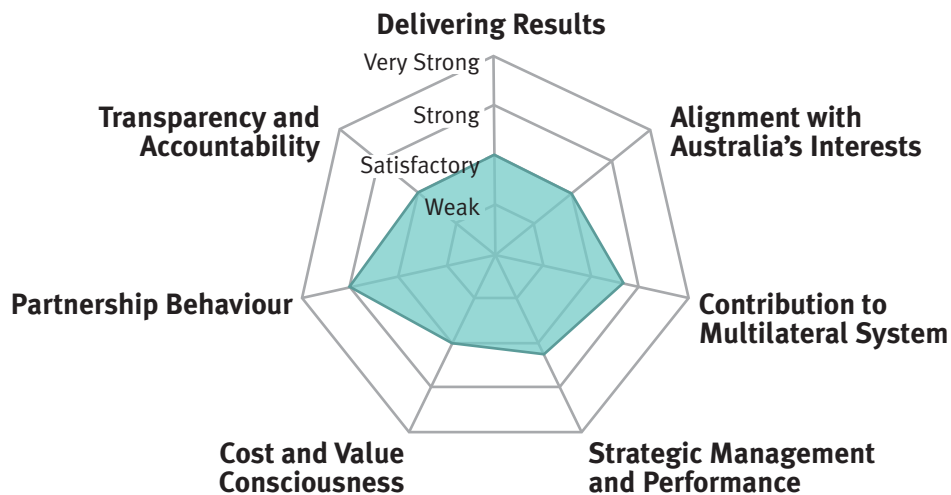




Australian Multilateral Assessment March 2012

United Nations Environment Programme (UNEP)

OVERVIEW OF ORGANISATION RATINGS



ORGANISATION OVERVIEW

The United Nations Environment Programme (UNEP), established in 1972, is the designated authority of the United Nations (UN) system in environmental issues at global and regional-levels. UNEP works with a wide range of partners, including UN entities, international organisations, national governments, non-government organisations, the private sector and civil society.

UNEP work encompasses:

- > assessing global, regional and national environmental conditions and trends
- > developing international and national environmental instruments
- > strengthening institutions for the sound management of the environment
- > facilitating the transfer of knowledge and technology for sustainable development, and
- > encouraging new partnerships and mind-sets within civil society and the private sector.

In this way, UNEP plays a key role in establishing and promoting global environmental policy and norms; building the capacity of developing countries to participate in international negotiations and guiding countries in formulating and implementing the environmental component of their development strategies.

UNEP's headquarters are in Nairobi. It has six regional offices and maintains offices in Geneva and Paris. UNEP hosts several environment convention secretariats. Its mandate is to promote international cooperation in the environment sector and to assist countries in developing sustainable development strategies. It provides policy guidance to national governments and other UN agencies on environmental programs and chairs the UN's environmental management group, a system-wide coordination body established to enhance inter-agency cooperation on environmental issues. It is a member of the UN Development Group.

The Australian Department of Sustainability, Environment, Water, Population and Communities (SEWPaC) has primary carriage of the relationship between Australia and UNEP. The Australian High Commission in Nairobi maintains the relationship on the ground at headquarters level. SEWPaC also represents Australia on the UNEP Governing Council. The Australian Agency for International Development (AusAID) administers Australia's annual contribution to UNEP's Environment Fund, which represents Australia's core contribution to UNEP in 2011. In 2010–11, Australia contributed \$1.1 million in voluntary core contributions.

RESULTS AND RELEVANCE

1. Delivering results on poverty and sustainable development in line with mandate

SATISFACTORY

UNEP's range of results is consistent with its global policy role on promoting sustainable development. One example is its success in generating international traction around the concept of the 'green economy'. Another is the success of its technical assistance programs to help countries improve their national environmental governance, including countries in Australia's region such as Bangladesh, Cambodia, East Timor Laos, Indonesia and Vietnam.

UNEP is improving its ability to monitor and report on its results more comprehensively. Its mid-term strategy (2010–13) focuses on implementing a results-based management program for new projects to help achieve a more objectively verifiable assessment of progress. Old projects with milestone information will be revised to feed into this newly designed Programme Information Management System. UNEP's move to entrench results-based management is an ongoing process and it is too early to assess the outcome.

UNEP has some joint programs in place with other UN bodies to look at environmental impacts on the poor, including the UN Development Programme (UNDP) and the UN Office for the Coordination of Humanitarian Affairs (UNOCHA). Most of its programs and work, particularly its normative work, focus at global-level and intended to benefit all. They are not specifically targeted at the poor alone, although the poorest people are often disproportionately affected by issues that UNEP's work targets.

a) Demonstrates development or humanitarian results consistent with mandate	SATISFACTORY
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In assessing UNEP against this criterion, the Australian Multilateral Assessment notes that UNEP was established as an organisation that incorporates a strong scientific, catalytic, advocacy and normative global remit rather than as an implementing or delivery organisation.

