

1

About the Handbook

This chapter provides a brief overview of the global environment and development context and introduces the concept of poverty-environment mainstreaming. It then outlines the purpose, target audience and structure of the handbook.



1.1 The Global Environment and Development Context

Despite progress made towards achievement of the Millennium Development Goals (MDGs), worldwide poverty remains unacceptably high at 1.2 billion people—70 per cent of whom depend on natural resources for all or part of their livelihoods (Green Economy Coalition 2012). The fundamental connection between poverty reduction and the environment has grown ever more apparent as poor people's lives and livelihoods continue to be threatened by environmental degradation resulting from poor management of natural resources, biodiversity loss and the effects of climate change. For example, smallholder farmers in Tanzania have been suffering smaller yields as a result of soil degradation (UNDP-UNEP PEI 2014e). And in Latin America and South-East Asia, high levels of deforestation are robbing indigenous peoples of the forest resources on which they depend for their livelihoods (UNDP-UNEP PEI 2013b).

Every year between 2000 and 2012, more than 200 million people—most of them in developing countries—were affected by natural disasters, especially floods and droughts (UNDP 2014). And from 2008 to 2012, populations in low- and lower-middle-income countries faced an estimated 97 per cent of the global mortality risk from natural disasters. These countries suffer disproportionately higher economic losses relative to the size of their economies; excluding 2010, losses over the period were estimated to exceed \$262 billion (UN 2010a). Experts estimate that developing countries would bear 75–80 per cent of the cost of damages caused by the changing climate, permanently reducing gross domestic product (GDP) in Africa and South Asia by 4–5 per cent (UNDP 2011c; World Bank 2010).

Experiences with ongoing efforts to achieve the MDGs—specifically MDG 7: ensure envi-

“We all aspire to reach better living conditions. Yet this will not be possible by following the current growth model... We need a practical twenty-first century development model that connects the dots between the key issues of our time: poverty reduction; job generation; inequality; climate change; environmental stress; water, energy and food security.”

—Ban Ki-Moon, UN Secretary General

ronmental sustainability and MDG 1: reduce poverty and achieve food security—reveal the poor integration of environmental and natural resource sustainability into efforts to achieve poverty reduction (Thematic Consultation on Environmental Sustainability 2013). Similarly, efforts to achieve MDG 7 have failed to reflect links with poverty reduction.

Recognizing these challenges, the United Nations (UN) Conference on Sustainable Development held in Brazil in June 2012 (Rio+20) highlighted the need for integrated solutions to development planning and a transition to more resource-efficient, resilient forms of growth that yield multiple social, economic and environmental benefits. Implementing these solutions takes more than the involvement of ministries of environment, typically seen as the bastions of sustainable development. Rather, ministries of finance and planning also must recognize the value of natural resources; they must come to understand that sustainable development is as much about sustained growth and poverty reduction as it is about sustaining the environment. The Rio+20 outcome document, “The Future We Want,” adopted by the 193 UN member states, notes that sustainable development which integrates economic, social and environmental dimensions is the only viable path for development (UNCSD 2012). Therefore, for



development to be effective, it must be sustainable. The Rio document goes on to assert the role of inclusive green economy approaches in eradicating poverty and advancing sustainable development.

As governments identify the content and priorities of their post-2015 development agendas, the relationship between poverty reduction and environmental and natural resource (ENR) sustainability must be a central objective. This cohesion is best accomplished through country-led efforts to mainstream poverty-environment objectives into development planning and budgeting processes at the national, subnational and sectoral levels.

What Is Poverty-Environment Mainstreaming?

Poverty and the environment are inextricably linked, as the poor often depend directly on natural resources and ecosystem services for their livelihoods. Poverty-environment linkages include vulnerability to environmental risks, such as floods, droughts and the impacts of climate change; livelihood strategies and food security of the poor as these directly depend on ecosystem health and the services they provide; water and sanitation-related diseases, which are one of the leading causes of under-five child mortality; and damage to women's health from indoor air pollution. To address these linkages, governments must look to incorporate the following objectives into their development planning:

- Using natural resources sustainably
- Adapting to climate change
- Focusing on poverty reduction and equity, especially for marginalized groups such as women and indigenous peoples
- Working towards inclusive green growth

The iterative procedure of integrating poverty-environment objectives into policymaking, budgeting and implementation processes at national, subnational and sector levels is known as **poverty-environment mainstreaming**. It is a multi-stakeholder effort that entails working with both state actors (e.g. planning, finance, environment and sector ministries; parliament; and local authorities) and non-state actors (e.g. civil society, academia, the private sector, the general public and the media).

Country Experiences with Mainstreaming

This handbook draws on successful experiences from countries around the world in effectively mainstreaming poverty-environment issues into development agendas. It is an updated edition of the flagship handbook *Mainstreaming Poverty-Environment Linkages in Development Planning*, which guides the work of the Poverty-Environment Initiative (PEI). PEI—a joint global programme of the United Nations Development Programme (UNDP) and the United Nations Environment Programme (UNEP) now operating in over 25 countries—began a new phase in 2013. This revised handbook complements this phase's focus on institutionalizing mainstreaming within government planning and budgeting systems and procedures to achieve positive pro-poor and environmental outcomes in PEI countries.

