported the Government in the formulation of the country's **National Adaptation Strategy**, a key part of the national LECRDS currently under development. UNDP is guiding and facilitating the development of the Strategy, promoting the collaboration between participating Ministries and providing methodologi-

cal support. Through systematic communication and the use of clear methodologies that encourage better coordination between Ministries, the initiative has successfully strengthened national capacities to articulate public policies on adaptation and to implement measures to reduce vulnerability to climate change. UNDP's participatory approach has enabled national ownership, helping to strengthen and validate the design of the strategy. This approach is expected to provide a model for the design, development and implementation of holistic public policies which explicitly recognize the implications of climate change on development in Mexico, enabling replication in other countries and at sub-national level.

- **Moldova:** Earmarked funds are supporting the **Climate Risk Management at the Local Level** project (see box), part of the larger regional project, "Capacity Development for Climate Risk Management in Eastern Europe and the Commonwealth of Independent States." The project was initiated in 2011 to reduce vulnerabilities and strengthen capacities to manage climate risks at the local level. Due to its success in the first 20 communities, an additional 70 communities have been selected to receive assistance in applying the methodology developed under another UNDP initiative, the Joint Integrated Local Development Project, again highlighting the catalytic nature of projects supported by the EE TTF.

Improving Climate Risk Management at Local Level in Moldova



Photo by UNDP Moldova

For over a decade, the residents of the Tiganca community in Moldova have struggled to secure their houses from the effects of increased and more variable periods of rainfall, which have led to more frequent landslides and higher underground water levels, further increasing the probability of landslides. Local public authorities had requested support from the national government and the international community to develop their skills to better deal with climate risks so that local engineers can provide quality services to local people. These knowledge gaps are being addressed in Tiganca and 20 other Moldovan communities through the Climate Risk Management at the Local Level project, providing local public administration, NGO and development partners with a methodology to identify, assess and manage disaster and

climate risks. The project is working with local administrations to systematically include the results of climate risk assessments into local development planning. In addition to training support, the project developed a local level risk management toolkit for communities to independently update risk assessments and risk management plans, enabling them to better deal with current and future effects of climate change.

EXPANDING ACCESS TO ENVIRONMENTAL AND ENERGY SERVICES FOR THE POOR

Key structural environmental problems affect the possibilities for attaining sustainable development. Lack of access to reliable and modern energy services, clean water and sanitation, the degradation of ecosystems and the accumulation of hazardous wastes continue threatening development gains. The poor, especially in rural areas, continue to face the most severe impacts of ecosystems degradation as they are directly dependent on natural resources for their food and livelihoods. UNDP is contributing to pro-poor economic growth based on sound environmental management. This includes increased access to energy and water for under-served populations and promoting the sustainable use of natural resources to support livelihoods.

“Energy is central to everything we do – from powering our economies to achieving the Millennium Development Goals... from combating climate change to underpinning global security.”

Ban Ki-moon
UN Secretary-General

In 2011, this key result area received significantly lower contributions for policy services and on-the-ground initiatives in comparison with previous years. UNDP has focused the available resources on key objectives for 2011, for example designing a new Accountability Mechanism to provide quality assurance for UNDP’s programming and providing policy support to projects. In addition, the EE TTF enabled UNDP to participate in global policy discussions, mainly in the energy and water sectors.

Key results achieved through support from the EE TTF in 2011

- Design and implementation of UNDP’s new Environmental and Social Compliance Review and Grievance Processes (Accountability Mechanism).
- Policy support and implementation of projects on-the-ground through earmarked funds.

Global level policy advisory services

The EE TTF enabled UNDP to achieve the following key results at the global level:

- Funding from the EE TTF contributed to the design and implementation of new **Environmental and Social Compliance Review** and Grievance Processes (Accountability Mechanism) with two objectives: i) to ensure compliance with UNDP’s environmental and social policies and procedures through investigation and reporting on potential violations; and ii) to provide an opportunity for receiving and addressing specific grievances of people affected by UNDP-supported projects and programmes. This mechanism will be a key



Photo by UN/ Eskinder Debebe

component of ensuring accountability to the application of UNDP's new environmental and social safeguards and will further strengthen UNDP's capacity to respond to the needs of its clients, partners and stakeholders. This is particularly relevant in the context of community-based initiatives at local levels, such as the GEF Small Grants Programme, as this new accountability mechanism will provide access to processes to empower and protect the rights and interests of local communities and vulnerable groups, affording them a greater voice and a fair hearing in the development process.

- **Local Access Programme:** In 2011, the EE TTF enabled UNDP to support the participation of communities and integration of related issues, lessons and concerns into the Convention on Biological Diversity (CBD) Conference of the Parties (COP) process by liaising and coordinating activities and sharing knowledge with key partners at the local government and municipality level. At the COP11, UNDP disseminated innovative, community-based good practices and lessons that reflected the contributions of local actors to environmental protection, sustainable development, climate change and MDGs. In addition, support was provided to coordinating knowledge management products with other programmes, including the Equator Initiative and UN-REDD.
- **Down to Earth: Territorial Approach to Climate Change (TACC):** This global initiative supported by earmarked funds enables sub-

national authorities to identify risks and opportunities related to climate change and to integrate priority mitigation and adaptation measures into sustainable development planning and programming, taking into consideration gender aspects. In 2011, in conjunction with other funds, the TACC successfully raised awareness on the development of strategies on climate change issues at sub-national level in selected countries and began implementation of sub-national projects on LECRDS in Colombia, Uganda, Uruguay and Senegal. In the same reporting period, TACC also published a number of Green LECRDS guidance manuals and toolkits that are being used successfully by a number of UNDP climate change projects by providing methodologies to programme countries on how to inter alia prepare LECRDSs, formulate climate change scenarios and catalyze climate finance.

- On Energy, UNDP continued its focus on increasing access to affordable, clean and modern energy for development, specifically for the poor. In 2011, UNDP provided support to the **UN Secretary General's Sustainable Energy for All (SE4ALL)** initiative and its three inter-linked objectives: 1) Ensure universal access to modern energy services; 2) Double the global rate of improvement in energy efficiency; and 3) Double the share of renewable energy in the global energy mix. With EE TTF support, UNDP participated in high-level global policy fora to continue to advocate for universal access to sustainable energy services for the poor. UNDP, along with other development partners at the national level, is facilitating the translation of the SE4ALL objectives into nationally tailored plans of action towards achieving sustainable energy for all on the ground.

Photo by UNDP



- UNDP's **Water Governance Facility** provides policy advisory support on water governance reforms to programme countries to increase access to safe water and/or basic sanitation. As previously noted in this report, in 2011, the Facility—with support from EETTF and other donors—provided policy advisory services to over 20 countries on water resources and water supply and sanitation. The Facility has also developed and published a number of reports and tools on water governance. The EE TTF also supported the implementation of the UNDP Water Governance Strategy.

