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**Evaluation**

**Evaluation of the role and contribution of UNDP in  
the environment and energy**

**Executive summary**

*Elements of a decision*

The Executive Board may wish to: (a) take note of the present evaluation of the role and contribution of UNDP in the environment and energy and of the management response thereto (DP/2008/47); (b) welcome the conclusions that: (i) environment and energy are central to the core UNDP mission of poverty reduction and (ii) the role of UNDP in environment and energy within the United Nations system is potentially important, especially at the country level; (c) emphasize the need for UNDP to demonstrate leadership in formulating its strategic environment and energy priorities in response to the mission and capabilities of the organization, as well as to the national sustainable development priorities of its partner countries; (d) urge UNDP to improve its responsiveness to the national priorities, especially in view of the specific needs of least developed countries and small island developing States; and (e) request the Administrator to identify and implement institutional mechanisms and incentives to mainstream environment and energy into all major practice areas, and to strengthen the environment and energy capacities throughout the organization, including, and especially, in the country offices.



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## I. Rationale, scope and approach

1. The UNDP Executive Board, in its decision 2006/19, approved the 2006-2007 programme of work for the Evaluation Office, including the conduct of the evaluation of the role and contribution of UNDP in the environment and energy. The present report sets out the findings of the evaluation, which assessed the relevance, effectiveness, efficiency and sustainability of UNDP work at the global, regional and national levels. While focused mainly on the period 2002-2007, the evaluation also considered how events before 2002 shaped the approach of UNDP to the environment and energy, as well as how the organization is positioned to move forwards.

2. The goals and objectives of UNDP for the evaluation period are identified in two multi-year funding frameworks (MYFFs), 2000-2003 and 2004-2007, recently succeeded by the strategic plan, 2008-2011. Both MYFFs, as well as the new strategic plan, indicate a strong UNDP commitment to the environment and energy.

3. The Global Environment Facility (GEF) has been by far the most significant financing source for UNDP environment and energy programmes. The present evaluation did not evaluate the performance or mandate of GEF but considered the implications of GEF funding for UNDP, its effect on priority setting, its the impact on resource allocations at different levels within UNDP.

4. Country-level case studies provided the principal information source and focus of analysis. The evaluation team visited eight countries and two regional centres, while specific studies on key programmatic areas in environment and energy were also undertaken. Global consultations focused on UNDP headquarters staff and management, as well as on organizations whose interests and goals overlap with those of UNDP, including the United Nations Environment Programme (UNEP). The evaluation was hampered by a lack of reliable data on the financial resources used for environment and energy activities not financed by GEF, and a lack of useful performance measures.

## II. The environment and energy in UNDP

5. UNDP became significantly involved in the area of the environment following the 1992 United Nations Conference on Environment and Development in Rio de Janeiro, where the GEF was officially launched and the first two major multilateral environmental agreements were adopted. UNDP emerged from Rio with the mandate of becoming the 'sustainable development' organization of the United Nations. The role of UNDP in the environment field expanded dramatically in the 1990s, encouraged by supportive administrators, especially during the second half of the decade. From 2000 onwards, a new Administrator significantly downgraded environment and natural resource management as having relatively little to contribute to the core UNDP mandates of poverty and governance. Since the early 2000s, the most significant changes have been decentralization from headquarters and a sharp decline in the number of core staff positions in environment. At present, the majority of staff working on the environment and energy are supported by GEF funding.

6. The formulation 'environment and energy' used by UNDP presents some challenges. While clearly an important player in the area of environment in

developing countries, UNDP has only a small role in the overall energy picture and has very modest resources available for energy.

7. While reliable data on the overall use of UNDP financial resources for the environment and energy have been hard to obtain, there are strong indications that core-funded environment and energy activities were in decline as UNDP was progressively increasing its share of GEF resources. To date, UNDP-GEF project approvals have a cumulative total value of more than \$2.3 billion. The average annual value of UNDP-GEF projects approved since 2002 has exceeded \$200 million. During the most recent GEF funding phase (2003-2006), UNDP had the highest value of project approvals among the GEF implementing organizations.