UNEP demonstrates good progress on achieving outputs against its mandate, particularly in the area of establishing global and regional environmental norms and encouraging a focus on sustainable development. This is perhaps most notably seen through the high visibility and value of its *Global Environment Outlook* (GEO) publication that provides a comprehensive scientific overview of the state of the environment and UNEP's interaction with major international environmental forums and mechanisms including the UN Framework Convention on Climate Change (UNFCCC) and the United Nations Conference on Sustainable Development (UNSCD, or Rio+20) scheduled for June 2012. The GEO is viewed by many actors in this field as one of the most comprehensive reports that provides evidence and data on the global environmental situation.

Through a strong push from senior leadership, a major focus for UNEP is the concept of the 'green economy' and the need for a more systematic approach to environmental considerations in economic growth to achieve sustainable development. In this regard, UNEP is taking a good leadership role at the global policy dialogue-level. UNEP's 'green economy initiative' brings to the fore the policy shifts and smart market mechanisms that can assist countries in a transition to a low carbon, resource efficient path whilst contributing to poverty reduction, economic growth and sustainable development. The sixty-fourth United Nations General Assembly decided that 'green economy' in the context of poverty eradication and sustainable development' would be one of two themes at the Rio+20 conference. UNEP is providing some 20 countries with green economy advisory services. UNEP produced several reports on green economy, including *Green economy—A brief for policymakers on the green economy and the Millennium Development Goals* which was launched at the Millennium Development Goals (MDG) Summit in September 2010. This move to establish a leadership role at the global policy dialogue-level will be an interesting test of its capacity to deliver this role.

UNEP chairs the UN's Environment Management Group (EMG), a system-wide coordination body established to enhance inter-agency cooperation on environmental issues and builds on close cooperation with the UN Development Group (UNDG) and the UN's coordination mechanisms of the Chief Executives Board (CEB).

As a result of UNEP's efforts in 2010:

- > 43 UN Country Teams began integrating environmental sustainability in UN country programming processes
- > with UNDP, 22 countries are integrating environment into development planning
- > with UNIDO, a network of over 45 National Cleaner Production Centres is supported to promote resource efficiency in small enterprises with two additional countries introducing national 'Resource Efficient and Cleaner Production Programmes'

- > the Strategic Approach to International Chemical Management (SAICM) supports around 140 projects undertaken by 100 governments and 12 civil society organisations involving activities in 95 countries, with donations of over 30 million dollars, and
- > three countries joined 74 others in successfully phasing out leaded gasoline.

b) Plays critical role in improving aid effectiveness through results monitoring	SATISFACTORY
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In line with its mandate, UNEP has a strong focus on normative work, advocacy and research. It is not an organisation intended to be involved in aid delivery.

As an organisation with a strong normative role, UNEP has often been subject to criticism for its limited ability to monitor and report its results. To some extent this remains the case: the problem of attribution remains an issue when considering UNEP's role in contributing to international dialogue on environmental issues and participation in key international forums on the environment and climate change.

Having said this, UNEP continues to push towards a more systematic approach to monitoring its work and measuring the results it achieves in its programs.

UNEP has implemented a results-based management (RBM) program which is reflected in the current mid-term strategy 2010–13. It is moving to a more objectively verifiable assessment of progress as it revises old projects with milestone information and funds its new projects. This transition will then allow monitoring to proceed through the organisation's newly designed Programme Information Management System (PIMS). PIMS will then be used to provide more objectively verifiable ratings of progress as the ratings of progress will be automatically computed based on reports against milestones and targets.

The *Programme Performance Report* for 2010 indicated that good progress has been made in its six crosscutting thematic areas of climate change, disasters and conflict, ecosystem management, environmental governance, harmful substances and hazardous waste, and resource efficiency/sustainable consumption and production.

The move to entrenching RBM across the organisation is an ongoing process and because it is relatively new, the outcome of this move is yet to be fully assessed. Australia will continue to closely monitor the implementation and bedding down of RBM approaches.

UNEP publishes an annual report and six-monthly program performance reports. UNEP's major publication, the GEO, is published every few years (to date, four have been published: in 1997, 1999, 2002 and 2007). UNEP supplements these reports with annual GEO statements that recap significant achievements and results of the previous year. In terms of measuring the value of the GEO reports, there are examples of UNEP's efforts to measure the breadth and depth of GEO's usefulness and influence. During and after the development of the fourth GEO report (released in 2007), reviews were conducted with the stakeholders and participants involved in the production and usage of the fourth GEO report.

Overall the review found that GEO continues to fill an important niche in the global assessment landscape by being relevant, useful and adding value to most of its primary

environment constituency. It provides a ‘comprehensive, reliable and scientifically credible, policy-relevant and legitimate up-to-date assessment of, and outlook regarding the interaction between environment and society’. It is used in particular as a source of reference—an encyclopaedia—aimed at raising general awareness and informing research and teaching. Its use for policy purposes is concentrated at the beginning of the policy cycle—problem identification, agenda setting and policy research. The review concluded that more needs to be done to reposition the GEO in maximising its potential to ensure that environmental problems and emerging issues of wide international significance receive appropriate, timely consideration by governments and other stakeholders.