On-the-ground delivery

Financial constraints have limited the number of on-the-ground initiatives supported by the EE TTF in 2011 in this area. For example, in 2011 the EE TTF reduced the financial support it provided to 'Down to Earth: Territorial Approach to Climate Change' (TACC) programme. Notwithstanding, lessons learned from the country projects will be fed back to the global level to improve future initiatives funded from other resources. In this way, the EE TTF has continued to serve as a catalytic instrument to both mobilize funds and develop innovative and strategic methodologies on the ground.

- **Senegal: Towards Low-Emission, Climate-Resilient Local Development:** Earmarked funds are supporting this project to foster low-emission, climate-resilient development at the sub-national level by strengthening the capacities of six regions with effective mechanisms to integrate climate change risks into local planning activities. In 2011, the project successfully established partnership and coordination structures, including regional committees on climate change in five regions, regional focal points on governance and partnerships, and a National Steering Committee. The project also produced guidance materials, provided training and identified potential technical and financial partnerships for assistance with climate change initiatives.
- **Macedonia: Mitigating Climate Change through Improving Energy Efficiency in the Building Sector:** With earmarked funds channeled through the EE TTF, UNDP is implementing a project to reduce energy consumption in residential and public buildings, regulate energy losses and greenhouse gas emissions, and contribute to climate change mitigation at the national level. In 2011, the project developed an inventory of public buildings and a dynamic database to calculate GHG emissions and reduction potential, and designed energy efficiency building programmes for public buildings in selected municipalities. The project has been successful in increasing public awareness and knowledge on energy efficiency benefits and energy saving measures in the building sector and has secured additional funds to undertake further activities.

KNOWLEDGE MANAGEMENT

Knowledge management is critical to improving the efficiency and effectiveness of policies and programmes to address development challenges. Collecting, contextualizing and distributing the enormous amount of knowledge make local experience available globally and vice versa, thus feeding into the implementation of programmes and projects. The EE TTF enables UNDP to leverage and share knowledge accrued from its experience in sustainable development to strengthen the capacity of countries to manage the environment in a sustainable manner. In 2011, the EE TTF, in conjunction with other funds, supported the following:

- **The Environment and Energy Network (EE-Net)** – a community of practice with over 1,400 members – continued to effectively enable and facilitate the sharing of experiences and knowledge on policies, programmes and projects related to environment and energy issues. In 2011, EE-Net hosted 42 online dialogues on a range of environment and energy issues, which provided input to policy and programme implementation. For example, based on a request from the Botswana Country Office, EE-Net hosted an online dialogue on “Developing an Environmentally-Friendly Post Disaster Relief, Rehabilitation and Recovery Policy.” The dialogue sought experiences from around the world on the development of policies and strategies to ensure that post-disaster interventions are ecologically and socially viable. The Government of Botswana is using the information gathered through this dialogue to develop its national Disaster Risk Reduction Strategy. Similarly, the dialogue on “Establishing a Governance System for the Forestry Sector” provided useful information that is being used by UNDP Ethiopia to support the Government to put in place appropriate institutional arrangements for the forestry sector both at the federal and regional levels. In August 2011, EE-Net was migrated to a new UNDP corporate knowledge platform called ‘Teamworks’ to further enhance knowledge sharing among UNDP colleagues and external partners through the use of interactive tools such as blogs, discussion forums, etc. Knowledge sharing activities have significantly increased on this platform, with members from 120 countries visiting the “Environment and Energy” space, which houses EE-Net.
- In the area of Environmental Finance, the web-based **Climate Finance Options Platform**, developed by UNDP and the World Bank, continued to serve as a key source of information, particularly for stakeholders in developing countries, on how to mobilize and combine different sources of finance to address climate change. As previously mentioned in this report, the platform was visited by over

“UNDP’s role in connecting UN Organizations with Knowledge Management initiatives like Teamworks is “the most promising knowledge management initiative within the UN focusing on knowledge networking within a global knowledge partnership.”

Andreas Brandner
Knowledge Management
Austria



30,000 visitors in 2011. It is currently being replicated in Hanoi by UNDP and World Bank country offices for a Vietnam-focused national CFO.

- Funding from the EE TTF continued to support the coordination of UNDP's global knowledge management activities on climate change in 2011. This included the development of discussion papers on key emerging areas of climate change assistance as an input into the UNFCCC negotiations. A range of virtual knowledge topic exchanges further developed the capacities of UNDP Country Offices to support governments address a range of climate policy issues. UNDP also continued work on the development of **Climate Tech-Wiki** - a global knowledge platform to facilitate access to climate change technology options in developing countries.
- The global programme **Down to Earth: Territorial Approach to Climate Change (TACC)** published a number of guidance manuals and toolkits that provide methodologies to programme countries on how to prepare LECRDS. These publications are being used successfully by a number of UNDP climate change projects.
- With EE TTF support, UNDP continued to advocate for sustainable human development through participating in global policy fora. For example, in 2011, UNDP participated in the high-level international conference on Climate Change and Green Low-carbon Development in China, co-organized by the United Nations Industrial Development Organization (UNIDO) and the International Energy Conservation Environmental Protection Association. The conference, attended by over 300 senior representatives from governments, multinational enterprises, and multilateral organizations, facilitated the sharing of innovative ideas on addressing climate change and reducing poverty.

INTEGRATING EVALUATIONS AND LESSONS LEARNED IN THE EE TTF

A majority of UNDP evaluations have stressed that environment and energy are central to the mission of the organization, and highlighted the value of technical and policy advice, awareness raising, capacity development, and the support to countries for implementation of on-the-ground initiatives (UNDP evaluation 2008, ADRs 2011, CIDA evaluation 2012). Partners and members of the Multilateral Organisation Performance Assessment Network (MOPAN 2010) have rated UNDP's work on environment as "strong", thus building on the previous survey results that also noted UNDP's "almost unchallenged position in particular development policy areas, including gender and environment." While the majority of the evaluations have been positive, one donor evaluation (DFID 2011) noted that UNDP has inadequate evidence of environmental safeguards and impact measurement. The same evaluation suggests that UNDP's climate change strategy has not guided resource allocation.

The "Assessment of Development Results" (ADR) carried out in 11 countries in 2010/11 shows that UNDP's work in environment and energy is generally rated as being of outstanding relevance for programme countries. The support to **local communities and towards increasing access to environmental services** is overall recognized. The ADRs also acknowledge UNDP's role in **mainstreaming environmental issues into development planning**. An internal review of UNDAFs and UNDP CPDs shows that there is in fact an increased attention to environmental issues in programming. The evaluation of UNDP's contribution to environmental management for poverty reduction highlights UNDP's recognition of the "poverty-environment nexus" as a critical contribution towards implementing sustainable development. However, it calls for greater awareness of the importance of this nexus within the organization, enhanced cooperation across sectors, and improved monitoring of how this is implemented on the ground. In the area of **gender mainstreaming**, the 2010 midterm review of UNDP's gender equality strategy noted that UNDP has "played a significant role in global environmental policy, drawing in the gender equality dimension to strengthen understanding and documentation" particularly in "integrating gender equality principles into climate change negotiations."

