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**UNDP strategic plan, 2008-2011**

**UNDP strategic plan, 2008-2011  
Accelerating global progress on human development**

**Updated pursuant to decision 2007/32**

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## Preface

### Decision 2007/32 UNDP strategic plan, 2008-2011

*The Executive Board,*

1. *Having considered* the UNDP strategic plan, 2008-2011 (DP/2007/43),
2. *Stresses* that the UNDP strategic plan, 2008-2011, is a living document, which will be reviewed by the Executive Board on a regular basis during the plan period;
3. *Endorses*:
  - (a) The UNDP strategic plan, 2008-2011, as amended and augmented by this decision;
  - (b) The following process of continual improvement of the plan:
    - (i) Issuance by the Administrator of an updated version of the strategic plan at the first regular session 2008 of the Executive Board, reflecting all the provisions of the current decision;
    - (ii) Discussion and consideration of the draft accountability framework at the first regular session 2008 of the Executive Board;
    - (iii) Submission of implications of the 2007 triennial comprehensive policy review for the strategic plan, including in the chapters on coordination, democratic governance, capacity development and crisis prevention and recovery, to the annual session 2008 of the Executive Board;
    - (iv) Submission of updated development results and institutional results frameworks to the annual session 2008 of the Executive Board;
    - (v) Inclusion in the Administrator's annual report to the annual sessions 2008 and 2009 of the Executive Board of reports on operationalization of the strategic plan;
    - (vi) Submission of a comprehensive report on performance and results to the annual session of the Executive Board 2010, and a midterm review of the strategic plan to the same session;
4. *Decides* that this decision will serve as the preface to and integral part of the UNDP strategic plan, 2008-2011;
5. *Reaffirms* that support to the achievement of the internationally agreed development goals, including the Millennium Development Goals, should be the basis of the UNDP strategic plan, 2008-2011;
6. *Stresses*, in this regard, that UNDP should focus on delivering effectively in the development-related areas, in particular with a view to eradicating poverty through development, equitable and sustained economic growth and capacity building;
7. *Reaffirms* that the fundamental characteristics of the operational activities for development of the United Nations system should be, inter alia, their universal, voluntary and grant nature, their neutrality and their multilateralism, as well as their ability to respond to the development needs of recipient countries in a flexible manner, and that the operational activities are carried out for the benefit of recipient countries, at the request of those countries and in accordance with their own policies and priorities for development;

8. *Recognizes* that the special needs of Africa, least developed countries, landlocked developing countries and small island developing states must be taken into consideration.
9. *Also recognizes* that support to capacity-development constitutes the overarching contribution of UNDP in assisting the efforts of programme countries to achieve internationally agreed development goals, including the Millennium Development Goals, and *underlines* that the emphasis of capacity-building includes institutional and human capacity-building in accordance with their national plans and strategies;
10. *Further recognizes* the importance of national ownership of development programmes, and *requests* UNDP to strengthen national ownership in the strategic plan and to further mainstream national ownership in all the areas of its work;
11. *Requests* UNDP to promote South-South cooperation by stepping up efforts to seek South-South solutions in all its focus areas, as a way to enhance exchange of best practices and support among developing countries regardless of their levels of development, and *also requests* the Administrator to establish measurable targets, in consultation with the Executive Board, for the Special Unit for South-South Cooperation;
12. *Stresses* that operational paragraph 5 of General Assembly resolution 59/250 regarding the national ownership of development programmes applies to all activities of UNDP, including its interaction with civil society;
13. *Emphasizes* that with the agreement of the host country, UNDP should assist national governments in creating an enabling environment in which the links between national governments, the United Nations development system, civil society, non-governmental organizations, and the private sector involved in the development process are strengthened, with a view to seeking new and innovative solutions to development problems in accordance with national policies and priorities;
14. *Urges* UNDP to continue to extend its support to programme countries within the context of the Hyogo Framework for Action as one of the members of the International Strategy for Disaster Reduction (ISDR) system, in close coordination with the ISDR secretariat;
15. *Recalls* the 2005 World Summit Outcome (A/RES/60/1), in which the world Heads of State and Government resolved to support the further mainstreaming of human rights throughout the United Nations system;
16. *Underscores* that while UNDP should uphold universal United Nations norms and standards, including those related to human rights, UNDP does not have any normative or monitoring role with regard to human rights;
17. *Emphasizes* that UNDP should take a human development-based approach to programming;
18. *Take notes* of the improved integration of a gender perspective into the UNDP focus areas, and *encourages* UNDP to continue to build internal capacity to address gender dimensions in its work including, inter alia, the creation of enabling incentives and accountability systems for staff at all operational levels, and *calls upon* UNDP to continue to mainstream a gender perspective and to pursue gender equality in country programmes, planning instruments and sector-wide programmes and to articulate specific country-level goals and targets in that field in accordance with national development strategies;

19. *Stresses* the need for continuing efforts to achieve gender balance in appointments within UNDP at headquarters and country levels in positions that affect operational activities, including resident coordinator appointments, with due regard to representation of women from developing countries, and keeping in mind the principle of equitable geographical representation, and *requests* UNDP to inform the Executive Board regularly of progress made in this regard;
20. *Notes* the efforts of UNDP to focus its work and avoid unnecessary overlap and duplication with other funds and programmes and specialized agencies of the United Nations, and *underscores* that when requested by the government and after consultation with the United Nations organizations that have a mandate for operational activities in their respective areas of work, UNDP may exceptionally provide support in areas outside the agreed focus areas;
21. *Recognizes* that the work of UNDP at the country level may vary, dependent upon the particular situation in each programme country, taking into account the national legislation and other country-specific circumstances;
22. *Reiterates* that UNDP should use, to the fullest extent possible, national execution and available national expertise and technologies as the norm in the implementation of operational activities, bearing in mind the importance of building national capacity, simplifying procedures and aligning them with national procedures, and fostering responsible financial management of operational activities;
23. *Requests* UNDP to continue to review and improve the development results and institutional results frameworks, including in response to comments by the Executive Board, and *emphasizes*, in this regard, that the indicators should focus on measuring the contribution of UNDP to outcomes and delivery of outputs, not the performance of programme countries;
24. *Further requests* UNDP to provide information to clarify its role in monitoring the Millennium Development Goals, including goal 8, as well as its collaboration and complementarity with other entities;
25. *Stresses* the need to use terminology and approaches consistent with the outcomes of United Nations conferences and summits;
26. *Approves* the integrated financial resources framework for the period 2008-2011 as contained in document DP/2007/43, and *calls upon* all Member States in a position to do so to support UNDP in reaching the resources targets set out in the strategic plan and to commit, as early as possible, their contribution to UNDP regular resources for the years 2008 and onwards, if possible through multi-year pledges.

## I. Introduction

1. UNDP supports national processes to accelerate the progress of human development with a view to eradicate poverty through development, equitable and sustained economic growth, and capacity development. This means that all UNDP policy advice, technical support, advocacy, and contributions to strengthening coherence in global development must be aimed at one end result: real improvements in people's lives and in *the choices and opportunities open to them*. UNDP has championed this integrative approach to human development since the 1990s, using the Human Development Reports, launched under the leadership of the late Mahbub ul-Haq with Amartya Sen, as important advocacy tools. Central to the human development approach is the concept of human empowerment, which, in addition to income, treats access to education and health care, freedom of expression, the rule of law, respect for diversity, protection from violence, and the preservation of the environment as essential dimensions of human development and well-being.

2. The Millennium Declaration and other summits have provided the global community with a solid set of values which must guide all our work. They have also set the benchmarks for concrete levels of progress to be achieved by 2015. As UNDP formulates its strategic plan, 2008-2011, we must reflect on these values and goals, and also on the major global and national concerns that continue to pose obstacles to progress.

3. The UNDP strategic plan sets an overall direction for UNDP operations in its support to programme countries that:

(a) *Supports* programme countries, within the framework of national ownership, to achieve national development objectives related to the goal of accelerating progress on human development over the next four years.

(b) *Highlights* the urgent need for additional efforts by the international community to make the achievement of the internationally agreed development goals, including the MDGs a reality by 2015 for all developing countries but particularly for the least developed countries, landlocked developing countries and small island developing states.

(c) *Emphasizes* support to capacity development for effective aid management, and south-south cooperation as key elements which contribute to development effectiveness in UNDP activities leading to enhanced national and local capacities for human development and achievement of the MDGs.

(d) *Uses* inclusive and sustainable growth, as its connecting theme to place particular attention on those that are being left farthest behind in a world of expanding affluence but exploding inequality.

