



**Evaluation of the Framework Agreement**  
between the Government of Norway  
and the United Nations  
Environment Programme (UNEP)





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## List of Acronyms

AEO	African Economic Outlook
AMCEN	Conference of African Ministers of Environment
BSP	The Bali Strategic Plan for Technology Support and Capacity-building
CBD	Secretariat of the Convention on Biological Diversity
CCA	Common Country Assessment
CITES	International Convention
COP	Conference of Parties
DCPI	UNEP's Division of Communications and Public Information
DEC	UNEP's division of Environmental Conventions
DEPI	UNEP's Division of Environmental Policy
DEWA	UNEP's Division of Early Warning and Assessment
DGEF	Global Environment Facility Coordination
DPDL	UNEP's Division of Policy and Law
DRC	UNEP's Division of Regional Cooperation
DTIE	UNEP's Division for Technology, Industry and Economics
EFA	Environmental Framework Agreement
FAO	United Nations Food and Agriculture Organization
GC	Governing Council
GEF	Global Environment Facility
GEO	Global Environmental Outlook
GIWA	Global International Waters Assessment
GPA	Global Programme of Action
GRID	Global Resource Information Database.
IATC	Inter Agency Technical Committee
ICRI	International Coral Reef Initiative
IDA	International Development Association
IEA	Integrated Environment Assessment
ILO	International Labour Office
IPDC	International Programme of Development Cooperation
LDC	Least Developed Countries
LIC	Low-income Countries
MDG	Millennium Development Goals
MFA	Ministry of Foreign Affairs
MoE	Ministry of Environment
NEPAD	New Partnership for Africa's Development
NOK	Norwegian Kroner
NORAD	Norwegian Agency for Development Cooperation
ODA	Overseas Development Assistance
PCMU	Programme Coordination Management Unit
PRSP	Poverty Reduction Strategy Paper
RMU	Resource Mobilisation Unit
ROA	U.N.'s Regional Office for Africa
SWOT	Strength, Weaknesses, Opportunities, Threats
UNCCEE	UNEP Collaborating Centre on Energy and Environment
UK	United Kingdom
UN	United Nations
UNDAF	U.N Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme



## Preamble

The document, which follows, is being submitted to Norad on 20 September 2005. It is the final report of an evaluation concerning the agreement between the Government of Norway and the United Nations Environment Programme (UNEP). The report has been prepared by Stein Hansen and Mike Fergus of Nordic Consulting Group AS (NCG Norway) under a framework contract between Norad and NCG Norway. Work on the evaluation commenced on 26 April 2005 and the consultants' draft final report was submitted to Norad on 20 August 2005.

This report presents the consultants' findings and recommendations. These are based on:

- a desk study undertaken in April and May 2005 and a thorough-going analysis of annual reports
- a questionnaire submitted for each of the 24 projects currently being implemented under the framework agreement
- a series of interviews undertaken in Oslo (with the Ministry of Foreign Affairs and the Ministry of Environment) and in Paris, Geneva and Nairobi (with UNEP) undertaken in May and June 2005
- interviews with the Ministries of Environment in Kenya and Uganda in June/July in order to assess the impact of the framework agreement on two of the user countries.

Comments on the draft final report received from the United Nations Environment Programme, the Ministry of Foreign Affairs, the Ministry of Environment and Norad.

The report is edited as follows: Chapter 1 sets out the general background to the evaluation. This is followed in Chapter 2 by the consultants' comments on the evaluation terms of reference. Chapter 3 then describes UNEP and the framework agreement with Norway. This chapter also contains a detailed assessment of the portfolio of projects supported under the agreement. For the sake of comparison, Chapter 4 then examines briefly the merits of partnership framework agreements. Chapter 5 then examines a model for framework agreements with United Nations agencies. This is followed by Chapter 6 which sets out "Which Way Forward" and discusses which options are now open in planning the new framework agreement. The final chapter, Chapter 7, sets out a summary of the evaluation's Conclusions and Recommendation. The report is rounded off by a series of Annexes.

The consultants would like to express their appreciation to the staff of the Ministry of Foreign Affairs, the Ministry of Environment, Norad, UNEP and the Norwegian Embassies in Nairobi and Kampala for effective, professional and transparent cooperation, valuable discussions and logistical facilitation and assistance.

Conclusions and Recommendations in this report are those of the consultants and do not necessarily reflect those of the persons and institutions subjected to interviews or those submitting completed questionnaires for this evaluation study.

20<sup>th</sup>. September 2005

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# Executive Summary of Conclusions and Recommendations

## Findings and Conclusions

1. This is an evaluation of the framework agreement between the Government of Norway and the United Nations Environment Programme (UNEP). The evaluation was carried out by a team of consultants from Nordic Consulting Group AS of Oslo, Norway between May and September 2005. It is based on consultations in Norway and on field visits to UNEP's offices in Paris, Geneva and Nairobi. In addition, the Ministries of Environment in Kenya and Uganda were consulted.
2. The framework agreement focuses on five particular areas;
  - support to Africa
  - environmental information, monitoring and assessment
  - environmental policy and law including trade and the environment
  - support for implementation of environmental conventions
  - co-operation between UNEP and the civil society.
3. The agreement covers the period 2002–2005 and expires at the end of 2005. It provides NOK 35 million per year for the partial or full funding of some 24 projects in six of UNEP's eight Divisions. This funding is provided by the Ministry of Foreign Affairs. However, NOK 9 million a year was provided to various projects in addition to the framework agreement. In addition, through the Ministry of Environment, Norway provides some NOK 15 million to the Environment Fund which contributes to funding UNEP's day-to-day operational obligations. Thus the total support to UNEP from Norway in 2004 was over NOK 64 million.
4. The parties to the agreement meet at least once a year to review on-going cooperation. UNEP regularly submits lists of proposals for projects and makes annual reports and end reports for each of the projects carried out under the framework agreement.
5. A thorough analysis of the framework agreement portfolio of 24 projects was undertaken involving the study of reports, analysis of questionnaires and personal interviews in Paris, Geneva and Nairobi. The main conclusions of the analysis were that:
  - UNEP places great faith in the power of awareness-raising and institutional strengthening to bring about lasting change. However, the actual authority and power in recipient institutions may be very weak.
  - It is very difficult to establish a focus and then evaluate impacts and results because of the very wide and diverse range of outputs and objectives to be achieved.
  - Monitoring of impact is virtually impossible since no counterfactual benchmarks have been established, and indicators of progress are not systematically established at the time when projects are designed and started.
  - Many projects have complicated institutional arrangements so that it is difficult to identify the impact of Norwegian support. Fungibility of funds adds to the difficulty.
6. There is a widespread danger of duplication between Divisions within UNEP and between UNEP and other agencies, although UNEP is aware of this. This is partly because UNEP has become very ambitious and moved into areas which may be outside its original remit. MFA needs to more actively monitor what sort of environment-oriented programmes and projects are supported via other framework agreements with e.g. WHO, FAO, UNESCO and UNIDO,

as well as through trust funds in the multilateral development banks, so as to create complementarity and synergy rather than costly duplication.

- The framework agreement supports projects which seek to mainstream environmental considerations into poverty reduction strategies in separate UNEP Divisions. Better internal coordination in the selection of programmes to be supported as it should minimize internal duplication and overlapping.
  - There is a strong case for focusing Norwegian support in areas where UNEP has frontier comparative advantage/expertise/competence e.g. environmental monitoring/remote sensing and warning systems, awareness raising and training of e.g. journalists, customs officers and lawyers/judges towards effective implementation of the many multilateral environmental conventions, and the regulations regarding trade and depositing of waste and chemicals, cleaner production etc
  - Norwegian support has been useful and effective in assisting small countries, especially in Africa, to meet their obligations under a variety of multilateral environment agreements (MEAs).
7. Belgium, the Netherlands, Ireland and Sweden have similar framework agreements with UNEP. They vary in focus and in size, but operate largely as Trust Funds.
  8. Norway operates framework agreements with seven other UN agencies i.e. UN-Habitat, FAO, WHO, UNESCO, UNICEF, UNDP and ILO. These are administered by MFA's UN Section in contrast to the UNEP framework agreement which is administered by the Section for the Environment and Sustainable Development. Measures are being taken to introduce a "two stage" UNEP framework agreement where a finite programme agreement (UNEP's programme periods are two years) is subordinated to a general, overall UNEP framework agreement without a time limit. This will simplify and speed up the procedures and process of finalizing revised agreements,
  9. UNEP has become increasingly dependent on external donor funding as opposed to funding from UN sources. Individual trust funds, together with earmarking, are becoming increasingly important. Individual donors specify focal areas and topics with criteria which UNEP must meet. UNEP points out that donors seem unable to coordinate their requirements which often leads to an imbalanced and disjointed UNEP programme of activities.
  10. There is an increasing tendency for UNEP's programmes to reflect the predilections of individual donors rather than those of UNEP's Governing Council. On the other hand the use of trust funds ensures predictability of funds and lower administrative costs.
  11. The recent Bali Strategic Plan seeks to improve UNEP's technological support and capacity-building activities. However the evaluation team is of the opinion that the Plan is over-ambitious in relation to available expertise and resources and risks "turf wars" with other competing agencies which have been established from the outset to be operational. It does, however, provide for coordination mechanisms with UNDP and the GEF.

### **Recommendations**

- The UNEP framework agreement should be brought in line with the other UN framework agreements in the proposed "two stage" process. That is, a general UNEP framework agreement with no time-limit, under which there should be a multi-year (e.g. two year) framework cooperation agreement which is area focused.
- It may seem logical for responsibility for the framework agreement within the Ministry of Foreign Affairs to be transferred from the section for the Environment and Sustainable Development to the UN section, where all the other UN framework agreements are located. However, it is recommended that it remains located in the section for the Environment and Sustainable Development, provided the focus of the agreement is on UNEP's normative

activities. These activities are closely related to the multilateral environment conventions that this section manages within the MFA.

- Retaining this arrangement requires that the present good communication with the UN section on environmental activities, addressed under framework agreements with other UN agencies, be secured so as to secure avoidance of duplication and ineffective use of UN framework agreement funds.
- The new agreement should be structured as a multi-year Norwegian trust fund.
- In the formulation of the new agreement greater attention should be paid to the sub-programme priorities of the UNEP Governing Council.
- The number of sub-programmes to be supported should be reduced for ease of administration and monitoring, for reduced likelihood of duplication, and for better targeting.
- The framework agreement should enable UNEP to acquire a comparative advantage in key cross-cutting areas not properly addressed and covered in activities of other multilateral agencies.
- The new framework agreement should require all communication leading towards the programme compositions to go through UNEP's programme coordination management unit, which is now charged with internal coordination of activities.
- Under this new framework agreement model, it is imperative that UNEP mainstream the following; regular monitoring as part of the project/programme management, regular reviews of all projects/programmes as needed, and in-depth evaluations of selected activities as well as thematic evaluations. The framework agreements should clarify requirements for a supervision mechanism, reviews, evaluations and reporting.
- The agreement should also state that the volume of Norwegian support depends on the quality of UNEP's performance as documented by achieved results. Such monitoring, review and evaluation activities cannot be meaningfully undertaken unless it is agreed what sort of indicators and data must be regularly collected and processed in order to make it possible to compare activity impacts (not only output and outcome) to a "without activity" baseline.
- A natural UNEP-role following from its mandate to undertake and implement activities that "*inspire, inform and enable nations...*" would therefore be to develop and have in place indicators to monitor the extent to which the activities achieve such results compared to baselines without such UNEP actions. UNEP should therefore begin to systematically establish and enforce a system of monitorable performance indicators developed from counterfactual benchmarks for each project.

# 1. Background

Norway provides substantial support to the United Nations Environmental Programme (UNEP). The support has partly been allocated by the Royal Norwegian Ministry of Foreign Affairs (MFA) as earmarked support. Since the budget year 2002, this has been managed through a framework agreement with an annual budget of approximately NOK 35 million per year (registered in USD at UNEP). The Annual Norwegian core funding to UNEP (channelled from the Ministry of Environment) is NOK 15 million.

The purpose of this assistance is to help UNEP implement its core programme activities as approved by the Governing Council. The Norwegian contributions cover mutually agreed priority areas and new initiatives and projects which are complementary to the UNEP Programme of Work. The overall objective is to strengthen developing countries' capacity to participate in global and regional environmental co-operation. This includes both policy development and implementation at different levels, with a focus on the following areas:

- support to Africa
- environmental information, monitoring and assessment
- environmental policy and law including trade and environment
- support to implementation of environmental conventions
- cooperation between UNEP and the civil society.

The activities financed by Norway have, in accordance with the agreement, been selected from proposals/requests made by UNEP. A package of pre-selected priority programme initiatives for potential funding has been presented and discussed during annual meetings which have guided the management of the earmarked Norwegian support. Important concerns from the Norwegian side during recent years have been to contribute to more programme orientation, stricter prioritization and harmonisation of activities with other Nordic donors.

During 2005 MFA and UNEP plan a revision of the present framework agreement. One important objective for MFA is to align the new UNEP-agreements with the model framework agreements between Norway and UN-organizations in general. The framework agreement between Norway and UNEP will be supplemented with programme cooperation agreements which may have a high degree of flexibility. The programme agreements can include different financial mechanisms ranging from very detailed earmarked contributions to financing of general funds or core funding.

The main purpose of the new UN-framework agreements in general is, however, to secure stronger links between the broad development policy goals of Norway, the implementation strategy and specific programme goals and activities. The revision of the agreements between Norway and UNEP has also to take into consideration UNEP's newly approved programme of work.

## **2. Comments on the Terms of Reference**

### **2.1 The Purpose of the Evaluation**

The purpose of the evaluation was to explore the successes and challenges experienced under the present agreements between Norway and UNEP and assess the main strategic options for the modalities for the next programme agreement.

The Norwegian Parliament recently approved (February 2005) a new development assistance policy which emphasizes that Norwegian aid in general should move from projects and programmes towards support of earmarked funds or core funding. Therefore, an important objective for the evaluation of the UNEP agreement is to assess how far Norway should go towards giving core funding or general support to UNEP's work programmes.

Since there is a strong Norwegian interest in continuing the present level of support to UNEP, the review of the UNEP-agreement is mainly forward looking and formative; i.e. it focuses on how cooperation and results can be improved, and focuses less on determining the extent to which anticipated results were produced (the summative or value aspects). An assessment is made, however, of how achievements can be transferred and maintained in a new framework and programme cooperation agreement. At the same time, it is important that the review establishes a baseline for future judgments of UNEP's performance and the effects of the new type of agreement.

### **2.2 Evaluation Objectives**

The evaluation therefore addresses three key objectives:

- a) The first objective is to document and assess how the partnership has functioned during the present framework agreement, identify successes and challenges, and provide recommendations and lessons learned.
- b) The second and most important objective is to analyse and appraise the advantages and disadvantages of the main strategic options in the new programme cooperation agreements. The strategic options are linked to the level of aggregation or earmarking of Norwegian support to UNEP through funding from MFA.
- c) The third objective is to establish a baseline for future assessments of UNEP's performance and the effects of the new type of agreement. The main concern is to document relevant experience with the existing systems and processes, and the results emerging from the Norwegian contributions as a whole.

### **2.3 Assessment of Main Strategic Options**

The existing UN-agreements include different financial mechanisms, such as trust funds, financing of general funds or budgets, and focused programme cooperation agreements. The aim for the future is therefore clear, but its implementation will most probably depend on how the recipient institutions perform, and how they adhere to the development objectives stated in Norwegian development policy. At the moment the choices seem to be between, but not limited to:

- earmarked/non earmarked contributions made directly to UNEP's work programme in general or to specific parts of UNEP's work programme, and
- a trust fund established for channeling all MFA-contributions within the agreement, or
- co-operation with existing trust funds, with or without the possibility of applying further

earmarking to the Norwegian contribution within the general requirements of the trust fund, e.g. specifying a certain amount of the contribution to LDCs.

- Support to specific activities funded by Norway, alone or in co-operation with other donors.

The assessment focuses on whether these main strategic alternatives:

- are of particular relevance in accordance with Norwegian development policy and guidelines, as well as Norwegian policies and guidelines relating to global environmental problems of relevance to UNEP and its mandate
- are effective and efficient instruments for UNEP in implementing its core programme activities and in monitoring and reporting results.

The experience of UNEP, MFA, or other donors with different but relevant types of funding UNEP-activities, provide important input to this analysis. The goal is to clarify what have so far been the advantages/-disadvantages of the main strategic funding alternatives mentioned above. What has the experience been of such alternative mechanisms within relevant UN/multilateral organizations?

Based on assessments of earlier performance, of lessons learned, and of the new UNEP strategy and work programme, the evaluation looks forward and analyses advantages and disadvantages related to the main strategic alternatives for both the Norwegian partners and UNEP, as follows:

- assessing and proposing the modality/degree of earmarking, that Norway may decide to use for their contribution during the next programme cooperation agreements
- working out how the programme cooperation agreements should be shaped to make the goals for Norwegian support clear and their achievements realistic
- establishing how UNEP can ensure an efficient system for monitoring and reporting of results on output and outcome level, taking into consideration the need to harmonize performance monitoring systems
- clarifying the need for “in depth” independent and/or joint evaluations in the future.

## 2.4 Key Evaluation Tasks

In short, the evaluation analyses the important lessons learned during the 2002-2004 period or earlier. It also provides recommendations for how achievements can be transferred and maintained in a new framework and programme cooperation agreement. In this context, the evaluation identifies and documents:

- i). How the Norwegian framework agreement contributions to UNEP during 2002-2004 have been distributed as to:
  - UNEP’s core programme activities and complementary initiatives and projects,
  - among the five priority areas, and on
  - activities combined with funding from other donors/UNEP, and also
  - activities supporting measures to address global environmental issues.
- ii). How important the Norwegian framework agreement has been so far for the implementation of UNEP’s core programme activities and the present priority areas, i.e. relative to other funding. As part of this, identify (if possible):
  - What portion of these core programme activities and priorities are funded over UNEP’s ordinary budget?
  - Which strategic priority areas receive what share of the extra budgetary funding?
  - What is the share of extra-budgetary funding in the overall UNEP-funding?
- iii). To what degree planned/agreed upon **activities** (input) have been implemented and the planned or expected **results** have been achieved (on “output”-level) and **reported/ documented** by UNEP monitoring/evaluation system. The quality of the existing

monitoring/reporting system should be assessed according to timeliness, relevance, reliability and effectiveness.

- iv). To what degree existing planning goals have been reached for the framework agreement contribution as a whole, and not for single projects. Examples of successful and less successful projects on “output” and “outcome” levels should be identified. Reasons for success or otherwise should be analysed, including an assessment of the realism of planning and implementation systems (capacity and competence).
- v). What have the successes and challenges been in the functioning of the partnership in general terms, including experience of the selection of priority programmes and activities, and the discussions in connection with annual meetings and reporting activities.

However, the most important evaluation objective has been to analyse and appraise the advantages and disadvantages of the main strategic options presented in 2.3. above in the new programme cooperation agreement for 2006-2007<sup>1)</sup>. The strategic options are linked to the level of aggregation or earmarking of the Norwegian support to UNEP through funding from MFA. As part of this task the evaluation task includes an:

- assessment of one or more of the framework cooperation agreements UNEP has entered into with other donor countries (i.e. Belgium, the Netherlands, Ireland and Sweden)
- comparison of the framework and framework cooperation agreements between Norway and other UN organizations (e.g. UNICEF, WHO, UNESCO, UNDP, ILO, FAO), taking into consideration what distinguishes the work programmes and work modalities of these different UN organizations
- assessment of the effectiveness and efficiency improvements expected from the new framework agreement format to be adopted.