In addition to the GEO, UNEP produces national and regional outlook reports and atlases that are geographically and thematically oriented.

c) Where relevant, targets the poorest people and in areas where progress against the MDGs is lagging	SATISFACTORY
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Due to UNEP’s focus on normative functions as opposed to project implementation, this particular criterion is not fully applicable in this assessment. There are, however, specific initiatives UNEP is involved in that targets the poorest.

Through its joint environment unit with the UN Office for the Coordination of Humanitarian Affairs, UNEP coordinates and mobilises environmental expertise to identify and mitigate acute environmental risks in emergency situations. It has also implemented post-crisis environmental recovery programmes in Afghanistan, Côte d’Ivoire, the Democratic Republic of Congo, Haiti, Sierra Leone and Sudan. UNEP also successfully developed and pilot-tested a new methodology for taking environmental factors—specifically ecosystems and climate change—into account in the analysis of disaster risk and vulnerability. The initiative, which specifically targeted small island developing states, aimed to support national and local government decision makers in evaluating their development and growth options more effectively.

UNEP is one of the implementing agencies of the Global Environment Facility (GEF) and through this mechanism is able to demonstrate success in the delivery of some good pro-poor activities due to the GEF’s overarching policies.

UNEP and UNDP are collaborating in the Poverty-Environment Initiative (PEI) to assist countries to improve the livelihoods of the poor who are dependent on natural resources and reduce their vulnerability to climate change by integrating pro-poor environment and climate change concerns into national and sub-national economic decision making and planning processes. The PEI consists of 21 country programs and also provides targeted technical support to another seven countries in Africa, Asia-Pacific, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean.

2. Alignment with Australia's aid priorities and national interests	SATISFACTORY
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UNEP's work aligns with the Australian aid program's strategic goal of sustainable economic development, in particular through reducing the impacts of climate change and other environmental factors on poor people.

Beyond the development-specific linkages with the aid program, UNEP also aligns with Australia's broader environmental objectives, particularly through its normative work on international agreements such as the Convention on Biological Diversity and the Convention on International Trade in Endangered Species of Wild Fauna and Flora.

UNEP has more work to do with crosscutting issues (leaving aside its core business of the environment). Gender mainstreaming needs to be more systematically applied across its activities; its Gender Plan of Action needs to be renewed (it expired in 2010) and its gender policy needs to be finalised.

No evidence was found of a policy or strategy for people with disability.

Evidence shows UNEP has been effective in some fragile states. One success was supporting the establishment of the 2010 South Sudan Environment Act.

a) Allocates resources and delivers results in support of, and responsive to, Australia's development objectives	STRONG
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There is some alignment between the sustainable development agenda of UNEP and Australia's priorities, seen in the Australian aid program's strategic goal of promoting sustainable economic development. Other aspects of UNEP's work also support Australia's broader priorities including promoting good international environmental governance architecture and the development of global environmental norms.

An example to highlight in the field of promoting sustainable development initiatives is the strong leadership role UNEP is taking on developing the global dialogue on moving towards a green economy. One way this is being achieved is through its resource efficiency sub-program which aims to improve production and consumption of natural resources in an environmentally sustainable way as a way of achieving broader sustainable development.

Through this green economy push, UNEP has published a comprehensive report that links greening with: sustainable development and poverty eradication; UNEP provides advisory services to a range of governments around the world; economic and policy research and analysis; and builds partnerships with non-government organisations and private industry alike.

UNEP has a strong normative role and hosts the Secretariat functions for a range of conventions. Australia is a supporter of a strengthened global environmental architecture and some of the normative work housed within UNEP encompasses, among others:

- > the Ozone Secretariat and the Montreal Protocol's Multilateral Fund
- > CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora)

- > the Convention on Biological Diversity
- > the Convention on Migratory Species
- > the Basel Convention on the Transboundary Movement of Hazardous Wastes, and
- > the Stockholm Convention on Persistent Organic Pollutants (POPs).

UNEP plays an important role in strengthening environmental governance at the global, regional and national levels. UNEP has led the process to reform international environmental governance through the consultative group of ministers or high level representatives on international environmental governance. UNEP helps governments further develop and strengthen their national, sub-regional and regional policies, laws and institutions underpinning environmental governance, and develop tools and methods for environmental management. In 2010 UNEP assisted Bangladesh, Cambodia, India, Indonesia, Laos, Maldives, Mongolia, East Timor, Uganda and Vietnam to develop and strengthen their environmental laws, and integrate environmental considerations into national sectoral laws.