(e) *Articulates* UNDP roles in line with its mandate defined through the intergovernmental process: (i) To support the coordination and enhancement of United Nations system efficiency and effectiveness at the country level and; (ii) To provide knowledge, policy advice, advocacy, and technical support in four focus areas on the basis of good practice and comparative advantage: poverty reduction, democratic governance, crisis prevention and recovery, and environment and sustainable development.

(f) *Pursues* capacity development across the four focus areas to propel and sustain national changes in human development as the overarching

UNDP service to programme countries.

(g) *Promotes* the mainstreaming of gender equality and women's empowerment throughout its programmes as an important means to achieve the MDGs in accordance with national development strategies

(h) *Allows* for measurement of programme and management results to ensure accountability of UNDP in terms of outcomes.

(i) *Uses* regular and other resources, in line with the strategic plan, to: (i) support programme activities; (ii) ensure effective programme implementation; (iii) facilitate United Nations coordination; and (iv) support management functions.

## II. Setting

### A. Global development challenges

4. Globalization is advancing at a breathtaking pace, but at different speeds in its various dimensions, affecting particular groups, regions and countries quite differently. It is critical that globalization embrace development and foster enabling conditions at both national and international levels. National efforts must be complimented by access to markets and financial flows. While globalization has been a key driver of economic growth benefiting hundreds of millions of people, these benefits have not been shared equitably either among or within countries. Many of the poorest people in the world – not least in rural areas and in fast-growing slums – are essentially excluded from market participation and therefore also from the benefits of globalization. Many farmers in Africa, for instance, see few prospects for improving the quality of their lives unless they become better connected to national and global markets and are much better equipped with the knowledge, skills and other resources necessary to thrive in these markets.

5. One major result of this exclusion, and the limited ability of many countries and groups of people to take advantage of global opportunities, is the explosion in income inequality that is being witnessed within and across countries. And there are other challenges that stem from globalization. Economic insecurity linked to rapid structural changes is increasing, global criminal networks are controlling large amounts of resources, and health experts warn of the danger of major global pandemics. Most of these challenges cut across regions and national boundaries, weakening the ability of countries to deal with the problems individually – which strengthens the case for closer, more effective international cooperation.

6. Not all development challenges are the result of global processes. Within many countries, serious impediments to progress derive from situations where macro policies, legislative environments, the capacity of public institutions, and social structure contribute to limiting choices and opportunities for a better life for millions of people.

7. The state is crucial to building a more inclusive, empowering environment with opportunities for all. There are increasing numbers of cases in which states are challenged to meet the needs of their citizens. That was an important finding of the 2004 UNDP study on democracy in Latin America. In many countries, public sector agencies – ranging from ministries to water utilities to local school boards – are unable to deliver the goods and services that people expect.

Moreover, while democratic governance has expanded worldwide, there have also been reversals that have resulted in the limiting of people's rights and freedoms.

8. Conflict, disaster, and epidemics also derail development. While some of these have roots in global events or processes, quite often weak national capacity contributes to the level of devastation in peoples lives. Estimates suggest that the global annual cost of states in conflict is far greater than current Official Development Assistance (ODA); indeed, it is higher than total ODA would be even if all the members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) reached the target level of 0.7 per cent of gross national income (GNI). Natural disasters take a human toll that exceeds that of armed conflict, and they appear to be worsening and becoming more costly. A historical record in insured losses attributable to natural disasters (\$80 billion) was reached in 2005. Of the 20 most costly disasters over the last 35 years, 10 occurred during the past five years.

9. HIV/AIDS, malaria, tuberculosis and other global pandemics continue to devastate communities throughout the developing world. The AIDS pandemic has reduced life expectancy by more than 15 years in many countries, and renders the prospects for development quite difficult. In some countries much of the devastation caused by AIDS could have been averted or reduced if more urgent and purposeful national actions had been taken earlier. Meanwhile, health experts warn of the dangers of other global pandemics.

10. All these daunting obstacles exist against a backdrop of environmental challenges, including those caused by climate change, one of the most urgent challenges of the coming decades. Many of the most vulnerable countries are among the poorest, and many of the poorest people are among the most vulnerable. Other severe environmental challenges include the destruction of biodiversity, desertification, degradation of arable lands and freshwater supplies, and proliferation of hazardous chemicals. International cooperation will be crucial to reversing the current trends.

11. Helping nations, communities, and people confront and solve these various global and national challenges is the job of the development community, of which UNDP is part. The international community has made its commitment to this task very clear. The Millennium Development Goals (MDGs), and the broader internationally agreed development goals, reflect a common understanding that global challenges must be managed so that they lead to broadly based, inclusive progress and so that attention is given to all the dimensions of human development.

## **B. The United Nations and the development agenda**

12. First, the triennial comprehensive policy review (TCPR) stresses that national governments have the primary responsibility for the development of their countries, and recognizes the importance of national ownership of development programmes. Furthermore, it emphasizes that recipient governments have the primary responsibility for coordinating external assistance on the basis of national strategies and priorities.

13. Second, despite pressing global challenges, there are real hopes for

accelerating progress to achieve the MDGs and, ultimately, human development. There is a consensus that, while much remains to be achieved, significant progress has been made on the MDGs. Millions of people have been lifted out of extreme poverty, and many countries are seeing improvements on their human development indicators. Far more can be achieved – in most of the poorest countries as well as in many fast-growing middle income countries – if and when commitments already made by developed and developing countries are met.

14. Third, there is substantial convergence of views on the critical development actions needed to achieve the MDGs and respond to the global challenges outlined above. That convergence emanates from the Millennium Declaration and the 2005 World Summit. The necessary actions include: the promotion of economic policies that aim at macroeconomic stability and inclusive growth; good governance; vibrant private enterprise; the active political, economic and social participation of all citizens; the promotion of gender equality; and the scaling up of investments in essential infrastructure and social services.

15. Fourth, the broad consensus on actions needed is accompanied by a clearer definition of the role of the United Nations in helping countries attain the MDGs. The 2005 World Summit embraced the role of the United Nations in development – but also called for “more efficient and effective support to member countries”. General Assembly resolution 59/250 on the TCPR recognized that strengthening the role and capacity of the United Nations development system to assist countries in achieving their development goals requires a continuing improvement in effectiveness, efficiency, coherence and impact. Harmonization and simplification of processes is advancing, but more will need to be done within the United Nations to respond to new aid delivery mechanisms such as direct budget support, sector-wide approaches and joint programmes.

16. Fifth, consensus is emerging on the financial resources needed to help countries improve the lives of their people. Agreement to increase ODA levels significantly to help developing countries achieve the MDGs was a crucial underlying compact of the Millennium Summit in 2000 and the 2002 Monterrey Conference on Financing for Development. Unfortunately, five years after the conference that commitment has not been met. A turnaround in this trend is needed, including greater and more secure and predictable funding of the United Nations.

17. Increased effectiveness means that United Nations organizations, working with governments, must build stronger partnerships with bilateral and multilateral development partners and international financial institutions where there are shared values as well as common objectives and resources. Similarly, the resources of global and national private enterprise, foundations, and other civil society organizations remain vital but substantially under-utilized in promoting human development. Stronger partnership with the private sector will be crucial to the success of development. Further efforts are required to benefit from the approaches and potential of South-South cooperation to enhance development effectiveness, including through national capacity development.

### **C. Roles of UNDP**

18. UNDP fulfils two roles at the service of the international community, Member States and society at large. The two roles are mutually reinforcing.

19. On the one hand, UNDP has been requested to strengthen its role in supporting the promotion of coordination, efficiency and effectiveness of the United Nations system as a whole at the country level. In resolution 59/250 on the TCPR, the General Assembly reiterated that the management of the resident coordinator system “continue[d] to be firmly anchored in the United Nations Development Programme”.

20. On the other hand, UNDP continues to provide policy and technical support by working on and advocating for the multisectoral challenges of poverty reduction, democratic governance, crisis prevention and recovery, and environment and sustainable development. UNDP work in those areas, and in promoting gender equality and women’s empowerment, supports programme countries in strengthening their own capacities to design and implement development strategies that reflect specific national circumstances and national objectives, within the overall framework of the internationally agreed development goals. This work is strategic, integrative, focused on intersectoral linkages, and always aimed at strengthening national institutions, governance capabilities and citizen participation. It is undertaken jointly with governments, in partnership with United Nations organizations, civil society and the private sector, and with the support of donor countries and international and regional financial institutions.