## 2.5 Key Questions Linked to these Evaluation Tasks

The evaluation scope is to identify and document UNEP’s key mission-related activities. It is important in this context to be aware of what is sought after and what is not. UNEP’s particular mission is to “*inspire, inform and enable nations...*”, e.g. to organize and facilitate participation in focal area-oriented seminars, workshops or meetings with participants paid for by the Norwegian framework agreement contribution.

The evaluation shall “*specifically identify and document*” the degree to which planned/agreed **activities** (input) have been implemented, and the planned or expected **results** achieved (on “output” level) and **reported/documented** by the UNEP monitoring/evaluation system. More precisely, on the basis of UNEP reports and documents it should be established to what extent:

1. the seminar/workshop/training/meeting/information dissemination/report production activity was arranged and completed as originally planned
2. it was implemented with the number and composition of participants described in the original documents submitted for approval
3. it was completed in line with the approved budget and time limit for this activity.

In fact, it was found that the framework agreement covers some 24 different projects being implemented by six UNEP Divisions. To go into such detail, as indicated above, for each of the projects is clearly not feasible within the scope of this evaluation. Several of the 24 projects hold several seminars/workshops etc every year and several produce a huge amount of documentation.

Because of the sheer volume of the outputs, in terms of seminars, workshops and publications, generated by 24 projects implemented all over the world, it was decided to simplify the

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1) The duration of the new programme agreement is not formally approved, but it is formally approved, but it is reasonable to assume that in order to facilitate cooperation and administration, it will be for 2 years and thus made to coincide with UNEP’s programme period.

analysis of the successes and challenges of the framework agreement by confining our analysis to four sources i.e.:

- the annual reports produced for each project by the appropriate UNEP Division and submitted to the Ministry of Foreign Affairs
- interviews conducted by the evaluation team with project managers and task managers in Paris, Geneva and Nairobi
- results of questionnaires filled out for each project funded under the framework agreement
- interviews conducted with Ministries of Environment in Kenya and Uganda so as to check the experiences of primary users.

The results of these analyses are then synthesised into an overall set of findings/conclusions which are then used to design the selected strategic options for the future framework agreement. These analyses are set out in Chapter 3 below.

The ToR for this evaluation states that *“The third objective is to contribute to a baseline for future assessments of UNEP’s performance and the effects of the new type of agreement. The main concern is to document relevant experiences with the existing systems and processes, and the results on input and output level for the Norwegian contributions as a whole.”* Monitoring and reporting should be focused towards measuring possible with/without changes in how the participants in UNEP funded activities use what they have learnt from participation in such seminars/workshops and meetings to enhance national ownership of and commitments to the PRSPs and MDGs. So ensuring that local resources and government budgets are allocated in the direction of such activities to gradually replace donor funding.

UNEP support for the African Ministerial Conference on the Environment (AMCEN) is a long term activity that clearly falls under the category *“inspire, inform and enable nations...”* A natural with/without baseline-focused question could be: What would have been the environmental policy, including allocations to protect and manage the environment in the AMCEN countries, if AMCEN had not been formed and maintained? Or, more precisely, having existed for 20 years, how have the outputs from AMCEN affected the environment and thus the social and economic welfare of the peoples of the AMCEN countries? The consultants had the opportunity to interview the Ministers of Environment in both Kenya and Uganda on precisely these questions and the results of the findings are set out in Chapter 3.

It can perhaps be argued that participation creates awareness of these issues and that the participants learn the necessary formulations for writing applications to donor agencies. Over time this may indeed change attitudes and priorities in recipient countries. It can also be argued that many PRSPs have been produced and many LDCs and LICs have signed important global environment conventions after having delegations attend summits and meetings for the purpose of ratification of such conventions. Indeed the projects implemented by the Division of Environmental Policy Implementation (DEPI) do precisely this through funding provided under the framework agreement. The number of signatures and approvals can be measured, but actual implementation and follow up action in real life is a totally different matter. It is for the latter that one would want indicators in place and capacity to monitor their development over time to measure the extent to which UNEP’s mission to inspire, inform and enable has had an impact. Increased aid allocation to fund attendance at conferences, workshops and global and regional summit negotiations does not signal a sustainable national commitment unless there are matching national funds or a schedule for gradually replacing the aid support with local funds.

A recent relevant UNEP initiative, in this context, is the Bali Strategic Plan. This is an inter-governmentally agreed approach to enable UNEP to strengthen coordination and delivery of technology support and capacity-building activities in developing countries, and in countries with economies in transition<sup>2)</sup>.

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2) United Nations Environment Programme (UNEP), *“International Environment Governance: Bali Strategic Plan for Technology Support and Capacity Building”*, Nairobi, issued on 23 December 2004.

To help achieve the objectives of the Bali Plan it is important to keep track of, and report on, the progress made by countries (and UNEP) in the implementation of the capacity building activities in the different regions/ sub-regions and countries. Keeping track would require some fairly standard and agreed framework of reference with which to gauge impact and success of capacity building projects. Such a framework could be in the form of performance indicators.

As the focal Division in UNEP responsible for providing in-house coordination for the implementation of the Bali Strategic Plan, the Division for Environmental Policy Implementation (DEPI) has proposed to develop a framework of performance indicators. These can be used to track and report on the success and impact of implementation of UNEP assisted capacity building activities. The performance indicators would assist DEPI to further provide the required in-house mechanism for monitoring the implementation of capacity building activities under the Bali Plan. The performance indicators would be tested, refined and adopted for use according to the needs of the different regions and countries.

The performance indicators will be developed in consultation with leading agencies from different regions and organizations in the field of capacity building and monitoring and evaluation. They will provide a framework of acceptable benchmarks with which to monitor the implementation of environmental capacity building activities. They will further provide a means to enhance transparency and accountability of UNEP assisted capacity building activities. The indicators should be adaptable to the different thematic areas as well as to the various regional, sub-regional and national situations, needs and priorities. The indicators will further provide a means of identifying gaps and analysing successes and weaknesses in capacity building activities. They will also provide a means to identify best practices.

It is beyond the scope of this evaluation to establish and document indicators as suggested above. However, it is strongly recommended that such efforts be prioritized as part of the monitoring and evaluation tasks attached to future framework agreements, and that UNEP take steps to design and implement monitoring indicators that can reveal the gradual formation of national ownership and commitments.

The present monitoring and reporting system of indicators provides no indication, so far, that non-committal consensus statements from UN Summit meetings have had any measurable impact on environment-relevant poverty reduction and MDG achievements benefiting the poor and socially disadvantaged. Such meetings and conferences, first and foremost, provide direct monetary benefits in the form of paid travel and per diem to the participants without requiring the receiving government to contribute. Nor are the participants recruited from the ranks of the poor and socially underprivileged.

This evaluation has focused on the framework agreement. Nonetheless, Norway also supports UNEP's core budget with a significant annual amount (NOK 15 million per annum), and there are also additional annual *ad hoc* allocations to specific UNEP activities. These frequently take the form of financing, which is supplementary to the two established modalities. It may appear artificial to isolate the framework agreement from the other financial allocation options when assessing and comparing which strategic financing options are most suitable for the next framework agreement. This is because all funds are elements in an overall strategic financing scheme. It would thus appear that the discussion of strategic financing options of collaboration with UNEP should include discussion on how the Norwegian collaboration with UNEP is organized within the Norwegian government itself. This discussion thus examines the division and outsourcing of financial and professional responsibilities and tasks between MFA, the embassies, Norad and the MoE. It should also examine why responsibility for UNEP within MFA is placed outside the main UN section within the Ministry. The answers to such questions might affect and constrain the choice of, and preferences among, the strategic financing options listed in the ToR.

## 3. UNEP and the Framework Agreement with Norway

### 3.1 General

The purpose of this section is to describe UNEP's organization and financing and how the Norway-UNEP framework agreement fits into this organization. The detailed presentation of UNEP's organization is presented in Annex 3.

UNEP was established under Resolution 2997 of the United Nations General Assembly of 15 December 1972 on institutional and financial arrangements for international environmental cooperation. This was a direct result of the United Nations Conference on Human Environment held in Stockholm in June 1972. UNEP's mission is:

*“ To provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations”.*

It is important to note UNEP's particular role in *“inspiring, informing and enabling nations ...”* as these constitute key functions in the Norway - UNEP framework agreement.

Among its main achievements UNEP, on its home-page, lists the following:

- assessment of transboundary waters under the Global International Waters Assessment (GIWA)
- reduction in production and consumption of ozone-depleting substances under the Montreal Protocol
- reduction in the use of hazardous pesticides and chemicals under the Rotterdam Convention
- protection of endangered species through the Convention on Biological Diversity and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- promotion of Cleaner Production in industry under the International Declaration on Cleaner Production.

These achievements are largely precise and easily quantifiable ones. For example it is possible to quantify, in physical tonnes, the amount of ozone depleting substances within industrial production in a country, which have been removed or reduced. However, it is far from easy to estimate what share of these reductions are attributable to UNEP activities as distinct from awareness raising, political pressure (including domestic environment policy reforms) and development cooperation in other fora. It is striking, however, that UNEP does not list as an achievement awareness raising as regards environmental issues at local, national and international level. Much of the Norwegian assistance appears to go to such awareness raising.

### 3.2 Financing and Staffing

Apart from a contribution from the United Nations Regular Budget, which has declined from 21% of UNEP's overall budget when UNEP was formed in 1973, to less than 4% today, UNEP depends entirely on voluntary support. The contribution from the UN Regular budget in 2003 was USD 4.73 million. The Environment Fund is the main source of funding for UNEP's activities. This is made up of voluntary annual contributions from over 100 countries.

The Environment Fund is used to fund the organization's operational expenses i.e. offices, salaries, travels etc. In 2003 the contributions to the Environment Fund were about USD 52 million. However, contributions to the Environment Fund continue to fall short of the budget approved by UNEP's Governing Council, forcing UNEP to scale down its work programme. In addition to the Environment Fund, earmarked funding for specific UNEP activities is provided through Trust Funds and Earmarked contributions. In 2004, UNEP administered no less than 74 Trust Funds and annual contributions then amounted to just over USD 30 million. Trust Funds are used for a large variety of purposes such as the provision of Technical Assistance and for the financing of the secretariats for various environmental conventions. In 2003, the contributions to earmarked funds amounted to about USD 21 million. Of these about USD 5 million (NOK 35 million) came from Norway. The programme of work of UNEP is also supported through some funding from the UN Foundation. The Foundation aims to address environmental concerns in the areas of biodiversity and climate change.

A recent development is the conclusion of Partnership Agreements between UNEP and major donor countries (Norway being a prominent example), which aim at making additional support more strategic and predictable. The latest initiative is the launching of a pilot phase of the Voluntary Indicative Scale of Contributions (VISC) to the Environment Fund in 2003 and for 2004 and 2005. UNEP thus has five main sources of funds and the projected resources for the two year period 2006-2007 are USD 299.4 million consisting of:

- Environment Fund: USD 145 million
- Trust funds USD 74 million
- Trust fund support USD 11.5 million
- Earmarked contributions USD 50 million
- UN budget contribution USD 10.5 million
- Reimbursement of services USD 8.5 million

Norway will contribute about USD 4 million to the Environment Fund and about USD 10 million to the earmarked contributions for the years 2006-2007. This means that Norway will contribute about USD 14 million or about 4.7% of UNEP's total income for the period.

Together with Belgium, Netherlands and Ireland, Norway makes earmarked contributions to UNEP through a partnership agreement. Norway contributes about 20% of the earmarked contributions which UNEP receives.

The total number of employees in UNEP on 31 December 2003 was 911, of which 456 were professional posts and 405 were general service posts. About 5.7% of the 966 approved posts were vacant at that time. It is estimated that about 600 staff are based in the Nairobi headquarters.

### **3.3 The Framework Agreement 2002-2005**

The framework agreement on development cooperation between the Government of Norway through the Ministry of Foreign Affairs (MFA) and UNEP for the period 2002-2005 was signed on 20<sup>th</sup> December 2001. It emerged from a MFA decision to strengthen UNEP's role in international environment management and awareness raising, and a need for improving UNEP's ability to assist developing countries in this respect, in particular African developing countries.

The agreement is for collaboration in implementing UNEP's core programme activities approved by UNEP's Governing Council (GC). Also new initiatives and projects which are complementary to the UNEP programme of work. It provides guidelines for choosing activities and the development principles that the partnership is based on. Following this agreement, Norway has been contributing an amount of NOK 35 million annually in support

of selected UNEP priority projects. Norway's annual contributions to UNEP's Environment Fund amount to NOK 15 million and are channelled through the Ministry of Environment.

The purpose of the present framework agreement is to strengthen developing countries' capacity to participate in the global and regional development cooperation, including both policy development and implementation.

The financing provided by Norway for activities within this agreement i.e. NOK 35 million per year may take the form of counterpart contributions or contributions to trust funds administered by UNEP. There is flexibility to allow for the Norwegian financing to cover either the full costs of an activity, or a specific part where UNEP and/or other donors contribute. The agreement has been funding, partially or fully, 24 different projects in six UNEP Divisions.

The agreement states that the parties to it undertake to meet at least once a year to review ongoing cooperation. This covers progress and possible implementation problems related to ongoing projects and programme activities, as well as the issue of mobilizing resources for UNEP activities and developing plans for future collaboration. Reporting and accounting procedures are also routinely addressed with a view to implementing possible improvements. This meeting also provides for UNEP to inform Norway about its overall policy, and present a package of pre-selected priority programme activities for potential funding.

The type of activities to be financed by Norway and the conditions of cooperation are subject to discussion during the annual consultations between UNEP and Norway and the regular contacts throughout the year. The main package of programme proposals is considered at the annual consultation meeting. Each activity to be financed by Norway under this agreement is selected from proposals/requests made by UNEP. Furthermore, both parties to the agreement may bring to each others' attention, on an exceptional basis, new areas and/or activities of interest throughout the year for consideration for possible cooperation.

Cooperation with UNEP under the 2002-2005 framework agreement for the 2002-2004 period has allocated the funds to the above five focal areas as follows:

*Table 3.1. Fund Allocation to UNEP under the 2002-2005 Norwegian Framework Agreement (NOK Million)*

Focal Area	2002	2003*	2004*
Support to Africa	9.2	9.6	13.7
Environmental information, monitoring and assessment	6.0	5.5	4.2
Environmental policy and law including trade and environment	8.2	8.3	10.4
Support to implementation of environmental conventions	8.5	8.5	9.4
Cooperation between UNEP and the civil society.	2.1	3.0	-
<b>Total 35.0</b>	<b>35.0</b>	<b>35.0</b>	
<b>Support to UNEP in addition to the framework agreement</b>			
Support to Africa	2.625	6.100	8.050
Environmental policy and law including trade and environment	3.760	3.000	3.640
<b>GRAND TOTAL</b>	<b>41.4</b>	<b>44.1</b>	<b>46.6</b>

\* NOK 2.7 million that were not used up in 2003 were transferred and spent in 2004.

Within this framework agreement the parties agreed to financing specific activities proposed by UNEP under the five above headings as follows (see further details and description of the agreement content in Annex 4 and Annex 8. Six new activities in these focal areas listed in Annex 8 tables A8.1- A8.6 were first time funded in 2004, and are not included in Annex 4):

### 3.4 Annual Meetings and Reporting under the Agreement

Basically, there are six types of reports prepared and submitted from the implementation of the framework agreement between MFA and UNEP. These are:

1. beslutningsnotater (annual decision support documents) from MFA on the framework agreement with UNEP
2. minutes from the annual consultations between the Norwegian delegation and UNEP.
3. applications for financial support under the agreement to a project or programme
4. progress reports prepared annually on the projects and programmes under the framework agreement
5. the approved annual budget
6. final reports for each programme/project completed. These completion reports cover:
  - actual compared to planned outputs
  - undertaken compared to planned activities
  - actual achievements compared to goals and objectives
  - actual versus planned use of inputs
  - assessment of efficiency of the programme/project relative to work plan, budget and time schedules
  - assessment of problems encountered and foreseen
  - other implementation relevant information.

Annual decision support documents ( Beslutningsnotater) from MFA, listing the entire set of projects provided with financial support, have been collected by MFA and presented to the evaluation team for the framework agreement period 2002-2005. In addition, some support has been provided outside of the framework agreement, and the projects having received such support by the environment division of MFA are listed under the heading “additional support” in the project lists. Not included in this overview are the list projects and programmes supported by other departments in MFA, Norad and the Norwegian Embassies. These entities have also at times provided incremental support for projects initially supported under the framework agreement.

MFA has provided the evaluation team with minutes from the annual bilateral and Nordic UNEP consultations in October 2003 and 2004, and the Norwegian decision memoranda of 2002, 2003 and 2004 (Beslutningsnotat) from MFA regarding cooperation with UNEP within and outside of the framework agreement.

These minutes and memoranda provide detailed discussions of the participants’ positions, views and resolutions regarding the agenda items. This again forms the basis for which of the UNEP proposals will be included in the framework agreement budget for the coming period, and which activities will not be supported. Also, which ones will receive support, but as an additional allocation outside of/complementary to the framework agreement and the annual core funding support of NOK 15 million to UNEP’s work programme.

However, these discussions do not explain why certain activities are allocated increasing amounts from one year to the next, while others are terminated or scaled down. Discussions with former MFA officers in charge of the UNEP framework agreement, have revealed that no termination so far has been due to poor performance. Instead, it is argued that termination/increase of framework agreement support from Norway typically is a result of increased/decreased support to the activity from other donors. In this way, Norwegian resources can be transferred to new activities or to strengthen support of an activity Norway is already supporting.

There is no documentation indicating that at such points in the decision process MFA (with or without the professional assistance of MoE) undertakes a review of achievements relative to stated goals and impacts. This would help to determine whether the activity in fact is

worth further support, in view of Norway's increasing commitment to achieving the MDGs and PRSP commitments from aid recipients.

### **3.5 UNEP's Applications for Funding under the Framework Agreement**

UNEP regularly submits a listing of project proposals for submission to Norway (MFA) for funding where contributions from UNEP and other partners are also listed. The list is edited so that the proposals are grouped in accordance with Norwegian priority cooperation areas.

MFA has a massive (but not necessarily well organized) correspondence on file regarding such funding applications and the processing of these towards acceptance, changes and refusals. For some of the projects under the framework agreement the individual project files are quite comprehensive, which is to be expected when the allocation in question amounts to many millions of NOK, such as e.g the support to the activities classed under the poverty-environment linkages heading, AMCEN, and the environmental components of NEPAD.

UNEP prepares a "project submission for sponsorship" for a given UNEP subprogramme and programme element with a specific programme title. Next, follows information such as the legislative authority, geographical scope, co-operating agency, supporting organizations, duration of the project, the name and position of the project coordinator, and the cost of the project in USD broken down by year and activities to be funded. This is followed by a project summary providing the project background, the proposal specified on identified needs, objectives, results, outputs and activities. The comprehensiveness regarding the project summary varies substantially from one proposal to the next.

UNEP submits project proposals to donors based on priorities identified in its programme of work. Divisions prepare the proposals and the executive director and/or his deputy select and prioritize the proposals before submission. The Programme Coordination and Management Unit (PCMU) which is in charge of coordinating the preparation of UNEP's programme of work and the work of the Project Approval Group, now has responsibility for this coordination function (which previously was handled by the Resource Mobilisation Unit (RMU)).

### **3.6 UNEP's Reporting under the Framework Agreement**

MFA has provided the evaluation team with annual progress and end reports for all framework agreement activities for 2002 and 2003. These reports provide information on the following:

1. Background:
  - project title (but no project ID code or- number)
  - responsible division(s)/Unit(s) in UNEP
  - project starting date
  - project completion date
  - reporting period
  - reference to UNEP subprogramme(s) and expected accomplishments
  - overall objective(s) of the project
  - total budget (specified by contributions from each donor)
  - partners and leveraged resources
2. Project status:
  - information on the delivery of the project by (a) activities, (b) status, and (c) results/impacts
  - if the project activities and outputs listed in the Project Work plan for the reporting period have not been completed and/or changes/delays in project delivery are expected, provide reasons and details of remedial actions to be taken.
3. List of attached documents (e.g. publications, reports, of meetings/training activities).