UNEP plays a role in climate change, although the complexity of the global climate change/environmental architecture does erode some of the visibility of UNEP on this issue. UNEP, together with the World Meteorological Organization hosts the secretariat for the Intergovernmental Panel on Climate Change (IPCC), which periodically produces assessment reports on climate change science; impacts, adaptation and vulnerabilities; and mitigation. UNEP's climate change sub-program assists countries to:

- > reduce their vulnerability and to use ecosystem services to increase natural resilience to the impacts of climate change
- > make sound policy
- > technology and investment choices that lead to GHG emission reductions
- > to reduce emissions from deforestation and degradation, and
- > to improve their understanding of climate change science and raise awareness of climate change impacts.

b) Effectively targets development concerns and promotes issues consistent with Australian priorities	SATISFACTORY
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There is some alignment between UNEP's work and Australia's development objectives. This is perhaps best seen in UNEP's medium term strategy for 2010–13 and the six sub-program areas it identifies. Of the six crosscutting priorities and objectives listed in the medium term strategy, the area of climate change is the most relevant to Australia's development objectives.

UNEP and UNDP are collaborating in the PEI to assist countries to improve the livelihoods of the poor who are dependent on natural resources and reduce their vulnerability to climate change by integrating pro-poor environment and climate change concerns into national and sub-national economic decision making and planning processes. The PEI consists of 21 country programs and also provides targeted technical support to another five countries in Africa, Asia-Pacific, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean.

UNEP plays a role in climate change, although the complexity of the global climate change/environmental architecture does erode some of the visibility of UNEP on this issue.

c) Focuses on crosscutting issues, particularly gender, environment and people with disabilities	WEAK
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UNEP's gender plan of action was adopted for the period 2006–2010. The formation of this plan of action followed the appointment of UNEP's gender focal point in 1999; the UNEP program of work 2004–05 committing to make gender a crosscutting priority in all of its programs; and the 2004 governing council decision 23/11 on gender equality in the field of the environment.

Despite these positive demonstrations of the importance of gender to UNEP's work, the plan of action covers the period 2006–10 and also states that a UNEP gender policy needs to be developed to demonstrate a high level commitment to gender. Unfortunately the plan of action is still not updated following the end of its 2010 life; and a UNEP policy on gender was drafted in 2008, but still remains a draft. The Australian Multilateral Assessment understands that UNEP continues to work towards finalising the policy and aligning a gender plan of action with the next biennial program of work.

No evidence of a disability policy was found.

Consideration of environmental sustainable development as a crosscutting issue was not part of this assessment given it is the central reference point for all of UNEP's work.

d) Performs effectively in fragile states	SATISFACTORY
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A review of the documentation available on the UNEP website does not reveal any one single policy on UNEP activity specifically in fragile states. Some resources available online include an information booklet on humanitarian action and the environment, developed in conjunction with UNOCHA; the other resources available however focus more on disaster risk reduction and the environment as opposed to operating in fragile states.

Nevertheless, during discussions at UNEP headquarters in Nairobi, the Australian Multilateral Assessment team were provided with a range of examples of where UNEP had delivered successful programs in fragile state contexts. For example, in South Sudan, a legislative framework for environmental management, embodied in the South Sudan environmental policy 2010 and the *2010 South Sudan Environment Act* was established with active UNEP support. In addition, two major community-based campaigns—'Keep Juba Green' and 'Keep Juba Clean'—were launched to support reforestation and improve waste management.

In another example, UNEP has been working in Afghanistan since 2002, and with project offices in Kabul and Bamiyan it aims to create a lasting foundation for sustainable development in the country, through a comprehensive program of support addressing institutional, legal and capacity needs. Following its introduction of the concept of

community-based natural resource management as the de facto development strategy for rural Afghanistan, UNEP now has 26 community-based projects across three provinces.

UNEP has also provided examples of working within UN country teams to integrate environmental needs into UN recovery programs. Such recovery programs are currently being implemented in Afghanistan, the Democratic Republic of Congo, Haiti, Nigeria, South Sudan and Sudan.

3. Contribution to the wider multilateral development system

STRONG

UNEP chairs the UN's Environment Management Group, a system-wide coordination body bringing together the UN's specialised agencies, programs and organs to address a wide range of issues including water, sanitation, human settlements and environmental-related capacity building.

As the central UN actor in the field, UNEP plays a unique role in the global environmental system. Its normative and scientific outputs are valuable contributions. Stakeholders value UNEP's regular environmental assessments at global, regional, national and subnational levels as well as its thematic assessments covering land, water, agriculture, biodiversity and climate change.

UNEP's specialisation allows it to contribute on a number of levels to environmental discussions and to lead normative work across the international environmental system.

a) Plays a critical role at global or national-level in coordinating development or humanitarian efforts

SATISFACTORY

As the central UN agency responsible for the environment, UNEP is a visible actor in coordinating efforts directly related to sustainable development initiatives. UNEP chairs the UN's Environment Management Group, a system-wide coordination body established to enhance inter-agency cooperation on environmental issues and is a member of the UN Development Group. UNEP and UNDESA are the lead agencies of the Marrakech Process, a global process to support the elaboration of a 10-Year Framework of Programs (10YFP) on sustainable consumption and production, as called for by the World Summit on Sustainable Development Johannesburg Plan of Action.