### **III. Direction**

21. UNDP is charting a course for the future by implementing the strategic direction approved by its Executive Board, basing its activities on the fundamental values of the United Nations, learning from its past, and leveraging core competencies and unique capabilities, such as its dual role, extensive knowledge network, universal presence, decentralized structure, and business model.

#### **A. United Nations values for development**

22. The Millennium Declaration (A/RES/55/2) highlights six fundamental values necessary for sustainable human development: equality, solidarity, freedom, shared responsibility, tolerance and respect for nature. UNDP is committed to supporting the realization of these values around the world, and has designed its coordination and programmatic work for 2008-2011 to reflect that commitment.

23. In the 2005 World Summit outcome (A/RES/60/1), heads of state and government resolved to support the further mainstreaming of human rights throughout the United Nations system. UNDP will uphold universal United Nations norms and standards, including those related to human rights. UNDP does not have any normative or monitoring role with regard to human rights.

24. UNDP will take a human development-based approach to programming, which has certain basic prerequisites if it is to be effective. National leadership and ownership of development interventions is essential since development solutions reflect and are adapted to local circumstances and aspirations. Both the programmatic and coordination roles of UNDP should be demand-driven and guided by United Nations tenets of impartiality and universality, The UNDP

approach to development issues at the country level is one of support to national capacity development, not of political conditionality.

## **B. Building on lessons learned**

25. Drawing on a broad range of consultations, and a variety of UNDP, programme country, donor, and inter-organization evaluations, UNDP has been able to identify a number of crucial lessons that contribute to a better understanding of its strengths and weaknesses. The integration of the development effectiveness 'drivers' in the implementation of the multi-year funding framework (MYFF), 2004-2007, for example, was uneven, due in part to their large numbers and relative dissimilarities.

26. The lessons learned provide much evidence that UNDP has supported strong development results and progress. In areas such as democratic governance and crisis prevention and recovery, experience demonstrates the ability of UNDP to deliver solid support to enhance national capacity. In the area of poverty, UNDP advocacy and use of tools such as the Human Development Reports and national MDG reports have provided powerful impetus to country efforts to scale up activities to achieve the MDGs. UNDP has contributed to environment and energy issues through work with the Global Environment Facility (GEF) and Montreal Protocol programmes, which have mobilized significant funding. UNDP has also stepped up partnerships with civil society organizations and the private sector.

27. In other areas, experience highlights a number of areas for review:

- (a) Providing effective, practical support to address income inequality and promote the inclusion of vulnerable populations;
- (b) Promoting systematic efforts to mainstream gender equality;
- (c) Moving beyond advocacy to specific policy advice, which would balance inclusiveness and distributional concerns with macro-stability, economic growth, and fiscal sustainability;
- (d) Supporting programme country access to wider United Nations resources, such as the Department of Economic and Social Affairs (DESA), the United Nations Conference on Trade and Development, and non-resident specialized agencies;
- (e) Demonstrating enhanced capacity to support the management of conflict and natural disasters, UNDP may need to (i) do more to help address risks before crises occur; (ii) help build capacity to respond faster to crises and put early recovery actions into place even during the humanitarian stage of a crisis; and (iii) have in place predictable internal funding and resources for rapid deployment after a crisis;
- (f) Coordinating environmental management capacity with the United Nations Environment Programme (UNEP) and other organizations while integrating environmental concerns into the broader development agenda, such as the dialogue on poverty reduction strategies;
- (g) Focusing on the implementation of country-specific policies quantifying priorities, integrating activities across sectors for greater synergy and effectiveness, and building on local knowledge and resources;
- (h) Achieving better focus and promoting a culture of results management through the MYFF while ensuring that service lines do not excessively stress sectoral approaches to programming; and

- (i) Improving accountability systems and risk management to address the growth and increasing complexity of UNDP operations as highlighted by internal and external audits

### **C. The UNDP business model**

28. Global development challenges, lessons learned, and General Assembly-directed United Nations reform, all point to the need for strengthening the UNDP business model, which encompasses support to United Nations coordination, advocacy and development services. The business model provides the framework for UNDP support to programme countries towards the fulfilment of their national development strategies, specifically noting:

- (a) UNDP programme support for national development priorities in line with General Assembly resolution 34/213, which affirmed the responsibility of Governments in coordinating assistance at national level;
- (b) Enhanced support for United Nations coordination, in line with the affirmation by resolution 34/213 of the role of the resident coordinator in terms of overall responsibility for the coordination of United Nations operational activities for development at country level, and the subsequent recommendations of General Assembly resolution 59/250 to provide further support to the resident coordinator system;
- (c) Support to national governments in creating an enabling environment in which the links among national governments, the United Nations system, civil society, non-governmental organizations and the private sector are strengthened in the search for new and innovative solutions to development challenges in accordance with national policies and priorities. In that connection, UNDP will pursue innovative strategic partnerships with civil society organizations and networks, as well as with the private sector. South-South cooperation will also be an important element of corporate and country-level partnership strategies. UNDP will annually identify initiatives that gradually widen the array and impact of partnerships. The initiatives will include:
  - (i) Strengthening existing partnership arrangements, reflected in memoranda of understanding with United Nations partners, to ensure a practical division of labour and to create synergies;
  - (ii) Seeking more structured partnerships with international financial institutions, in particular the World Bank, by 2008, in at least three critical areas: the MDGs and poverty reduction; early recovery; and aid effectiveness;
  - (iii) Establishing networks, including South-South networks, for United Nations system-wide support to boost local entrepreneurship, private-sector development and civil society in at least 50 countries by 2009, in collaboration with United Nations partners;
- (d) Refinement of internal institutional arrangements of UNDP to bring corporate and regional policy and advisory support closer to where they are needed on the ground, and to make those services more responsive to country programme needs. That will entail understanding the different contexts in which UNDP works, and tailoring its services (advocacy, policy and advisory, and technical support) to the specific needs of programme countries;

(e) Effective knowledge management through the global presence of UNDP and use of its knowledge and resource management systems – two of its main comparative advantages. To deliver effectively on the agenda laid out in the present plan, UNDP must: (i) further expand and improve its existing knowledge networks; (ii) open the networks to other United Nations staff and help build open United Nations-wide knowledge networks; and (iii) gradually open the networks to allow direct participation by external experts, civil society and institutions. Work has already begun in all three areas.

#### **D. Charting the course**

29. In a world of expanding affluence and exploding inequality, sustained and equitable economic growth serves as a key connecting theme for UNDP work for 2008-2011. This connecting theme recognizes that while overall progress of productive capacity is necessary and must be accelerated, particular attention must be placed on how those who are being left farthest behind can be included in the process of growth. The fight against poverty cannot be won by charity, but by a restructuring of the economic process that leads to greater inclusion, economic growth, and capacity development. An effective, coherent United Nations system at the country level can be a powerful agent to support countries in achieving balanced, accelerated, and inclusive human development.

30. A concerted and collective focus on human development and the MDGs is crucial to long-term results. UNDP and its partners should continue to help monitor the progress of the Goals and direct resources to where they are most needed. Improving the collection and quality of data will be essential, and UNDP will work closely with its partners, particularly DESA, United Nations regional commissions and the World Bank. The ‘MDG monitor’, a new online tool that consolidates the latest existing statistics on the Goals, will continue to evolve as a central point for information on progress towards all the Goals, adding new tools and status updates as they become available.

31. Global and collective advocacy efforts can help boost awareness – and indeed progress – in meeting development goals. Publications such as the *Human Development Report*, the *World Development Report*, and *The State of the World’s Children* are powerful advocacy tools serving the interests of the poor. All partners have noted the need for more consistent follow-up on these reports and better coordination and cooperation to further leverage their impact on development.

32. The strategic plan lays out UNDP work in the governance area, which will now be better aligned to the needs of the poor. UNDP work on poverty reduction and democratic governance will be built around the provision of more effective support to countries to design and implement policies and programmes that can contribute to economic growth and national capacity development, and to the reduction of various forms of inequality. UNDP supports programme countries in strengthening their capacity to regulate markets for goods and services in ways that ensure equity and access for the poor women as well as for other vulnerable groups. Likewise, work in crisis prevention and recovery, and environment and sustainable development, will include stronger, more explicit strategies for promoting gender equality, promoting women’s security and empowerment, and protecting vulnerable groups.

33. National ownership underpins the activities of UNDP, capacity development being its overarching contribution – particularly relevant to the special needs of Africa, the least developed and landlocked countries, and small island developing states. Work on capacity development includes supporting countries in diagnosing capacity assets and constraints, and in costing and supporting capacity development strategies.