The EE TTF has been instrumental to address many of the issues highlighted in the evaluations, providing policy support to build on existing strengths and enhance specific areas of work where needed. Within the EE TTF there are also a series of lessons learned that inform its strategic direction. The main elements of the evaluations and lessons learned that are being incorporated into the EE TTF's future work are:

- The introduction of **environmental and social safeguards** in UNDP's policies and procedures intends to ensure integrated approaches to development are central to the support UNDP provides to countries. This mainstreaming work needs to be accompanied by a significant effort to build country office capacity, awareness raising, knowledge sharing, as well as continued strengthening of guidance and tools to ensure that the safeguards are fully internalized within UNDP.
- Further support is needed to **integrate the poverty-environment nexus into national development approaches**. Experience in building capacity for sustainable development shows that linking the socio-economic dimensions with the socio-environmental dimensions provides a valuable approach for national policy-makers to understand the role environment plays in development. PEI methodologies are progressively being proposed as a tool to help build UNDP Country Office capacity for approaching a range of sustainable development issues. In response to the recommendation of greater cross-sector collaboration, EEG is working in closer association with the Democratic Governance and Poverty Reduction groups of the Bureau for Development Policy, to explore common lines of work. The EE TTF, as it relates and supports a variety of global programmes, is an appropriate mechanism for synthesizing the evidence and best practices of this integrative approach.
- **The climate change policy support** has proven to be successful and highly catalytic. In fact, UNDP's climate change portfolio increased by 300% globally between 2008 and 2011, accompanied by policy advice and a series of guidelines and tools for addressing the issue in country programming, for which EE TTF support has been critical. Feedback from the policy and programmatic work shows that many countries still lack the capacity needed to address climate change impacts. Based on this finding, the EE TTF has continued to dedicate funds to build the capacity of government stakeholders and UNDP Country Offices. Actions include support to improve UN and UNDP internal programming instruments and methodologies, such as UNDP's Programme and Operation Policies and Procedures (POPP), and support to the undg Task Team on Environmental Sustainability, Climate Change and Rio+20 related to the Guidance Note on Integrating Climate Change Considerations in the Country Analysis and the UNDAF.
- **The engagement and partnership with the private sector** is an essential avenue for promoting sustainable development. Private sector partnership and engagement is being successfully pursued under the energy and water portfolios, benefitting from substantive EEG policy support. As an example, the EE TTF-supported project in Macedonia

for improved energy efficiency showed that private sector engagement was critical to project success, leading to strategic collaboration between the two biggest energy distribution companies, municipalities and an electricity distribution company, ultimately allowing for improved service delivery. The Green Commodities Facility is another innovative initiative under which private sector involvement is a key component; however, future activities in this area will depend on available funding.

- Finally, the **EE TTF has been highly catalytic** in that it has stimulated and contributed to a wide array of processes and new projects at the regional and country level. Examples of its catalytic impact are found in the table below, the climate change area being a notable example. The results show the appropriateness of the current EE TTF model in providing high-level policy advice and knowledge management services for key areas, through which country and regional processes can be stimulated and additional resources for action on-the-ground obtained.

Initiative supported by the EE TTF	Programme/Project objective	Catalytic effect/resources mobilized
Un-earmarked funds		
National Preparations for Rio+20 UN Conference on Sustainable Development	Support multi-stakeholder processes in countries to enable them to prepare for and contribute effectively to Rio+20 and to provide a solid foundation for implementation of the outcomes.	Through funds contributed by both UNDP and DESA, additional resources from the Government of Finland as well as other sources were mobilized to provide support to over 80 countries in their national preparations for Rio+20, including for organization of multi-stakeholder dialogues and preparation of national reports.
Climate Change Policy Support	Policy support, awareness raising and catalyzing climate change finance.	The Governments of Australia and Finland have provided additional support to the AOSIS for institutional capacity building in relation to UNFCCC negotiations, development of climate change action plans, and sustainable development strategies. Additionally, the Government of Denmark is supporting SIDS to develop and deploy renewable energy and energy efficiency initiatives through the SIDS DOCK programme, launched in partnership with the World Bank.
Water Governance Policy Support	Strengthen water governance and reduce poverty through policy support and advisory services focusing on three main areas: Integrated Water Resources Management; Water supply and Sanitation; and Regional and Global Cooperation.	Additional funds have been leveraged through partnering agencies and donors. The Water Governance Facility secured close to US\$ 2.3 million for Water Integrity Training in Sub-Saharan Africa. The "Every Drop Matters" programme, a partnership between UNDP and the Coca Cola Company, leveraged over US\$ 130,000 in-cash and almost US\$ 394,000 in-kind contribution.

Initiative supported by the EE TTF	Programme/Project objective	Catalytic effect/resources mobilized
Earmarked funds		
Green Commodities Facility	Remove barriers and institutionalize systematic approaches and resources for scaling-up the production of sustainable commodities.	Two new projects were designed and initiated in 2011: Ivory Coast (sustainable cocoa) and Indonesia (sustainable palm oil). Funding for these projects was mobilized through the private sector. Additional resources were mobilized to support the further development of the green commodities portfolio.
Montreal Protocol Unit/ Chemicals	Support countries to integrate sound chemicals management priorities into national environmental and poverty reduction planning frameworks and help access resources to improve chemical and waste regimes.	<i>The Mainstreaming Sound Management of Chemicals</i> programme has mobilized funds for the implementation of actions in Belarus, Kazakhstan, Suriname and Vietnam. Specific country projects in Moldova and Nigeria have been initiated with funding from the Swedish Chemicals Inspectorate. Additional resources are supporting programme development in the areas of sound materials management and e-waste assessments.
Capacity Development for Policy Makers to Address Climate Change	Increase national capacity to co-ordinate ministerial and stakeholder views on climate change, to enhance participation in the UNFCCC process; support for long-term climate change planning and priority setting.	The project's successful results have catalyzed additional climate change initiatives, including the use of public finance, as countries have started to use the outcomes of their assessments in various ways in Bangladesh, Colombia, Costa Rica, Dominican Republic, Gambia, Niger, Togo and Turkmenistan.
Carbon 2012	Enhance public and private sector capacity to access carbon finance, and to overcome barriers inhibiting the take-off of the carbon market in Latin America and the Caribbean.	The project enabled the mobilization of seed funding for the design and operationalization of a larger regional programme that currently is providing support to Cuba, Dominican Republic, El Salvador, Honduras, Peru, and Uruguay. Funds were mobilized from the Government of Spain and the GEF, as well as the Government of Peru.
Climate Risk Management at the Local Level in Moldova	Support local communities to better cope with climate-related hazards and the risks that will emerge in the future due to climate change.	An additional 70 communities have been identified to receive support to anticipate and manage climate-related hazards and risks under another UNDP initiative, the Joint Integrated Local Development Programme.
Mitigating Climate Change through Improving Energy Efficiency in the Building Sector in Macedonia	Create an enabling environment for improving energy efficiency in the building sector, thereby contributing to climate change mitigation at the national level.	Additional activities to be funded through a pilot project, including the development of guidelines for energy efficiency retrofits in public buildings, reconstruction of a public building with optimized energy efficiency measures and the refurbishing of a kindergarten in Skopje.