UNEP also strives to have an influence in ongoing discussions on international environmental governance, which will be one of the main agenda items at the Rio+20 Summit in 2012.

It is responsible for key research and publications that highlight the areas of greatest concern that have arisen from its role as a global environmental monitor. The best example is UNEP's flagship publication, the *Global Environment Outlook* which is published periodically and is recognised as an authority in this area through presenting a strong scientific base on which its observations are made. UNEP also provides the secretariat for the international resource panel, which aims to provide independent, coherent and authoritative scientific assessments of policy relevance on the sustainable use of natural resources and their environmental impacts over the full life cycle; and to

contribute to a better understanding of how to decouple economic growth from environmental degradation.

b) Plays a leading role in developing norms and standards or in providing large-scale finance or specialist expertise
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STRONG

UNEP draws on its specialist expertise to play a strong role in leading research, advocacy and normative work across the international environmental system.

A strong example of its research and advocacy work is its regular environmental assessments at the global, regional, national and sub national-levels as well as thematic assessments covering land, water, agriculture, biodiversity and climate change. Examples include the Asia-Pacific Environment Outlook, the Pacific Islands Environment Outlook, Rwanda State of Environment and Outlook and the City of Nairobi Environment Outlook.

UNEP's specialist expertise is also applied in its research and publications that highlight the areas of greatest concern that have arisen from its role as a global environmental monitor. The best example is UNEP's flagship publication, the *Global Environment Outlook* which is published periodically and is recognised as an authority in this area through presenting a strong scientific base on which its observations are made. UNEP plays a leading role through other publications and research. One strong example is the 2011 UNEP assessment of the massive oil contamination of Ogoniland in Nigeria. The assessment revealed vast environmental contamination and called for an initial US\$1 billion rehabilitation fund. The assessment was referenced widely internationally and the Government of Nigeria has since begun mobilising a response.

UNEP also provides the secretariat for the international resource panel, which aims to provide independent, coherent and authoritative scientific assessments of policy relevance on the sustainable use of natural resources and their environmental impacts over the full life cycle; and to contribute to a better understanding of how to decouple economic growth from environmental degradation.

c) Fills a policy or knowledge gap or develops innovative approaches

STRONG

UNEP's specialisation allows it to contribute on a number of levels to environmental discussions and to lead normative work across the international environmental system. Its specialisation allows it to fill a policy and knowledge gap and to work with partner governments to negotiate the international climate change arena. Examples of where UNEP has contributed to policy development and knowledge strengthening are through the publications: *The Economics of Environment and Biodiversity*; *Blue Carbon: The Role of Healthy Oceans in Binding Carbon*; and *The Environmental Food Crisis: The Environment's Role in Averting Future Food Crises*.

UNEP works closely with governments at all levels to bolster capacities to increase their resilience to climate change, move towards low-carbon societies, reduce emissions from deforestation and forest degradation (REDD), improve availability and understanding of relevant climate science, and raise awareness of the climate change challenge.

In addition, UNEP supports countries to participate more fully in the UNFCCC process, including by supporting meetings of negotiators. UNEP also helps countries meet their obligations on national communications, technology needs assessments, national adaptation plans of action, and is already providing support to countries on future areas of work, including nationally appropriate mitigation actions.

UNEP plays an important role in informing the international community on environmental issues and challenges, including through its scientific assessments, prognoses, advocacy efforts, and policy suggestions. It also promotes greater understanding among countries by bringing together ministers at the global ministerial environment forum. In recent years it has tried to bring science and policy formulation closer together so that raw knowledge (for example, on ecosystems) can more easily be translated into concrete policy proposals. UNEP has exerted considerable effort in bringing together the science community, governments, policymakers, civil society, and the private sector to facilitate a better global understanding of environmental issues.

ORGANISATIONAL BEHAVIOUR

4. Strategic management and performance

SATISFACTORY

UNEP operates under a clear mandate. Its comparative advantage lies in its focus on advancing environmental management; in working with scientific and technical communities; in assessing and monitoring; and its links to environment ministries and other relevant bodies at regional level. Its medium-term strategy (2010–13) links priorities to organisational mandate.

UNEP's Governing Council and Committee of Permanent Representatives—its formal governance mechanisms—meet regularly to provide adequate oversight and guidance.

The monitoring and evaluation system is sound although it should be strengthened through its Programme Information Management System (PIMS) to provide better use of project performance data. UNEP is in the process of establishing a risk-management framework that will flag projects for review which are not meeting milestone or budget goals.

Leadership, particularly through the executive director, is regarded as effective. Human resources operate under the UN's broad framework of human resources performance assessments and its human resources policies are adequate for the recruitment and placement of staff.

a) Has clear mandate, strategy and plans effectively implemented

STRONG

UNEP is the designated focal organisation within the UN system for environmental issues. Its mandate is clear and the organisation's comparative advantage lies in its mandated focus on advancing environmental management; in working with scientific and technical communities; its work in assessment and monitoring; and its links to environment ministries and other relevant bodies at a regional-level.

