



# United Nations Environment Programme

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PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE  
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

**DRAFT**

**MEMORANDUM OF UNDERSTANDING BETWEEN THE UNITED NATIONS ENVIRONMENT  
PROGRAMME**

**(UNEP)**

**ECONOMICS AND TRADE BRANCH**

**(ETB)**

**AND THE GOVERNMENT OF .... REPRESENTED BY....**

**TO UNDERTAKE A PROJECT ON**

**CAPACITY BUILDING FOR INTEGRATED ASSESSMENT AND PLANNING**

**FOR SUSTAINABLE DEVELOPMENT**

***The purpose of this document is to provide the national officials charged with the responsibility of preparing national project proposals with the format and information required to prepare project proposals for consideration by UNEP. The contents provided in this document are, however, indicative, and UNEP recognizes that national project proposals will need to address a range of factors that are specific to their national needs and priorities, and the existing institutional frameworks.***

## **1. Background**

***This section provides general background information on the UNEP initiative, legislative authority and mandate, what the project aims to achieve and how it fits in with the collaborative Government planning process and priorities.***

This UNEP-led initiative on *Capacity Building for Integrated Assessment and Planning for Sustainable Development* aims to enhance capacities of countries, particularly developing and transition countries, to undertake integrated assessment and planning for sustainable development, with particular focus on agriculture, poverty alleviation, environmental management and sustainable trade promotion.

It aims at using integrated assessment and planning as a tool for balancing environmental, social and economic objectives in national sectors of importance and relating them to poverty alleviation and sustainable trade enhancement. It is designed to help implement the World Summit on Sustainable Development (WSSD) *Plan of Implementation*, which emphasized the importance of taking a “holistic and inter-sector approach” to implementing sustainable development, and to deliver on the Millennium Development Goals. The Plan of Implementation of the WSSD specifically calls upon countries to develop National Sustainable Development Strategies linked to poverty strategies.

*“States should:*

- (a) Continue to promote coherent and coordinated approaches to institutional frameworks for sustainable development at all national levels, including through, as appropriate, the establishment or strengthening of existing authorities and mechanisms necessary for policy-making, coordination and implementation and enforcement of laws;*
- (b) Take immediate steps to make progress in the formulation and elaboration of national strategies for sustainable development and begin their implementation by 2005. To this end, as appropriate, strategies should be supported through international cooperation, taking into account the special needs of developing countries, in particular the least developed countries.*

*Such strategies, which, where applicable, could be formulated as poverty reduction strategies that integrate economic, social and environmental aspects of sustainable development, should be pursued in accordance with each country’s national priorities”.*

*Paragraph 145, Plan of Implementation  
World Summit on Sustainable Development  
4<sup>th</sup> September 2002*

This initiative is in implementation of UNEP Governing Council decision GC21/14 related to providing assistance to Governments to integrate environmental considerations in the design and assessment of macroeconomic policies, adopt an integrated approach to design and implement mutually supportive trade and environment policies, and promote greater understanding of the linkages between poverty and the environment. It is also in response to decision GC22/10, to develop a strategy for the implementation of actions committed to in the

plan of implementation of the WSSD on poverty alleviation. It specifically responds to the Governing Council decision GC21/14 which requested the Executive Director to:

*“assist countries, particularly developing countries and countries with economies in transition to enhance their capacities to develop and implement mutually supportive trade and environmental policies. Such assistance should be geared to reflect the socio-economic and development priorities, as well as the needs and capacities of individual countries”;*

*“promote, including through international cooperation, the national development and application of environmental impact assessment,.....in accordance with the socio-economic and development priorities of individual countries; and*

And in addition, to Governing Council decision GC22/10:

*“Calls on Governments, international organizations, donor organizations and major groups to actively work towards fulfilling the actions committed to in the Plan of Implementation of the World Summit on Sustainable Development on poverty eradication, as well as operationalizing the work solidarity fund, which was endorsed by the United Nations General Assembly in its resolution 57/265 of 20 December 2002, and requests the Executive Director to develop a strategy for the implementation of those actions within the mandate of the United Nations Environment Programme”*

This initiative will be carried out in close coordination with the OECD/DAC initiative on strategic environmental assessment and the Millennium Ecosystem Assessment and other relevant institutions, including the World Bank, UNCTAD and UNDP.