WAY FORWARD

“As is our underlying mission, UNDP will continue to support countries in translating the principles of sustainable development into practice in the 177 countries and territories in which we work—empowering lives and advancing resilient nations—and to share their experiences for the benefit of others.”

Olav Kjørven

*UN Assistant Secretary-General
and Director of UNDP’s Bureau
for Development Policy*

The global community is facing multiple crises, including the financial, food, energy and climate change crises. The climate change crisis, in particular, requires a profound transformation of economies to limit the rise in global temperatures to less than 2°C by 2050. Production and consumption patterns need to change to produce fewer GHGs and promote climate resilience, while at the same time be more socially inclusive and environmentally sustainable. The international development system needs to be reshaped to facilitate this transformation of economies and societies. It is no longer sufficient for development assistance to focus mainly on supporting isolated, stand-alone pilot projects. If international assistance is to effectively safeguard development it must be used catalytically and be intimately linked with government’s priorities at the country level. Official Development Assistance will have to be increasingly used as a lever rather than an end in itself, to redirect public and private investments towards the achievement of the MDGs and long-term sustainability. The capacity of countries will need to be built to empower them to make informed policy and investment choices that are both pro-poor, pro-growth and also less carbon intensive. Investing in capacity development provides the “how” for increasing country readiness to ensure that sound investment choices are realized and robust national policies and regulatory and reporting systems are in place to generate public and private sector engagement and finance.

UNDP’s work in environment and energy, as a means for transforming economies, changing production and consumption patterns, and redirecting public and private funds towards sustainable development, is increasingly relevant and in demand. Rio+20 presents a critical opportunity for resetting the development agenda, stimulating a greening of economies within the framework of sustainable development and poverty eradication, and better integrating the three dimensions of sustainable development. Guided by the overall commitment to ensure that environmental and climate change interventions benefit the poor and that development actions do not harm the environment, UNDP will continue to partner with developing countries and other actors to move towards a more sustainable world. The EE TTF is instrumental for this endeavor as it allows for flexible funding for innovative and catalytic initiatives.

There has been an overall increase in UNDP’s work in environment over the last few years; in particular in the field of climate change, a trend that is foreseen to continue in the future. Key elements of this work are the different programmes for developing the capacity of national and subnational governments to formulate, finance and implement LECRDS. The climate change regional advisors and national officers located in LICs and LDCs through the “Boots on the Ground” programme as well as an increasing number of programmes that address both



Photo by UNDP

adaptation and mitigation at the country level are building blocks to achieve this transformational change. Increasingly, there is a need to build up dedicated core policy advisory capacity at the country level, independent of projects, that can support methodologies, approaches and advisory support for formulating, sourcing financing and implementing climate change strategies at all levels of governance. This has been one of the major areas that the EE TTF has supported since 2008 and is expected to continue to support in the future.

Moving forward, UNDP will strengthen its collaboration with UNEP and other UN agencies through the EE TTF. UNCTs have greatly benefited from the undg guidance notes on mainstreaming climate change and environmental sustainability in Common Country Assessments and UNDAFs. Undoubtedly, the outcomes of Rio+20 will provide new challenges for the UN System's support to developing countries' development agendas. The multilateral development system should provide coherent, sequenced and integrated services to countries to help them make the transition to low-emissions, climate-resilient production and consumption patterns that are pro-poor and pro-MDGs.

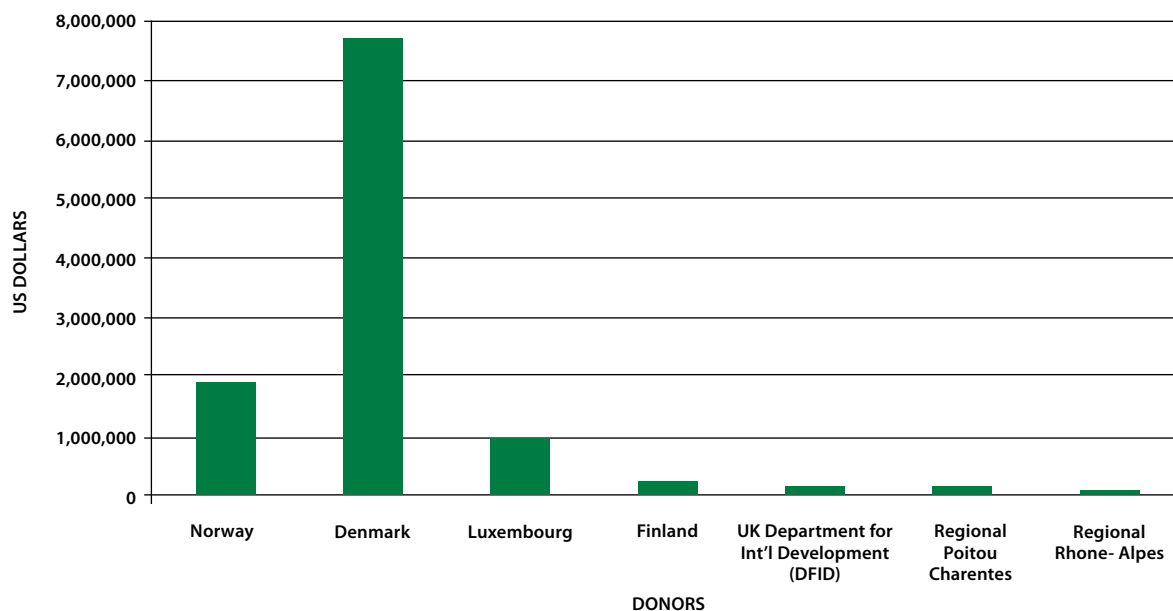
The EE TTF has been instrumental in supporting UNDP to develop innovative and strategic methodologies and initiatives on the ground, moving beyond a project approach towards attention to broader policies and strategies. The EE TTF will continue to be critical to successfully deliver UNDP's strategic priorities in developing countries to move toward sustainable human development.

FINANCIAL OVERVIEW

The EE TTF supported highly strategic and catalytic environment and sustainable development initiatives through the generous contributions of our partners. These initiatives in turn have helped UNDP raise the profile of environmental issues in the development agenda at the global, regional and country level.