The main vehicle in place at this time for delivering on the mandate is UNEP's medium term strategy 2010–13. The medium term strategy focuses on six priority areas:

- > climate change
- > disasters and conflicts
- > ecosystem management
- > environmental governance
- > harmful substances and hazardous waste, and
- > resource efficiency—sustainable consumption and production.

The full medium term strategy document clearly links each of these priorities back to the organisational mandate and overall presents a good basis for operationalising UNEP's aims.

b) Governing body is effective in guiding management	SATISFACTORY
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The UNEP Governing Council consists of 58 members, elected by the General Assembly of the United Nations. The principle of equitable regional representation is taken into account in electing Governing Council members and members are elected for four-year terms.

In official terms, the Governing Council is charged with several oversight functions that cover:

- > promoting international cooperation and proposing appropriate policies to this end
- > providing policy guidance for environmental programs within the UN system
- > receiving and reviewing reports on such programs from the executive director
- > keeping under review the world environmental situation
- > promoting relevant scientific contributions to global environmental efforts
- > reviewing the impact of national and global environmental efforts on developing countries, and
- > reviewing and approving the use of the resources of the Environment Fund.

The Governing Council meets annually—once every second year in regular session (the last regular session meeting was held in February 2011) to approve the biennial program of work and budget. Every other year it meets in a special session.

In between the Governing Council meetings, UNEP's main oversight mechanism is the Committee of Permanent Representatives which draws together the permanent representatives based in Nairobi. The Committee of Permanent Representative meets four times a year (not including extraordinary sessions) and receives regular reports on the operations of UNEP, including reports on the status of the implementation of the decisions of Governing Council, biannual program performance reports, and reports on the status of the environment fund. The Committee of Permanent Representatives meets in subcommittee throughout the year to consider draft reports and draft decisions to be considered by governing Council and updates on UNEP activities.

c) Has a sound framework for monitoring and evaluation, and acts promptly to realign or amend programs not delivering results	SATISFACTORY
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UNEP has a sound monitoring and evaluation system in place, guided by a monitoring policy and plan and also an evaluation policy and plan. Under these policies and plans, UNEP has its program accountability framework which is used to delineate responsibility and accountability for the program of work between headquarters divisions and UNEP's regional offices.

All of these components are used to assess performance across the organisation. Evaluations are carried out by the internal evaluation office which reports to the Committee of Permanent Representatives and the Governing Council.

UNEP has also implemented its PIMS that UNEP management expects will provide more timely and in-depth data on project performance. Through this system, projects that have a low performance on key indicators including milestone completion and budget expenditure will be flagged as projects at risk requiring management attention. The effectiveness of this system is not yet known as it is relatively new and it may take some time to fully bed down across the entire organisation.

Evidence indicates that UNEP does indeed draw on monitoring and evaluation results when realigning or amending programs or projects. A biannual program performance report is a neat summary of what actions have been taken in this respect in the preceding period and is a useful tool in mapping organisational adherence to the evaluation policy.

Information on how UNEP manages under-performing programs is contained in its monitoring policy. While such a policy is in place, limited evidence was found on the effects of this policy in practice and demonstrable examples of when and how the UNEP has used it to amend an under-performing program.

d) Leadership is effective and human resources are well managed	SATISFACTORY
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UNEP operates under the rubric of wider UN policies of human resources performance assessments and does not have a human resources strategy of its own. The Australian Multilateral Assessment team understands that plans are in place to develop one.

Senior UNEP management, particularly executive director Achim Steiner, is widely recognised by stakeholders as effective, in driving institutional reforms to further strengthen UNEP.

5. Cost and value consciousness**SATISFACTORY**

UNEP's Governing Council and Committee of Permanent Representatives regularly review costs and value for money through reports and reviews of its biennial program of work and its budget. A push from senior management to instil a value-for-money mindset is underway, but it is too early to assess the impact.

There is evidence that UNEP generally considers cost effectiveness, particularly through its strategic presence policy, which seeks to maximise its regional representation efficiency and increase its reach and impact.

UNEP has systems in place to enable it to work with and through the established presence of the UNDP as a way of achieving its program goals while saving on costs.

UNEP's partnership policy sets out the procedures for assessing potential partners. This includes the partner's procurement policies, human resources management and transparency, policies on environmental safeguards and ensuring value for money.

a) Governing body and management regularly scrutinise costs and assess value for money**SATISFACTORY**

Formal regular scrutiny of costs is done through the Committee of Permanent Representatives who receive reports from UNEP senior management every six months. The Governing Council has direct input into the costs and value assessments when it meets every second year to review and adopt the biennial program of work and budget. The Governing Council also has responsibility for guiding management on expenditure through the development of the four-year medium term plan.

In addition to these mechanisms, scrutiny of costs is achieved through internal processes including screening by the program approval group and the project review committee.