The initiative, which builds on and is undertaken in association with the UNEP/Norway Poverty-Environment Partnership Programme, will develop and test a robust approach of integrated assessment and planning for sustainable development through pilot studies conducted in eight developing and transitional countries. Outcomes of the project will be drawn upon by UNEP for wider application by international donors, national agencies and others involved in promoting integrated policy approaches designed to maximize the contribution of economic and trade policies to poverty alleviation, environmental protection and sustainable development.

Collaborating Governments will designate a national institution that will work in close partnership with the lead Government institutions responsible for the project (e.g. the Ministry of Planning and the Ministry of Environment) in close collaboration with other relevant Ministries (such as the Ministry of Agriculture, Trade, and Social Development). The collaborating Government will implement the pilot project, which is intended to result in initiating and implementing a process leading to the assessment and development of an integrated plan for sustainable development in a priority sector, or aspect of national planning, with particular focus on poverty alleviation and sustainable trade promotion. UNEP encourages countries to submit proposals addressing the agriculture sector, or with a strong agricultural component, given this sector's strong links to poverty, environment and trade.

The UNEP project seeks balanced participation of countries from Africa, Asia and the Pacific, Central and Eastern Europe, and Latin America and the Caribbean. The goal is to assist countries to design integrated policies, on sectors of national importance, that help achieve

sustainable development, with specific focus on sound environmental policies, promoting sustainable trade, and poverty reduction.

Countries are being selected on the basis of the following criteria:

- The level of demonstrated commitment by governments to develop and implement sustainable development policies.
- Identification of a clear and transparent planning process relevant to the selected sector with priority given to poverty alleviation.
- Sufficient opportunities for undertaking integrated assessment within the proposed poverty alleviation policies.
- Flexibility in the planning process to accommodate the UNEP project planned to begin during the fourth quarter of 2003 and be completed by mid 2005.
- Basic capacities to implement the project exist in the country.

## 2. ***Objectives of the Project***

***When identifying the objectives of the national project, national officials may wish to give consideration to a range of possible goals determined in light of national needs and priorities, including those set out below:***

- Enhancing capacity to undertake integrated assessment and planning for sustainable development, with particular focus on sustainable agriculture, poverty alleviation, environmental management and sustainable trade promotion.
- Strengthening environmental, social and economic institutional cooperation and coordination.
- Exploring and building on previous and existing experiences and approaches for integrated assessment and planning with the intention of identifying best practices and approaches.
- Facilitating the design of integrated policies, plans and programmes that take into account economic, social and environmental aspects of sustainable development.
- Contributing to the country's progression toward the goals set out in the WSSD Plan of Implementation regarding poverty reduction and the use of environmental and integrated assessment as a means of encouraging relevant authorities at all levels to take sustainable development considerations into account in decision-making (WSSD Plan of Implementation at paragraph 18).

### 3. **Approach and principles**

***This section should provide a description of the core principles of the project and approach to be adopted in undertaking an integrated assessment and planning for sustainable development. A variety of approaches and principles may guide and support national projects. National officials may wish to consider the following ones, among others, when drafting their project proposal.***

- *Integrated assessment and planning should be integrated into the relevant national policy process.* It can help governments reach sustainability goals and targets, thus supporting a shift towards more environmentally and socially friendly economic development. It helps to identify different economic, social and environmental opportunities and synergies.
- *Integrated assessment and planning should focus on the right issues at the right stages of policy-making.* The integrated assessment and planning approach helps to identify trends, weaknesses and the root problems during the initial stage of the planning process. It helps to identify policy objectives, linkages and trade offs during the strategic planning phase, and supports monitoring and supervising implementation of the plan.
- *Integrated assessment and planning should facilitate early involvement of key stakeholders.* It can help to create public trust and commitment with equitable involvement of stakeholders from multiple sectors, disciplines and affected communities; it can create knowledge at relatively low cost by actively involving relevant stakeholders; and it can increase the transparency of decision-making processes, strengthening their acceptability and value to society.
- *Integrated assessment and planning as a change in the planning process paradigm.* In certain cases, integrated assessment and planning may involve a change in the policy-planning paradigm. It promotes inter-ministerial coordination and collaboration by involving different government ministries and bodies. And it can streamline the decision-making hierarchy by enhancing synergies and complementarities between economic, social and environmental objectives at each stage of the planning process.

The national projects emphasize a country driven and led approach thus enhancing national ownership, active participation and contribution of different government entities, the private sector, and other relevant stakeholders. This will help ensure implementation of policies and measures proposed by the plan and stimulate local funding. The project should ensure securing agreement among stakeholders on the purpose, scope and context of the project.