34. Effective aid management and South-South cooperation will also guide UNDP interventions. UNDP increasingly supports capacity development services through South-South cooperation, by facilitating linkages and sharing experiences, expertise, institutional resources, and knowledge among developing countries.

35. The promotion of gender equality – including the empowerment of women – is a key dimension of the strategic plan. UNDP integration of gender equality is intended to ensure not only that mainstreaming takes place in all areas of operations and programming, but that real progress is made in supporting countries in reducing gender inequalities and improving the lives of women. UNDP will continue to mainstream a gender perspective and pursue gender equality in country programmes, planning instruments, and sector-wide programmes. Specific country-level targets will be articulated in accordance with national development strategies.

## **IV. UNDP coordination for coherence**

### **A. The call for coherence**

36. While coherence is not an end in itself, there have been repeated calls by all development partners for greater coherence on the part of the United Nations system, and of development partners as a whole, to ensure that development cooperation and common work on global public goods becomes more efficient and effective in supporting programme countries in achieving national development goals and human development objectives.

37. The 2007 TCPR will further guide the direction and delineation of functions within UNDP and between UNDP and its United Nations partners. A review will be undertaken at the annual session 2008 of the Executive Board, to make any necessary adjustments to the strategic plan based on the final 2007 TCPR recommendations. The General Assembly discussions on the High-level Panel report and their final outcome will provide further guidance on system-wide coherence and coordination.

38. As established in General Assembly resolution 34/213, and most recently underscored in resolution 59/250, the management of the resident coordination system continues to be firmly anchored in UNDP. UNDP must adjust this management role to the evolving needs of the Member States and the United Nations system to work more effectively and efficiently in delivering development results. UNDP will leverage its assets, experience and financial resources to strengthen overall United Nations coherence and make it a more effective development partner.

39. In order to respond to resolution 59/250, the strategic plan re-emphasizes the need for participatory, collegial and accountable management of the resident

coordinator system. The strategic plan reflects a more explicit, transparent UNDP coordination role, supporting and enhancing the overall coherence of the system so as to respond more effectively to the development priorities of programme countries. This vision will entail quantifiable, credible, and effective measures in eliminating conflict-of-interest issues.

40. The proposed UNDP approach consists of two interrelated components:
- (a) Clarity as to the functions UNDP performs on behalf of the system, defining the distinctive arrangements that will characterize their performance; and
  - (b) Resource projections consistent with, and in support of, the above approach.

## **B. UNDP support to strengthening United Nations system-wide coherence**

41. This function requires a distinct structure to ensure clarity of UNDP senior management roles encompassing United Nations-wide and UNDP-specific functions. Distinguishing characteristics include:

- (a) Formal participation of United Nations organizations in decision-making processes pertaining to the resident coordination system;
- (b) Decision-making separate from UNDP internal operational decision-making processes;
- (c) Clarity between the UNDP role in carrying out managerial functions on behalf of the system and its operational activities;
- (d) Distinct administrative structure (separate from that of UNDP operations);
- (e) Distinct accountability line (separate from that of UNDP as a participating programme); and
- (f) Measurement of success based on independent assessment of the integrity of the governance arrangements in place.

### *Strengthened management and accountability of the resident coordinator system*

42. Based on partner consultations and UNDG agreed guidance and programme/operations instruments, UNDP will undertake a series of important actions to strengthen the management and accountability of the resident coordinator system. Specifically, UNDP will:

- (a) Together with the United Nations country team (UNCT), implement processes in 2007-2008 to assess the content of United Nations Development Assistance Frameworks (UNDAFs) and to ensure improved strategic focus;
- (b) Review and revise the job descriptions of resident coordinators and country directors to ensure clarity and a clear demarcation of roles, responsibilities and accountability;
- (c) Ensure that resident coordinators mobilize resources for the United Nations development system at the country level in accordance with UNDAF priorities;
- (d) Train and put in place an additional 50 country directors by 2011;
- (e) Institutionalize common standards, in collaboration with other organizations, towards enhancing the effectiveness of the regional director teams by 2008;

- (f) Implement the common appraisal system of resident coordinators, and introduce an independent system to monitor the integrity of that system, by 2008;
- (g) Develop and introduce a global participants' survey as one element of a process to institutionalize an objective assessment process for managing the resident coordinator system. The survey will be implemented biennially, starting in 2008;
- (h) Revise resident coordinator selection and appointment procedures and continue to increase the percentage of non-UNDP originating resident coordinators to between 40 and 50 per cent by 2011, while ensuring that resident coordinators have development experience and, as required, humanitarian aid experience; and
- (i) Establish a formal recourse procedure by the first quarter of 2008.

*Strengthened resident coordinator capacities and knowledge management*

43. UNDP is committed to strengthening support to the United Nations system-wide development agenda in line with existing inter-governmental mandates, and to promoting active follow-up on that agenda throughout the system. Critical to the goal of more effective management of the resident coordinator system will be the implementation of enhanced knowledge-management systems and training programmes, as indicated in resolution 59/250.

44. During 2008-2011, in collaboration with United Nations partners, UNDP will:

- (a) Invest in improving the resident coordinator knowledge-sharing system and integrating at least five other United Nations organizations as full partners in the system by 2009;
- (b) Provide security training as a routine, institutionalized practice, to increase the understanding of the role of resident coordinators as designated officials; and
- (c) Develop and roll out, in consultation with United Nations partners, a newly designed resident coordinator induction course as well as a new set of courses tailored for resident coordinators on substantive issues relating to the global development agenda, in line with inter-governmental agreed mandates.

*A more coherent, coordinated United Nations system at the country level*

45. Resolution 59/250 called for the United Nations development system to improve its country-level coordination so as to optimize its support to national development efforts, at the request of national authorities. The United Nations development system is piloting innovative approaches in Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam, working with national governments to improve its country-level operations. UNDP is committed to working closely with its national and United Nations Development Group (UNDG) partners in support of the successful implementation of those pilots and other country-level initiatives, in line with 59/250.

46. The United Nations Evaluation Group (UNEG) will support the evaluative process for the pilots under the overall direction of the TCPR. After an

appropriate implementation period, a full-fledged evaluation of both process and results would be undertaken. UNEG will look at the quality of the results framework for an early self-assessment of progress, the lessons learned from which will be shared with the Executive Board as part of a plan of action within the 2008-2011 cycle. UNEG will manage an independent evaluation of the process in 2009.

*Management of pooled resources and effective service provision*

47. UNDP is frequently requested to provide a range of services on behalf of the United Nations system, and, where it does, it will continue its efforts to enhance the efficiency and effectiveness of the services, which include:

- (a) Administrative agent functions for global, high-profile and/or complex multi-donor trust funds (such as the UNDG-Iraq Trust Fund and the Peacebuilding Fund) and other multi-donor trust funds, and ensuring the highest standards of public disclosure for UNDG funds.
- (b) Provision of management and operational services in areas such as payments and related services, administrative services including human resources administration, and common services and premises. Those services will be provided on a full cost-recovery basis, and clear performance standards will be established for each area.
- (c) Promotion of and support for simpler, more coherent business processes within the United Nations system. In that regard, UNDP is part of the United Nations-wide International Public Sector Accounting Standards (IPSAS) implementation efforts. Other important harmonization efforts include the development and implementation of an Inter-Agency Finance Accountability Framework and the full adoption of the Harmonized Approach to Cash Transfer by 2008.

*Supporting inter-organization collaboration*

48. The current structure for inter-organization collaboration has been reviewed by the Chief Executives Board. Together with its United Nations partners, UNDP is committed to ensure a more coherent coordination system through the integration of UNDG, as a third pillar within the larger framework of the Chief Executives Board. UNDG, with continued technical support from the Development Group Office, will be the pillar that focuses on country operations, and on the formulation of guidance and country level application of policy decisions made by the other two pillars, the High-level Committee on Management and the High-level Committee on Programmes.

### **C. Resource projections to support the vision**

49. UNDP resource requirements and projections match the scope of the vision. UNDP projects growth in regular resources, which are fundamental to enabling UNDP to perform its coordination and core programmatic functions. UNDP projects a sustained level of 'other' income, reflecting the commitment to maintain programmatic volume overall, with a sharper focus and more effective division of labour within the system. Finally, UNDP is projecting an increase in the resources it will administer on behalf of the United Nations system, reflecting the expansion in demand for that function. UNDP resource projections represent a clear commitment to implementing the vision contained in the present strategic plan.