Income in 2011

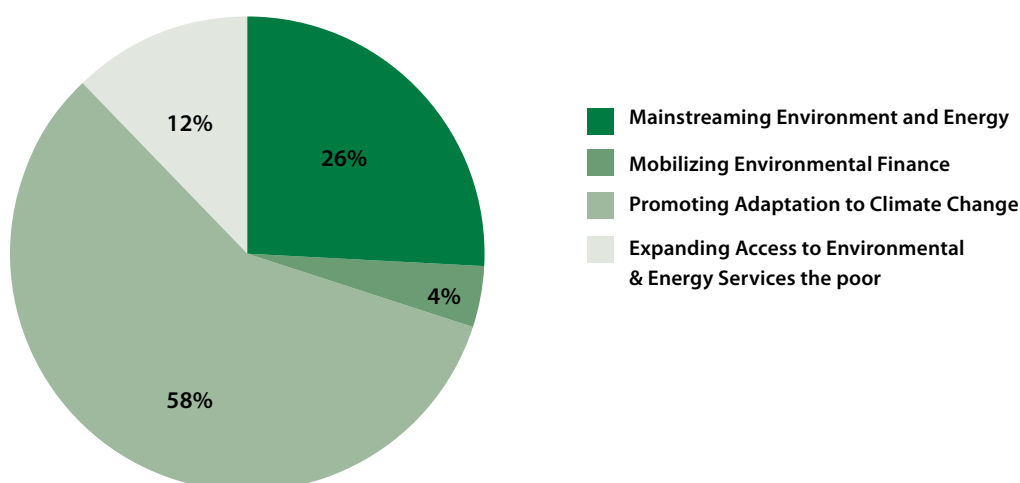
In 2011, the EE TTF received non-earmarked contributions amounting to US\$ 2.87 million. The Government of Norway was the largest donor of non-earmarked funds, contributing US\$ 1,946,865. Total *earmarked* contributions amounted to US\$ 8.32 million. The Government of Denmark was the largest donor of earmarked funds, contributing US\$ 7,714,942 for the SIDS DOCK programme. The chart below highlights contributions made by donors to the EE TTF in 2011. For detailed information on 2011 income, see Annex 2.



Expenditure in 2011 by key result area as per UNDP's Strategic Plan 2008-2013

In 2011, the EE TTF disbursed US\$ 5,343,096 through a variety of programmes and projects. This was significantly lower than 2010 where the expenditure totaled US\$ 10,918,700. This decrease can be attributed to a reduction in contributions from donors. The table below shows expenditures by key result area as per UNDP's Strategic Plan 2008-2013.

Thematic Area	Expenditure in 2011 (US\$)
Mainstreaming Environment and Energy	1,415,530.11
Promoting Adaptation to Climate Change	3,072,460.05
Mobilizing Environmental Finance	239,035.09
Expanding Access to Environmental & Energy Services for the Poor	616,071.53
2011 Expenditure	5,343,096.78



ANNEX 1

SUMMARY OF REPORTED RESULTS FOR 2011

Mainstreaming Environment and Energy			
Programme/Project	Objective	Expenditure (US\$)	Countries
Environmental Mainstreaming	Integrate environment and sustainable development, including climate change, into national development planning and implementation	173,403.70	Global
	<p><u>Reported Results:</u></p> <p>In conjunction with core resources and funds from other donors, EE TTF supported the following:</p> <ul style="list-style-type: none"> • Promoted an evidence-based policy and practice perspective on integrating poverty reduction and environment-related issues within the framework of multi-dimensional poverty and human development (poverty-environment nexus, PEN). Conducted systematic review of literature on PEN and its implications for development programming. • Conducted a trial phase of the new environmental and social screening procedure for UNDP projects. Worked with 10 Country Offices (Afghanistan, Belarus, Bosnia and Herzegovina, Burkina Faso, Cuba, Ghana, Kazakhstan, Lesotho, Nicaragua, and Sudan) to apply the screening tool. Established cross-bureau Steering Group to provide strategic oversight to the ground-truthing and roll-out process. • Supported and co-chaired the consultative process coordinated under the auspices of the UN Environment Management Group (EMG) to strengthen environmental and social safeguards across the UN system. This work culminated in the development of a Framework for Advancing Environmental and Social Sustainability in the UN System, which has been provided as input to the Rio+20 process. • Strengthened collaboration with the Gender Team to work together to implement and report on UNDP's Gender Equality Strategy. This supported 1) a stocktaking of key UNDP gender and environment guidance, advocacy, policy papers, and case studies; 2) a stocktaking of UNDP environmental projects that potentially have significant gender components; and 3) the elaboration of seven case studies of gender-environment projects. • Developed a framework for the strategic quality review of environmental sustainability and climate change in Country Programme Documents (CPDs). Conducted a review of and provided comments on approximately 40 CPDs based on this framework. Prepared a final review of overall findings and lessons, which was shared with UNDP's Regional Bureaus. • Supported national preparations for Rio+20 in 80 countries in partnership with UN DESA and with support from the Government of Finland as well as other sources. The initiative supports country-level stocktaking and multi-stakeholder dialogue processes and the elaboration of a final report. • Played an active role in OECD DAC ENVIRONET, which works to enhance the coherence of OECD country policies in the areas of environment and development co-operation. Contributed to various task teams related to climate change, Strategic Environmental Assessment (SEA), and governance and capacity development. Provided inputs to Enhancing Capacity for Environmental Management and Governance which was published in early 2012. 		

Mainstreaming Environment and Energy			
Programme/Project	Objective	Expenditure (US\$)	Countries
Poverty-Environment Initiative	Support country-led efforts to integrate pro-poor environmental issues into development planning, implementation and monitoring at national and local levels	156,176.45	Guatemala and Thailand, and other PEI countries in Africa, Asia-Pacific, Europe and Commonwealth of Independent States, and Latin America-Caribbean.
	<p>Reported Results:</p> <p>In conjunction with other PEI funds the EE TTF supported:</p> <ul style="list-style-type: none"> • Advanced the Sub-Global Assessments (SGA) Thailand implementation phase with the identification of trends and status in all three pilot sites in Nan, Khon Kaen and Samut Songkram Provinces. Analysis of data in the context of developing best scenarios for consideration in Provincial development plans is nearing completion. • Commenced SGA Guatemala implementation phase in late 2011. Additional resources mobilized from PEI to support SGA. • Participated in three workshops to share experiences on SGA and ecosystem valuation assessment work: SGA Network Side Event at the Intergovernmental Platform on Biodiversity and Ecosystem Services, UNEP Workshop on Valuation of Ecosystem Services in Practice: Lessons learned from Africa and Asia, and the SGA Annual Network meeting. 		
Water Governance Programme	Support developing countries to strengthen water governance and reduce poverty through policy support and advisory services focusing on three main areas: Integrated Water Resources Management, Water Supply and Sanitation, and Regional and Global Cooperation	104,470.19	Global
	<p>Reported Results:</p> <p>In conjunction with other donor funds, EE TTF supported the following:</p> <ul style="list-style-type: none"> • Supported the implementation of the UNDP Water Governance Strategy. • Supported water governance reforms in over 20 countries in relation to both water resources and water supply and sanitation through policy advisory services. • Supported the development of reports and tools on water governance, such as the "Water Integrity Training Manual." 		
Greening UNDP Carbon Neutrality	Assess the organization's environmental footprint and take action towards reducing (and ultimately, offsetting) its greenhouse gas emissions	83,504.40	Global
	<p>Reported Results:</p> <ul style="list-style-type: none"> • Coordinated the 'greening' efforts of more than 60 UNDP offices and provided technical helpdesk support for measuring, reducing and offsetting GHG emissions from UNDP operations. • Ensured that UNDP greening complies with methodologies and approaches defined as UN-wide standards and agreed upon by the UN Issue Management Group on Sustainability Management. • Supported the work of UNEP's Sustainable United Nations Facility by contributing to developing and defining UN standards and guidance for measuring, reducing and offsetting GHG emissions within the UN context. 		