While the overall objectives are generally well formulated, and partners and leveraged resources are carefully described, these annual progress reports are brief and vague in terms of their reporting on (a) expected accomplishments and (b) results and impact. There is no reporting on results/impacts in terms of improvements or lack of improvements compared to a realistically defined counterfactual or baseline. Without such baselines, it is virtually impossible to assess the contribution of the project, beyond its immediate outputs which include (a) lists of conference/workshop/seminar participants and their affiliation, (b) declarations and statements from such events, and (c) reports from the projects with recommended actions.

The progress- and completion reports list attached documents that may or may not provide information that could indicate project impacts in a “with/without” setting. However, MFA reports to the evaluation team that it has not received attached documents of such a nature. One would expect that a natural UNEP-role, following from its mandate to undertake and implement activities that “*inspire, inform and enable nations...*” would be to develop and have in place indicators to monitor to what extent the activities achieve such results compared to baselines without such UNEP actions. Obviously one would expect such inspiration, information and enabling to materialize gradually. Nevertheless, one would expect systematic attempts at registering such impacts to be a priority activity of UNEP as a basis for their continuous efforts to form more aid- and environment activities submitted to the donors for funding. It would seem appropriate to demand such reporting under the new framework agreement to become operational from 2006.

A thorough-going examination of the 21 recent progress and completion reports on on-going projects, submitted by UNEP to the Norwegian Government in accordance with the provisions of the framework agreement, gives rise to the following observations:

- There is (as expected) a clear emphasis on and preference for awareness raising and institutional strengthening within the responsible environmental authorities. Particularly in Africa, through specialised training, assistance on legislation, drafting of manuals, holding of workshops and seminars. This puts considerable faith in the responsible environmental authorities’ ability to effect change on the ground, when authority and power may in reality be very limited.
- There is a very wide range of outputs, objectives and accomplishments to be achieved which will necessarily be very difficult for the donor (the Norwegian government) to monitor and evaluate. Outputs can range from the production of an integrated environmental assessment manual on Tajikistan (translated into Tajik) to a 3 day workshop for Francophone West African Customs officials held in Dakar.
- Many projects are characterised by extremely complicated institutional arrangements, ostensibly to achieve coordination, with a multiplicity of participants, stakeholders and special interests. This often means that it is very difficult to assess the success or otherwise of the Norwegian input. Many stakeholders may have conflicting agenda.
- It is difficult to detect the difference between projects dealing with poverty reduction, environmental improvement and the impacts of global trade on environment. All such projects have very similar objectives. And what guarantees can UNEP give Norway that similar projects with similar objectives, as opposed to clearly complementary activities, are not being carried out by e.g. the World Bank, the Asian Development Bank, UNESCO, UNDP, EU etc with a similar range of institutional partners?
- There is a considerable danger for sustainability when depending on donor financing for funding of “unpopular” or “unprofitable” issues like environmental conservation. Politicians can easily take the line that: “*If this is a donor preoccupation and they are no longer willing to fund it, then why should we, who have many more pressing concerns to attend to, do so?*”

### **3.7 Description and Assessment of the Detailed Portfolio**

#### *General*

A primary task of the evaluation team was not to review and/or assess individual projects. It was nonetheless considered necessary to examine, in some detail, the major features of each project currently supported with a financial contribution from the Government of Norway. Such an examination enabled the evaluation team to assess the programme as a whole with a view to establishing the optimum way of managing the programme and channeling funding. As stated above, the very size and volume of the portfolio precludes a detailed examination of all project outputs i.e. publications produced, seminars produced and delegates who attended.

Information on each of the projects was assembled in three ways. Firstly, annual progress reports are submitted by UNEP to the Ministry of Foreign Affairs. Some 20 out of the 24 projects were covered by these reports and were examined by the consultants. Secondly, detailed questionnaires for each project were forwarded to the relevant divisions. Thirdly, when these questionnaires were completed and returned to the evaluation team, the team then visited all concerned divisions in Paris (23-24 May 2005), Geneva (25 May 2005) and Nairobi (28 June to 1 July 2005) and conducted interviews with the project managers, on the basis of the questionnaires received. In addition, the evaluation team interviewed the Ministers of Environment and their officials in Kenya and Uganda (1-4 July 2005) to assess the impact on the ground of one particular project, that is the African Ministerial Conference on the Environment (AMCEN) project

The evaluation team identified 24 UNEP projects receiving financing under the 2002-2005 Norway/UNEP framework agreement, These are listed in Table 3.2 below. They are distributed between the 8 different UNEP Divisions as follows:

- Division for Technology, Industry and Economics (DTIE) – 5 projects
- Division of Regional Cooperation and Representation (DRC) - 1 project
- Division of Policy Development and Law (DPDL) – 9 projects
- Division of Environmental Conventions (DEC) – 1 project
- Division of Early Warning and Assessment (DEWA) – 5 projects
- Division of Environmental Policy Implementation (DEPI) – 3 projects

Two divisions i.e. the Division of Communications and Public Information (DCPI) and the Division of Global Environment Fund Coordination (DGEFC) have no projects funded under the Norway/UNEP framework agreement.

It was decided, for ease of assessment, to group projects assessed under the Divisions to which they belong. This portfolio, by its nature, is largely in accordance with the focus of the framework agreement.

Table 3.2: UNEP Projects financed under the Framework Agreement

No.	Project	Division	Place	Interview	Questionnaire Received	Progress Report
1.	AMCEN	DRC/ROA	Nairobi	28.06.05	Yes	Yes
2.	Millennium Ecosystems	DEWA	Nairobi	29.06.05	Yes	Yes
3.	Poverty and Environment	DPDL	Nairobi	30.06.05	Yes	Yes
4.	Capacity building: environment law	DEPI	Nairobi	28.06.05	Yes	Yes
5.	African Roundtable Clean production	DTIE	Nairobi	28.06.05	Yes	Yes
6.	Training environment journalists	DEPI	Nairobi	28.06.05	Yes	Yes
7.	Global mercury Assessment	DTIE	Geneva	24.05.05	Yes	Yes
8.	Panel on global environmental change	DEWA	Nairobi	29.06.05	Yes	Yes
9.	Environmental outlook LAC	DEWA	Nairobi	29.06.05	Yes	Yes
10.	Trade and environment	DTIE	Geneva	25.05.05	Yes	Yes
11.	Intergovernmental strategic plan	DPDL	Nairobi	30.06.05	Yes	Yes
12.	UNEP's environment law in Asia/Pacific	DPDL	Nairobi	30.06.05	Yes	No
13.	6th global training programme in ELP	DPDL	Nairobi	30.06.05	Yes	No
14.	Global Drylands Imperative COP-6	DPDL	Nairobi	30.06.05	Yes	No
15.	Capacity building in environmental law	DEPI	Nairobi	28.06.05	Yes	Yes
16.	Capacity building in EIA and GEO	DEWA	Nairobi	29.06.05	Yes	Yes
17.	Capacity building for civil society	DPDL	Nairobi	30.06.05	Yes	Yes
18.	8th GCSS/GMEF (Jeju)	DPDL	Nairobi	30.06.05	Yes	Yes
19.	Trade, environment, poverty alleviation	DTIE	Geneva	24.05.05	Yes	Yes
20.	African Environment Information Network	DEWA	Nairobi	29.06.05	Yes	Yes
21.	West African drylands project	DPDL	Nairobi	30.06.05	Yes	Yes
22.	Environment and cultural diversity	DPDL	Nairobi	30.06.05	Yes	No
23.	Climate Change Outreach	DEC	Nairobi	28.06.05	Yes	No
24.	Green Customs	DTIE	Paris	23.05.05	Yes	No

*Division of Regional Cooperation (DRC)/Regional Office for Africa (ROA): Nairobi*

*Box 3.1. Support to African Ministerial Conference on the Environment (AMCEN)*

*AMCEN was established in 1985 to strengthen cooperation between African governments and its mandate was no less than to:*

- *provide information and advocacy for environmental protection in Africa;*
- *ensure adequate satisfaction of basic human needs on a sustainable basis;*
- *ensure socio-economic development is realized at all levels; and*
- *ensure that agricultural activities and practices meet food security needs of the region.*

*AMCEN's role includes a.o:*

- *providing continent-wide environment awareness, raising leadership and consensus on issues relating to international environmental conventions,*
- *promoting African participation and developing common positions to guide African representatives in the international dialogue on global and regional environmental issues, and negotiations for legally binding international environmental agreements,*
- *promoting the ratification by African countries of multilateral environmental agreements relevant to the region*
- *building African capacity in the field of environmental management.*

*During its 20 years of existence AMCEN, its bureau, its regional scientific and technical committees, and network of national focal points on various thematic issues have been established to advance the objectives of AMCEN in the region. Decisions taken at various fora of AMCEN have been implemented wherever resources permitted.*

*However, by the eighth session of AMCEN in 2000 it was acknowledged that the scientific committees had achieved very little progress. Donor fatigue resulted in declining funding of AMCEN activities in general. A restructuring resulted in the establishment of an AMCEN trust fund to be replenished by member states according to an agreed scale of contributions.*

*The new AMCEN was to be convened every two years and a secretariat was established with the support of the UNEP Regional Officer for Africa. The AMCEN Bureau was to be based on the UN-sub-regional representation to reflect a regional balance, and a geographically balanced inter-sessional committee was to give guidance on emerging activities and on emerging policy issues related to the conference*

*An Inter Agency Technical Committee (IATC) was established, comprising African experts. This was to serve as the technical support to the Conference, including the preparation of the agenda for the major activities under the conference and reviewing technical documents before forwarding them for consideration by AMCEN.*

*UNEP's Regional Office for Africa (ROA) requested and received NOK 2.8 million for the functioning of AMCEN for 2002 and NOK 1.3 million for 2003 under the "Support for Africa" focal area of the framework agreement with Norway. This support was terminated in 2004, as a result of other donors taking over financial responsibility.*

*The 10<sup>th</sup> regular session of AMCEN took place in Sirte, Libya in June 2004. As regards output and outcome, it provided a platform for the environment ministers to discuss and chart the way forward for the implementation of the Action Plan for the Environment Initiative of NEPAD. Having AMCEN in place with a professional UNEP-based secretariat, is claimed by UNEP and the interviewed Ministers of Environment (Kenya and Uganda) to have resulted in the mainstreaming of environmental action plans as a key component of NEPAD. The outputs of the meeting included: the Sirte Declaration, eight decisions adopted by the 10<sup>th</sup> session, the indicative work programme for the biennium 2005 -2006 approved by AMCEN, and the report of the 10<sup>th</sup> session.*

*While new environment ministers show up for each AMCEN meeting, this could mean that the former minister has taken up a more senior ministerial position, as an environment aware person and carries AMCEN inspired environment mainstreaming thoughts into government more broadly. The interviewed ministers claimed that AMCEN indeed has contributed to having a critical mass of environment experts in each country. An additional claimed impact is that other line ministries (health, water, etc) also now want to form "AMCENs" in their respective fields. The important periodic UNEP publication "Africa Environmental Outlook" is also the result of an AMCEN initiative.*

*Finally, long-time AMCEN support for high ministerial participation aims at having individual countries buy into this regional process and gradually pay for their own participation. However, AMCEN remains dependent on donor funding, 20 years and 10 regular AMCEN sessions later. This may suggest that tangible impacts in the form of establishing awareness and increased political recipient commitment (in the form of budget, equipment and staff allocations to implement what today is contained in PRSPs and MDGs) so far have been modest*

The Division received NOK 4.1 million in 2002 and 2003 for the implementation of one project, that is the African Ministerial Conference on the Environment (AMCEN). This is no longer supported under the framework agreement and funding ceased in June 2004. Norway has supported AMCEN since its inception in 1985 (its first meeting was held in Cairo) and it has grown to become an important forum for African Ministers of Environment. It would appear that an initial reason for Norwegian support was Norway's particular interest in supporting smaller developing countries (with few internal resources) to attend international environmental fora and to participate actively in the international environmental debate within Africa. Because environmental issues were often new ones, and received relatively low political priority in small countries there was a clear need for Norway to provide such support. AMCEN, however, appears to have grown considerably and to have extended its functions. One important new function is to assist in the implementation of the Action Plan of the Environment Initiative of NEPAD (the New Partnership for Africa's Development). The AMCEN Secretariat, based at UNEP in Nairobi is assisting in developing 5 sub-regional environmental action plans. It is interesting to note that AMCEN is one of the first pan-African executing agencies which can assist the African Union in the implementation of the

NEPAD strategy. As such it may serve as a model for other institutions in other sectors.

African governments are slow to budget for and implement what is stated in PRSPs and achieving the MDGs. The establishment of AMCEN is thus judged to be an example of successful capacity-building in Africa at a continental level. The original objective was to build capacity amongst smaller nations and this has been achieved. Norway's support is no longer required as AMCEN has become a sustainable institution in its own right. It is considered unfortunate that Norway, as a long-standing supporter, was not represented at AMCEN's principal event in 2004, that is the 10th Regular Session of AMCEN held in Libya in June 2004.

*Division of Technology, Industry and Environment (DTIE): Paris and Geneva*

As shown above, DTIE is implementing five projects under the framework agreement. The evaluation team met with the division director, Monique Barbut and with the project leaders (branch heads) for the five projects which cover clean production, mercury assessment, Green Customs and Trade, Environment and Poverty issues. In 2003 these five projects used about NOK 9.0 million or about 25% of the total amount available under the framework agreement. Surprisingly enough these projects do not seem to correspond particularly closely to the five focus areas for the framework agreement set out above, although some relate to support to Africa and environmental conventions. The evaluation team had the following findings on the framework agreement projects being implemented by DTIE:

- Quantitative indicators can be applied to DTIE projects in cleaner production, energy and chemicals which are relatively concrete. It is easy to detect measurable environmental benefits in chemicals and industry-related projects.
- Industry-related environmental issues are important in African countries where it is important to start off on the right foot. This means that the Round Table on Cleaner Production in Africa has particular environmental relevance in Africa.
- Even within one Division (DTIE), the Norwegian-supported programme is relatively spread and diffuse. This is a function of the different financing methods.
- There seems to be an element of overlap of effort between DPDL and DTIE on poverty and environment interlinkage issues. However, the DPDL and DTIE projects focusing on poverty and environment address different aspects of this broad nexus area. UNEP reports that they have recently taken managerial steps to minimize the risk of duplication and overlaps when different divisions address such topics.
- There is a strong case for focusing on a limited number of cluster areas where both UNEP and Norway have relevant and complementary expertise e.g. chemicals, cleaner production etc.

*Division of Early Warning and Assessment (DEWA): Nairobi*

DEWA is implementing five projects under the framework agreement. The evaluation team met with the division director, Marion Cheatle, and the different project leaders. The division's mission is stated to be to "...to analyse the state of the global environment and assess global and regional environmental trends, provide policy advice, early warning information on environmental threats, and to catalyse and promote international cooperation and action based on the best scientific and technical capabilities available".

The portfolio is very varied and includes scientific assessments and long-term capacity-building. The principal thrust of the division's portfolio, however, is to build up UNEP's environmental scientific base. The projects cover millennium ecosystems assessments, panel on global environmental change, integrating environmental assessments in Latin America and the Caribbean, capacity building in environmental assessment and the African Environmental Information Network (AEIN). The following issues emerge from the interviews and from an examination of the questionnaires and the annual reports:

- Norwegian expertise, and particularly that of GRID Arendal, has been important for the DEWA portfolio because environmental assessment, and remote sensing in particular, is a Norwegian strength.
- Support from Norway has enabled widespread participation by smaller countries and enabled DEWA to build important environmental science networks.
- Reporting on the state of the environment which is a fundamental element in UNEP's mandate is an important part of the DEWA portfolio.
- Support to extending Integrated Environmental Assessment (IEA) in Latin America and the Caribbean is an important initiative, but it is conceivable that this could duplicate the urban development planning activities of other agencies e.g. World Bank.

#### *Division of Policy Development and Law (DPDL)*

DPDL is currently implementing nine of the 24 UNEP projects receiving support from Norway. The evaluation team met the division director, Bakary Kante and the project managers and professionals. DPDL's objective is to enable members of the international community to develop integrated and coherent policy responses to environmental problems and to strengthen environmental law as well as to improve compliance with and enforcement of legal instruments. This is a somewhat diffuse and diverse objective and one which is not easy to pin down. It stretches from policy development to activities more resembling policy implementation. It is therefore not surprising that DPDL's portfolio supported by Norway is similarly diffuse. It consists of an ambitious poverty and environment project, the implementation of the Bali Strategic Plan, training in environmental law, capacity development for civil society, work on the Global Drylands Initiative, a project on environment and cultural diversity and capacity building for civil society organizations.

The Poverty and Environment project which has accounted for NOK 13.4 million in the three years 2002-2004 is the largest single project supported under the framework agreement. It also receives assistance from the Netherlands and Denmark (in the form of technical assistance) and from Belgium. To date it has not shown many concrete results, and it appears to be very much "donor-driven". UNEP reports that the project itself in fact only started in July 2004, and that substantive progress has been made with work plans adopted in Kenya, Tanzania, Mozambique and Uganda (how long from work plans to their implementation is not clear). This recent progress cannot detract attention from the fact that NOK 13.4 million has been spent during 2 years of what UNEP calls pre-project work in order to establish local ownership of this largely supply-driven process.

The whole idea behind the project was for it to be demand driven with the local Ministries of Environment articulating their needs and demands. In fact it has been found that many ministries, especially in smaller countries, are very weak and are unable to articulate their needs. It is often very difficult for small Ministries of Environment to meet the demands of several donors with similar agenda. Donors often require that projects be formulated by the recipients themselves so that they give the appearance of being demand-driven. This requirement often has the opposite effect of what was intended and imposes burdens on under-manned and under-resourced recipient bureaucracies. This has led to inevitable delays in project preparation, the crucial task of establishment of local ownership, and implementation, as recipient countries are not responding in the way they were expected to. A major objective of the project is to mainstream environmental considerations into Poverty Reduction Strategy Papers (PRSPs). This is very similar to the objectives of other agencies and even to those of other divisions within UNEP. UNEP is set to work closely with UNDP in this field. Methodological coherence is to be achieved by them jointly applying the millennium/human well-being approach. It would be premature to judge the success of this joint effort, but it can be firmly established that pre-project activities have been very time- and funds-consuming. A major problem causing pre-project delays, which must not be underestimated during project implementation, is the burden such comprehensive owner-involving approaches can often inflict on under-resourced recipient ministries. These do not have the institutional or

manpower capacity to play the role of recipient properly. The Environment Management Agency in Rwanda, one of the pilot countries, has a staff of 4 persons and was cited as an example of an under-resourced recipient.