### 4. **Responsibilities of UNEP**

***This section of the project proposal outlines expected UNEP responsibilities through the project including consultation, training, technical expertise and limited seed money, as set out below.***

- UNEP will provide technical support for the implementation of the project to the national team. This can include providing terms of reference for the assessment, reviewing and commenting on work undertaken under the project and participating in

national workshops. The financial support provided by UNEP, and which will be channelled through the national institution designated by the Government, can be used to cover cost of assessment and data collection, multi-stakeholder meetings and national consultations, communications, travel and overhead costs for the lead national institutions facilitating the project. UNEP will cover costs of required international experts, peer reviews and working group meetings to assess work undertaken under the projects. The Government will be expected to identify specific support required or expected from UNEP to facilitate the implementation of the project.

- On completion of this first phase of the project, UNEP will be prepared to consider supporting Government efforts in follow up action which may be required to implement the proposed integrated plan emanating from this project.

#### 5. ***Responsibilities of National Implementing Institutions***

***This section of the project proposal should describe the responsibilities of national institutions, including:***

- Relevant Ministries (e.g. Ministries of the Environment, Planning, and Agriculture) that will take the lead of the planning process.
- Involvement of environmental institutions, social institutions, civil society and private sector, with indication of their role in the integrated assessment and planning process.
- Note that the proposal should give some evidence of real commitment.
- A proposed in-country facilitator of the project (as a think-tank, advisor, consultant, etc.).
- Any other involved International Development Agency, such as bilateral or multilateral donors, with indication of their role in the integrated assessment and planning process.
- Indication of existing in-country expertise on integrated assessment and planning, and the main expected results in terms of capacity building by involvement in this UNEP project

*National projects should ideally reflect the following responsibilities for national implementing agencies taking into account the current planning and decision-making process:*

- The initiative promotes cooperation among relevant Government entities. National Ministries – such as the Ministry of Environment, the Ministry of Planning in close collaboration with the Ministry of Agriculture, Trade and Social Development – are expected to take the lead and responsibility for this project. These Ministries will agree and designate a national institution, which will be entrusted with facilitating the implementation of this project.
- The national implementing institution (i.e. an in country think-tank, advisor, consultant etc.) will be selected by the Government in consultation with UNEP on the basis of clear criteria, which should include: relevance of experience in assessment and sustainability related activities, capacity to facilitate and coordinate activities of the project, availability of qualified and experienced staff, and preparedness of the institution to allocate a multi disciplinary team of experts to handle this project.

- The designated national institution will be expected to establish a national steering committee (comprised of representatives from the lead Ministries, experts and stakeholders from other relevant government Ministries and departments, the private sector, academia and local nongovernmental organisations) to guide project development and implementation. The steering committee will identify the main issues and concerns to be addressed through the project, define methodology(ies) to be followed, identify local consultants and provide guidance on how the outcome of the project is expected to be integrated into policy and decision-making.
- The designated national institution will also convene national stakeholder meetings as needed to ensure the project reflects the concerns and priorities of the different Government entities, stakeholders, particularly the affected communities.

## 6. ***National Project Activities***

***This section of the proposal should describe the planning process identified for the purpose of this project, and activities to be undertaken under the project, to include the following:***

- Official name of the planning process to be supported by the UNEP initiative.
- Government institutions/agencies responsible for the planning process, and those otherwise actively involved.
- Purpose and objectives of the planning process. This refers in particular to the agricultural sector(s) involved and the spatial orientation, which can be national or sub-national.
- The main stages and corresponding timeline of the planning process. This includes a description of what has been done so far, what is the current phase of the planning process and what is expected in future phases. Indicate to what phase the proposed project will be linked (e.g. first design, review, evaluation, etc.).

***More specifically, there is a range of activities that may be included for the implementation of the project. While these steps may be relevant in most cases, it is emphasized that it will also be important to tailor the approach to existing assessment and planning processes as appropriate. They should be tailored to reflect national needs, conditions, and priorities. When developing their national project proposals, the following generic steps could be considered:***

- *Review of the broad range of planning processes and sustainable development strategies.* This review involves domestic plans, planning processes, and sustainable development strategies (e.g. agricultural policies, rural or urban development strategies) as well as externally driven plans and planning processes (e.g. Poverty Reduction Strategy Papers).
- *Identification of relevant planning process.* After reviewing the range of planning processes, countries will wish to select one to form the basis of their proposal to UNEP.