8. The main focus of the UNDP GEF team has been projects generating significant global environmental benefits. This effectively separates their efforts from other UNDP activities. UNDP-GEF had access to substantial new financial resources during a period when the rest of UNDP was facing severe funding cutbacks. Staff were, and continue to be, encouraged to identify and prepare the greatest possible number of projects likely to be approved by the GEF secretariat and the GEF Council, in what frequently became a competition with the World Bank and UNEP.

9. Differences between the GEF activities and core activities of UNDP emerged at an early stage, and there was little sense that GEF resources came in response to a prioritization of overall environment and energy needs and opportunities at national levels. The separation was reinforced as UNDP moved away from project implementation while GEF remained almost entirely project driven. To many in UNDP, the well-resourced GEF programme, while widely recognized as professionally managed, innovative, and effective, has been of limited relevance to the main UNDP mission of poverty reduction. Since 2005 there have been serious efforts to improve the collaboration between UNDP-GEF and the rest of the Energy and Environment Group.

10. UNDP has many areas of active collaboration with UNEP, including jointly implemented GEF projects. The potential benefits of such collaboration arise from the UNDP network of country offices with considerable experience implementing national projects, combined with the scientific and technical expertise of UNEP and its networks in specific environmental areas. However, there has been a less-than-constructive rivalry between UNDP and UNEP over financial resources. During the last two years, several new partnerships and memoranda of understanding have emerged between the two organizations, with strong support from the UNEP Executive Director and the UNDP Administrator. This has helped build and improve relationships at the operational level, although most of the current collaborative arrangements are so new that it would be premature to attempt to assess their results.

### **III. Activities and programmes**

11. The project design and in most cases the implementation work carried out by UNDP and its partners are generally of high quality. The most impressive projects often appear to be those where other donors have been encouraged to support parallel activities that complement GEF projects, leading to a more diverse set of activities than those responding to a range of local and national priorities.

12. However, the availability of GEF funding has been the most important driving force determining where, how, and when UNDP country-level

environment and energy work was undertaken. Partly as a result, UNDP environment and energy country portfolios often appear to be a series of opportunistic projects for which funding was available. In the least developed countries and small island developing States in particular, there is almost total reliance on GEF support for environment and energy activities, as other donors have scaled back and government commitments are often miniscule. The reliance of UNDP on GEF to support its environment and energy work has caused high-priority national environmental issues – such as environmental health, water supply and sanitation, and energy management – to be replaced by GEF priorities related to climate change mitigation, biodiversity and international waters.

13. While many current projects appear impressive and innovative as stand-alone initiatives, sustaining gains and benefits over the longer term is a ubiquitous problem, with a fragile institutional memory of terminated initiatives that declines rapidly over time. Sustainability is clearly impaired by weak counterpart institutions with staffing and budget constraints, and limited coordination among institutions and projects, as well as cycles of political instability. Those factors are compounded by the meagre allocation of core resources, the uncertainty and unpredictability of future GEF funding, and the fact that few recipient countries share GEF environmental priorities, particularly where global issues are concerned.

14. The headquarters environment and energy programme has focused on studies and advocacy work. Much of this has been of high quality, although the impact of such work is unclear and synergies with the country programmes are not easy to detect.

15. There is virtually no sign that the global plans and strategies of UNDP have had any significant influence on the allocation of financial resources or the selection of programme priorities and activities for the decentralized country programmes. The shift from MYFF-1 to MYFF-2 had little practical impact beyond requiring country offices to retrofit some of their reporting to fit the new guidelines from headquarters, and there seems little expectation of any significant difference during the shift to the strategic plan, 2008-2011. That finding appears to be systemic and UNDP-wide, rather than a particular feature of the environment and energy practice.