A 2009 report into program support costs was undertaken following a commission by the UNEP executive director. The recommendations from this study were comprehensive and have been implemented. The Inspection and Evaluation Division of the UN Office of Internal Oversight Services is undertaking a program evaluation of UNEP following a strategic risk assessment exercise carried out in 2008.

b) Rates of return and cost effectiveness are important factors in decision making**SATISFACTORY**

A concerted push from the top of UNEP to create a value-for-money mindset in the organisation is underway as part of the new results-based management approach. However, it remains too early to fully assess whether this has any substantial impact.

There is some evidence that rates of return and cost effectiveness are taken into consideration by UNEP in decision making. One example is the decision taken by the Governing Council to endorse a 'Strategic Presence' policy that seeks to ensure such considerations are made when making decisions on UNEP in-country presence or mode of delivery. In July 2011, the UNEP budget committee recommended that in light of

budget restrictions and the importance of successfully delivering on the program of work 2010–11, that: ‘funds set aside for strengthening UNEP’s strategic presence should first be allocated to strengthening existing Regional Offices and their thematic capacity to deliver on the program of work (as out-posted staff from Divisions)’, a recommendation that found favour with the senior management team and with thematic coordinators.

Such decisions are also guided by UNEP’s mandate and role as a normative driver of change rather than as a direct implementer. UNEP’s work at country-level is very often done through the systems of other agencies, in particular UNDP, and this model tends to lead to a more cost efficient way of operating. While UNEP continues to establish project offices to deliver the expected outputs and outcomes of a specific project(s) and increases the number of project staff at country-level, as appropriate, to serve as advisor for a limited duration, they will be co-located within UNDP offices, whenever possible, as a cost effective means of strengthening UNEP’s involvement at country-level, in particular in the UNDAF process.

c) Challenges and supports partners to think about value for money

SATISFACTORY

UNEP has a partnership policy in which it sets out the procedures for assessing potential partners. This includes the partner’s procurement policies, human resources management and transparency, policies on environmental safeguards and ensuring value for money. Partnerships are reviewed regularly in line with project management reporting requirements.

There was minimal evidence found indicating how successful this policy has been in how UNEP works with its partners to actively consider value for money.

6. Partnership behaviour

STRONG

UNEP has a solid track record in working effectively with a range of stakeholders. Its policy on partnerships strengthens this engagement and UNEP works closely with major UN agencies (UNDP in particular), partner governments and civil society organisations.

At country-level, UNEP participates in 34 UN Development Assistance Frameworks globally and is engaged in the One UN system. It has a good track record of working closely with partner governments to increase national ownership of capacity-building initiatives.

UNEP convenes an annual global major groups and stakeholders forum which enables it to incorporate the voice of stakeholders into its governance and programs.

a) Works effectively in partnership with others
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STRONG

Evidence collected through the Australian Multilateral Assessment process indicates that this is seen as a particular strength of UNEP. One example of where this is valued is in UNEP’s well regarded work with the non-government sector, and its continuing work with Pacific Island country governments to build capacity for climate change negotiations.

To help build partnerships with diverse groups that include NGOs, governments, other UN organisations, major climate change funds and other global development institutions, UNEP has recognised the need for a clear framework to guide how it interacts with partners. In recent years, UNEP has also actively sought to reach out to the private sector in particular through multi-stakeholder partnerships or initiatives, such as the sustainable building and climate initiative, the UNEP finance initiative, the global partnership for sustainable tourism, as well as to small and medium enterprises, in particular through the joint UNEP-UNIDO National Cleaner Production Centres (NCPs).

A component of UNEP's approach to partnership is its policy on partnerships, approved in August 2009 and updated in 2011. According to this document, 'the rationale for a policy on partnerships is to ensure that UNEP pays special attention to how it will use partnerships to create more impact in its six areas of focus [as outlined in the Medium Term Strategy] than by working on its own'. The policy then goes on to define principles for sustainable partnerships that UNEP enters, and seeks to harmonise a common approach to partnerships across all levels of the organisation.

At country-level, UNEP tends to operate through existing UN structures and partners. Examples include UNEP's participation in 34 UNDAFs globally and its engagement in the One UN system. Another notable partner for UNEP is UNDP and in particular, the joint UNEP-UNDP Poverty and Environment Initiative has been seen as successful.

UNEP chairs the UN's Environment Management Group, a system-wide coordination body established to enhance inter-agency cooperation on environmental issues. Membership consists of the specialised agencies, programs and organs of the United Nations, including secretariats of the Multilateral Environmental Agreements. This includes the Global Environment Facility (GEF), the Bretton Woods institutions and the World Trade Organization. The group has addressed issues such as environmental aspects of fresh water, sanitation and human settlements, atmosphere/air pollution and industrial development and environment related capacity building. The Environment Management Group works closely with relevant intergovernmental bodies and the Chief Executives Board—the principal UN coordination body.

b) Places value on alignment with partner countries' priorities and systems	STRONG
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There are no reporting systems for UNEP against the Paris Principles; however UNEP is working with donors to try and maximise the amount of funding channelled through UNEP environment funds as a way of allowing UNEP to draw on these funds as flexibly as needed in order to best implement its program of work and the overall medium term strategy.