- *Integrated assessment and planning within the policy-making process.* Applied at the early stages of the strategic planning process, integrated assessment will provide early checks and generate information for planners, decision makers and the public. Integrated assessment will then lead to the identification of opportunities and solutions for identified problems.
- *Identification of issues currently addressed.* Policy-makers may wish to identify the environmental, social and economic issues currently addressed within the planning process, possibly distinguished for each of the 4 planning phases (analysis, design, implementation and monitoring). They may also wish to identify the existing weaknesses and opportunities or needs for improvement.
- *Identification of tools and methods.* An additional step may involve identification of planning or assessment tools and methods that have been used or are being used within the identified planning process. At this stage too, indication of existing weaknesses and opportunities or needs for improvement may be beneficial.
- *Identification of stakeholders and public institutions.* Indication of stakeholders and public institutions that have been used or are being involved in the planning process and how these have been involved (consultation, active involvement, debate, feedback, etc.).
- *Recommendations for improvements of this planning process.* Review of the proposed strategic planning process will provide a starting point for deciding upon desirable enhancement of sustainability aspects and in the planning process.
- *Development of policy packages.* Identification of opportunities and solutions through integrated assessment forms the basis for the design of complementary environmental, social and economic policies, with a focus on promoting sustainable trade and alleviating poverty.
- *Monitoring, evaluation and review.* Monitoring of the sustainable development process and evaluation of the strengths and weaknesses at each stage will facilitate enhancement of the planning process and ensure the integrated assessment is robust, systematic, equitable, participatory, transparent and accountable. Policy-makers may wish to review of integrated assessment and planning for sustainable development in a project follow-up report.

## **7. Results from National Projects**

*This section of the proposals should set out a list of the expected results from the national project and a description of the results. The following provide examples of the kinds of results that may be sought by national projects:*

- Enhanced understanding of the interface between agriculture, poverty alleviation, environmental management and sustainable trade promotion.
- Enhanced national institutional and human capacities for undertaking strategic integrated assessment and planning for sustainable development.

- Enhanced national coordination between Ministries involved in the project.
- Enhanced capability of policy-makers to design and implement comprehensive policies and measures for sustainable management.

## **8. Requirements to Achieve Results**

***This section of the proposal should set out a description of the steps to be taken in order to achieve these results. National processes would likely need to address the following requirements, among others:***

- Commitments and support of relevant Government Ministries and Departments.
- Involvement and active participation of other stakeholders, such as relevant non-governmental, the private sector, academia, and affected communities.
- Commitments of national authorities to integrate the result of the project in the policy and decision-making process.

## **9. Outputs of National Projects**

***The project proposal should give a description of the outputs or deliverables, which are expected to be produced by the project. National projects could include the following outputs, taking into account the current planning and decision-making process:***

- An initial report providing the following: an outline of the country's planning process (including a review of the different planning processes in the country, main government priorities to be achieved by the plan, the selected planning process identified for the purpose of this project, the proposed assessment methodology to be adopted, data requirements, availability and sources, main issues to be identified and addressed, approach to be adopted in the assessment, the identification of gaps, trade offs, and policies and measures required to ensure the achievement of the economic, environment and social objectives.
- A work-plan outlining the activities to be undertaken during the course of the project with a schedule of activities and project milestones.
- Sector-specific (e.g., Agriculture) research and analysis with consideration of social, economic and environmental effects.
- A document providing a description of the process and methodology(ies) adopted in undertaking the integrated assessment, describing main stakeholders involved, outcome of the assessment and proposed corrective action, including policy measures needed to achieve sustainability objectives.
- Peer reviews of the integrated assessment and planning document.

- Proceedings of expert review meetings to review and provide feedback on action plan.
- Proceedings of at least two national workshops one at the beginning of the project to launch it and another at the end to launch its outcome and the strategy for implementation of the proposed integrated plan.

### **10. Project Timeline**

*The following timeline is proposed for the conduct of national projects:*

Submission of Project Proposal by Government	August/Sept 2003
Finalization of Project Proposal	August/Sept 2003
National Workshop to launch project	Oct/Nov 2003
Establish steering committee	Nov/Dec 2003
Preparation & submission to UNEP of first draft of integrated assessment & plan	February 2004
International Workshop to review progress of projects	March 2004
National Workshops (2) to review mid-term progress	July & Nov 2004
Final Review and outcome of project	April/May 2005
Submission of Final integrated assessment and plan	Aug/Sept 2005
National Workshop to launch assessment report	Sept 2005
International Conference	Nov 2005

### **11. Project Budget (USD 40,000)**

***The budget should provide a breakdown of costs to cover research work, workshops, fees of national consultants, steering committee meetings and communications.***