16. Mainstreaming within UNDP has been limited. There has been relatively little collaboration between environment and energy and the other UNDP practice areas. There is little evidence of clearly developed or articulated strategies or practical initiatives linking or genuinely mainstreaming environmental initiatives into the UNDP core work on poverty, governance, human rights and sustainable livelihoods. At the country level, too, mainstreaming has been limited. Systemic barriers to country-level mainstreaming include the often weak position of ministries of environment, with which UNDP mainly works, and the dominance of GEF-funded portfolios that focus on the global rather than national environmental problems. The UNDP-managed 'National Dialogue' initiative has helped countries better coordinate their GEF-financed activities.

17. The still relatively new UNDP-UNEP 'poverty-environment' initiative is attempting to address the vital need to mainstream environmental concerns into development planning and implementation. While there are promising signs, progress on the ground has not been problem free. Current efforts to scale up the initiative will require both additional support and operational clarification if they are to be effective. Engaging the rest of UNDP in environmental mainstreaming is a critical unmet need.

18. Since 2005, a variety of efforts have been made to bring together and synergize the GEF and non GEF environment and energy work of UNDP. A unified approach to water governance has been the most successful example of convergence thus far. Other notable efforts towards harmonization have taken place in the Bratislava and Bangkok regional centres. While these are promising initiatives, time will tell whether they become successful and can be replicated in other areas.

19. At the country level, UNDP is valued by national governments as a long-term trusted partner, supporting national planning and contributing to capacity development. UNDP has also been a major avenue to GEF funding. The relevance and effectiveness of UNDP environmental programming is, of course, directly influenced by the commitment and capacity of recipient governments, and UNDP has long struggled with how to build and retain capacity in partner countries. Even so, long-term capacity gains in the areas of environment and energy are seldom apparent, especially in LDCs and small island developing States.

20. UNDP capacity in environment and energy leaves much to be desired. While staff at headquarters and in the regional centres are recognized for their expertise and the results they achieve, most are funded through extra-budgetary sources, which is not conducive to long-term capacity or career development. With a few notable and impressive exceptions, the environment and energy teams in country offices are few in number and often lack the relevant technical expertise. The hard-working teams are often stretched to the limit, especially in smaller country offices. Lacking the capacity to engage in policy dialogue with government, their main role is usually limited to administrative management tasks.

## **Major thematic areas**

### **A. Climate change**

21. Climate change has been a major component of the environment and energy work of UNDP and is central to its future plans in these areas. Since 1992 UNDP has mobilized about \$3 billion to fund over 400 large-scale and 1,000 small-scale energy and climate projects, almost entirely with GEF funding. Climate change is also prominent in the UNDP strategic plan, 2008-2011. UNDP has built up a significant body of expertise and experience in the climate change area, mostly at headquarters and in the regional centres.

22. The fit between the UNDP poverty reduction mandate and the GEF objective of mitigating global climate change has been less than convincing. Most of the climate change activities of GEF – and therefore of UNDP – at the country level have been aimed at mitigating greenhouse gas emissions, a global concern rather than a specific concern of individual developing countries. Such projects are often of marginal relevance to the mainstream development agendas of countries, especially LDCs and small island developing States, and have distracted attention from the importance of providing affordable energy services to the poor. UNDP recently established the ‘MDG Carbon Facility’, a pioneering initiative for UNDP as a model of collaboration with the private sector as well as governments, although it is too early to assess its activity and to determine how it will contribute to development.

23. Using GEF resources, UNDP has helped over 100 countries prepare national climate change vulnerability assessments, national adaptation plans, and national communications to the UNFCCC. A variety of studies indicate that

the LDCs and small island developing States will be hardest hit by climate change, and are most in need of support. Climate change adaptation therefore seems a more natural area for UNDP to engage in than mitigation, where the benefits are largely global.

## **B. Energy**

24. The energy-related portfolio of UNDP has increased significantly since the 1990s. The evaluation found examples of important country-level work introducing energy efficiency and clean, renewable energy, mostly in larger middle-income countries. Most of the increase in the energy-related activities of UNDP has been in climate change projects funded by GEF, however. The activities funded by UNDP regular resources have actually declined during the past decade. This has reduced the focus on LDCs, particularly in Africa. Here, while energy is closely related to poverty reduction and economic opportunities, the potential for achieving global environmental benefits through greenhouse gas mitigation – and consequently for mobilizing financial resources – is relatively small. Although, according to the MYFF performance report, over half of the UNDP energy-related projects and financing have dealt with expanding energy access to the poor, the evaluation did not find convincing evidence of this in the countries visited.