UNEP's Bali Strategic Plan for Technology Support and Capacity-building is an inter-governmentally agreed approach to strengthen technology support and capacity building in developing countries, as well as countries with economies in transition. It also seeks to promote, facilitate, and finance access to and support for environmentally sound technologies and corresponding know-how. The plan states that a bottom-up approach in identifying specific objectives, strategies, and activities will be used to reflect the needs of countries and regions. This bottom-up approach reflects the views and

priorities expressed by governments, while also considering views of relevant organisations and stakeholders. This approach also supports another tenet of the Bali Strategic Plan: the importance of national ownership of capacity building and technology support initiatives.

In the immediate area of Australia's geographic interests, UNEP has been seeking to influence the governance of existing and planned programs of activities in the Pacific, rather than seeking to establish separate large projects. In this way, UNEP is trying to harmonise its approach in the region with the existing priorities and systems of its partner organisations and governments.

c) Provides voice for partners and other stakeholders in decision making	STRONG
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There are several good examples of how UNEP incorporates stakeholders' voices in its decision making processes.

Since its inception, UNEP has enjoyed a special relationship with major groups in tackling environmental issues. Since 2000, UNEP organises a yearly global civil society forum—now renamed the global major groups and stakeholders forum, in conjunction with UNEP Governing Council/global ministerial environment forum. This forum is the main entry point for major groups' participation at governance-level.

In 2004 UNEP established the major groups and stakeholder branch to enhance participation of major groups in its work. The major groups and stakeholders branch focuses its activities on major groups at large, the nine major groups defined in the Agenda 21 which include farmers, women, the scientific and technological community, children and youth, indigenous peoples and their communities, workers and trade unions, business and industry, non-governmental organisations as well as local authorities, as well as other relevant stakeholders.

As of July 2011, there were 257 accredited organisations with observer status to the UNEP Governing Council/Global Ministerial Environment Forum.

7. Transparency and accountability	SATISFACTORY
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UNEP is not a party to the International Aid Transparency Initiative, but is bound by UN information disclosure rules and policies. UNEP makes a range of documents available through its website, including all Governing Council papers and decisions, although the website does not clearly display project information, making it difficult to access.

Resource allocations are made through a process of UNEP management proposals to the Governing Council for approval in the form of the biennial program of work and budget and are handled in line with its medium-term strategy.

UNEP is bound by the UN's financial rules and policies, and has systems in place to meet reasonably good standards of financial and risk management. A broader corporate risk management framework is also being developed.

The partnership policy sets out the procedures for assessing potential partners which in turn encourages transparency in partners. This includes the partner's procurement

policies, human resources management and transparency, policies on environmental safeguards and ensuring value for money.

a) Routinely publishes comprehensive operational information, subject to justifiable confidentiality	SATISFACTORY
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UNEP regularly publishes program and operational information for reporting purposes to the Committee of Permanent Representatives and the Governing Council. Unfortunately, the UNEP website does not clearly and easily display project information making it difficult to access.

UNEP does not have a disclosure policy. It is, however, covered UN information disclosure rules and policies. UNEP is not party to the International Aid Transparency Initiative.

b) Is transparent in resource allocation, budget management and operational planning	SATISFACTORY
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Resource allocations are made through a process of UNEP management proposals to the biennial Governing Council for approval. Proposals are developed in line with the outcomes identified in UNEP's medium term strategy which in turn link back to the organisation's mandate. They are reviewed by the Committee of Permanent Representatives prior to their submission to the Governing Council. All government members of UNEP have the opportunity to participate in the budget and allocation discussions at the Governing Council meeting.

c) Adheres to high standards of financial management, audit, risk management and fraud prevention	SATISFACTORY
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UNEP has a number of systems in place to meet good standards of financial and risk management and audit.

UNEP's financial statements are all audited by the United Nations Board of Auditors every two years. In addition to this, the UN Board of Auditors conducts an annual audit of UNEP's Global Environment Facility trust funds. Audits are also carried out at the regional and project levels.

The 2011 Multilateral Organization Performance Assessment Network assessment review notes that UNEP had good anti-corruption measures in place although the organisation does not have an internal policy on anti-corruption.

In many respects, as a subsidiary organisation of the UN General Assembly, many of the financial management, audit and fraud prevention policies of the broader UN system apply to UNEP.

One area of improvement that could be of benefit to UNEP is in risk management. The Australian Multilateral Assessment has found no evidence of an overarching organisation-wide approach to risk management; rather, this appears to be done at the project-level.

d) Promotes transparency and accountability in partners and recipients	SATISFACTORY
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The Australian Multilateral Assessment assessment was only to able find information in this respect that related to UNEP's partnership policy and the associated levels of transparency and accountability that policy seeks (see criterion 5(c)). Beyond this, minimal evidence has been found that UNEP actively promotes transparency and accountability in partners and recipients.