## V. UNDP operations

50. UNDP operations are anchored in the development priorities and plans of programme countries. National ownership constitutes the foundation of its work. This is premised on the fact that relevant, responsive development strategies and solutions are those that reflect national circumstances, capacities and aspirations. Development cooperation must therefore be led and managed by the country concerned, demand-driven, and based on effective aid management and mutual accountability.

51. The comparative advantage of UNDP lies in its holistic, cross-sector approach to human development. It has a vital programmatic role in contributing to global, regional and country-level efforts, through strengthened United Nations development effectiveness, to achieve the MDGs and other international goals. Based on country-level experience, lessons learned, consultations with partners, and established inter-governmental agreements, UNDP seeks to be fully responsive to national priorities and vigilant in avoiding unnecessary overlap and duplication with development partners, including specialized United Nations entities.

52. If national ownership governs the selection and design of UNDP programmes, then capacity development, simply stated, is 'how we do it'. At the request of governments, UNDP will seek to strengthen national capacities in four areas of comparative advantage aligned with the values and objectives of the Millennium Declaration: poverty reduction and the MDGs; democratic governance; crisis prevention and recovery; and environment and sustainable development. The inclusion of these focus areas in the strategic plan is not intended to suggest a one-size-fits-all approach, but rather to communicate particular areas of high demand for support that are matched with UNDP strengths. These are areas where stakeholders expect strong performance by the organization, with measurable results.

53. In supporting and building capacity for the design and execution of country-owned national development strategies and programmes, UNDP delivery should be based on expertise and comparative advantage in accordance with the criteria outlined in this section, building on the comparative advantages and expertise of all partner agencies working at country level. UNDP will intensify its activities within the focus areas, as outlined in the present strategic plan, and not normally engage in: (a) specialized sectoral activities; (b) small-scale projects without country wide impact; (c) infrastructure with no capacity building; or (d) stand-alone procurement of goods and services. A midterm implementation review will be presented to the Executive Board.

54. As part of the UNCT response to national demand, UNDP will stand ready to serve as the 'provider of last resort' in case of national capacity deficit or crisis when specifically asked to do so. Within the context of overall United Nations support for the MDGs, and when requested by national governments, UNDP, after consultation with United Nations organizations that have a mandate for operational activities in their respective areas of work, may exceptionally provide support in areas outside the agreed focus areas.

55. The contributions of the United Nations Capital Development Fund (UNCDF) and United Nations Volunteers (UNV) as set out in this chapter are integral parts of UNDP programmatic work. A strengthening of the

collaboration between UNDP and UNCDF is foreseen, taking full advantage of the unique investment mandate of UNCDF and its focus on the least developed countries. The increased collaboration is most clearly reflected in the areas of the strategic plan dealing with inclusive growth, inclusive participation, and restoring the foundations for development in post-crisis environments. With the United Nations Development Fund for Women (UNIFEM), opportunities for synergy are part of ongoing consultations. Jointly formulated outcomes and indicators measuring results in the focus areas, including the gender dimension, will permit UNDP and the associated funds and programmes to be more effective in achieving gender results by drawing on the comparative advantages and value added of each entity.

56. National ownership underpins UNDP activities. The following paragraphs outline the overarching contribution of UNDP – capacity development – along with the key approaches for development effectiveness, its four focus areas as well as the dimension of gender equality and the empowerment of women. UNDP operations are characterized by the following key elements:

### **A. National ownership**

57. UNDP activities are based on the premise that governments have the primary responsibility for the development of their countries and for establishing and leading the national development agenda. This principle applies in different development contexts, be they different stages of development progress or post-conflict and early recovery situations. In all cases, UNDP focuses its support on the development of national capacities, which must be led and grounded in endogenous efforts if it is to be meaningful and sustainable. That is at the heart of how UNDP understands and applies the principle of national ownership.

58. National ownership is integral to the harmonized United Nations programming process. That process builds on a development analysis, on which the UNDAF is based, resulting in the UNDP country programme document. That documentation frames the United Nations development role in a country, and is undertaken in direct response to national development strategies and priorities and aligned with national programming cycles. Full government engagement is sought throughout the programming process. UNDP country programmes are demand-driven, are designed and implemented jointly by national partners and UNDP, and are subject to approval and review by the Executive Board.

### **B. Capacity development: the overarching contribution of UNDP**

59. Human development – with its focus on the expansion and use of institutional and human capabilities – provides the conceptual basis for the longstanding UNDP commitment to capacity development. UNDP methodologies have influenced the approaches of OECD/DAC and the undg. Those methodologies reflect a shift from a supply-driven approach to a nationally led change process and give tangible form to the principle of national ownership.

60. As legislated by resolution 59/250, a more rigorous, systematic approach to supporting capacity development is called for to enhance UNDP assistance to the efforts of programme countries to achieve the MDGs and support human

development. UNDP capacity development services are underpinned by continuous research and analysis of good practices and lessons learned across countries, capacity assessment methodologies and response applications. These are continuously validated and adapted through the more rigorous monitoring and evaluation conducted today. UNDP has supported efforts to bring this body of knowledge and methodologies into UNDG, to facilitate common approaches to United Nations system support to national capacity development. This is in line with General Assembly resolution 59/250 calling for more effective United Nations support in that area.

61. UNDP will work closely with the other entities within the United Nations development system, as well as with global, regional and national partners, to support capacity development efforts through the provision of the following services:

- (a) *Capacity assessments*, supporting countries in mapping their capacity assets and needs in relation to what is required to accelerate human development and achieve the MDGs;
- (b) *Capacity development strategies*, facilitating partnerships to support the development of national capacity development strategies based on the assessments, and providing policy and technical services in institutional reform and incentives, leadership capacities, training and learning, and accountability mechanisms;
- (c) *Costing capacity development strategies*, providing a systematic costing of strategies, thus facilitating advocacy for the investments required in national capacity through national and sector strategies; and
- (d) *Monitoring and evaluation of capacity development*, including measurable indicators so that national clients can track progress in capacity development through monitoring and evaluation systems.

62. Work is under way to roll out the above methodologies and services to country programmes, using the 'Capacity 2015' capacity development trust fund to supplement current staff and regular resources to meet the expanding demand.

63. UNDP will continue to support the strengthening of national capacity to design and implement a human rights-based approach to national development programmes and policies. From a human development perspective, the approach focuses in particular on the principles of non-discrimination and equality. This translates in very practical terms into supporting the design and implementation of national MDG-based poverty reduction strategies that reflect the needs and responsibilities of all levels of society, to become engaged in and responsible for their own development processes, which affect lives and livelihoods. Given the cross-practice and inter-organization nature of this approach, UNDP will continue to play an active role in global initiatives such as the United Nations-wide Action 2 Initiative.

64. Achieving the MDGs thus involves the engagement of citizens and civil society organizations in designing and implementing national and local development policies and programmes. Expanding opportunities for people's participation in their own development contributes to the 'shared sense of responsibility' referred to in the Millennium Declaration. UNDP, with UNV and other national and international volunteers, is in a key position to support

programme countries and the broader United Nations effort at the country level to bring this resource to bear.

### **C. Effective aid management**

65. UNDP efforts to support programme countries in developing national and local capacities for human development and achievement of the MDGs will be characterized by support to effective aid management.

66. One of the key indicators of development effectiveness is the alignment of aid flows with national priorities and strategies and the need to reduce transaction costs for programme countries. UNDP is committed to supporting programme countries in enhancing effective aid management, in line with broadly accepted good practices. The TCPR calls on United Nations organizations to further strengthen the capacity of developing countries to make better use of the various aid modalities. This is a core application area for UNDP work in capacity development in support of national aid management and implementation capacities, in the context of national and regional initiatives, such as the Paris Declaration on Aid Effectiveness, to strengthen development cooperation.

### **D. South-South cooperation**

67. UNDP efforts to support programme countries in developing national and local capacities for human development and achievement of the MDGs will be characterized by stepping up efforts to seek South-South solutions in its areas of focus.

68. South-South cooperation has made – and continues to make – a valuable contribution to development progress and partnerships across regions. UNDP is dedicated to advancing South-South cooperation as a significant dimension of its contribution to the global partnership for development.