25. Most of the funding for UNDP ‘energy’ work has been GEF support for mitigating greenhouse gas emissions, relatively little of which flows to LDCs and small island developing States.

26. The ongoing dependence on GEF funding – or even on the emerging MDG Carbon Facility – will not encourage a meaningful energy programme that addresses poverty and sustainable development issues. The problems related to energy-poverty linkages are fundamentally different from those related to climate change mitigation and cannot be addressed through the same means and mechanisms.

## **C. Biodiversity**

27. Biodiversity conservation and sustainable use has been a substantial focus for UNDP, with a cumulative total of \$820 million in GEF project funding to date. UNDP has made a major contribution to biodiversity conservation, often working effectively with a broad range of stakeholders from governments and international conservation groups to local communities.

28. A recent scientific assessment of the state of the world’s ecosystems determined that in all regions, particularly in sub-Saharan Africa, the condition and management of ecosystems is a “dominant factor” affecting the chances of success in fighting poverty. Many of the regions facing the greatest challenges in achieving the Millennium Development Goals also face significant problems of ecosystem degradation. The ‘Millennium Ecosystem Assessment’, for which UNDP was a funding partner, provided a compelling set of arguments showing how sustainable social and economic development depends on biodiversity conservation, and notably the maintenance of ecosystem services such as provision of fresh water, flood control, and local climate stabilization.

29. While it seems clear that UNDP should continue to work in biodiversity because the condition and management of ecosystems is important for poverty alleviation, such arguments appear to have done little to engage UNDP as a whole. Links with the poverty and governance practices of UNDP have been few and far between. UNDP at a corporate level simply has not viewed

biodiversity as a priority. The limited biological diversity resources of the Energy and Environment Group have been used at very local levels (such as the Equator Initiative) and at the global level for advocacy and participation in international conservation processes. While the poverty and governance practices of UNDP have shown little interest in biodiversity, the UNDP-GEF biodiversity portfolio has started to evolve away from site-specific protected area work towards an emphasis on poverty and governance, emphasizing strengthening capacities and governance of biodiversity resources.

## IV. Conclusions

***Conclusion 1. Energy and the environment are central to the mission of UNDP.***

30. The relevance of the environment and energy to the principal UNDP mission of poverty reduction seems overwhelmingly clear. The negative consequences of the deteriorating international environmental situation on the poorest countries and communities have been elaborated unequivocally by a variety of credible international bodies and studies, notably the Intergovernmental Panel on Climate Change and the Millennium Ecosystem Assessment.

31. UNDP programmes in environment have made significant contributions to international environmental efforts. Programmes in environment and, to a lesser extent, energy have expanded significantly since the 1990s, and UNDP is now among the leading global organizations working in these areas. It has produced high-quality analytical knowledge products recognized for their value in policy dialogue, advocacy and awareness raising. These have, however, not translated systematically into programming.

32. UNDP plans and strategies have emphasized environment and energy as high priorities for the organization throughout the last decade. The 2008-11 Strategic Plan and its predecessor MYFFs (for 2000-3 and 2004-7) all highlighted environment and energy, while UNDP's senior management and headquarters staff have been energetic in representing UNDP in a variety of important international environmental fora, although leadership within country-level programmes is less evident.

***Conclusion 2. UNDP corporate plans and strategies have had little influence on the selection of programme priorities and activities for the country programmes. In practice, the availability of financial resources from GEF has had a far greater influence on the priority setting and choice of activities of country offices.***

33. Environment and energy programmes in UNDP have relied predominantly on outside funding, mobilizing an average of over \$200 million annually from GEF and \$30 million from the Montreal Protocol on Substances that Deplete the Ozone Layer during the past five years, supplemented by significant co-financing from project partners. The use of core budget resources for environment and energy has been very limited since about 2000.