Mainstreaming Environment and Energy			
Programme/Project	Objective	Expenditure (US\$)	Countries
Montreal Protocol Unit/ Chemicals	Support countries to integrate sound chemicals management priorities into national environmental and poverty reduction planning frameworks and help access resources to improve chemical and waste regimes	288,759.94	Belarus, Belize, Ecuador, Honduras, Kazakhstan, Kyrgyzstan, Liberia, Mauritania, Moldova, Nigeria, Suriname, and Vietnam
	<p><u>Reported Results:</u></p> <ul style="list-style-type: none"> • Developed an Action Plan as a Road Map to mainstream sound management of chemicals into national development plans in Belize. • Supported countries through policy advisory services on emerging chemicals and waste priorities that have profound poverty, governance and gender dimensions. • Leveraged additional resources through partnerships for implementation of Mainstreaming Sound Management of Chemicals programme in Belarus, Kazakhstan, Suriname, and Vietnam. • Supported the assessments of the regulatory, socio-economic and technical situation for processing of electric and electronic waste (e-waste) in Burkina Faso, El Salvador, Jordan and Serbia. 		
Knowledge Management	Improve advocacy and outreach, communications, knowledge management, and programme management through supporting the thematic work of the Global Programme and strengthening the Environment and Energy Community of Practice	609,215.43	Global
	<p><u>Reported Results:</u></p> <ul style="list-style-type: none"> • Addressed over 82 queries from UNDP Country Offices received via the Environment and Energy Network (EE-Net), Teamworks as well as offline. Responses to queries supported project/policy implementation, programme/project design and planning, policy/strategy development, resource mobilization, assessment/monitoring, and research/report preparation. In 2011, 226 new members joined EE-Net – a significant increase from the previous year. • Prepared and disseminated comprehensive online summaries (Consolidated Replies) of discussions conducted on EE-Net. Examples include the Consolidated Reply on Developing an Environmentally-Friendly Post Disaster Relief, Rehabilitation & Recovery Policy. The Government of Botswana plans to use the information in the Consolidated Reply to develop their national DRR strategy. The information in the Consolidated Reply on Establishing a Governance System for the Forestry Sector is being used by UNDP Ethiopia to support the Government to put in place appropriate institutional arrangements for the forestry sector both at the federal and regional levels. • Prepared and disseminated the monthly Environment and Energy Practice News Update, highlighting key global and national events, project success stories, and publications. • Produced and distributed a number of communications and advocacy materials, including, reports, brochures, etc. These materials were distributed at major global events such as COP 17 in Durban. • Advocated for addressing environmental issues and promoting sustainable development through participation in meetings with governments and stakeholders. For example, UNDP participated in the high-level international conference on Climate Change and Green Low-carbon Development in China and the Roundtable Climate Change and Development—the nexus between UN Conventions and the EU Accession in Bratislava. 		

Mobilizing Environmental Finance			
Programme/Project	Objective	Expenditure (US\$)	Countries
Regional CDM Capacity Development in Africa	Support participating countries to create an operational CDM framework to promote access to carbon markets, financing and technology	164,980.91	Ethiopia, Kenya, Mauritius, Mozambique, Tanzania, and Zambia
	<p>Reported Results:</p> <p>In conjunction with other funds, EE TTF supported the following:</p> <ul style="list-style-type: none"> • Financed the preparation of the Project Design Document of a Programme of Activities for Micro-Hydro for the Kenya Tea Development Association, targeting the development of several micro-hydro generation facilities in the Kenya Highlands, providing clean electricity to tea factories and to the grid. • Funded the formulation and validation of the Grid Emission Factor for the DNA in Kenya. • Continued project scoping activities and DNA capacity strengthening in Ethiopia. • Funded National Coordinator for Mauritius. • Sponsored the participation of 15 representatives from African countries in the third Africa Carbon Forum, held in Morocco, in 2011. This forum was co-organized by UNDP together with the other founding members of the Nairobi Framework partnership (UNEP, WB, UNFCCC secretariat and IETA). 		
Carbon 2012 (UNDP-UNEP Partnership)	Enhance public and private sector capacity to access carbon finance, and to overcome barriers inhibiting the take-off of the carbon market in Latin America and the Caribbean	16,195.23	Cuba, El Salvador, Honduras, Peru, and Uruguay
	<p>Reported Results:</p> <p>In conjunction with other funds, EE TTF supported the following:</p> <ul style="list-style-type: none"> • Supported capacity development activities through co-organizing three workshops that trained participants on CDM, identifying opportunities and challenges for the implementation of projects related to carbon markets, and sharing lessons learned and best practices. <ol style="list-style-type: none"> 1) Regional CDM/DNA workshop in Cuba organized in collaboration with UNEP Risoe. DNA's from 15 countries attended. 2) Private sector CDM project workshop in Uruguay organized in collaboration with UNEP Risoe and the Ministry of Housing, Territorial Planning and Environment (MVOTMA) of Uruguay. 3) Private sector CDM project workshop in Peru. 		
Climate Investment Funds (CIFs)	Support developing countries in piloting transformations in clean technology, sustainable management of forests, increased energy access through scaled-up renewable energy in low-income countries, and climate-resilient development	33,375.38	Ethiopia, Honduras, Maldives, Mali, Nepal, and Kenya
	<p>Reported Results:</p> <ul style="list-style-type: none"> • Provided targeted support to the six pilot countries under the "Scaling Up Renewable Energy in Low-Income Countries" programme through the development of investment plans and by attending joint missions. 		