This new version of the handbook reflects lessons learned and updates on the PEI programmatic approach. It also draws on experiences from other endeavours such as mainstreaming climate change issues and dealing with an inclusive green economy. The handbook thus provides a model for action and a set of widely valid and credible approaches—particularly for implementing the Rio+20 agenda and, potentially, elements of the post-2015 development agenda.

1.2 Purpose

The handbook provides guidance and tools for policymakers and practitioners to mainstream pro-poor ENR and climate objectives into development policies, plans, budgets and implementation programmes at the national, subnational and sectoral levels.

It sets out a programmatic approach to poverty-environment mainstreaming that includes a range of mutually reinforcing activities and outputs aimed at addressing causes of ENR unsustainability. This PEI-developed approach is cohesive but flexible, able to be tailored to national circumstances. It is largely based on PEI experience in supporting governments around the world to mainstream poverty-environment objectives in development planning and budgeting processes. While the handbook largely highlights PEI experience, it also acknowledges that PEI is one actor among many others elaborating and applying methodologies and tools to support national institutions in strengthening integrated planning, budgeting and monitoring processes to achieve sustainable development and poverty reduction. To this end, the handbook also features experiences from other initiatives, including the Global Environment Facility (GEF), the Partnership for Action on Green Economy (PAGE) and the Poverty Environment Partnership (PEP).

1.3 Target Audience

The target audience for the handbook consists primarily of practitioners at the national, subnational (regional, district, municipal) and sectoral levels, and champions of the mainstreaming process.

✿ **Practitioners** include stakeholders from the government (head of state's office; finance,

planning, environment and sector ministries; local government, subnational bodies, political parties and parliament; national statistics office and judicial systems), non-governmental actors (civil society, academia, business and industry, the general public and local communities, and the media) and development actors (donors, international organizations and environment/development think tanks) in the environment, development and poverty reduction fields.

✿ **Champions** are practitioners who take on the role of advocating for the integration of poverty-environment considerations into development planning and budgeting at national, subnational and sectoral levels. These include high-level decision-makers and government officials who serve as advocates for poverty-environment mainstreaming.

1.4 Structure

The handbook is organized as follows.

Chapter 2: Importance of Mainstreaming Poverty-Environment Concerns examines the urgency of mainstreaming poverty-environment objectives into planning and budgeting processes, and describes key concepts for understanding poverty-environment linkages, including the contribution of ENR to human well-being and pro-poor economic growth.

Chapter 3: Political Economy of Mainstreaming introduces a programmatic approach to poverty-environment mainstreaming and a theory of change. It discusses finding the right entry points and making the case—actions which set the stage for poverty-environment mainstreaming.

Chapter 4: Mainstreaming into National Planning Processes discusses economic development planning processes and



presents guidance on how to integrate poverty-environment objectives into national planning processes. It also describes measures to facilitate implementation of mainstreamed national development plans.

Chapter 5: Mainstreaming into Budgeting Processes explains approaches for budgeting and financing for poverty-environment mainstreaming, which include engaging in the budgeting process at various levels and improving the contribution of ENR to public finances.

Chapter 6: Mainstreaming into Sector Strategies and Subnational Plans and Budgets examines an approach for incorporating pro-poor, gender-responsive environmental measures in sector strategies; it also discusses mainstreaming at the subnational level, including ecosystem-based approaches and experiences.

Chapter 7: Mainstreaming into National Monitoring Processes highlights the importance of integrating poverty-environment objectives into monitoring systems, and presents a considered approach and experience-based examples. It also explores the Beyond GDP initiative for measuring national and global progress.

Chapter 8: Managing Private Investment in Natural Resources discusses ways to support governments in managing private investment in natural resources, with a focus on primary

sectors or natural resource management areas including agriculture, forestry, fisheries and extractive industries.

Chapter 9: Lessons Learned highlights lessons from PEI's experience in supporting governments to mainstream poverty-environment objectives in planning, budgeting and monitoring processes.

The handbook also contains seven annexes that delve deeper into topics discussed in the main text, as well as a list of abbreviations and acronyms, a glossary and references. The annexes are as follows:

- ✿ A: Guidance Note on Institutional and Context Analysis
- ✿ B: Guidance Note on Integrating Environment-Linked Poverty Concerns into Planning, Budgeting and Monitoring Processes
- ✿ C: Guidance Note on Integrating Natural Wealth in GDP
- ✿ D: Guidance Note on Promoting Gender Equality in Poverty-Environment Mainstreaming
- ✿ E: Guidance Note on Integrating a Human Rights-Based Approach into Poverty-Environment Mainstreaming
- ✿ F: Guidance Note on Advocacy and Strategic Communications
- ✿ G: Poverty-Environment Mainstreaming Tools