34. UNDP has been effective and efficient in implementing GEF projects and has made a significant contribution to its overall success. Using GEF funding, UNDP has built up a specialized, capable technical team at headquarters and in the regional centres that is a credit to the organization.

35. While the success in mobilizing funds is to be commended, and the GEF-funded projects implemented by UNDP are generally of high quality, the latter



has steered UNDP environment and energy programming towards the so-called ‘global’ environmental issues. In contrast, national sustainable development priorities – water supply and sanitation, energy services, waste management, and local and indoor air pollution – have received scant attention.

36. UNDP has not developed a clear corporate position, competence, or niche for the environment and energy that is independent of its role in implementing GEF projects. Governments and other national stakeholders generally consider UNDP environment and energy work at the country level as synonymous with GEF projects. There is little sign that the environment and energy agenda resulting from GEF priorities is perceived as important or even particularly relevant within much of UNDP, which continues to regard GEF primarily as a potential source of funds for country offices that are highly dependent on their ability to mobilize resources.

***Conclusion 3. UNDP responsiveness to national priorities has been uneven. The type and effectiveness of environment and energy work done by UNDP vary significantly between partner countries, with some project portfolios appearing opportunistic and uncoordinated.***

37. UNDP responsiveness to national priorities in the environment and energy has been varied and largely dependent upon the type of country involved. UNDP programmes in the LDCs and small island developing States tend to be dominated by support for the preparation of plans and strategies. Those efforts have been of variable quality, rarely provide a sound guide for future investments, and do not always appear relevant to the most pressing needs of countries. Countries viewed many such plans as worthwhile only as a step towards further international funding, little of which has materialized. There are indications of a better fit between national priorities in the environment and energy with the services provided by UNDP in the larger, higher income countries where government environment programmes are able to draw on additional resources, including in China.

38. The project-based country portfolios suffer from many of the problems endemic to development projects, notably a limited focus on longer-term impacts, and significant challenges to sustaining benefits after project completion. There are few obvious signs of genuine improvement in government capacities for environmental management over the last decade or two, especially in the LDCs and small island developing States, and lack of capacity is continually cited as a principal barrier to progress. Significant capacity often exists outside government, and this could be developed and utilized more effectively.

***Conclusion 4. Imbalances in priority-setting and programming arising from the substantial reliance of UNDP on GEF funding have received insufficient attention.***

39. Insufficient efforts have been made by UNDP senior management at a strategic, global level to encourage staff to identify the key differences between UNDP and GEF priorities and to alert donor partners that there are important gaps to be filled. Rather, staff have been encouraged implicitly, if not pressured, to seek whatever funding is available and make the most of it, which they have generally done with considerable skill and persistence.

40. While UNDP has sought opportunities to broaden access to the significant resources for greenhouse gas mitigation available through GEF, more eligible project opportunities are obviously found in relatively well-off industrialized countries rather than in LDCs and small island developing States. Opportunities for greenhouse gas mitigation in Africa, for example, have so far

been limited. Partly as a result, the pervasive challenge of supporting low-cost energy access for the poorest countries and communities has tended to receive less attention from UNDP than carbon mitigation, for which funding has become easier to obtain.

41. Within UNDP, recent efforts to harmonize GEF with other environment and energy work are both commendable and long overdue. Notable progress has been made at the regional and global levels. The urgency of such convergence efforts has been fuelled by some uncertainty over the level of future UNDP access to GEF resources and increased awareness of the need for more diversified funding sources, apparently assuming that core budget support would remain very limited. Even so, further integration or convergence of GEF teams with the rest of the Energy and Environment Group remains challenging.

***Conclusion 5. Capacity for planning and managing environment and energy work varies considerably within UNDP. Most country offices lack the capacity to engage in high-level policy dialogue with governments.***

42. With a few notable and impressive exceptions, country office environment and energy teams do not appear strong, and only rarely participate in high-level policy discourse with governments and other donors on environment and energy topics outside the areas of specific interest to GEF. Project implementation tends to absorb most of the attention of country office environment and energy teams. Overstretched staff and the limitations of UNDP management capacities mean that many national stakeholders are dissatisfied with project management. Headquarters and regional centre staff have also expressed concerns.