Mobilizing Environmental Finance			
Programme/Project	Objective	Expenditure (US\$)	Countries
Green Commodities Facility	Remove barriers and institutionalize systematic approaches and resources for scaling-up the production of sustainable commodities.	24,483.57	Global
	<u>Reported Results:</u> <ul style="list-style-type: none">• In conjunction with UNDP/GEF funds, EE TTF helped the Facility mobilize additional funds to initiate and design 2 projects – sustainable cocoa in Ivory Coast (\$150k) and sustainable palm oil in Indonesia (\$150k).• Established innovative National Commodity Platform in Costa Rica for Pineapple (in 2009). In 2011, politically agreed to be established by the Government of Ghana for cocoa, the Government of the Dominican Republic for cocoa, the Government of Indonesia for palm oil, the Government of Ethiopia for coffee and the Government of Mozambique for rice.		
Promoting Adaptation to Climate Change			
Programme/Project	Objective	Expenditure (US\$)	Countries
Global Programme: Climate Change Policy	Strengthen capacity of developing countries to mainstream climate change adaptation policies into national development plans.	1,078,255.24	Global
	<u>Reported Results:</u> <ul style="list-style-type: none">• Coordinated UNDP’s global knowledge and advocacy activities on climate change, particularly its engagement with the UNFCCC negotiations, including the development of discussion papers on key emerging areas of climate change assistance, organization of workshops and side events for policy-makers and stakeholders, and development of UNDP’s new climate negotiations capacity development toolkit.• Provided support to ten national delegations to prepare for the UN Climate Change Conference, Durban 2011, as well as train CSOs, NGOs, media and the private sector on the negotiations and national dialogues.• Contributed to the work of the Green Climate Fund technical support unit, as per the Cancun Agreements.		
Integrating Climate Change Risks into Development Planning and Programming (ICCPP)	Strengthen technical capacities of developing countries to integrate climate change risks and opportunities into human development based planning and programming.	1,033,535.04	Global
	<u>Reported Results:</u> <ul style="list-style-type: none">• Developed capacities of UNDP country offices to support governments address a range of climate policy issues, including by preparing analyses of four UNFCCC negotiating sessions and five Green Climate Fund Transitional Committee meetings/workshops in English, French and Spanish and disseminating to UNDP country offices and more broadly. In addition, provided in-depth technical advice via in-person and virtual training sessions on the negotiations to UNDP national officers and regional policy advisors.• Provided support to governments for climate finance, technology and adaptation readiness in the framework of LECRDS. For example, Burkina Faso: Delivered training on UNDP’s draft guidelines for mainstreaming environmental concerns into sectoral policies for executive branches and planning ministries; Ethiopia: Provided extensive support to the government in preparation for the launch of the MDTF at the UN Climate Change Conference in Durban (COP 17) and the development of the Climate Resilient Green Economy strategy; Solomon Islands: Provided extensive substantive inputs to the formulation of the National Climate Change Policy.• Supported CPEIRs in programme countries, in cooperation with the ADB, the World Bank and the OECD.		

Promoting Adaptation to Climate Change			
Programme/Project	Objective	Expenditure (US\$)	Countries
SIDS DOCK Programme	Support Small Island Developing States to transition to low-emission, climate-resilient development and demonstrate a pathway to limiting global average temperature rise to 1.5°C that is pro-poor and pro-MDGs.	141,049.01	Global SIDS
	<p>Reported Results:</p> <ul style="list-style-type: none"> Established the programme with the first meeting of national coordinators and regional agencies responsible for energy programmes; took decisions on regional priorities for SIDS DOCK projects and reviewed plans, including the development of the SIDS DOCK platform, a global knowledge sharing and expertise hub on energy through which SIDS can access climate change financial flows. Held the first meeting of the SIDS DOCK Programme Coordination Group, where US\$10.5 million of support from the Government of Denmark was allocated to SIDS DOCK projects in all regions, with implementation shared between the World Bank and UNDP. UNDP will implement US\$2 million for renewable energy projects in the Pacific region, US\$2 million for Caribbean energy efficiency projects, and US\$1 million for a removal of barriers to energy efficiency in buildings project in Mauritius. 		
Adaptation Programme for Country Offices and Government – Mexico National Adaptation Strategy	Support the Government of Mexico in the formulation of a National Adaptation Policy.	26,610.47	Mexico
	<p>Reported Results:</p> <p>In conjunction with other funds:</p> <ul style="list-style-type: none"> Supported the Adaptation Working Group of the Inter-ministerial Commission on Climate Change (CICC) to create an Advisory Committee to strengthen and validate the design process and implementation of the strategy. Completed an 'Analysis of Barriers and Opportunities for the Special Climate Change Programme', approved by the Ministry of Environment, which was integrated in a participatory way and used by the AWG as a planning instrument for the development of the Adaptation Strategy, and by the CICC member ministries as a common agenda around which to coalesce. Guided and facilitated the development process of the National Adaptation Strategy, including providing methodological support, coordinating and integrating specific chapters of the strategy, liaising between CICC member ministries and follow up on the AWG's commitments in the Roadmap. Initiated a dialogue with key actors at sub-national levels and encouraged the involvement of the Technical Advisory Committee in the process. 		

Promoting Adaptation to Climate Change			
Programme/Project	Objective	Expenditure (US\$)	Countries
Integrating climate change risks into national development processes and UN country programming	Develop the capacity of UNDP Country Offices, UN Country Teams and government to integrate risk and opportunities associated with climate change into national development policy and planning.	264,651.89	Cape Verde, Colombia, El Salvador, Malawi, and Nicaragua
	Reported Results: <ul style="list-style-type: none"> Enhanced the capacities of UNDP/UN staff and government technical staff in mainstreaming environmental sustainability, climate change and disaster risk reduction in country programming. Surveyed and compiled UNCT experiences of support to host governments in the objectives and themes of the Rio+20 Conference and submitted to the Rio+20 preparation process. Supported the mainstreaming of climate change considerations into the proposed social and environmental safeguards of UNDP's Programme and Operations Policies and Procedures (POPP). Gathered and analyzed the project's experience in the five countries in a range of knowledge products, including multilingual project brochures, an online depository of project-related documentation and a draft final lessons learned report featuring a six-step approach to mainstreaming climate change into development plans for replication by UNCTs. Supported the participants in the 'Boots on the Ground' initiative to mainstream climate change in their respective country team's UNDAF. 		
Technology Transfer and Development	Facilitate innovation of, access to and implementation of clean technology options for climate change mitigation and adaptation in developing countries.	175,134.28	Global
	Reported Results: <ul style="list-style-type: none"> Developed an updated version of the Technology Needs Assessment (TNA) Handbook and distributed it globally as an accepted approach to assessing gaps and opportunities in expanding access to technology by the Expert Group on Technology Transfer under the UNFCCC. The updated handbook is designed to assist countries in making informed decisions in their technology choices and provides hands-on guidance for identifying the most effective technology options for poverty reduction and climate change mitigation and adaptation. Developed a new Multi Criteria Decision Making Analysis Tool tailored to the updated version of the TNA handbook. Building on its collaboration with partners such as the UNFCCC Secretariat and the Government of the Netherlands, UNDP is continuing work on the development of Climate TechWiki - a global knowledge platform for climate technologies. 		
Climate Change Facilitation Unit (CCFU)	Facilitate the formulation of a National Climate Change Response Strategy.	17,753.27	Zambia
	Reported Results: <p>In conjunction with other funds:</p> <ul style="list-style-type: none"> Led the development of the National Climate Change Response Strategy (awaiting Cabinet approval) and the on-going development of the national Policy on Climate Change. Finalized a climate change communication and advocacy strategy, to be launched in 2012. The strategy provides recommendations on approaches and tools for disseminating climate change information to the public to enable different audiences to respond to the challenge of climate change. Provided support to Zambia's delegates to the UN Climate Change Conference in Durban (COP17) and prepared a position paper for COP17. 		