The following issues emerged in the discussions with DPDL:

- The DPDL portfolio supported by Norway is diffuse covering diverse topics like poverty, environmental law, civil society, indigenous people, gender mainstreaming, drylands management and capacity building. It is difficult to detect a coherent “thread” within the portfolio. It appears to have been composed to meet the interests and predilections of the donor as much as needs on the ground.
- Because of UNEP’s almost total dependence on donors like Norway there is a tendency to try to relate activities to what are thought to be Norway’s pre-occupations i.e. the MDGs, poverty reduction, gender mainstreaming etc. This tends to distort the portfolio considerably.
- The portfolio seems to try to address too many different target groups and issues and probably fails in addressing any of them satisfactorily in a cost-efficient way.
- The major “Poverty and Environment” project has been slow in producing results on the ground partly because it appears donor driven and does not take full account of the weaknesses in implementation capacity in Africa. Furthermore, it has taken up the complex nexus issues and starts from “scratch” where other multilateral agencies (e.g. the World Bank and Asian Development Bank) have much more experience and expertise. For example, in generic research, topical and country-specific analysis and in conducting project and programme (at micro- and macro-level) specific impact analysis of the nexus interdependencies. They also have a longer established broader (multi-ministerial) recipient basis for dialogue on the policy issues emanating from such nexus analysis and are thus well prepared for mainstreaming environment considerations into national development plans such as PRSPs. However, it should be noted that UNEP also now works with ministries of planning/finance in the said countries on this project. Coordination and harmonization of efforts between UNEP and those multilateral agencies, that have been involved for a long time in advising on national planning and PRSP development, is therefore urgent in order to avoid wasted duplication of efforts in the use of scarce ODA funds.
- The evaluation team was impressed by the West African drylands restoration project which is addressing serious, concrete environmental issues in West Africa today and appears to be producing results.
- It is too early to judge the results of the DPDL projects on cultural diversity and on civil society. There is a danger that dependence on piloting can mean that results are dissipated after the completion of the pilots.
- Supporting smaller countries with environmental legislation as DPDL does, appears to be a very important function of UNEP and DPDL. This should be expanded.
- The entire DPDL portfolio is highly dependent on Norwegian goodwill/support as without it, DPDL would be able to implement little.
- There is a perennial risk of duplication where the mission statement e.g. “... to enable members of the international community to develop integrated and coherent policy responses to environmental problems...” is so general.

#### *Division of Environmental Policy Implementation (DEPI)*

UNEP has one division (DPDL) that develops environmental policy, and another DEPI that implements it. The distinction is not always clear. It is therefore difficult for an outside evaluator to draw the distinction between the functions, activities and aspirations of different divisions within UNEP. UNEP is fully aware that there is a risk of overlap between the work being carried out on environmental legislation in DPDL and in DEPI, and the Executive Director has therefore as of 01 September 2005 taken measures to avoid such risks of inefficient overlap in the field of environmental law. It is also stated by UNEP that DEPI is the “... focal UNEP division for capacity building ...”. However, since capacity building is carried out in every field relevant to UNEP’s mandate, several other divisions are also

involved in capacity-building in their areas of expertise. The DPDL project on poverty and environment is clearly an example of a comprehensive capacity building and implementation-oriented activity that also aims at mainstreaming environment into PRSPs and other plans.

DEPI is implementing three projects under the framework agreement:

- Capacity building for environmental law in Africa (PADELIA)
- Training of African journalists in environmental reporting
- Support on the enforcement of multilateral environmental agreements (MEAs).

The PADELIA project is well established and has been operating for several years. It has been evaluated on two occasions. Its main impact has been to enhance capacities of environmental lawyers and to produce numerous manuals in 13 project countries. The training of journalists project had also had a clear impact on the number of articles and essays produced in African countries. Over 70 journalists in a large number of African countries have been trained under the project. This is very much in keeping with the UNEP mandate "... to inspire and inform nations...". The evaluation team was also impressed by the achievements of the support to enforcing multilateral environmental agreements. There are well over 100 MEAs requiring enforcement and as far as the evaluation team were able to gather, no other institution is involved in this work. The project both legitimises the agreements signed, by permitting smaller countries to comply with the provisions, and it ensures that the agreements are respected and complied with by the general public, especially in smaller countries which do not have the resources to implement in detail the provisions of the MEAs. The issues which arose with the evaluation team were as follows:

- The projects being supported within DEPI are having a practical impact through the implementation of environmental legislation.
- DEPI appears to have sound and relevant manpower resources for legislative work.
- There is a great need to assist small countries to enforce MEAs and UNEP (DEPI) is the most natural agency to provide this assistance.
- There is a danger of duplication between DPDL and DEPI in the field of assistance on legislation, but UNEP claims to be aware and working on coordinating solutions.
- No other institution appears to be training journalists in environmental issues so that this is a very useful exercise in awareness raising through Africa.

#### *Division for Environmental Conventions (DEC)*

The division is engaged in the environmental conventions and the implementation of the multilateral environmental agreements. One project supported by Norway is implemented by DEC. This is the Climate Change Outreach Project. A major activity is to mainstream climate change issues into PRSPs. There can be little doubt that this is an important activity to support. Climate change is scientifically established and resources are required to make smaller countries aware of the physical implications for those countries. Awareness of climate change issues is very important in low-lying states, for example, so that the general public are properly informed and mobilised. There has been a relatively close cooperation with GRID Arendal and Norwegian expertise on this project.

#### *Important Issues Arising from the Assessment of the Portfolio*

UNEP's divisional structure corresponds with the sub-programmes of its programme of work:

- Virtually all of the projects being supported by Norway are very worthy in their own right, and all of them can be described in such a way as to meet any of the detailed requirements of Norwegian development assistance policy. They all aspire to promote the attainment of the MDGs, to foster poverty reduction, to mainstream environment, gender and climate change into the PRSPs, to involve civil society and ethnic minorities in major environmental questions etc.

- To the casual observer there appears to be considerable overlap between UNEP's divisions, particularly in the fields of capacity building, awareness raising, poverty reduction and the promotion of the multilateral environmental agreements. However, much of what may appear as duplication/overlap from project titles, is claimed by UNEP to be largely complementary when content is examined. UNEP has at work a Project Approval Group comprising all division directors and chaired by the deputy executive director. This body was specifically set up to coordinate project selection and approval so as to avoid duplication, and since 01 September 2005 UNEP is actively coordinating the tasks of DPDL and DEPI. The aim is to avoid duplication, because e.g. the comprehensive DPDL activities related to poverty and environment linkages clearly have mainstreaming and implementation as key project components. In any event it has to be said that duplication is not all UNEP's fault as it has been observed that other, bigger, more aggressive agencies have sought to "invade" UNEP's environmental turf.
- Because UNEP has no other source of project funding than that received from generous donors, it is inevitable that UNEP will tailor-make their project proposals to satisfy the particular preoccupations/policies of the donor country like Norway. This means that many projects set too ambitious and often conflicting or contradictory targets e.g. poverty reduction, meeting MDG targets, mainstreaming cross-cutting issues like environment, climate change and gender into PRSPs. In many cases these targets are impossible to attain because of the limited resources at the project's disposal. This creates disappointment and disillusionment.
- In most cases it was stated that the projects would generally not have been implemented without Norwegian support. This either means that no other donor would support such an activity, or that Norwegian support was very perceptive. In fact the latter may very well be the case as Norwegian development assistance does have relatively detailed policies on the promotion of environmental issues in Africa.
- Being the lead environmental arm of the UN system, UNEP should be well placed to contribute (along with e.g. the world Bank, ADB, and other UN agencies responsible for specific environment related matters, e.g. FAO, WHO, UNESCO) to mainstreaming environment matters into e.g. national and sectoral development plans such as PRSPs. However, effective harmonization and coordination between different agencies in this field is still a distant goal. Perhaps as a result of this, the portfolio of projects supported under the framework agreement can well be described as a "hotch-potch". The portfolio has simply grown or evolved and is not the result of a coherent plan of action. It seems to have emerged in response to what UNEP thought it might get funded.
- Some large projects (e.g. those related to poverty and environment interlinkages) are not in fields where UNEP has developed a comparative advantage and frontier competence and skills.

### **3.8 Baseline for Future Assessment of UNEP's Performance**

This evaluation has distributed a questionnaire to all UNEP projects receiving Norwegian funding. The questionnaire has focused on the key evaluation criteria of relevance, effectiveness, efficiency, impact and sustainability, and explicitly asked for baseline in terms of a project-specific counterfactual for each project (where such an approach is meaningful) so that the additionality of the activity can be assessed.

A striking commonality in the completed responses to the questionnaire is the lack of proper baseline for monitoring and measuring project contributions to development. Only in an exceptionally few cases (e.g. the training of environmental journalists) is a comparison of "before and after" results presented. In none of the projects is there any concern about the lack of a well-defined "with-without" counterfactual as a baseline against which outcomes could be judged.

However, UNEP has, during the evaluation period, declared an intent to systematically develop methodology for impact assessment and choice of monitoring indicators for their project

activities. An expert seminar with invited speakers on this topic was to be arranged while the evaluation team visited UNEP Headquarters in Nairobi, but this important seminar was cancelled at short notice, and a new date (if at all) is pending.

Proper documentation of impacts and effectiveness of UNEP activities is critical for donors being asked to finance the challenging expansion of UNEP's programme resulting from the Bali Strategic Plan. Solid recognition and commitment at all levels in UNEP regarding the urgent need for monitorable performance indicators established on the basis of counterfactual baseline concepts, must be convincingly communicated to the donors in order to establish confidence in UNEP's widened mandate beyond its traditional "normative only" mandate.

## 4. The Merits of Partnership Framework Agreements

In order to live up to the expectations of the international community with regard to the MDGs, UNEP and donor countries are making joint efforts to strengthen collaboration and streamline the provision of additional earmarked support to UNEP through utilization of arrangements that can be described as “partnership agreements”. While these can take different forms, they tend to share the following common features:

- providing a framework for intensified policy dialogue and functional collaboration between UNEP and the donor government
- providing for improved planning, implementation monitoring, and reporting within UNEP as a result of the partnerships being of a multi-year nature focusing on a limited number of programme areas rather than on numerous scattered projects
- providing a mechanism for strategic and coherent support to UNEP’s core priority activities which are not sufficiently funded by the Environment Fund
- providing for timely and clearly defined financial reporting procedures and for support in a predictable manner
- providing for a simplified standard results-focused reporting format
- providing for reduced administrative costs (from 13% to 8% in case of the Netherlands framework agreement) as a result of switching to programme funding as compared with the administrative burden associated with numerous donor-funded projects. Consequently freeing up more resources for programme activities.

So far UNEP has entered into four framework agreements in addition to the one with Norway. Their content and focus suggest some complementarity. Perhaps equally they suggest that UNEP looks for framework agreements to cover as wide a topical area as possible with such agreements. In order to have a wide basis for comparison of performance and for suggesting the design of the new Norwegian framework agreement for 2006-2009, the evaluation team collected more detailed and in depth information on the framework agreements with Belgium, Netherlands and Sweden. The Irish authorities who also have a framework agreement were not available. The nature and functioning of these agreements are presented in Annex 7 below.

## 5. A Model for Framework Agreements with UN Agencies

In February 2002, the Minister of Development Cooperation in the MFA approved restructuring of the Norwegian multi-bi arrangement for financial support to the various UN agencies. The background was a search for a common, simplified, flexible and more cost-efficient format as regards both content and administration applicable to all UN agencies. UNEP, however, was not included in the list provided at that time as receiving support from Norway. Three mutually reinforcing developments triggered this restructuring of MFA practices:

- stricter and more transparent formal reporting- and accounting requirements for transfers to UN agencies under special agreements imposed by Norway's Auditor General
- an increasing gap between the development cooperation rhetoric favouring increasing use of budget support-type aid, while MFA in practice continued to finance a large number of small projects and activities
- the latter practice had led to an increasing administrative and reporting burden on both MFA as well as on the recipient bureaucracies, and neither stakeholder was staffed to take on proper preparation, appraisal, monitoring and evaluation of a such diverse and huge magnitude of small activities.

Key elements in this proposed revised agreement format were:

- Design of a new prototype "framework agreement" on programme cooperation in the field of development cooperation between Norway and all such UN agencies. To be used where Norwegian additional funds (extra-budgetary contributions) are linked to overarching development cooperation goals and the mandate and work programme of the listed agencies. Such a "framework agreement" has no time limitation.
- Design of a "framework cooperation agreement" linked to each framework agreement, which describes, in more detail, the areas to be financed by the Norwegian MFA contribution in terms of level (overall amount to be made available for the agreement period) and the thematic orientation (overall distribution among projects and programmes) for a period which matches the programme and budget cycle of the UN agency in question (usually two years).
- In some instances (e.g. with FAO) design of a "specific agreement" under the framework agreement for Norad financing of specific projects and programmes.

Activities to be implemented under the framework agreement through extra-budgetary contributions to a UN organization are:

1. regular programme activities approved by the governing bodies of the UN organization (this approach, including co-ordination with other multilateral and bilateral donors, shall as a rule be applied for such framework agreements) , and/or
2. activities funded by Norway together with other donors (hereafter referred to as multi-donor activities), e.g. through multi-donor trust funds, and/or
3. activities funded by Norway (hereafter referred to as one-donor activities).

Activities to be financed under such a framework agreement shall adhere to the relevant policy decisions and guidelines approved by its governing bodies. Also the common set of objectives and principles for international development cooperation which are contained in political declarations and plans of action from relevant UN summits, notably the Millennium

Assembly, with particular emphasis on activities. For constitutional reasons such contributions can only be used for activities that can be reported as official development assistance (ODA):

- contributing to poverty eradication and permanent improvement of the economic and social conditions for the poorer part of the population in the developing countries through long-term, target-oriented and efficient support which shall assist the involved countries' own mobilization of human and other resources
- ensuring that development assistance is based on a dialogue with the partner countries and in accordance with their own priorities, in particular their national PRSPs
- contributing to capacity building and institutional development in recipient countries
- aiming at sustainable development
- ensuring that gender considerations are fully taken into account
- promoting a rights-based approach to development.

Norway's contribution to activities under the administration of such UN organizations shall be allocated on the basis of project/programme documents/proposals submitted by the UN organization and approved for financing by Norway. The working modality for choosing what to finance and how to do it was established in such a way that each UN Governing Body develops a strategy with a limited list of prioritized activity areas. The role of the Governing Body is then to receive a set of well prepared project/activity proposals with an attached budget and work plan from the technical officers of the various divisions within the UN agency itself, and from the Norwegian embassies in the eligible countries. The UN Governing Body then selects the projects to receive such framework agreement funding, following a careful check that the project portfolio reflects the Norwegian priority listing of areas worthy of support. Either as submitted by Norway for Governing Body approval or, even better, from a multi-donor harmonized and agreed strategic set of priority areas. With this new framework agreement approach, the large group of UN agency staff (UN agency "sales agents") would no longer bring their individual funding applications directly to the various Norwegian embassies/donors in a haphazard manner. Instead the applications from the various agency divisions would be submitted directly to the UN agency's Governing Body, which would make the choice of what specific activities to fund based on the priorities agreed at the Governing Body level. Where a Norwegian embassy receives a direct funding request from a UN agency division, the embassy must establish that the request is for an activity eligible in the context of the framework cooperation agreement.

For both one and multi-donor activities, the UN organization shall prepare indicative annual work plans and annual strategic implementation plans as well as annual budgets for presentation at the annual consultations with Norway.

Country level activities shall take place within the framework of e.g. national PRSPs, with maximum efforts to ensure effective coordination with other planned and ongoing activities in the same field, regardless of source of funding.

In order to maximize the development effectiveness of such framework agreement funded activities, the UN organization shall pursue partnerships with other relevant development partners. In addition, as relevant, participate in the work of the Common Country Assessment (CCA) and the UN Development Assistance Framework (UNDAF) and other relevant coordination mechanisms.

As an illustration of how such a wide-coverage and flexible two-stage system would work in practice, no explicit prioritization of Low Income Countries (LICs) and Least Developed Countries (LDCs) or a selection of these would be expressed in a framework agreement. Instead, these could be explicitly stated in the attached framework cooperation agreement, because the orientation of Norway's cooperation with the different UN agencies varies in terms of topics and geographic focus.

As a general framework cooperation agreement guideline, Norwegian funding of UN agencies should target low income countries emphasizing LDCs. The extent to which such emphasis implies a more effective poverty orientation depends of course on who the eventual LDC stakeholders in the agreed use of these funds are.

Under this new framework agreement model, the UN organization shall undertake regular monitoring as part of the project/programme management, regular reviews of all projects/programmes as needed, and in-depth evaluations of selected activities, as well as thematic evaluations. The framework agreement clarifies requirements on control mechanism, reviews, evaluations and reporting. The agreement also states that the volume of Norwegian support depends on the quality of the UN-organizations' performance as documented by achieved results. Such monitoring, review and evaluation activities cannot be meaningfully undertaken without agreement on the sort of indicators and data to be regularly collected and processed in order to make it possible to compare activity impacts (not only output and outcome) to a "without activity" baseline.

The UN organizations having such framework agreements with Norway shall annually provide copies of substantive/progress and final reports prepared for the governing bodies. In addition, annual common reporting on activities undertaken and results achieved for multi-donor activities, much more detailed and specified annual progress and final reports for one-donor activities,

These new framework agreements provide simplifying procedures that could facilitate the transfer of MFA staff and/or staff time from administrative tasks to those focused on policy design and development. This will be possible because with the existing "one step" framework agreements, each revision of the agreement requires meticulous legal scrutiny and preparation for Cabinet approval. The proposed new "two step" framework agreements take the initial "step one" framework agreement for Cabinet approval for an indefinite time period, while all annual revisions and changes in the operational aspects will be contained in the "step two" framework cooperation agreement. The latter does not require Cabinet approval and can be finalized by MFA (in the case of UNEP after bilateral consultations with MoE).

This "two step" approach further provides much needed flexibility for designing framework cooperation agreements. These agreements may vary between UN agencies in terms of the degree of agency autonomy over how the funds shall be spent, i.e. MFA may, with this arrangement, exercise varying degrees of intervention with the different UN agencies in terms of e.g. general work programme support versus earmarking the allocated funds for specific activities/goals.

While the new agreement format looks more "streamlined", the need for MFA/Norad to monitor the progress and output from the UN organization activities supported in this way remains as before. In fact, this need may very well increase significantly if one were to take steps beyond merely repeating ambitious but unrealistic goals listed in declarations produced at summit meetings, completely void of any commitments from either donors or recipients. MFA should then seriously start monitoring and comparing the contribution (aid effectiveness, efficiency and impact) of the various funded activities towards reaching the stated millennium development goals and PRSP targets.

Much of the agreed activities constitute financing of travel activities for participation in seminars, workshops and conferences for politicians, high level government officers from support-eligible countries, researchers, and for UNEP staff from its many offices world-wide. With environment-related activities being a low priority area in developing countries world-wide and thus void of travel budgets for such persons in these countries' own budgets, the framework agreement provides important additional resources. Even if earmarked and targeted,

it closely resembles budget support. Due to fungibility of government funds it makes it possible for recipient governments to maintain their prioritized levels of expenses on other (non-MDG and non-PRSP-relevant) budget items closer to their hearts, but further away from the MDGs and the PRSPs. A closer scrutiny of the actual contribution to these goals from funding of such workshops and conferences would be a worthwhile exercise.

However, the evaluation task does not cover such impact analysis. It is limited to checking that the funds have been spent on what the framework agreement funds were approved for; e.g. travel and subsistence payments for a select group of people to attend an approved event. The ease with which one manages to meet such travel volume goals is in sharp contrast to the lack of documentation of progress (no counterfactuals provided) with regard to fulfilling the MDGs and implementing the PRSPs. Failure to meet MDG targets is, of course, a universal problem highlighted by the failure to address the problem at the on-going UN World Summit held in New York in September 2005.

Annex 6 sets out details of six different Norway-UN framework agreements.

## 6. Which Way Forward?

### 6.1 The Changing Funding Regime of UNEP

Core funding in the form of non-earmarked contributions made directly to UNEP's work programme in general and/or earmarked contributions to specific parts of it, has been the traditional way of financing UNEP.

The UN General Assembly envisaged, from the very start of UNEP in 1972, that the UN regular budget should cover the provision of general policy guidance. In particular, for the direction and management of environmental programmes, and UNEP's role as focal point for environmental action and coordination within the UN system. The Environment Fund was meant to provide additional financing for environmental programmes and for new environmental initiatives within the UN system. Extra budgetary resources, such as trust funds and counterpart contributions, were to supplement the substantive work programme of UNEP, consistent with its objectives, policies, overall priorities and procedures.