69. UNDP will step up efforts to mainstream South-South approaches in all focus areas in the following ways:

- (a) By leveraging its network of country offices in support of South-South solutions;
- (b) By seeking ways to strengthen the work of the Special Unit for South-South Cooperation, including the establishment of measurable targets, with its mandate to coordinate United Nations system-wide activities, to advise UNCTs, and to act as a catalyst of South-South exchange mechanisms;
- (c) By leveraging its global reach to assist programme countries in strengthening capacities to scale up the impact of such cooperation;
- (d) By assisting programme countries in identifying, documenting and disseminating cutting-edge experiences in critical development areas, including through the establishment of a unified system and database of best practices;
- (e) Within country and regional programmes, by encouraging the use of available institutional, technical and human resources in the South in meeting internationally agreed development goals, including the MDGs;
- (f) By supporting programme countries, at their request, in developing institutional capacities to manage, design and implement national South-

South cooperation policies and initiatives effectively, including through the establishment of multi-stakeholder focal points and networks at the national, regional and interregional levels; and

(g) By enhancing the coherence and coordination of United Nations system support to South-South and triangular cooperation through policy research and dialogue, broad public-private partnership engagement, and joint initiatives.

## **E. Poverty reduction and achievement of the MDGs**

### *Promoting inclusive growth, gender equality and achievement of the MDGs*

70. Poverty reduction is at the centre of United Nations work in development. As stated earlier, while economic growth is essential to human progress, it is not sufficient for achieving the MDGs. UNDP will support countries in accelerating inclusive growth to ensure equitable, broad-based human development. National human development reports, involving a broad spectrum of society in cooperation with national authorities, can inform and complement national planning documents and build the necessary 'bridges' between the gross domestic product/financial accounting approach and the wider, deeper human development approach.

71. UNDP assists countries in formulating, implementing and monitoring MDG-based national development strategies centred on inclusive growth and gender equality. That includes technical support for participatory MDG-related planning, reviewing existing strategies, and conducting needs assessments. Based on national requests, UNDP will help identify policy options, undertake diagnostic studies and conduct training to build local and national capacity. Emphasis will also be placed on supporting MDG planning processes at the sub-national level.

72. The contribution of UNDP will focus especially on four critical dimensions of the effort to build inclusive growth and achieve the MDGs. First among those is to integrate the pursuit of the MDGs into a national development strategy that links the MDGs to each other, captures synergies, and is comprehensive.

73. Second is to analyse data to help governments decide on the relative allocation of resources for health, education, irrigation, transport, and other sectors. UNDP can support analysis of the trade-offs, of the interaction between economic decisions and broader dimensions of human development, and of the overall coordination and harmonization process involving the donor community.

74. Third is to help create an enabling environment for access to a broad range of financial services, supporting the role of the private sector and small and micro-enterprises as potential vehicles for generating growth and employment, reducing poverty, and providing the poor with greater access to markets, goods, and services.

75. Fourth is to scale up public investments needed to achieve the MDGs. UNDP has invested significantly in building its capacity to provide support to countries in formulating and implementing MDG-based national development strategies. The MDG support team will focus on mobilizing and organizing

support from the broader United Nations system, and the MDG support agenda will be incorporated more closely into the UNDG framework. A UNDG policy network has been established, managed by UNDP, and UNDP chairs the coordination meeting of United Nations system chief economists on MDG matters. An MDG 'monitor' is being established to track progress towards achieving the MDGs. UNDP will work closely with the World Bank and the International Monetary Fund (IMF) to support countries in preparing and implementing MDG-based national development strategies as well as MDG-consistent medium-term expenditure frameworks, and scaling up MDG-related investments. UNDP will also work with the International Labour Organization to integrate employment strategies for poverty reduction into development strategies, and with other United Nations organizations in sectors pertinent to their mandate.

76. An important part of the work will be to support countries in assessing which state interventions can have the largest impact on reducing persistent inequities in a manner consistent with MDG achievement in highly unequal middle-income countries. The policy analysis that will emerge from work on inequality will address fundamental issues of the inclusive growth agenda.

77. Equity, inclusiveness and the effective reduction of poverty, depend on the ability of institutions to deliver public goods and social services, effectively regulate markets in the public interest and provide legal access to economic assets and opportunities in ways that are fair and equitable. UNDP will assist governments in the expansion of access to financial services for the poor. In response to country demand, it will provide support to improving regulatory frameworks for public service delivery to enhance access by the poor. In so doing, UNDP recognizes that no one size fits all needs. UNDP will forge strong partnerships with the Bretton Woods institutions and relevant United Nations organizations working in this area.

#### *Fostering inclusive globalization*

78. Well-formulated domestic policies will not be as effective unless the globalization process is beneficial to all developing countries. It will be particularly important that the international trade and investment regime and development finance are consistent with and supportive of MDG achievement and the fulfilment of other agreed international development goals for all developing countries. UNDP works closely with the United Nations Conference on Trade and Development (UNCTAD) to ensure that the globalization process is inclusive and supportive of MDG achievement.

79. Due to expanding demand from countries with limited capacity, UNDP has initiated regional trade and development programmes to build national capacity to analyse trade trends and trade policies and their effects on poverty reduction and human development. Such analysis can assist countries in targeting more effective, pro-poor trade policies, and can also provide support in negotiating bilateral, regional and multilateral trade frameworks that are conducive to human development. UNDP will seek to support the beneficial regional and economic integration of all developing countries. Policy research will be used to inform national multi-stakeholder processes, as well as governmental and inter-governmental policymaking processes, at national, regional and global levels, and will contribute to regional human development reports.

80. These regional initiatives are complemented by the enhanced Integrated Framework for Trade-Related Technical Assistance to Least Developed Countries. This is a six-organization initiative – UNDP, the World Trade

Organization, UNCTAD, the International Trade Centre, the IMF and the World Bank – that seeks to help the poorest countries overcome supply-side impediments to trade (such as lack of infrastructure or relevant institutions) and build international competitiveness. UNDP will contribute substantively to diagnostic trade integration studies; undertake specific capacity-building initiatives; and work to ensure that trade capacity becomes an integral part of national development strategies in least developed countries.

81. Another challenge facing developing countries is the generation of sufficient external financing (aid, debt relief, new borrowing, foreign investment, and capital flows) to supplement domestic resources. With its near-universal country coverage, UNDP can play a unique role in strengthening national capacities to negotiate and manage development finance, including the financial volatility that affects emerging-market developing countries particularly. UNDP also works with DESA and partner countries to advance proposals for MDG-consistent debt sustainability.

*Mitigating the impact of HIV/AIDS on human development*

82. By the end of 2005, almost 40 million people were living with HIV around the world, and over 25 million had died of AIDS. Reaching the MDG target of halting and reversing the spread of HIV/AIDS, malaria, tuberculosis and other diseases by 2015 is critical to achieving the other MDGs targets, particularly those related to poverty, education, gender equality, and child and maternal mortality.

83. As a founding co-sponsor of the Joint United Nations Programme on HIV/AIDS (UNAIDS), UNDP is responding to the multisectoral challenges of the HIV/AIDS epidemic and contributing to comprehensive United Nations system action. The UNDP response to HIV/AIDS is guided by the UNAIDS division of labour, which designates UNDP as the lead United Nations organization for addressing the dimensions of HIV/AIDS relating to development, governance, mainstreaming, legislation, human rights and gender. Within that framework, and taking into account the role of UNDP in the global response to pandemics as ‘principal recipient of last resort’ for the Global Fund to Fight AIDS, Tuberculosis and Malaria, during 2008-2011 UNDP will work with its government partners to focus its interventions in four priority areas:

(a) *Integrating HIV/AIDS concerns into national development processes.* Mainstreaming HIV priorities into national planning processes and poverty reduction strategies is critical to ensuring implementation of effective multi-sector action to mitigate the impact of HIV/AIDS on sectors, communities and households. As recommended by the Global Task Team on Improving AIDS Coordination, UNDP is leading a global joint programme with the World Bank and the UNAIDS secretariat to provide technical support and resources to countries. UNDP is in charge of multi-stakeholder capacity-building activities and support to implementation at the country level, while the World Bank guides training activities at the regional level. The joint programme now covers 14 countries in sub-Saharan Africa, and will be expanded to an estimated additional 40 countries during 2008-2011.

(b) *Strengthening the governance component of AIDS responses:* To respond to the complexity of the HIV/AIDS epidemic, national responses require coherence and coordination at the national level, coupled with

decentralized action and the participation of a wide range of stakeholders across government, civil society and the private sector. Strengthening the coordination capacity of national AIDS authorities, and promoting harmonization and alignment of United Nations system and donor support to national efforts, is a priority in order to avoid the duplication and fragmentation of programmes. UNDP also promotes meaningful civil society participation in planning, implementation and evaluation of AIDS responses – particularly networks of people living with HIV, women’s groups, and vulnerable and marginalized groups affected by AIDS.