Promoting Adaptation to Climate Change			
Programme/Project	Objective	Expenditure (US\$)	Countries
Climate Risk Management at the local level in Moldova	Develop the capacity of local public administrations to assess, manage and mitigate climate risks, especially for highly vulnerable communities.	335,470.85	Moldova
	Reported Results: <ul style="list-style-type: none">Established and trained a national working group and other stakeholders in climate risk management and risk assessment, mobilizing and raising the awareness of key state ministries, institutions, NGOs and others.Developed a toolkit on local level risk management, in collaboration with the national working group, to enable communities to independently update risk assessments and risk management plans. Elaborated a comprehensive list of "Risk Reduction Options" as part of the toolkit to be used as a guide at the community level to ensure awareness-raising and advocate for climate risk reduction at the local level.Developed rapid, in-depth risk assessment methodologies - outlined in the toolkit – and applied these methodologies in 20 of Moldova's most vulnerable communities.Implemented risk reduction measures developed jointly with community members in 10 focus communities, including early warning systems, erosion control and improved drainage.Secured resources for an additional 70 communities to receive support applying the methodology developed under UNDP's Joint Integrated Local Development Project.		
Expanding Access to Environmental and Energy Services for the Poor			
Programme/Project	Objective	Expenditure (US\$)	Countries
Local access	Strengthen local capacities to manage the environment and expand access to environmental and energy services, especially for vulnerable groups.	89,475.24	Global
	Reported Results: <ul style="list-style-type: none">Contributed to the design and implementation of UNDP's Accountability Mechanism: i) to ensure compliance with UNDP's environmental and social policies and procedures through investigation and reporting on potential violations; and (ii) to provide an opportunity for hearing and resolving specific grievances of people affected by UNDP-supported projects and programmes.Consolidated, highlighted and disseminated innovative community-based experiences through the CBD COP 11 process.Coordinated knowledge management products with other programmes such as UN-REDD and the Equator Initiative.		
Down to Earth: Territorial Approach to Climate Change (TACC)	Enable sub-national authorities to identify risks and opportunities related to climate change and to integrate priority mitigation and adaptation measures into sustainable development planning and programming, taking into consideration gender aspects.	205,685.83	Global
	Reported Results: <p>In conjunction with other TACC funds:</p> <ul style="list-style-type: none">Raised awareness on development of strategies on Climate Change issues at sub-national level.Published 5 Green LECRDS guidance manuals and toolkits: Preparing Low-Emission Climate-Resilient Development Strategies – Executive Summary; Formulating Climate Change Scenarios to Inform Climate-Resilient Development Strategies; Catalysing Climate Finance; Paving the Way to a Climate Resilient Infrastructure; Blending Climate Finance through National Climate Funds.Established new agreement between UNDP and the University of Cape Town to provide direct support to country projects on climate modeling.Initiated implementation of sub-national LECRDS projects in Colombia, Senegal, Uganda and Uruguay.		

Expanding Access to Environmental and Energy Services for the Poor			
Programme/Project	Objective	Expenditure (US\$)	Countries
Towards Lower Emission Climate Resilient Local Development	Strengthen the capacities of six regions with effective mechanisms to integrate climate change risks into local planning activities.	146,938.63	Senegal
	<p>Reported Results:</p> <ul style="list-style-type: none"> • Established the project with the first National Steering Committee chaired by the Ministry of International Cooperation, Air Transport, Infrastructure and Energy. • Established Regional Committees on Climate Change in five regions and recruited the first focal point for governance and partnerships for the Fatick region. • Developed a procedures and guidance manual, and supported capacity building activities for project staff. • Identified potential technical and financial partnerships for assistance with climate change initiatives and provided financial support to a scientific symposium supporting local initiatives in the field of climate change. 		
Mitigating climate change through improving energy efficiency in building sector	Help reduce energy consumption in residential and public buildings, regulate energy losses and GHG emissions, and contribute to climate change mitigation at national level.	173,971.83	Macedonia
	<p>Reported Results:</p> <ul style="list-style-type: none"> • Developed an inventory of public buildings and a dynamic database to calculate GHG emissions and reduction potential, and designed energy efficiency programmes for public buildings in selected municipalities. • Increased public awareness and knowledge on energy efficiency benefits and energy saving measures in the building sector through holding workshops and roundtables, establishing an online clearing house, providing training and developing promotional materials on energy efficiency in the building sector. • Secured additional funds to implement a pilot demonstration project in Skopje and develop guidelines for energy efficiency retrofits in public buildings. 		

ANNEX 2

Income and expenditure in 2011 (Non-earmarked)

Year	Donor	Income (\$)	Balance (\$)
2011 Adjusted Opening Balance			5,290,426.74
2011 Income			
	Government of Norway	1,946,865.44	
	Government of Luxembourg	927,680.00	
Total Income			2,874,545.44
2011 Available Resources			8,164,972.18
2011 Expenditures			3,981,196.71
2011 Closing Balance			4,183,775.47

Income and expenditure in 2011 (Earmarked)

Year	Donor	Income (\$)	Balance (\$)
2011 Adjusted Opening Balance			2,422,934.02
2011 Income			
(SIDS DOCK)	Government of Denmark	7,714,942.51	
(PEI & Rio+20)	Government of Finland	223,258.26	
(TACC)	UK Department for International Development	158,227.85	
(TACC - Senegal)	Region Poitou Charentes	151,131.71	
(TACC - Senegal)	Region Rhone-Alpes	74,074.07	
Total Income			8,321,634.40
2011 Available Resources			10,744,568.42
2011 Expenditures			1,361,900.07
2011 Closing Balance			9,382,668.35

Notes:

- * Contribution from Austria for the project "Climate Risk Management at the local level in Moldova" and the "Mitigating climate change through improving energy efficiency in building sector in Macedonia" was received in 2010.
- * Contribution from Spain for the project "Integrating climate change risks into national development processes and UN country programming" was received in 2007.
- * Contribution from SwedBio for support to PEI was received in 2010.
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