However, in the case of UNEP, the UN regular budget is no longer adequate for the core functions of the UNEP secretariat. The posts carried by the regular UN budget no longer add up to the small core secretariat that the UN General Assembly is obliged to finance according to its original 1972 resolution. The Environment Fund is now funding most of the functions of the secretariat.

Gradually from the mid-to-late 1980s, trust fund financing of activities prioritized by the donors took on an increasing role in donor contributions to all UN-agencies as well as the multilateral development banks. This trend reflected an increasing donor awareness that such dedicated trust funds could be used to leverage donor country priorities in the work programmes of these multilateral agencies. For many donor countries this modality made it easier to justify maintaining the level of allocation of official development assistance (ODA) channelled through such agencies as opposed to channelling more through bilateral channels over which the donors would exercise full control.

Funding of activities through such trust funds overtook the Environment Fund (core funding) as its primary source of financing during 1998/99. At that time it was not seen as a significant turning point affecting UNEP's autonomy to operate as a multilateral environment agency with a global mandate.

### 6.2 Donor Driven via Trust Funds and Earmarked Contributions

As shown in chapter 3 above, trust funds, trust fund support and earmarked contributions from donors, originally meant to supplement the Environment Fund, have taken on an increasing role when it comes to financing UNEP's key substantive functions. The Environment Fund, which was originally meant for new initiatives in the UN system, now finances policy making functions in the secretariat.

For 2006-2007, the Environment Fund amounts to USD 145 million, whereas trust funds and earmarked contributions add up to USD 135.5 million. The growth of trust funds, trust fund support and earmarked contributions reflects a donor demand for a more fund-provider, supply-driven UNEP project portfolio. As can be seen from the description in chapter 3 and Annex 7 below, each donor has picked a specific set of focal areas and topics with criteria that UNEP must meet in the choice of projects. These demands reflect the environmental

development cooperation priorities of each of the countries that have established such trust funds and earmarked contributions with UNEP. By channelling the funds in this particular constrained way, each donor has signalled that they want to make sure the funds are spent according to their own priorities. Further, that they would not trust such allocation to take place if the funds were channelled more like budget support through the Environment Fund of UNEP.

For the donors this way of channelling funds to UNEP has the following benefits:

- since developing country demand for environment interventions is limited, it secures allocation in accordance with the donors' environmental development cooperation goals, i.e. a supply driven fund allocation
- it reduces the administrative burden on the donors by using an established UNEP mechanism.

UNEP praises partnership agreements and their way of channelling funds for being more cost- and time-efficient than traditional project-oriented approaches to fund-raising and ad hoc bilateral discussions on programme issues. In addition, partnership agreements tend to be signed for 3 or more years and thus provide predictable financial support to the core UNEP programme areas and activities. UNEP's administrative charge on such funds has, as a result, been reduced from 12-13% to around 8%.

Towards the end of the millennium, UNEP's Governing Council expressed concern over the proliferation of trust funds and earmarked contributions. This was because the growing share of UNEP activities financed by such trust funds took place without prior debate in the Council. The actual ranking of fund distribution among subprogrammes significantly diverged from the priorities set by the Council for the Environment Fund<sup>3)</sup>. UNEP needed a targeting mechanism for channelling and influencing the areas which trust funds should support. The senior management of UNEP now actively relate the trust funds, focal areas and donor-funded projects (including the ones under partnership agreements) more systematically to the Council-approved programme of work and the priorities therein.

By the end of the millennium, UNEP had become increasingly vulnerable to falling contributions towards the Environment Fund. Fungible funds in the Environment Fund were increasingly being used towards salaries, thus making UNEP dependent on earmarked funds to carry out activities. However, due to the Voluntary Indicative Scale of Contributions in 2003, 2004 and 2005, falling contributions to the Environment Fund have been reversed. The Governing Council thus approved an increased budget for UNEP for the biennium 2006-2007, but salaries still constitute almost 2/3 of the 2006-2007 budget.

Against this setting, the UNEP GC opted for reasserting UNEP's central role as the leading UN organization in the field of environment, not only with regard to normative issues, but expanding UNEP's role into operations and implementation as well, for example, with regard to the environmental management component of GEF projects.

### **6.3 The Bali Strategy and its Implications**

The need for environment-related technology support and capacity building in developing countries and countries with economies in transition was recognized by the UN General Assembly in 1972. It was reemphasized in Agenda 21 of 1992 and the Plan of Implementation of the World Summit on Sustainable Development. The UNEP GC decision SS.VIII/I of 15 February 2002 concerning the strengthening of international environmental governance recognized the urgent need to develop a strategic plan for the provision of technology support and capacity building to the above mentioned categories of countries<sup>4)</sup>.

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3) See UNEP Evaluation and Oversight Unit (1999), "Management study on trust funds and counterpart contributions". December 18.

4) See UNEP/GC.23/6/Add. I dated 23. December 2004 "International environmental governance – Bali strategic plan for technology support and capacity building".

The Bali Strategic Plan for Technology Support and Capacity-building (BSP) is an inter-governmentally negotiated and agreed approach and was adopted by the Governing Council (GC) of UNEP at its 23<sup>rd</sup> session in February 2005. It is the response to the above February 2002 UNEP GC decision. It is designed to enable UNEP to strengthen coordination and delivery of technology support and capacity-building activities in developing countries, and in countries with economies in transition<sup>5)</sup>. The BSP identifies the main cross cutting as well as thematic areas requiring intervention. It puts UNEP at the centre of the action and thus expands UNEP's mandate and areas of responsibility considerably from the original normative UNEP mandate towards being an implementing mandate. By so doing, the UNEP GC has widened UNEP's mandate to cover areas where other multilateral agencies have dominated the research and policy recommending analysis and implementation where e.g. the various environmental convention secretariats play a crucial role.

The BSP aims at reinforcing UNEP's role at the centre of efforts, building on areas where UNEP has demonstrated comparative advantages and expertise, strengthening cooperation among multilateral environment agreement secretariats, and other bodies engaged in environmental capacity building. The latter include UNDP, GEF, bilateral donors, other UN bodies, regional or multilateral organizations, international finance institutions, civil society, including the private sector, universities and other relevant stakeholders. In short, it aims at providing a basis for UNEP to play a more substantial role in the UNDP group framework. This again requires enhanced operationalized cooperation between UNEP and UNDP, including work at the country level. It is a challenge not to be underestimated considering the difficulties efforts at such improvements have encountered in the past. The strategy plan calls for strengthening of UNEP's regional offices to facilitate effective support for the implementation of the plan at its national, subregional, regional and global levels.

Section D in UNEP/GC.23/&/Add.1 provides an indicative list of the main areas of technology support and capacity building activities that the plan should address. These cover 13 cross-cutting issues and 19 thematic areas. Activities to be implemented are to be decided between governments and UNEP. While it does not explicitly say so, governments may easily be led to believe that these represent the areas where UNEP holds a comparative advantage, or where UNEP should be supported to develop such an advantage, and as a result indicate where they would like to receive capacity building support. If these are the areas where UNEP indeed holds such comparative advantage (which UNEP neither claims nor disclaims), there would hardly be any area or issue left where other agencies and institutions might have a comparative advantage in offering such professional advice and capacity building support.

The BSP calls for coordination between UNEP and the Bretton Woods institutions, the MEA secretariats, the GEF and UNDP. Such coordination is definitely needed irrespective of the BSP. However, even with the pre-Bali normative mandate of UNEP, it has proven very difficult to establish effective and efficient cooperation at the country level between the Bretton Woods institutions on the one hand, and UNEP/UN-Habitat on the other.

Inability to harmonize represents one major set of obstacles. UNEP's narrow conception of what expertise is provided and the range of topics and areas in the field of environment that are continuously studied and addressed in the country dialogues with e.g. the World Bank and Asian Development Bank appears to be another. With the adoption of the Bali Strategic Plan the GC has expanded UNEP's mandate into areas that traditionally have been the prime responsibility of implementing agencies such as the World Bank, the regional development banks, the convention secretariats and UNDP. With no prior coordinated agreement on areas of responsibility such one-sided action by UNEP's GC is bound to create increased tensions among the competing multilateral actors on the environment arena.

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5) United Nations Environment Programme (UNEP), *"International Environmental Governance: Bali Strategic Plan for Technology Support and Capacity Building"*, Nairobi, issued on 23 December 2004.

The Bali Strategic Plan can thus be seen as the culmination of UNEP being constantly met by an increasing widening of environment-related requirements from the UN-system, recipients, international environmental agreements and conventions, and donors. To meet all these demands, UNEP is being stretched in all directions, pulling the organizational set-up and administrative capacity to its limits. This is manifested in the 2006-2007 programme of work and budget, which is based on the Secretary General's Strategic Framework. This has turned a mix of requirements into a plan where UNEP wants to "do everything". However, it thereby exposes itself as vulnerable to external funding opportunities and donor pressures when it comes to priority setting and expanding the mandate from that of a normative organization to one that shall be operational and implementation oriented.

However, the plan is in many ways far too detailed to be operational. In fact, the Environment Fund resembles a project in itself, expressing what resembles a wish list more than a work plan for this UN organization. Its structure is such that it presents a framework for activities under which almost any project or programme can be accommodated, and where priorities are unclear. What is missing is result-based management as an instrument for priority setting.

Furthermore, by listing activities in accordance with sector and by including all funding sources, the Bali Strategy Plan adds yet another layer to the administrative challenges of UNEP. Its present accounting system and functional organization are not geared to work on the basis of sectors. Harmonization with e.g. UNDP, which such a widening of UNEP's mandate envisages, has emerged as a cumbersome process. Even with the recent detailed and signed MoU between UNEP and UNDP, spelling out modalities for cooperation for implementing the BSP, it remains to be seen how effective and efficient such cooperation and division of responsibilities will be. In conclusion, UNEP's Bali Strategic Plan appears to:

- cover everything without priorities
- assume a UNEP comparative advantage and strength in virtually all areas and issues related to environment policy design and implementation
- invade the turf of "competing" agencies inside and outside of the UN family of agencies as well as the environment convention secretariats, rather than complementing their areas of specialty, experience and comparative advantage
- be too ambitious relative to a realistic budget and available staff competence and experience.

#### **6.4 Choosing among the Strategic Options**

The most important objective of this evaluation is to analyse and appraise the merits and disadvantages of the main strategic options in the new programme cooperation agreements. The strategic options are linked to the level of aggregation and earmarking of the Norwegian support to UNEP through funding from MFA. At the moment the choices seem to be between, but not limited to:

- earmarked/not earmarked contributions made directly to UNEP's work programme in general or to specific parts of UNEP's work programme
- a trust fund established for channeling all MFA-contributions within the agreement
- co-operation with existing trust funds, with or without the possibility of applying further earmarking on the Norwegian contribution within the general requirements of the trust fund, e.g. specifying a certain amount of the contribution to LDCs support to specific activities funded by Norway, alone or in co-operation with other donors.

The assessment has focused on whether these main strategic alternatives:

- are of particular relevance in accordance to Norwegian development policy and guidelines, as well as Norwegian policies and guidelines relating to global environmental problems of relevance to UNEP and its mandate

- are effective and efficient instruments for UNEP in implementing its core programme activities and in monitoring and reporting results.

The experience of UNEP, MFA, or other donors with different but relevant types of funding UNEP-activities reviewed above has provided important input to this analysis, and clarified what have so far been advantages/disadvantages with the main strategic funding alternatives mentioned above.

The review of the present project portfolio in chapter 3.7 and Annexes 4 and 8 shows that the present agreement has resulted in Norway funding a large portfolio of projects (more than 20) widely dispersed thematically and sectorally. Most of the projects appear to have resulted from dialogue between the task managers or division directors at UNEP and the officer in charge at MFA, with little or no overall strategic planning. Each project in and by itself may well be relevant from the perspective of mainstreaming environment into PRSPs and addressing the environment dimensions of the MDGs. Theoretically UNEP, being the core environmental organization of the UN system, could have been well positioned to undertake activities addressing the environmental dimensions of the MDGs and mainstreaming the environment in the PRSPs. However, UNEP's traditional mandate has been primarily of a normative nature and its specialty fields of excellence have been related to that role. The fact that the Governing Council, with approval of the Bali Strategic Plan, has signaled that UNEP should expand its mandate widely and strengthen its work in operational fields related to PRSPs and the MDGs, cannot automatically be taken to prove that UNEP is the most relevant multilateral agency in all these areas for achieving the most effective and efficient contribution to such goals for the Norwegian funds. It does not appear that MFA has undertaken any objective analysis of where and how to channel Norwegian funds for the most effective and efficient achievement of e.g. contributing to capacity building and improved understanding of the complex poverty environment nexus dimensions.

With the present agreement, where allocation for individual UNEP projects is the unit of account, Norway (i.e. MFA) has to follow up with a large number of UNEP project task managers located around the world. Their reporting occurs at different times. Monitoring the impact of the Norwegian project funds becomes more difficult in those cases (several projects under the present agreement) where Norway co-finances the project with other donors and with core funding of UNEP. This is because the reporting requirements of the different donors have not been harmonized. Based on the experience and our analysis of it, the fourth option listed among the strategic alternatives (*i.e. support to specific activities funded by Norway, alone or in cooperation with other donors*) is not an option to be recommended for the new framework agreement.

The analysis in chapters 5 and 6 above clearly concludes that the two-stage general framework agreement model now adopted for the different UN agencies has significant simplifying and time-saving merits for both MFA and UNEP compared with the existing UNEP framework agreement. This conclusion holds regardless of which among the three remaining options is chosen.

Our analysis in the first three sections of chapter 6 shows that there remain major challenges. New ones will arise with the Bali Strategic Plan. These have to be tackled in order to have in place an effective and efficient strategic option for such a framework agreement. The choice of strategic option therefore depends on the extent to which it is designed so that challenges identified in the present agreement are overcome.

Norway wants:

- *A strategic option that is easy and cost-efficient to manage and monitor and which would make it possible to reduce significantly the UNEP overhead charge on the Norwegian*

*framework agreement fund.* (Such simplification is necessary with only one person in charge of this UNEP framework agreement at MFA, and located in a different department of MFA than all the other UN framework agreements. A multi-year agreement would contribute more to this end than single-year allocations. A multi-year agreement is at the same time more predictable and easier to plan for in a coordinated way in UNEP since many projects are of a multi-year nature).

- *To be assured that projects are chosen from an internally consistent programme addressing the prioritized MDG- and PRSP challenges that are short of funding, and where UNEP possesses a comparative advantage.* (The Bali Strategic Plan makes this a critical issue requiring much improved internal coordination and dialogue between UNEP divisions.) Furthermore, transparency as regards funds available, and for what, from different sources. The different UNEP divisions need to work together and reach agreement on programme areas, consisting of clusters of projects, which are reported in a coordinated way to the donors. An important part of this preparation is convincing documentation of UNEP's comparative advantage in taking charge of the proposed activity. The new framework agreement should require all communication leading towards the programme compositions to go through UNEP's Programme Coordination and Management Unit (PCMU). This unit is charged with internal coordination of activities under the overall guidance of the deputy executive director. This would avoid the system whereby individual task managers can approach the MFA officer directly to pave the way for "pet projects".
- *The strategic option which minimizes the risks of duplication of work done by other agencies and actors on the development cooperation arena.* (Again, a requirement made urgent as a result of the Bali Strategic Plan. This requires communication, coordination and cooperation between UNEP and other multilateral agencies both within the UN system and the multilateral development banks. UNEP shall have to document the additionality of the proposed activity. At the same time, it requires Norwegian capacity and competence to monitor and check that programmes are defined and formulated. Further, that projects are actually selected following such a process, where agency choice for specific activities is based on updated information and knowledge of agency comparative advantage, experience and skills.)
- *A strategic option which makes it easy to trace where the Norwegian framework agreement money appears to be going.* (This requirement is limited to accounting. For reasons of fungibility, it is very difficult to claim that funds from one source do not replace funds from another. Keep the contributions to the general UNEP-operated conventions trust funds separate from contributions to UNEP's programme of work (which are "owned" by the contributors), i.e. separate accounts, and separate from the Environment Fund account.)

A single Norwegian multi-year (e.g. two years at a time) trust fund would appear to be the strategic option that would meet the above demands in the most flexible way because it:

- Avoids the harmonization complications (different reporting formats and timings) that would arise with multi-donor trust funds.
- Avoids frequent time-consuming consultations with numerous different UNEP task managers and the risk of costly and demoralizing delays imposed on multi-year projects. With such a multi-year framework agreement and a single trust fund for its financing, UNEP should prepare a logical framework and three-year budget. Coordinated annual consultation with Norway should be retained for reporting on progress and monitoring of the funded activities.
- Provides for as much accounting transparency as can be expected from any framework agreement.
- Provides for Norway having its own MDG and PRSP priorities reflected in the choice of programme elements and implementation conditions. Norway is at liberty to choose the level of detail as regards geographic, sectoral and other quantifiable characteristics of the programme (i.e. the level of earmarking/not earmarking) and how it shall be monitored.
- Also allows Norway to earmark Trust Fund allocations for specific activities, alone or in

co-operation with other donors, if this is convincingly proposed by UNEP during the programme negotiations for such a Trust Fund. This also includes specific requests for allocating from this Trust Fund to e.g. specific Convention Trust funds where critical shortage of funding is documented.

## 7. Summary of Conclusions and Recommendations

### 7.1 Conclusions and Main Findings

1. An examination of the progress and completion reports on projects supported by the UNEP-Norway framework agreement reveals the following:
  - UNEP places great faith in the power of awareness-raising and institutional strengthening to bring about lasting change. However, authority and power in recipient institutions may in fact be very weak.
  - It is very difficult to establish a focus and then evaluate impacts and results because of the very wide and diverse range of outputs and objectives to be accomplished.
  - Monitoring of impact is virtually impossible since no counterfactual benchmarks have been established, and indicators of progress are not systematically established from the time when projects are designed and started.
  - Many projects have complicated institutional arrangements so that it is difficult to identify the impact of Norwegian support. Fungibility of funds adds to the difficulty.
  - There is a danger of duplication between divisions within UNEP and between UNEP and other agencies, although the UNEP management is aware of this. This is partly because UNEP has become very ambitious and moved into areas which may be outside its original remit. The framework agreement supports projects in separate UNEP Divisions which seek to mainstream environmental considerations into poverty reduction strategies. MFA needs to more actively monitor what sort of environment-oriented programmes and projects are supported via framework agreements with e.g. WHO, FAO, UNESCO and UNIDO, as well as through trust funds in the multilateral development banks so as to create complementarity and synergy rather than costly duplication.
  - There is a strong case for focusing Norwegian support in areas where UNEP has frontier comparative advantage/expertise/competence e.g. environmental monitoring/remote sensing and warning systems, awareness raising and training of e.g. journalists, customs officers and lawyers/judges towards effective implementation of the many multilateral environmental conventions, and the regulations regarding trade and depositing of waste and chemicals, cleaner production etc.
  - Norwegian support has been useful and effective in assisting small countries, especially in Africa, to meet their obligations under a variety of multilateral environment agreements (MEAs).
  - There is a clear need to register results and impacts of programmes in future reporting by UNEP.
2. A detailed assessment of the 24 projects comprising the UNEP-Norway framework agreement portfolio shows that:
  - Virtually all projects can be described so as to meet any of the detailed requirements of Norwegian development assistance policy.
  - There is a great deal of professional overlap between UNEP's Divisions which is bound to lead to duplication of activities and of funding .
  - Many projects are over-ambitious or contradictory in their objectives. This is because of their dependence on donor-funding since they are often tailor-made to meet the perceived requirements of the potential donor.