(c) *Promoting human rights and gender equality.* Protecting human rights and promoting gender equality are essential for reducing vulnerability to HIV and mitigating the impact of AIDS on women and girls. AIDS stigma and discrimination drive the epidemic underground and hinder access to prevention, treatment, care and support services. Promoting an enabling legislative environment and women’s empowerment is critical to scaling up HIV/AIDS responses.

(d) *Accelerating implementation of Global Fund programmes to tackle AIDS, tuberculosis and malaria.* Countries are receiving more funding than ever before from multilateral initiatives such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, but they are often unable to implement necessary programmes effectively due to insufficient or overstretched capacity. UNDP collaborates with the Global Fund in developing the capacities of national stakeholders to implement Global Fund grants to tackle AIDS, tuberculosis and malaria. In circumstances where there are no suitable national recipients, countries have asked UNDP to provide financial and programmatic oversight for Global Fund grants in its capacity as principal recipient of last resort. In addition, UNDP builds the capacity of local partners to develop, implement, manage and track their own Global Fund programmes.

## **F. Democratic governance**

84. To consolidate and deepen democracy, free and fair elections must go hand in hand with efforts to support all people in attaining the opportunity to participate in the decisions affecting their lives. Local, regional and national governments must use their capacity and resources to deliver effective economic and social policies that promote human development and manage the public services that citizens expect. Moreover governance needs to be grounded in the principles of human rights, transparency and honesty, and gender equality embodied in the United Nations Charter and internationally agreed mandates.

85. At the request of programme countries, UNDP supports democratic governance goals through strengthening core institutions at all levels: national, regional and local/decentralized. The general challenges of consolidating and deepening democracy apply to developed as well as developing countries. They are most urgent in states emerging from conflict, where violence has contaminated the reservoir of social trust needed for social cohesion and mutual tolerance. UNDP collaborates with other United Nations entities such as the United Nations Department of Peacekeeping Operations and the Peacebuilding Commission, which have related but distinct mandates, to support countries develop transitional governance structures.

*Fostering inclusive participation*

86. UNDP supports national authorities in strengthening civic engagement at the local, regional and national levels. Mechanisms and opportunities for this engagement include electoral laws, institutions and processes, mobilization channels (such as political parties and civil society organizations), and communications channels (access to information networks, e-governance, and independent media). UNDP democratic governance initiatives are designed to support the efforts of programme countries to enhance participation in public policy dialogues and decision-making. Collaboration with UNCDF and UNV is strong in this area, along with many other United Nations organizations and external partners.

87. UNDP supports governments in the identification of effective interventions strengthening participation by the poorest social sectors, as well as by women, youth, persons living with disabilities, and indigenous people. Low or eroding civic participation is of concern for many countries, raising questions about public confidence and government legitimacy. Support to mobilize civic engagement among these groups is a basic foundation for strengthening their access to the policymaking process. In its work on electoral systems and processes, UNDP collaborates closely with the Electoral Administration Division of the United Nations Department of Political Affairs, following a division of labour agreed by the United Nations General Assembly.

*Strengthening accountable and responsive governing institutions*

88. Enhancing accountability and responsive institutions is a critical element of democratic governance for human development. UNDP support to national governments focuses upon three branches of government: (a) strengthening legislatures, regional elected bodies, and local assemblies; (b) supporting public administration reforms, in national governments and local authorities; and (c) promoting access to justice and the rule of law. In these areas, programme priority is given to strengthening the mechanisms of responsiveness and public accountability to the concerns and interests of poor people, women, and other vulnerable or excluded groups. UNDP supports effective national public policy processes where the public sector at local, regional and national levels develops the capacity and resources to manage policies and services. Expanded capacity of governing institutions helps create a facilitating environment for delivering other goals for poverty reduction, crisis reduction, and environmental protection. UNDP works closely with the World Bank on economic governance, with the United Nations Task Force on the Rule of Law on justice, with UNIFEM on gender equality, and with the United Nations Human Settlement Programme and UNCDF on issues of local and regional governance, decentralization, and localization of the MDGs.

89. One main initiative in this area is to focus on multisectoral accountability mechanisms. UNDP has amassed considerable experience on specific interventions to improve accountability to the poor and those women who are excluded, such as access to justice, gender-based budgeting, parliamentary oversight, and citizen report cards. But until now, many interventions have focused on a single sector. Challenges in accountability systems include the interaction among institutions and sectors – between government and parliament, civil society and government, or rule-making institutions and justice enforcement mechanisms, for example. In this area, UNDP and DESA

collaborate in particular on public administration reform, public sector ethics, decentralized governance and e-governance.

*Grounding democratic governance in international principles*

90. At the 2005 World Summit, member states emphasized that the United Nations should “strengthen linkages between the normative work of the United Nations system and its operational activities”. UNDP will respond to requests from national partners to build national institutional capacity for implementing human rights, gender equality, and anti-corruption standards appropriate in each context. UNDP will work closely with partner organizations, including the office of the United Nations High Commissioner for Human Rights, the United Nations Office on Drugs and Crime, and UNIFEM, within the framework of relevant international agreements.

91. A strategic initiative in this area will develop nationally owned democratic governance assessments. Methods and approaches will be identified for nationally owned democratic governance assessments designed to serve the needs of policymakers, identifying the institutions and processes for reform, setting milestones and benchmarks, and developing systematic indicators to monitor progress. The results will be integrated into planning exercises by national partners, and in national human development reports, poverty reduction strategy papers, the African Peer Review Mechanism, MDG reports, and localization of the MDGs.

## **G. Crisis prevention and recovery<sup>1</sup>**

92. More than 40 countries have suffered violent conflicts since the turn of the century, resulting in over 25 million internally displaced persons and an estimated additional 12 million refugees. Since 2000, there have been over 2,800 natural disasters affecting Africa, the Americas, Asia, Europe and Oceania<sup>2</sup>. Compared to violent conflicts, the increasing frequency and scale of natural disasters pose separate but interlinked challenges, both economic and humanitarian. Today, 85 per cent of the people at risk of experiencing natural disasters live in countries with medium to low levels of human development.

93. While violent conflicts and natural disasters affect both developed and developing countries, their effect on countries with high levels of poverty and inequality has been to compound existing problems. This is particularly pronounced in countries suffering repeated disasters or protracted conflicts. Those countries find themselves caught in a vicious cycle of crisis, poverty and risk, which can fuel instability at the national, regional and global levels. The majority do not have the capacity to deal with these challenges on their own, often lacking sufficient resources or being caught in regional or global situations such as cross-border conflict. Global assistance to help prevent and mitigate the effects of such crises and to support government management of the process of recovery can help countries to restore the foundations to attain the MDGs, reduce human suffering and improve living conditions for the poor.

94. UNDP assists countries that are prone to natural disasters or face imminent conflict and have experienced severe disruptions in critical national or local

<sup>1</sup> This section integrates the UNDP strategic vision on assistance to crisis-affected countries (DP/2007/20) discussed and noted by the Executive Board at its annual session 2007

<sup>2</sup> Annual Statistical Review, 2006, Center for Research on the Epidemiology of Disasters <http://www.em-dat.net/documents/Annual%20Disaster%20Statistical%20Review%202006.pdf>

capacities, and countries that have been designated by the Security Council or Peacebuilding Commission as having a priority post-conflict situation. UNDP recognizes the unique challenges in each different country setting and adjusts its assistance to the needs and demands of each country. Some kinds of international support requested by national governments are common to both post-conflict and post-disaster situations, such as developing national and local capacities to manage risks, assess needs, and plan, lead, and coordinate recovery. However, the national capacity to manage and recover from crises varies in post-conflict and post-natural disaster situations and from country to country, with the resulting need to tailor the support offered to each specific situation. Gender empowerment will be given special emphasis throughout all UNDP activities in crisis-affected countries. The UNDP 'Eight Point Agenda for Women's Empowerment' and 'Gender Equality in Crisis Prevention and Recovery' will guide the activities within this area.