43. Within the country offices, enthusiasm for and effectiveness in environment and energy work appear to vary significantly depending on the interest and convictions of the respective resident representatives, which differ substantially.

44. In some countries, frequent turnover among country office staff and among their government counterparts has led to losses of institutional memory that undermine learning processes. This may be at least partly attributable to the lack of attractive career paths for technical staff within the organization. Country offices are also hampered by working with poor administrative systems and reporting demands from headquarters that are burdensome and shift frequently.

***Conclusion 6. Mainstreaming within UNDP – that is, including environmental considerations in other major practice areas such as poverty reduction and democratic governance – has been very limited at any level (headquarters, regional centres, or country offices).***

45. Within countries, there are few indications that UNDP has played an influential role in helping governments develop and implement sound environmental policies of direct relevance to the sectors where economic growth is anticipated (such as agriculture, industry, transport and mining). The emerging UNDP-UNEP poverty-environment initiative holds some promise in this area, but requires careful nurturing and cannot do the job alone.

46. Adaptation to climate change seems likely to emerge as one of the most prominent issues in international development and thus attract substantial resources. It seems clear that adaptation measures will need to be implemented across a broad spectrum of development sectors, especially in the most vulnerable countries, the LDCs and small island developing States. So far, UNDP has treated adaptation as an environmental issue, even though it is very closely linked with poverty, economic development, governance and disaster

management. UNDP must start to treat adaptation as a multi-sectoral development issue, not just an environmental one, if it is to play a leadership role in this area. This requires that adaptation is genuinely mainstreamed within the organization through effective integration with poverty work.

47. Advocating for the need to integrate environmental thinking and considerations across the entire range of development sectors within governments will continue to be a 'hard sell' for country offices if the case for mainstreaming cannot be made effectively within UNDP.

***Conclusion 7. The role of UNDP in environment and energy within the United Nations system is potentially important but not fully realized.***

48. UNDP has the potential to play an extremely important role in the area of the environment and energy in the context of sustainable development within the United Nations system, where its operational and country-driven focus, augmented by a growing technical capacity in emerging priority areas, seems broadly complementary to the normative and scientific focus of UNEP.

49. The relationship and quality of operational collaboration between UNDP and UNEP have improved significantly during the last two to three years, although there continue to be challenges at the operational level. There have been positive experiences from collaboration on the implementation of GEF projects, several new partnerships have been entered into, and senior management of both organizations have sent strong signals of support for further collaboration. A review of longer-term cooperation has revealed that competition for resources, incompatibilities in organizational culture and systems, a lack of clarity over respective roles at the field level, and lingering distrust among staff are in some cases still proving hard to overcome.

50. Further opportunities for enhancing cooperation with other United Nations agencies active in environment and energy, such as the United Nations Industrial Development Organization, exist.

***Conclusion 8. Measuring progress in the environment and energy continues to be a challenge.***

51. Substantial efforts have been and continue to be invested in results-based management in all UNDP programme areas. Yet UNDP reporting on environment and energy continues to focus on inputs and activities rather than on outcomes. Developing reliable, cost-effective indicators for environmental and energy investments, policy changes, and capacity development remains a worthwhile but exceedingly difficult goal. Despite some commendable progress within individual technical areas, it is evident that not everything important can be measured, and it is not easy to establish what would have happened in the absence of the activity being assessed. The performance reporting challenge is compounded by the fact that UNDP is only one contributor to the development results of a programme country. The key is to assess carefully the impact and national results that UNDP helps achieve, and to analyse and document these in coordination with other partners, rather than trying to separate the impact of the UNDP contribution. Without clear results frameworks and reporting on outcomes, UNDP has allowed itself to be drawn into making representations and commitments on performance that are unrealistic given its resources.