- The portfolio gives the appearance of being an uncoordinated “hotch-potch” rather than the result of a coherent plan of action. This may also be the result of competition between divisions for funding.
3. Four other countries namely Belgium, the Netherlands, Ireland and Sweden have partnership agreements with UNEP, similar to the UNEP-Norway framework agreement. These function in a roughly similar way, but with different priorities and funding mechanisms.
  4. Since 2002 Norway has been developing a “two stage” framework agreement model, designed to apply to the seven UN agencies with which Norway has such agreements. This will consist of a relatively general but agency-specific framework agreement governing the cooperation with each of the UN agencies. These agreements have no fixed deadline, with a multi-year (most likely for two years) framework cooperation agreement (i.e. a programme agreement) governing the explicit cooperation with the individual agency. This evaluation regards this development as a great stride forward which will tackle many of the problems identified in this report. The process should be encouraged and expanded.
  5. The UNEP framework agreement is administered by the MFA’s Trade Policy, Resources and Environment Section whilst all other frameworks agreements with UN agencies are administered by the MFA’s UN Section. This would appear anomalous if UNEP were to expand into operative areas traditionally handled by UNDP and multilateral development banks, for example, with the Bali Strategic Plan. However, remaining where it is located would appear rational provided UNEP concentrates future framework activities on normative issues that are supportive of the multilateral environmental conventions.
  6. There has been a marked shift in the nature of UNEP’s funding in recent years. Core funding (to fund the agency’s day-to-day operational requirements) now comes from the Environment Fund (contributed by over 100 donor countries) whereas it came originally from the UN Budget. This has also changed towards more dedicated trust funds where donor countries can exert greater leverage on the agency’s programme.
  7. The growing dependence of UNEP on earmarked donor funds has had a number of effects. It has reduced the UNEP administrative charge, and increased predictability. On the other hand, there is a concern that earmarking with conditions is tending to wrest control of the UNEP programme from the Governing Council towards the donors.
  8. The recently adopted Bali Strategic Plan is very ambitious. It takes UNEP into areas of responsibility outside its original mandate, where responsibility may be hotly contested by other powerful implementing agencies. The Plan gives the impression of “wanting to do everything” with limited resources and competence. This attitude has spilled over into the ambitions of the individual divisions which are also seeking to expand their mandates. It is, however, noted that there is an increasing tendency for **all** agencies to seek to expand their remits. This inevitably leads to conflicts on areas of operation.
  9. Four strategic options for a new programme cooperation agreement have been analysed. What Norway needs is a programme which is cost-efficient and easy to manage, a programme which is internally consistent, a programme which reduces the dangers of duplication and a programme where it is easy to trace funds.
  10. The evaluation concludes that a single Norwegian multi-year trust fund would be the best mechanism to meet the above requirements. There are numerous advantages including improved harmonisation, greater accounting transparency, and better earmarking. All of which should contribute towards smooth and efficient decision making.

## 7.2 Recommendations

It is *recommended* that:

1. Framework agreement with UNEP be brought into line with the other UN agreements, and that it is accommodated within the “two-stage” agreement system discussed above.
2. It may seem logical for responsibility for the framework agreement within the Ministry of Foreign Affairs to be transferred from the section for the Environment and Sustainable Development to the UN section, where all the other UN framework agreements are located. However, it is *recommended* that it remains located in the section for the Environment and Sustainable Development, provided the focus of the agreement is on UNEP’s normative activities. These activities are closely related to the multilateral environment conventions that this section manages within the MFA. Retaining this arrangement requires that the present good communication with the UN section on environmental activities addressed under framework agreements with other UN agencies be secured (e.g. through regular meetings of MFA’s internal environment team) so as to secure avoidance of duplication and ineffective use of UN framework agreement funds. It is *recommended* that:
  3. The new framework agreement be formulated in the form of a multi-year Norwegian trust fund.
  4. The projects being funded under the present framework agreement continue until completed.
  5. New proposals for framework agreement inclusion and approval should be in the form of General Council prioritized sub-programmes compatible with Norwegian UNEP collaboration goals.
  6. The number of UNEP programmes/sub-programme areas be reduced in order to improve overview and transparency so as to obtain better targeting and to avoid duplication.
  7. The new framework agreement provides that all communication leading towards the programme compositions go through UNEP’s programme coordination management unit which is charged with internal coordination of activities. This will avoid individual task managers approaching the MFA officer directly to pave the way for “pet projects”.
  8. MFA regularly meet with UNEP and the other countries with framework agreements and/or large sub-programme allocations in similar fields as those focused on by Norway. This will facilitate greater harmonization, effectiveness and efficiency of fund allocation while in keeping with UNEP’s overall policies and requirements.
  9. The framework agreement enables UNEP to acquire comparative advantage in key cross-cutting areas not properly addressed and covered in activities of other multilateral agencies.
  10. Under this new framework agreement model, there will be a proper, realistic baseline from the outset for the following activities: UNEP’s regular monitoring as part of the project/programme management; regular reviews of all projects/programmes as needed; in-depth evaluations of selected activities as well as thematic evaluations. The framework agreements must clarify requirements for supervisory mechanisms, reviews, evaluations and reporting. Reporting should include assessments of results and impacts of programmes.

11. The agreement specifies that the volume of Norwegian support will depend on the quality of UNEP's performance as documented by achieved results. Such monitoring, review and evaluation activities cannot be meaningfully undertaken without agreement on the sort of indicators and data to be regularly collected and processed in order to make it possible to compare activity impacts (not only output and outcome) to a "without activity" baseline.
12. A natural UNEP-role, following from its mandate to undertake and implement activities that "*inspire, inform and enable nations...*", would be to develop and have in place indicators to monitor the extent to which the activities achieve such results compared to baselines without such UNEP actions. UNEP should systematically develop and enforce a system of establishing monitorable performance indicators developed from counterfactual benchmarks for each project.

# Annex 1: Terms of Reference

## 1. The Purpose of the Evaluation

The Ministry of Foreign Affairs (MFA) and United Nations Environmental Programme (UNEP) plan a revision of the existing agreement during 2005. MFA has asked the Evaluation Department of Norad (EVAL) to conduct an evaluation of the existing agreement between Norway and UNEP. The evaluation should explore the successes and challenges as experienced under the present agreements and assess the main strategic options for the modalities for the next programme agreement. The main users of the results will be the agreement partners (MFA and UNEP), institutions with advisory functions such as the Ministry of the Environment (MoE) and the Norwegian Agency for Development Cooperation (Norad) and other stakeholders.

The evaluation will follow the norms and quality standards laid down in the instructions for Norwegian development administration and in DACs evaluation guidelines.

## 2. Background

Norway has provided substantial support to the United Nations Environmental Programme (UNEP) since its creation in 1972. The support has partly been allocated by MFA as earmarked support which from 2001 has been managed through a framework agreement with an annual budget of approx 5 million US\$ per year. In addition the Ministry of the Environment (MoE) has provided approx. 2 million US\$ annually as core funding support. Support has also been given to various projects outside the framework agreement from MFA budget. Therefore, during the last 5 years the total Norwegian support has amounted to approx 40 million US\$.

The present framework agreement that covers MFA's contributions was signed at the end of 2001 and has no fixed date of termination. The agreement states that Norway will make, in addition to annual contributions to UNEP's Environment Fund, earmarked contributions to UNEP to enable the implementation of UNEP's core programme activities approved by the Governing Council. The Norwegian contributions cover mutually agreed priority areas and new initiatives and projects which are complementary to the UNEP Programme of Work. The overall objective was to strengthen developing countries' capacity to participate in the global and regional environmental co-operation, which includes both policy development and implementation at different levels. During the initial three years of the present framework agreement, the guidelines required that the collaboration followed a concentration strategy focusing on the following areas;

- support to Africa
- environmental information, monitoring and assessment
- environmental policy and law including trade and environment
- support to implementation of environmental conventions
- cooperation between UNEP and the civil society.

The activities financed by Norway have, in accordance with the agreement, been selected from proposals/requests made by UNEP. A package of pre-selected priority programme initiatives for potential funding has been presented and discussed during annual meetings which have guided the management of the earmarked Norwegian support. Important issues from the Norwegian side during recent years have been to contribute to more programme

orientation, stricter prioritization and harmonisation of activities with other Nordic donors.

During 2005 MFA and UNEP plan a revision of the present framework agreement. One important objective for MFA is to align the new UNEP-agreements with the model framework agreements between Norway and UN-organizations in general. The framework agreement between Norway and UNEP will be supplemented with programme cooperation agreements which may have a high degree of flexibility. The programme agreements can include different financial mechanisms from very detailed earmarked contributions to financing of general funds or core funding.

The Norwegian Parliament recently approved (February 2005) the new development policy which emphasizes that Norwegian aid in general should move from projects and programme towards support of funds or core funding. Therefore, an important objective for the evaluation of the UNEP agreement is to improve the possibility to assess how far Norway may go towards giving core funding or general support to UNEP's work programmes.

The main purpose of the new UN-framework agreements in general is, however, to secure stronger linkages between the broad development policy goals of Norway, the implementation strategy and specific programme goals and activities. The revision of the agreements between Norway and UNEP has also to take into consideration UNEP's newly approved strategic work plan.

### **3. Organization and Involvement of Relevant Interests**

The evaluation will be planned and conducted by Norad EVAL in close cooperation with the co-operating partners in the agreement (MFA and UNEP), but also relevant advisory organizations in Norway (such as MoE and Norad). Stakeholders in developing countries where UNEP has used Norwegian funding will be involved through a limited number of field visits and through the dissemination of findings which will also cover other donors.

The parties to the agreement and advisory institutions will be key sources of knowledge and information, and given the opportunity to comment on the draft final report. They will, together with other interests, also be invited to participate in discussions about the conclusions and recommendations in the final report during a short follow-up phase.

An evaluation team independent of the stakeholders and EVAL will collect and evaluate the information given by different sources. The team is responsible for the findings, assessments, conclusions and recommendations in their reports. EVAL has professional responsibility for the evaluation process and choice of consultants.

### **4. The Objectives**

There is a strong Norwegian interest in continuing support for UNEP and there are no indications that the volume will be reduced or changed significantly in other ways. Therefore the review of the UNEP-agreement should mainly be forward looking and formative; i.e. focus on how the cooperation and results can be improved, and focus less on determining the extent to which anticipated results were produced (the summative or value aspects). An assessment should, however, be made as to how achievements can be transferred and maintained in a new framework and programme cooperation agreement. At the same time it is important that the review contributes to a baseline for future judgments of UNEP's performance and the effects of the new type of agreement.

Therefore, the evaluation will cover three key objectives:

- The first objective is to document and assess how the partnership has functioned during the present agreement, identify successes and challenges, and provide recommendations and lessons learned.

- The second and most important objective is to analyse and appraise the advantages and disadvantages of the main strategic options in the new programme cooperation agreements. The strategic options are linked to the level of aggregation or earmarking of the Norwegian support to UNEP through funding from MFA. At the moment the choices seem to be between:
  - earmarked/non-earmarked contributions made directly to UNEP’s work programme in general or to specific parts of UNEP’s work programme, and
  - a trust fund established for channeling all MFA-contributions within the agreement or
  - co-operation with existing trust funds, with or without the possibility of further earmarking of the Norwegian contribution within the general requirements of the trust fund e.g. specifying a certain amount of the contribution to LDCs
  - support to specific activities funded by Norway, alone or in co-operation with other donors.

The consultants will analyse and assess if and to what degree these alternatives (or additional options if the consultants find that of importance):

- will secure high relevance in accordance with the Norwegian development policy and guidelines, as well as Norwegian policies and guidelines in relation to global environmental problems of relevance to UNEP and its mandate.
  - will be an effective and efficient instrument for UNEP in implementing its core programme activities and in monitoring and reporting results.
- The third objective of the evaluation is to contribute to a baseline for future assessments of UNEP’s performance and the effects of the new type of agreement. The main concern is to document relevant experiences of the existing systems and processes, and the results on input and output level for the Norwegian contributions as a whole.

## 5. Key Questions to be Answered by the Evaluation

Performance so far and lessons learned (also as baseline information for future evaluations)  
The consultants should analyse the important lessons learned during 2001-2005 or earlier and provide recommendations for how achievements can be transferred and maintained in a new framework and programme cooperation agreement. The evaluation should specifically identify and document:

- i). How the Norwegian contributions during 2001-2004 have been divided between:
  - UNEP’s core programme activities and complementary initiatives and projects
  - the five priority areas, and on
  - activities combined with funding from other donors/UNEP, and also
  - activities supporting global environmental challenges.
- ii). How important Norwegian support so far has been for the implementation of UNEP’s core programme activities and the present priority areas, i.e. relative to other funding? As part of this, identify if possible what portion of these activities and priorities are funded over UNEP’s ordinary budget and what is the share of extra budgetary funding in general? Which issues receive what share of the extra budgetary funding?
- iii). To what degree planned/agreed upon **activities** (input) have been implemented and the planned or expected **results** have been achieved (on “output”-level) and **reported/ documented** by the UNEP monitoring/evaluation system? The important criteria will be to what degree existing planning goals have been reached for the whole contribution, not single projects. Successful and less successful projects on “output” and “outcome” levels should be identified. Reasons for high or low successes should be analysed, including an assessment of the realism of planning and implementation systems (capacity and competence). The quality of the existing monitoring/reporting system should be assessed according to timeliness, relevance, reliability and effectiveness.

- iv). The experiences of UNEP, MFA, or other donors with different but relevant funding types of UNEP-activities. The goal is to clarify what have so far been the advantages/disadvantages of the main strategic funding alternatives mentioned above? What experiences of such alternative mechanisms have other relevant UN/multilateral organizations had?
- v). What have been the successes and challenges in the functioning of the partnership in general, including experiences of the selection of priority programme and activities, and with the dialogues connected with annual meetings and reporting activities.

## **6. Assessment of the Main Alternative Mechanism for Future Support**

Based on the documentation of earlier performance and lessons learned, and on the new UNEP strategy and work programme, the evaluation should look forward and analyse advantages and disadvantages related to the main strategic alternatives both for the Norwegian partners and UNEP, including:

- assessing and making suggestions on the modality/degree of earmarking, that Norway may decide to use for their contribution during the next programme cooperation agreements
- how the programme cooperation agreements should be shaped to make the goals for Norwegian support clear and realistic
- how UNEP can ensure an efficient system for monitoring and reporting results on output and outcome level, taking into consideration the need to harmonize performance monitoring systems
- clarifying the need for “in depth” independent and/or joint evaluations in the future.

## **7. Methodology and Data Sources**

The evaluation will consist of three phases:

- preparation including dialogue on ToR and contracting of a team of independent consultants
- the conduct of the evaluation according to ToR
- the follow-up phase disseminating and discussing the findings with the stakeholders.

The assessment will employ a variety of methodology including desk reviews, meetings with the parties and advisory institutions, personal interviews of resource personell, group interviews. Also visits to a few selected sites including interviews of local stakeholders in developing countries where Norwegian funding has been important. The consultants have to use triangulation strategies and check the reliability of information by comparing data from different sources.

The assessment team will review all relevant policy documents, including Norwegian and UNEP’s policy guidelines, strategies and plans, and do a desk-study of the existing documents related to the agreement which is included in the archives of MFA and UNEP. Documents in MoE’s archive which are relevant to this part of the Norwegian contribution will also be reviewed. The team will, in addition, consider earlier reports from evaluations and also reviews of UNEP carried out by other donors. In addition, documents or reports giving insights on alternative funding mechanisms used by other donors and/or at other UN-organizations that are relevant.

The team will interview key resource personell both in Norway (including MFA, MoE and Norad) and at UNEP’s headquarter, as well as UNEP TIE in Paris and UNEP’s European division in Geneva. A questionnaire will guide the interviews and a draft of the questionnaire will be included in the inception report for review by EVAL.

Statistical data will be assessed and up-dated where relevant.

There will also be short field visits to a few (2-3) selected projects. The choice of case studies should preferably be based on strategic criteria and selected after most of the facts from other sources have been collected. Important criteria will be the possibility to clarify the reasons why some projects have been highly successful and others less so.

## **8. Reporting**

The consultants will present an inception report within 3 weeks of the contract being signed giving a preliminary overview of findings of the desk study and a more detailed plan for the work tasks. The inception report will be based on a desk review of documents and interviews with key resource personell and include a discussion of hypotheses about advantages/disadvantages connected with the main alternatives for the programme cooperation agreements.

A draft final report will be delivered by August 20th 2005 for feedback from EVAL and the parties involved on factual errors.

The final evaluation report is to be submitted to EVAL by September 20<sup>th</sup> by the Team Leader. It should be an analytical report written in English not exceeding 40 pages (excluding annexes). It should detail key findings and give clear recommendations for the new agreements between Norway and UNEP, and, if found necessary, on other issues that may improve the relationships between the involved parties and stakeholders.

The reports will be delivered both in an electronic and paper form in accordance with EVAL's guidelines.

The final report will be followed-up with meetings/workshops after the final report has been submitted where the consultants will participate in discussions with the parties, advisory institutions, other stakeholders and with EVAL.

## **9. Evaluation Team**

The evaluation will be done by a team of at least two members. One of them will be designated as the team leader with overall responsibility. The consultants have to be independent of the stakeholders and EVAL. They should have expertise in evaluation methodologies; have high qualification related to results based management and mechanisms for effective/efficient public institutions and together cover broad environmental issues. It is required that at least one of the consultants have substantial experience of UN programmes and, if possible, a good understanding and exposure to UNEP's work. In addition one of the consultants must speak Norwegian.

## **10. Time Plan**

March:	Dialogue on ToR with stakeholders. Identification of potential consultants among the qualified consortiums of Norwegian and foreign companies that Norad already has contracts with.
April 25th:	Signing of contract
May 20th:	Inception report clarifying design and methods.
May-June-July	Field visits and interviews
August 20th:	Delivery of the draft evaluation report
September 5th:	Deadline for comments (from Norwegian interests), and if possible from UNEP (if not, minor adjustments must be made)
September 20th:	Delivery of final report
September 30th:	Deadline for follow- up in the form of discussion meetings and seminar with relevant parties and stakeholders

## Annex 2: Field Visits and Meetings Held

Date	Place	Persons	Subject
26.04.05	Oslo, Norad Evaluation	J.Teigland, T-E Gjerde, T.Glasser	Kick-off meeting
03.05.05	Oslo, MFA, UNEP Officer	A-M.Skjold	Norway/UNEP procedures
04.05.05	Oslo, MFA, UNEP Officer	T.Glasser	Present procedures
18.05.05	Oslo, MFA UN Section	A.Brun, T.Glasser	Norway's UN system framework agrs.
20.05.05	Oslo, MoE	Idunn Eidheim	Norway in UNEP
23.05.05	Paris, DTIE, UNEP	F. Demassieux	General regarding UNEP/DTIE
23.05.05	Paris, DTIE, UNEP	B. de Leeuw,	Production and Consumption
23.05.05	Paris, DTIE, UNEP, Energy Branch	E. Usher	Energy Branch
23.05.05	Paris, DTIE, UNEP	C. Arden-Clarke	Financial aspects of DTIE
24.05.05	Paris, DTIE, UNEP	M. Barbut	DTIE in general
24.05.05	Paris, DTIE, UNEP	S. Radwan	Information aspects
24.05.05	Paris, DTIE, UNEP, Ozone Branch	R.Shende, J.Curlin, S.Raj, E.Gonin	"Green Customs", Ozone
25.05.05	Geneva, ROE, UNEP	F.Schlingemann	Regional Office Europe
25.05.05	Geneva, DTIE, Economics and Trade	H.Abaza, F.Cheng	Economics and Trade branch
25.05.05	Geneva, DTIE, Chemicals Brach	A.Tuxen	Mercury Assessment
26.05.05	Oslo, MoE	A.Fretheim	Norway's UNEP framework agreement
01.06.05	Oslo, Norad Evaluation Office	T-E-Gjerde.J.Teigland, K.Teigland	Inception report
27.06.05	Nairobi, DEWA	L. Kavagi	Monitoring and evaluation
28.06.05	Nairobi, ROA and DTIE, UNEP	C.Boelcke, S.Toure, D.Mebratu, P. Aqua, et al.	AMCEN/Cleaner production
28.06.05	Nairobi, DEC, UNEP	A.Levantinus	Climate change outreach
28.06.05	Nairobi, DEPI, UNEP	E.Mrema,	Environmental law. journalism
29.06.05	Nairobi, Finance, UNEP	O.Deleuze, H.Brekke, J.Zoetlief	Financial aspects of agreements
29.06.05	Nairobi, DEPI, UNEP	M.Cheatle,M.Chenje. A.Stabrova, et al	Millennium ecosystems.GEO
29.06.05	Nairobi, Deputy Executive Director	S. Kakakhel	General discussions
30.06.05	Nairobi, DPDL, UNEP E.Reilink	T.de Oliveira, K.Henningsen,	Poverty and environment
30.06.05	Nairobi, DPDL, UNEP	G.Shepherd	Drylands Management
30.06.05	Nairobi, DPDL, UNEP	B.Kante	Poverty and Environment
30.06.05	Nairobi, Netherlands Embassy	J.Bauer	Financing mechanisms
30.06.05	Nairobi, Swedish Embassy	P.Åhmann	Financing mechanisms
30.06.05	Nairobi, Belgian Embassy	R.de Bilderling	Financing mechanisms
30.06.05	Nairobi, Ministry of Environment	R.Arungah, Permanent Secretary	Typical AMCEN partner
01.07.05	Nairobi, DEPI, UNEP	I. Baste	AEIN, GEO
01.07.05	Nairobi, Norwegian Embassy	T.Westberg, A-T.Eide	Norwegian UNEP policy
01.07.05	Nairobi, Danish Embassy	T.Kjærgaard	Danish UNEP policy
01.07.05	Nairobi, KIPPRA	J.Mutu, M.Ikiara	Consultants for UNEP
01.07.05	Nairobi, Ministry of Environment	S.K.Musyoka, Minister of Environment	Typical AMCEN partner
01.07.05	Nairobi, DPDL, UNEP	D.Smith	Poverty and environment
01.07.05	Nairobi, NCG AS	J. Fox, CEO	Governance

Date	Place	Persons	Subject
02.07.05	Nairobi, Holiday Inn	Andre Eid, Norwegian embassy	Norwegian UNEP matters
02.07.05	Nairobi, Holiday Inn	S. Karekezi, Afrepren	Experience from UNEP coop
03.07.05	Nairobi, Holiday Inn	H.Drammeh, DPDL	Bali Strategy
03.07.05	Flight to Kampala	P. Acquah, ROA, AMCEN Secretary	AMCEN
04.07.05	Kampala, Norwegian Embassy	T. Gjør, Ambassador	AMCEN, UNEP Norway cooperation
04.07.05	Kampala, Ministry. of Environment, Water and Land	E. Bazira, Commissioner	AMCEN, Poverty and environment capacity building
04.07.05	Kampala, NEMA	A-M. Henry, ED, G. M. Sawula, Dep ED, K. R. Kiragga, and others	Poverty and environment capacity building
04.07.05	Kampala, NCG AS	Stella Mukosa, Santa	Governance, gender issues in devt coop
05.07.05	Kampala, Norwegian Embassy	T. Gjør, Ambassador	AMCEN, UNEP Norway cooperation
05.07.05	Kampala, Ministry of Environment, etc	K. Otafire, Minister, O. Jeje, State Minister	AMCEN, other UNEP/Norway env. matters
07.07.05	Oslo, MFA	Elin Birgitte Rognlie, Trond Glasser	Summing up from field visits

## Annex 3: UNEP's Organization

The activities of UNEP are governed by a Governing Council consisting of 58 members and it reports to the UN General Assembly. UNEP Headquarters are located at Gilgiri outside Nairobi in Kenya. The headquarters office consists of eight departments including the offices of the executive director and the deputy executive director, the ombudsman, spokesman and the office of resource mobilisation.

UNEP consists of eight divisions, six regional offices, seven liaison offices, eight out-posted offices, five UNEP collaborating centres and seven convention secretariats as follows:

### *Divisions*

- Early Warning and Assessment (DEWA) (Nairobi)
- Policy Development and Law (DPDL) (Nairobi)
- Environmental Policy Implementation (DEPI) (Nairobi)
- Trade Industry and Economics (DTIE) (Paris)
- Regional Cooperation (DRC) (Nairobi)
- Environmental Conventions (DEC) (Nairobi)
- Communications and Public Information (DCPI) (Nairobi)
- Global Environment Facility Coordination (DGEFC) (Nairobi)
- The divisions are the main implementing units within UNEP and so are directly responsible for implementing the provisions of the framework agreement between Norway and UNEP.

### *Regional Offices*

- Regional Office for Europe (Geneva)
- Regional Office for Africa (Nairobi)
- Regional Office for North America (New York)
- Regional Office for Asia and the Pacific (Bangkok)
- Regional Office for Latin America and the Caribbean (Mexico City)
- Regional Office for West Asia (Manama, Bahrain)
- The regional offices give UNEP a local presence in six main world regions in which UNEP operates.

### *UNEP Liaison Offices*

- European Union Liaison Office (Brussels)
- UN Liaison Office (New York)
- Arab League Liaison Office (Cairo)
- UNEP China Office (Beijing)
- UNEP Brazil Office (Brasilia)
- UNEP Office in Moscow
- UNEP Office in Addis Ababa

### *UNEP out-posted offices*

- Global Programme of Action for the Protection of the Marine Environment from Land-based Activities (GPA)/The Hague
- Joint Secretariat of the International Coral Reef Initiative (ICRI)/Philippines
- Global International Waters Assessment (GIWA) (Kalmar, Sweden)
- UNEP Earth Watch Coordination Office (Geneva)
- UNEP programmes and secretariats located in Geneva, Switzerland

- Post Conflict Assessment Unit (Geneva)

*UNEP collaborating centres*

- UNEP World Conservation Monitoring Centre - WCMC (Cambridge, UK)
- Global Resource Information Database - GRID (Arendal, Norway)
- UNEP Collaborating Centre on Energy and Environment (UCCEE) (Roskilde, Denmark)
- UNEP Collaborating Centre on Water and Environment – UCC – Water (Horsholm, Denmark)
- Global Reporting Initiative (Amsterdam, Netherlands)
- These UNEP collaborating centres are independent of UNEP and are generally supported by the host country, e.g. Norway assists in supporting funds for GRID Arendal.

*Conventions Secretariats*

- Other convention secretariats (Rotterdam and Bonn)
- Secretariat of the Convention on Biological Diversity (Montreal, Canada)
- Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) (Geneva)
- Ozone Secretariat (Nairobi)
- Multilateral Fund Secretariat for the Implementation of the Montreal Protocol (Montreal)
- Secretariat to the Convention of Migratory Species of Wild Animals (Bonn, Germany)
- Secretariat for the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal (Geneva)

It should be noted that several of the eight UNEP Divisions have branches outside their divisional headquarters office. For example the Division for Technology, Industry and Economics (DTIE) headquartered in Paris has branches in Geneva and Osaka.

## Annex 4: Government of Norway's UNEP projects funded in 2001–2003

No.	Project title &	Year(s)	Contribution	Total project budget	UNEP Division	Division Director	Project Coordinator
<b>a) Support provided under the framework agreement</b>							
1	AMCEN	2003	1.3	189,858	DRC/ROA	Sekou Toure	Peter Acquah (AMCEN Secretary)
2	Millennium ecosystems assessment Southern Africa	2001 2002	1 2.0	896,520	DEWA "	Steve Lonergan "	Marcus Lee "
3	Poverty and environment	2003	5.0*	8.7 mill. (7 mill. from Norway)	DPDL	Bakary Kante	Thierry de Oliveira
4	Capacity building in environmental law and institutions (PADELIA)	2003	1.0	891,662*	DEPI	Svein Tveitdal	Elisabeth Maruma Mrema
5	African round table on cleaner production	2003	1.4	840,000 (570,000 from Norway)	DTIE/DRC/ROA	Monique Barbut (DTIE) and Christina Boelcke (DRC)	Desta Mebratu Akpezi Ogbuigwe
6	Environmental journalists training	2003	0.9	186,767	DEPI	Svein Tveitdal	Aase Tuxen
7	Mercury assessment	2003	1.0	2,429,463***	DTIE	Monique Barbut	Ivar Baste
8	Panel on global environmental change	2002 2003	1.5 3.0	2,750,000 #	DEWA DEWA	Steve Lonergan "	"
9	Environmental outlook and IEA for cities in LAC	2003	1.5	388,000, many in kind partners	DEWA	Ivar Baste (Officer in Charge)	Marion Cheatle (Head of GEO section)
10	Trade and environment	2002 2003	3.0 3.0	n.a. n.a.	DTIE DTIE	Monique Barbut "	Hussein Abaza, Chief ETB "
11	Intergovernmental strategy on technology support and capacity building	2002 2003	1.4 3.0	n.a. n.a.	DPDL DPDL	Bakary Kante (?) "	n.a. n.a.
12	Implementation of UNEP's environmental law programme in Asia Pacific	2003	0.4	52,868	DPDL	"	n.a.
13	6th Global Training Programme in environmental law and policy	2003 2003	1.8 0.1	262,881 21,468	DPDL DPDL	" Bakary Kante	n.a. Thierry de Oliveira
14	Poverty – environment paper for COP6 of UNCCD	2002	3.5	2,095,278 (1,118,677 Belgium)	DEPI	Svein Tveitdal	Elisabeth Maruma Mrema
15	Capacity building in environmental law/compliance and enforcement	2003	3.5		DEPI	"	"
16	Capacity building in environmental information and assessment linked to the GEO process	2002	5.0	2.2 mill (0.8 Belgium, 1.25 Netherlands, 0.296 UNDAC)	DEWA	Ivar Baste (Officer in Charge) (?)	n.a.
17	Capacity development of Civil Society	2003 2002 2003	5.0 2.1 3.0	717,301	DEWA DPDL DPDL	" Bakary Kante (?) "	n.a. Olivier Deleuze "
18	8 <sup>th</sup> GCSS/GMEF (Jeju)	2003 & 2004	n.a.	94,584 (all from Norway)	DPDL	"	n.a.

No. Project title &	Year(s)	Contribution	Total project budget	UNEP Division	Division Director	Project Coordinator
<b>b) Additional Norwegian support</b>						
19a-b Trade, environment and poverty alleviation	2002 2003	3.76 3	1.5 mill. All from Norway	DTIE DTIE	Monique Barbut "	Hussein Abaza, Chief ETB "
20 Africa environment information network	2002 2003	2.626 3.1	828,378	DEWA DEWA	Ivar Baste, Officer in Charge "	Munyaradzi Chenje "
21 An ecosystem approach to restoring West African drylands	2003	3	2.2 mill. (1.9 mill from Norway) for 2003-07	DPDL	Bakary Kante	Gemma Shepherd
<b>TOTAL</b>		<b>69.886</b>				

Source: UNEP's annual progress reports for 2004

\* Total Norway contribution 2004-2007: USD 7 million, Belgium USD 1,340,000 and UNEP in kind: USD 420,000

\*\* Total from Norway for 2000-2004, in addition comes support from Belgium, Luxemburg, Germany, the Netherlands and Switzerland

\*\*\* A long list of countries participate with financing. Norway's share is around 14%

# Belgium with USD 1,275,000 and Netherlands with USD 200,000 are the other partners

## **Annex 5: Questionnaire for UNEP Project Officers**

The evaluation terms of reference require that a questionnaire guide the interviews to be held by the consultants, particularly those interviews to be held in the UNEP Headquarters in Nairobi, at UNEP DTIE in Paris and at the various UNEP offices in Geneva.

The consultants have completed interviews on all the projects financed under the Norwegian framework agreement with staff in six UNEP divisions. The questionnaire presented below has been used in these interviews in order to achieve an overall degree of internal consistency in replies. The questionnaire was e-mailed to UNEP in advance of the field visits and completed and returned to the evaluation team for all the projects before the start of the field visits. This enabled the evaluation team to prepare follow-up and clarification questions. However it has to be borne in mind that the range of issues covered by the more than 20 projects is very wide and no one set of questions will cover all issues.

The task of analysis must also be borne in mind. It is our experience that applying many more than 15 substantive questions to each interview will generate so much information that it may be difficult to analyse it effectively within the time allocated to this evaluation.

In drafting the questionnaire which follows below we have been careful to draft a limited amount of substantive questions which draw on the key questions/issues raised in the Terms of Reference.

The questionnaire has only been used in connection with project interviews and not meetings with UNEP executives or other meetings (the Embassies, and the MoEs of Kenya and Uganda).

**Questionnaire submitted to UNEP Divisions and branches being supported by the framework agreement with Norway**

ID-number and Name of Framework Contract Project /activity	
Date, Location of Interview	
Informant /officer in charge	
UNEP Division/Branch	
Project start- and end date	
Overall project budget, budget per year (USD), and Norway's share	
In what way(s) is the project/activity contributing (directly or indirectly) to achieving the MDGs? And more specifically; which MDGs?	
What systems of monitoring/evaluation do you use to track project progress?	
Which indicators are monitored to measure the project/activity contribution towards reaching the above MDGs?	
What is the baseline (counterfactual) against which the net benefits of the project/activity are measured by means of the indicator?	
Has the project/activity contributed or is it contributing to mainstreaming of the focused environment issue into PRSPs? Please elaborate if the activity is a PRSP-relevant issue	
If YES above, which indicators are in place or planned for future use to measure and monitor net PRSP impacts of UNEP-funded projects/activities?	
Have you any comments on the application/monitoring/reporting requirements?	
Why was Norway approached for support?	
Would the project have been designed and implemented the same way during the same period without Norwegian funding? a) If yes, how would it have been funded? b) If no, what would have been the alternative outcome?	
Has the project had impact? If so, how, and how does UNEP measure it? If not, why no impact?	
Who are the principal beneficiaries of the project? List direct beneficiaries List indirect beneficiaries Can any poor beneficiaries be identified If "yes" to c) how is this ascertained?	
List major form of project outputs; e.g. publications, seminars, conferences, workshops, training, capacity-building etc? Other significant outputs	
Have project inputs been implemented and planned results achieved, and how?	
Does Norwegian environmental expertise have any bearing on the project? If so, how?	
What lessons of use for designing future framework agreements can be learned from the implementation of this project?	
What environmental issues not covered by this project merit support?	
Should the project continue to receive support from Norway? If so, why and how?	

The following review of existing Norwegian programme cooperation agreements with UN organizations show that with such a two step approach to framework agreements, it has become easier to sharpen the focus of the support towards fewer programme items compatible with the MDGs and supportive of PRSPs, and as a result, it has made it easier to monitor progress and identify problems arising during implementation.

## **Annex 6: Description of Other Norway – UN Framework Agreements**

### **UN-Habitat**

The new framework agreement with UN Habitat is based on the above “two step” UN organization framework agreement format, and is suggested as a model for the new UNEP framework agreement to take effect from 2006.

This framework agreement is established without time limits and thus needs no repeated Norwegian Cabinet approval. It gives the superior guidelines for choosing activities and the broad development principles that the partnership will be based on.

The framework agreement also clarifies requirements on control mechanism, reviews, evaluations and reporting. The agreement also states that the volume of Norwegian support depends on the quality of UN-Habitat’s performance as documented by achieved results. Such activities obviously cannot be meaningfully undertaken unless it is agreed what sort of indicators and data must be regularly collected and processed in order to make it possible to compare activity impacts (not only output and outcome) to a “without activity” baseline.

Attached to the UN Habitat framework agreement is the programme cooperation agreement Norway/UN-HABITAT 2005. This is a very brief (half a page long) but targeted agreement outlining the amount of ear-marked (non-core) resources for 2005. It states that LDCs will receive at least the same share of the Norwegian contribution as they benefit from UN-HABITAT’s non-earmarked (core) resources, i.e. currently 70%. It is targeted because it states that the allocated funds are for UN-Habitat’s Water and Sanitation Trust Fund, and it’s use is subject to the conditions stated therein.

### **FAO**

The new FAO framework agreement with no time limit was signed in December 2003, replacing the agreement of 1970 and supplementary agreement signed in 1991. Its overall objective is to support the realization of the MDGs through the work of FAO, and Norway will provide extra-budgetary contributions for this. Areas to be financed by MFA are set out in a programme cooperation agreement under the framework agreement normally covering two years. Projects/programmes to be financed by Norad are reflected in specific agreements for each selected project/programme. These specific agreements are also under the framework agreement. Norwegian contributions shall be transferred to the FAO/UN trust fund \$-account in NOK. Activities to be implemented under the framework agreement through extra-budgetary contributions are as listed above under the general agreement format presentation. Programming of funds, monitoring, review, evaluation and reporting, auditing, procurement and annual consultations are laid out in the framework agreement in the same general way as in the overall framework agreement format for such UN-organization agreements.

The first programme cooperation agreement with FAO was for 2003-2004. It specified that MFA were to provide extra-budgetary support amounting to NOK 40 million per year to be concentrated in the areas of agriculture, fisheries, forestry, and sustainable economic and social development. This support was to be distributed in approximately equal shares between FAO’s five technical departments, and subject to the overarching principles for allocating funds to FAO (see the cooperation agreement for details) and related to a sub-set

of 4 out of the 12 strategic objectives as defined in FAO's Medium-Term Plan that is of particular interest to Norway:

- Sustainable rural livelihoods and more equitable access to resources;
- International instruments concerning food, agriculture, fisheries and forestry, and the production, safe use and fair exchange of agricultural, fishery and forestry goods;
- National policies, legal instruments and supporting mechanisms that respond to domestic requirements and are consistent with the international policy and regulatory framework;
- Integrated management of land, water, fisheries, forest and genetic resources.

Within the context of these four strategic objectives, MFA will provide support for a defined and ordered set of priority areas under the following domains of work within FAO (see the cooperation agreement for details):

- Agricultural production and support systems (major programme 2.1)
- Food and agricultural policy development (major programme 2.2);
- Fisheries (major programme 2.3);
- Forestry (major programme 2.4);
- Contribute to sustainable development and special programme thrusts (major programme 2.5)

## **WHO**

The framework agreement with WHO signed in June 2003, follows the general framework agreement format. Articles have the same content and formulations as in the UN- Habitat- and FAO framework agreements. However, unlike the FAO framework agreement, it does not specify any direction or restrictions as regards accounts or strategic options for the transfer of funds.

The WHO programme cooperation agreement for 2004-2005 specifies an annual support from MFA of NOK 215.5 million to both WHO's Programme Budget and some specific multi-donor activities. Such support to be in accordance with overarching allocation principles as follows:

A). Programme budget support allocated to specifically listed work areas,	NOK 129.5 million
B). Multi-donor activities	
- Polio eradication initiative	NOK 50.0 million
- Special programme on research in human reproduction	NOK 11.0 million
- Special programme on research in tropical diseases	NOK 25.0 million

## **UNESCO**

The framework agreement with UNESCO signed in November 2003, follows the general framework agreement format. Articles have the same content and formulations as in the WHO framework agreements. Unlike the FAO framework agreement, it does not specify any direction or restrictions as regards accounts or strategic option for the transfer of the funds.

Two programme cooperation agreements have been formulated with UNESCO; one providing NOK 23 million for 2003, and the other NOK 14 million for each of the two years in the 2003-2004 period. Both cooperation agreement contributions are granted subject to the same set of overarching allocation principles as found in all of the UN-organization cooperation agreements with MFA.