***Conclusion 9. UNDP has taken some important steps to reposition for future work in the environment and energy, including seeking more diverse funding sources, although progress seems likely to be limited unless genuine mainstreaming of the environment and energy takes place within the organization.***

52. The strategic plan, 2008-2011, presents a coherent set of energy and environmental priorities for UNDP, but is unconvincing insofar as these are not tied to resource allocations, and the plan does not acknowledge or react to the major issues resulting from the high level of dependence on GEF resources.

53. While the emergence of some new funding sources is encouraging, the emphasis still appears to be on going after available money rather than allocating core resources to sets of activities that are consistent with the UNDP mandate. As a result, there appears to be a real risk that environment and energy will continue to receive insufficient or unbalanced attention, particularly in the least developed countries and small island developing States.

54. The ability of UNDP to realize exciting new opportunities to work with a more diverse set of funding sources such as carbon market and adaptation funds may be constrained by limited capacity in its country offices. The move to a 'One United Nations' approach may help overcome those limitations to some extent. Yet even if it achieves greater cooperation with UNEP and other specialized agencies, UNDP will still need to strengthen its in-house environment and energy capacities if the country offices are to provide high-quality support to programme delivery at the country level.

## V. Recommendations

***Recommendation 1. UNDP should demonstrate more clearly the pursuit of its defined mandate in the environment and energy rather than the specific priorities of a limited number of major donors or funds.***

55. UNDP must formulate its strategic environment and energy priorities in response to its mission and capabilities, as well as to the national sustainable development priorities of its partner countries. It should start to build coherent corporate plans for the environment and energy in the context of sustainable development. UNDP must mobilize and allocate resources that support these plans, rather than choosing priorities and activities opportunistically based on the availability of funding.

56. UNDP should reformulate strategic environment and energy priorities, identify resource gaps, and present these to donors. In particular, the plans should (a) identify national sustainable development priorities not eligible for GEF funding and indicate how they will be addressed, especially in least developed countries and small island developing States; (b) make overall resource allocations among countries and topics based on actual needs and opportunities; and (c) develop a coherent UNDP-wide energy strategy that identifies a realistic niche for the organization reflecting needs in the poorest countries.

57. To monitor progress in the above areas, UNDP should regularly report on the source and allocation of financial and human resources to the goals, priorities, and programmes adopted.

***Recommendation 2. UNDP should assume a proactive role to respond to national priorities.***

58. UNDP should strengthen its policy dialogue with programme countries in order to better identify national sustainable development priorities, in particular in least developed countries and small island developing States. It should also advocate and seek opportunities to incorporate environment and energy concerns into national development plans and programmes, and develop country-level capacities to work on these.

59. In developing the country programme document with the governments, UNDP should conduct periodic stocktaking of country-level environment and energy portfolios. Partners should be invited to participate in the reviews. In countries where governmental capacity is limited, UNDP should encourage collaboration with and enhanced roles for capable individuals and organizations outside government.

***Recommendation 3. UNDP should identify and implement institutional arrangements and incentives to promote the mainstreaming of environment throughout all major practice areas.***

60. UNDP should incorporate the environment and energy into its main practices of poverty reduction, democratic governance, and crisis prevention and recovery. This will require leadership and commitment at all levels of the organization, not only within the environment and energy practice.

61. Mainstreaming will require strong partnerships with governments, other United Nations organizations and other actors, such as civil society and academic organizations active in the field, which UNDP must foster.

62. UNDP should accelerate the transition of climate change adaptation from an environmental issue to a mainstream development concern that engages the entire organization. Climate change adaptation should be considered as a flagship priority for UNDP as a whole.

***Recommendation 4. UNDP should identify options for strengthening the environment and energy capacities of the country offices.***

63. UNDP should intensify existing efforts to focus resident representatives' attention on environment and energy as a key component of sustainable development and build their individual capacities in these areas.

64. UNDP should consider establishing new positions, upgrading existing posts, and increasing the availability of staff based in the regional centres.

65. UNDP should explore improvements in longer-term career opportunities for technical specialists currently based at the regional centres and country offices.