The 2003 cooperation agreement focuses on three major programmes in UNESCO's medium term strategy 2004-2007:

- Education towards the MDG 2 and MDG 3 on promoting gender equality and empowering women with NOK 12 million for each of the two years, more specifically for the following two activities:
  - Support to formulation and review of National EFA Action plans
  - Country level capacity building for implementation of EFA action plans
- NOK 2 million used in support of UNESCO's strategy for promoting freedom of expression and strengthening communication capacities (International Programme for the Development of Communication (IPDC))
- NOK 9 million for UNESCO's Major Programme IV for culture covering cultural diversity, cultural heritage in times of conflict, tangible/intangible heritage and cultural rights/cultural industries/copyrights. The Norwegian contribution is allocated for implementation of the ongoing project "Development of cultural and eco-tourism in the mountainous regions of Central Asia and the Himalayas" during 2003-2004.

The 2003-2004 cooperation agreement covers the first two of the above 2003 cooperation agreement items. It is of interest to note *that renewed Norwegian support of the IPDC support is made conditional on evidence of strong willingness to reform* and the submission of a report by a given date ascertaining the effective implementation of the reform process initiated in December 2001.

### **UNICEF**

The framework agreement with UNICEF, signed in December 2003, follows the general framework agreement format. Articles have the same content and formulations as in the WHO framework agreements. Unlike the FAO framework agreement, it does not specify any direction or restrictions as regards accounts or strategic options for the transfer of the funds.

The programme cooperation agreement for 2004 between UNICEF and MFA was for a NOK 305 million Norwegian contribution to be concentrated on girls' education, with NOK 285 million in line with MDG 3 and in line with UNICEF's Medium Term Strategic Plan 2002-2005: Girls Education. In addition, NOK 10 million was allocated in 2004. A similar amount was allocated in 2005 for immunization Plus in UNICEF's Medium Term Strategic Plan 2002-2005. Finally, NOK 10 million in 2004 – also under the UNICEF's Medium Term Strategic Plan 2002-2005 – was allocated for UNICEF's "Improved protection of children from violence, abuse, exploitation and discrimination".

### **ILO**

The framework agreement with ILO signed in November 2003 follows the general framework agreement format. Articles have the same content and formulations as in the WHO framework agreements. Unlike the FAO framework agreement, it does not specify any direction or restrictions as regards accounts or strategic options for the transfer of the funds.

The programme cooperation agreement for 2003-2004 provided NOK 28 million for each of the two years, and allocations were based on the same overarching principles as for the other UN-organization cooperation agreements.

50% of the contribution will be allocated for ILO's child labour activities, and the rest for its social dialogue to strengthen the representation, services and influence of the social partners.

## **Annex 7. Other Countries' Framework Agreements.**

So far UNEP has entered into four framework agreements in addition to the one with Norway. These are briefly described below. Their content and focus suggest some complementarity. Perhaps equally that UNEP looks for framework agreements to cover as wide a topical area as possible. In order to have a wide basis for comparison of performance and for suggesting the design of the new Norwegian framework agreement for 2006-2009, the evaluation team collected more detailed and in depth information on the framework agreements with Belgium, the Netherlands and Sweden. (the Irish authorities who also have a framework agreement were not available) The team's findings on the nature and functioning of these agreements are referred to below.

### **1. Sweden**

In February 2005, UNEP concluded a partnership programme MoU with the Swedish Government. The agreement covers the three year period from 2005 to the end of 2007 with a total allocation of SEK 60 million. The level of financial support for the selected programme areas will be defined and submitted by Sweden in consultation with UNEP on a yearly basis. Payments will be made in the form of Swedish contributions to a UNEP trust fund. A maximum of 8% of the contribution made by Sweden may be used by UNEP for programme support costs. In addition, Sweden provides SEK 3 million outside the MoU to facilitate cooperation between UNEP and UNDP on environment matters. The partnership programme with Sweden provides support to the following six priority programme clusters, to be carried out with priority in IDA eligible countries

1. early warning and Assessments
2. implementation of the MEAs
3. sustainable consumption and production patterns
4. civil society
5. water
6. chemicals.

### **2. Belgium**

In 2001 UNEP and the Belgian Government's MFA, Directorate-General for international Cooperation, through the Secretary of State for Development Cooperation, reached an agreement on long-term cooperation and financial support for selected UNEP priority projects and programme areas. The same year the Belgian government signed a unilateral act covering the Belgian contribution to UNEP. It signed a second unilateral act in 2002 for the period 2002-2003. Total funding released by Belgium through the mechanism of the first two unilateral acts amounted to approximately USD 8.5 million, and was earmarked for the following UNEP priority programme areas and conventions in 2001-2003:

1. environmental assessment
2. environmental law and institutions
3. water
4. chemicals
5. support to Africa and capacity building
6. implementation of multilateral environmental agreements.

In 2003, UNEP and Belgium agreed to extend support to selected priority programme areas through 2004-2007. A new agreement on the programme financed by Belgium was signed in 2004 and allocated an initial contribution of USD 10.1 million for the 2004-2007 period. It focused on support for the following three major programme areas:

1. strengthening the scientific base and regional capacity for integrated environmental and water assessment
2. water
3. capacity building for the integration and institutionalization of environmental management into national poverty reduction programmes and related activities.

This contribution is channelled through a UNEP trust fund.

### **3. The Netherlands**

In 2002, UNEP concluded a partnership programme with the Netherlands (Ministry of Development Cooperation). The agreement covers the period from November 2002 to October 2005, and is managed financially through a trust fund established at UNEP. The total support pledged for the three years is EUROs 12.3 million. The partnership programme with the Netherlands provides support to the following five priority programme clusters, to be carried out with priority in IDA eligible countries:

1. assessments
2. energy and climate
3. environmental law
4. urban environment
5. water.

### **4. Ireland**

In 2002, UNEP concluded an agreement with the Irish MFA/Development Cooperation of Ireland. The Irish Department of Environment, Heritage and Local Government was given a key role in advising on substantive environmental matters with regard to project design and implementation. The agreement led to the establishment of the Multilateral Environment Trust for Africa at UNEP, with a pledge of annual support of no less than one million EUROs during the period 2002-2004. This agreement is entirely focused on Africa. The following four programme areas have been identified as priorities for UNEP's activities in that region:

1. protection of freshwater resources
2. access to environmental information for decision-making
3. protection of the coastal and marine environment
4. conservation of biological diversity.

## Annex 8: Detailed Contents of the Norwegian Agreement

The financing provided by Norway for activities within this agreement i.e. NOK 35 million per year may take the form of counterpart contributions or contributions to trust funds administered by UNEP. There is flexibility to allow for the Norwegian financing to cover either the full costs of an activity, or a specific part where UNEP and/or other donors contribute. The agreement has been funding partially or fully 24 different projects in six UNEP Divisions.

The agreement states that the parties to it undertake to meet at least once a year to review ongoing cooperation. This will include progress and possible implementation problems related to ongoing projects and programme activities, as well as the issue of mobilizing resources for UNEP activities and developing plans for future collaboration. Reporting and accounting procedures are also routinely addressed with a view to implementing possible improvements. This meeting also provides for UNEP to inform Norway about its overall policy, and present a package of pre-selected priority programme activities for potential funding.

The type of activities to be financed by Norway and the conditions of cooperation are subject to discussions during the annual consultations between UNEP and Norway and through regular contact throughout the year. The main package of programme proposals is considered at the annual consultation meeting. Each activity to be financed by Norway under this agreement is selected from proposals/requests made by UNEP. Furthermore, both parties to the agreement may bring to each others' attention, on an exceptional basis, new areas and/or activities of interest throughout the year for consideration for possible cooperation.

Cooperation with UNEP under the 2002-2005 framework agreement for the 2002-2004 period has led to the allocation of funds to the above five focal areas as follows:

*Table A8.1. Fund Allocation to UNEP under the 2002-2005 Norwegian Framework Agreement (NOK Million)*

Focal Area	2002	2003*	2004*
Support to Africa	9.2	9.6	13.7
Environmental information, monitoring and assessment	6.0	5.5	4.2
Environmental policy and law including trade and environment	8.2	8.3	10.4
Support to implementation of environmental conventions	8.5	8.5	9.4
Cooperation between UNEP and the civil society.	2.1	3.0	-
<b>Total</b>	<b>35.0</b>	<b>35.0</b>	<b>35.0</b>
Support to UNEP in addition to the framework agreement			
Support to Africa	2.625	6.100	8.050
Environmental policy and law including trade and environment	3.760	3.000	3.640
<b>GRAND TOTAL</b>	<b>41.4</b>	<b>44.1</b>	<b>46.6</b>

\* NOK 2.7 million that were not used up in 2003 were transferred and spent in 2004.

Within this framework agreement the parties agreed to finance specific activities proposed by UNEP under the five above headings as follows:

Table A8.2. Fund Allocation for “Support to Africa” under the 2002-2005 Norwegian UNEP Framework Agreement (NOK Million)

Main “Support to Africa” Components	2002	2003	2004
African Ministerial Conference on the Environment (AMCEN)	2.8	1.3	-
African Environment Outlook (AEO)	1.5	-	-
Poverty-environment interlinkages	3.4	5.0	5.0
Environmental law, capacity building	1.5	1.0	0.7
African round table on cleaner production	-	1.4	1.2
Environmental journalist training	-	0.9	0.9
Strengthening capacity for integration of environmental dimensions in refugee settlements and flows	-	-	2.5
Environmental components of NEPAD	-	-	3.4
<b>“Support to Africa” total from framework agreement</b>	<b>9.2</b>	<b>9.6</b>	<b>13.7</b>
<b>“Support to Africa” in addition to the framework agreement</b>			
African information network	2.6	3.1	3.1
An ecosystem approach to the West African drylands	-	3.0	5.0

The framework agreement annual total of NOK 35 million also applies to 2005, which is the last year of the present framework agreement. In addition to this, NOK 3.05 million has been allocated to “African information network” and NOK 5 million to the “Ecosystem approach to the West African Drylands” under the “Support to Africa” heading for 2005.

UNEP’s “Support to Africa” component included four main activity components in 2002 (the first year of the framework agreement) as seen in table A8.2 . Support to Africa has increased its budget share of the NOK 35 million annual framework agreement support from 26% to 36% from 2002 to 2004. The share and its increase are even stronger if the additional complementary Norwegian support outside of the framework agreement to this focal area is added. This is the case with the largest individual “Support to Africa “ component which is to “*strengthen environmental policy and management capacity at the national and local level as a contribution to poverty alleviation and sustainable development in Africa*” i.e. the poverty and environment project currently being implemented by DPDL. The four main projects being implemented under the framework agreement under the “Support to Africa” component are as follows:

- Support to ACMEN, which constitutes the political platform for African environment ministers and for the regional environment cooperation in Africa. It is also emerging as an important vehicle for implementing NEPAD’s environmental strategy
- Support to the African Environment Outlook (AEO) which provides for capacity building towards facilitating documentation of the environment status in Africa including possible political, social and economic consequences. This initiative shall provide a more scientifically sound and objective basis for environment political decisions. UNEP provides support under this heading to facilitate the participation of developing countries in this process of exchange of Global Environment Outlook (GEO) information and its use. The aim is for its reporting and use to be harmonised so that local use of it can be strengthened. GRID Arendal is a key facilitator in this process. This activity, however, was phased out in 2003.
- Support to activities aimed at the enhancement of the recognition of the environment – poverty nexus and what implications improved understanding of such linkages may have on political decisions, PRSPs and measures taken to reach the MDGs. Actions include facilitating improved dialogue between ministers of finance and –environment on these interlinkages for improved PRSPs and national development strategies. Following a framework agreement allocation of NOK 3.4 million in 2002 and NOK 5 million in 2003 and again in 2004, the embassy took over and manages the equivalent of USD 7 million for the April 2004 – December 2007 period. Belgium also supports this project with USD 1,340,000.

- Support to strengthen UNEP’s capacity to support formulation, updating and follow up of national environmental legislation.

The allocation for 2003 for “Support to Africa” was increased by NOK 0.4 million compared to 2002. At the same time, changes in allocations to individual activities resulted in freed up funds totalling NOK 6.2 million (whereas NOK 28.8 million had been committed from the 2002 allocation). Aside from some change in annual allocation within this support area, two new “Support to Africa” activities came on board for such funding:

- Establishment of an “Africa round table on Cleaner Production”, based on a strong expression from African authorities to have round tables arranged on a more regular basis in order to promote partnerships between the authorities, industry, national centres for cleaner production and federation of industries and consumer interests. UNEP had been asked to form a small secretariat to organize such round tables, promote the establishment of such national centres, distribute information and knowledge about mechanisms for achieving cleaner production and promote training in the financing of cleaner production by means of experience and expertise from African countries. This was a priority topic from the Johannesburg Summit Action Plan, which made it a natural topic to put on the list of requests for Norwegian partnership agreement financing for 2003 and 2004.
- The second new activity included in the 2003 (and 2004) allocation was environmental journalist training to be conducted by means of seminars and workshops. The project produces CD-ROMs with information for use as background material for environmental journalism and is distributed to media-houses, news agencies and educational institutions in journalism.

For 2004, NOK 23.4 million out of the total NOK 35 million had been committed through earlier allocations. Available for 2004 allocation to new or expansion of existing activities was NOK 11.64 million, plus NOK 2.66 million of unused funds from the previous year. NOK 3.4 million would have been committed to the environment initiative in NEPAD.

Norwegian support to AMCEN was terminated in 2003, and the new Africa support activity in 2004 was “Strengthening capacity for integration of environmental dimensions in refugee settlements and flows in Angola, Liberia and “Sierra Leone” with NOK 2.5 million. The activity thus targets institutions responsible for refugee handling and enhances their capacity to mainstream environmental considerations into their routine work. The long term project goal is prevention and limitation of environmental damage in areas with large refugee problems, plus strengthening the policy dialogue regarding integration of refugee-related environment questions into national planning.

*Table A8.3. Fund Allocation for “Environmental information, monitoring and assessment” under the 2002-2005 Norwegian UNEP Framework Agreement (NOK Million)*

<b>Main “Environmental information, monitoring and assessment” Components</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Mercury assessment	1.0	1.0	
Panel on global environmental change	1.5	3.0	3.0
Millennium Ecosystem Assessment in Southern Africa	2.0		
Environmental assistance in Palestinian territories	1.5		
Environmental outlook and IEA for cities in Latin America and Caribbean		1.5	1.2
<b>Total “Environmental information, monitoring and assessment” Components from framework agreement</b>	<b>6.0</b>	<b>5.5</b>	<b>4.2</b>

UNEP's "Environmental information, monitoring and assessment" component included four main activity components in 2002 (the first year of the framework agreement) as seen in table A8.3. Among these, the following were explicitly presented in the MFA 29.04.2002 memorandum on cooperation with UNEP 2002-2004.

- Assessment of mercury pollution at the national, regional and global level; impacts on human health and the environment, and proposals for mitigation measures at different levels. Norway's contribution via UNEP's framework agreement is allocated for the purpose of supporting the participation of developing countries in this process.
- Support to establishment and operation of an international panel on global environmental change.
- Support to implementation of the millennium ecosystem assessment in Southern Africa
- Support to the implementation of a study of the environmental situation in the Palestinian Territories.

With the termination of the latter two activities, funds were freed for reallocation in 2003. Part of it was used for the panel on global environmental change (an additional NOK 1.5 million in 2003, plus NOK 3 million in 2004), and the other part to start up the "Environmental outlook and IEA for cities in Latin America and Caribbean"(NOK 1.5 million in 2003 and NOK 1.2 million in 2004). This latter activity aims at a report on the environmental status of cities in Latin America and the Caribbean based on the GEO process in Latin America. It will be prepared in cooperation with regional centres, and it will provide information about actions undertaken, including which ones have proved effective and efficient, as well as identifying future challenges to be addressed. For a sample of these cities a special study of health-environment linkages will be conducted as a basis for policy development and planning.

Part of the new and freed up resources for 2004 was used to increase understanding, respect and acceptability of the close linkages between cultural and biological diversity. In particular, as a basis for more sustainable development through support to indigenous peoples for sustainable use and management of endangered ecosystems upon which they rely.

Since Norway attaches high priority to developing countries taking an active part in international environment negotiations and processes, it has supported such participation at UNEP's General Council meetings and special sessions for many years, including the meetings in the global environment ministers' forum. NOK 0.65 million was allocated for this purpose from the framework agreement in 2004.

Part of the available 2004 allocation (NOK 2.75 million) was allocated for "climate change outreach". This meant support for disseminating the International Panel on Climate Change (IPCC), reporting messages to key decision makers and stakeholders in the public sector, private sector and among youth in order to mobilize a more active participation of all relevant actors in the implementation of the climate convention. The activity also includes disseminating information about relevant policy actions/instruments and use of technologies that may contribute to reducing the climate gas emissions. The activity includes support to media for preparing them for a more objective, balanced presentation of the scientifically based IPCC material. The framework agreement supports this because Norway is committed as a party to the convention to support measures that can facilitate its implementation in developing countries.

Table A8.4. Fund Allocation for “Environmental Policy and Law, including Trade and Environment ” under the 2002-2005 Norwegian UNEP Framework Agreement (NOK Million)

Main “Environmental Policy and law, including trade and environment” components	2002	2003	2004
Trade and environment	3.0	3.0	3.0
Cleaner production investments	1.0		
WSSD	1.3		
GMEF/GC	2.3		0.65
Intergov. strategy on technology support and capacity building	1.4	3.0	3.0
Implementation of UNEP’s Env. law programme in Asia-Pacific		0.36	0.36
6th Global training programme in environmental law and policy		1.8	
Poverty-environment paper the COP6 of the UNCCD		0.15	
Environment and cultural diversity for sustainable development			1.4
Strategic approach to international chemicals management			2.0
<b>Total “environmental policy and law, including trade and environment ” framework agreement components</b>	<b>8.2</b>	<b>8.3</b>	<b>10.4</b>
<b>Support to “environmental policy and law, including trade and environment ” in addition to the framework agreement</b>			
SIA on trade, poverty and environment linkages	3.8	3.0	3.6
<b>GRAND TOTAL</b>	<b>12.0</b>	<b>11.3</b>	<b>14.0</b>

Table A8.5. Fund Allocation for “Support to implementation of environmental conventions” under the 2002-2005 Norwegian UNEP framework agreement (NOK Million)

Main “Support to implementation of environmental conventions” component	2002	2003	2004
Capacity building in env. info. and assessment.			
Linked to the GEO-process	5.0	5.0	5.0
Capacity building in env law/enforcement and compliance	3.5	3.5	
Climate change outreach			2.75
Integrated customs training on transnat. env. Crime and env. security			1.6
<b>Total “support to implementation of environmental conventions” framework agreement components</b>	<b>8.5</b>	<b>8.5</b>	<b>9.35</b>

The other new 2004 activity under the framework agreement was “integrated customs training on transnational environmental crime and environmental security” with NOK 1.6 million. This activity focuses on the customs departments in developing countries with a comprehensive training programme for customs officers and staff to enhance effective implementation and controls of imports and exports as regards the multilateral environment conventions. Customs departments play an increasingly important role worldwide in fighting illegal trade in endangered species and hazardous chemicals which can be used in the preparation of terrorist attacks. However, while such training is a necessary condition for making these departments able to uncover such illegal trade and thus contribute to preventing dangerous and threatening terrorist actions, it is far from sufficient. Those undertaking such illegal acts are powerful with powerful links and ample possibilities for threatening and corrupting poorly paid and protected customs employees.

*Table A8.6. Fund Allocation for “Cooperation between UNEP and the civil society” under the 2002-2005 Norwegian UNEP Framework Agreement (NOK Million)*

Main “Cooperation between UNEP and civil society” component	2002	2003	2004
Capacity development of civil society	2.1	3.0	-
Emerging issues	-	0.161	-
<b>Total cooperation between UNEP and civil society framework agreement components</b>	<b>2.1</b>	<b>3.161</b>	-



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