95. UNDP works with the Office for the Coordination of Humanitarian Affairs and the rest of the United Nations system to assist national authorities in initiating immediate early recovery and transition activities and to move from a short- or medium-term post-crisis recovery strategy into a longer-term national development framework. Specific measures in this area include the establishment of norms and guidelines; provision of assessment and programming tools to support country level recovery processes; and advocacy support to boost funding for recovery efforts. Increased attention will be given to supporting the Humanitarian/Resident Coordinators in (a) initiating the planning process for recovery during the humanitarian phase, based on a common understanding of each situation; (b) ensuring better integration of crisis prevention, risk reduction and cross-cutting issues into early recovery and existing programmes, (c) developing alternatives for enhancing resource mobilization for early recovery; and (d) improving access to surge capacity.

96. Supporting the International Strategy for Disaster Reduction (ISDR), and in close coordination with the ISDR secretariat, UNDP will assist with the implementation of the Hyogo Framework for Action (HFA), 2005-2015 in the increasingly urgent area of disaster risk reduction. Based on internationally agreed concepts and approaches concerning its mandated role in crisis prevention and recovery, UNDP will support national efforts to achieve the goals and objectives of the HFA in high-risk countries and will support the coordination of inter-organization thematic programmes and platforms identified as priorities in the HFA in the areas of disaster recovery, risk identification and capacity development.

97. UNDP supports the work of the Peacebuilding Commission in its efforts to address the special needs of countries emerging from conflict towards sustainable development. The main support is given at the country level by assisting with the development of nationally owned, integrated peacebuilding strategies and implementation of project activities under the peacebuilding fund. In addition, UNDP functions as the administrative agent for the peacebuilding fund. Close cooperation has been established with the Peacebuilding Support Office, including development of best peacebuilding practices.

*Enhancing conflict prevention and disaster risk management capabilities*

98. In response to country requests for assistance, UNDP will support national partners' conflict prevention and disaster risk management efforts by assisting with the development of long-term national capabilities and institutions. A key element will be assistance in identifying solutions for disaster-risk and conflict management based on a common understanding of the issues.

99. *Disaster risk reduction.* UNDP will work with national partners to integrate information derived from disaster risk assessments into national development plans and programmes, and will support the development of appropriate institutional and legislative systems and coordination mechanisms for managing and reducing disaster risks. This will include measures to promote gender equality and a focus on the most vulnerable groups. UNDP will support national partner assessments of natural disaster risk with tools such as the global disaster risk index. UNDP programmes include a special focus on managing urban risks and climate-related risks, taking account of urbanization and climate change.

100. *Conflict prevention.* UNDP will support national partner assessments of crisis risk with tools such as the conflict-related development analysis methodology. In terms of enhancing social cohesion and managing conflicts before they lead to violent tensions, UNDP will help strengthen national and local capacities to promote conflict-sensitive development and the non-violent management and resolution of disputes, in particular supporting South-South learning exchanges on gender, crisis management and risk reduction, and drawing on lessons learned regarding building the capacities of women's institutions for crisis prevention. When requested to do so, UNDP will also assist in building systemic capacities that address tensions before they lead to violence.

*Ensuring improved governance functions post crisis*

101. In the immediate aftermath of a crisis, UNDP will provide country-specific support by preparing, planning and implementing interventions to ensure national management of the development process, including restoring capacity for public service delivery and managing recovery aid coordination. In both natural disaster and post-conflict situations, UNDP support will facilitate an enabling environment conducive to recovery, restoration of administrative and service delivery capacity, and training of national stakeholders to strategize, negotiate and engage in dialogue with the aim of restoring governance functions. Collaboration with the World Bank will be intensified, including on the post-conflict needs assessments and post-disaster needs assessment methodologies. As part of the broader partnership efforts between the United Nations and World Bank, UNDP will continue to contribute to the establishment of institutional arrangements to facilitate reliable partnership approaches at the country level.

102. *Post disaster.* In most post-disaster situations, government systems remain functional, although commonly over-stretched. UNDP will focus on supporting country capacities to resume public service delivery as early as possible. During the humanitarian phase, UNDP will assist national governments with recovery planning as requested, by setting up aid coordination mechanisms and helping expand and strengthen the capacities of local administrations to manage the often overwhelming recovery process effectively.

103. *Post conflict.* Post-conflict environments tend to be complex and characterized by, inter alia, an erosion of human and institutional capital, economic stagnation and weak rule of law. The nature of the assistance requested to restore governance functions tends to be correspondingly wider. Assistance will include programmes contributing to the restoration of security and reconciliation. Based on the UNDP report 'Fostering post-conflict economic recovery' (forthcoming in 2007), practical policy and programming guidelines – aimed at catalysing economic recovery by identifying essential state functions to support economic recovery – will be developed, including innovative tools, assessment methodologies and best practice guidelines. UNDP will also develop recommendations for policies and capacity-building programmes to support reintegration and livelihood opportunities aimed at avoiding a return to conflict and reducing poverty.

*Restoring the foundations for local development*

104. Sustainable recovery in post-conflict and natural disaster settings requires the restoration of security and a revival of the local economy. This provides the conditions in which livelihoods can be rebuilt and damage to the social fabric repaired. In both post-conflict and natural disaster settings, UNDP will support the revival of sustainable economic activities at the national and sub-national levels, including collaboration with UNCDF to access a broad range of financial products, services and training; assist with the rehabilitation of productive assets and infrastructure; and support measures to strengthen community and other local organizations. Where requested, UNDP will support work on issues such as the reform of property and inheritance laws, land ownership, and regulations governing access to credit, especially as they concern women and other marginalized groups. The collaboration with UNCDF will include measures to strengthen local governments and other local organizations. The private sector has a role to play in economic revival and employment creation, and together with civil society organizations it will be an important partner in this work.

105. *Post disaster.* In the aftermath of disasters, there is a crucial window of opportunity in which the risk of future disaster can be reduced. Following a disaster, UNDP will use its knowledge of disaster risk globally to engage with governments and other partner institutions on a demand basis, not only in capacity development for recovery but also towards reducing the risk of future disasters. UNDP will tailor its recovery assistance to the particular needs of the affected communities. This could include supporting programmes to repair homes and other buildings and minor infrastructure in a risk-resilient manner; removing disaster rubble; and promoting employment opportunities in vulnerable communities, with particular attention to the recovery of women and the poor.

106. *Post conflict.* Conflict typically undermines human, social, physical and institutional capital at the local level. In addition to restoring livelihoods, local recovery efforts in post-conflict situations must often include a focus on reconciliation, restoring social cohesion, and creating a safe, secure environment in which recovery can take place. UNDP will support specific measures to build local and national capacities to demine farms and fields, reduce the availability of small arms and the incidence of armed violence, and

support the reintegration of former combatants and other conflict-affected groups in host communities.

## **H. Environment and sustainable development**

107. Poor people depend disproportionately on the environment for their livelihoods. Despite growing attention to environmental issues over the last two decades, insufficient progress has been made in integrating environment issues into national development priorities and financing those priorities. The Millennium Ecosystem Assessment of 2005 reported that over 60 per cent of the ecosystem services provided worldwide are in decline. The poor continue to have very limited access to energy services. Indeed, the number of people without access to modern energy services has declined only marginally over the last decades. Some 1.1 billion people in developing countries still lack access to clean water, and 2.5 billion lack access to modern fuel for cooking and heating. Added to those challenges, climate change is a growing threat to livelihoods and development: droughts, floods and other weather-related events reverse development in many parts of the world.

108. In degraded environments women have to spend more of their time collecting water and fuel wood, and children suffer more from respiratory and gastrointestinal diseases. Last year alone 1.8 million children died as a result of contaminated water supplies. Many community groups and ethnic minorities lack a voice in the management of shared resources and have little security of tenure over the land, forests and fisheries they manage. In all, local administrations have limited capacities to manage natural resources and provide services to the poor.

109. The UNDP goal in the area of environment and energy is to strengthen national capacity to manage the environment in a sustainable manner while ensuring adequate protection of the poor. Specific results have been identified to mainstream environmental and energy issues into development planning; mobilize finance for improved environmental management; address increasing threats from climate change; and build local capacity to better manage the environment and deliver services, especially water and energy. UNDP recognizes that disaster risk reduction has many elements in common with climate risk reduction and, where appropriate, will combine its efforts in these two areas.

110. UNDP and UNEP are strengthening their global, regional and country-level cooperation to help countries accelerate progress toward sustainable development. A memorandum of understanding between the organizations establishes how each will contribute to joint activities. Benchmarks are established to facilitate joint monitoring of its implementation.

### *Mainstreaming environment and energy*

111. UNDP will continue to support capacity development for countries to ensure that environment and energy are taken into account in drawing up and implementing national policies, strategies and programmes, also considering the inclusion of multilateral environmental agreements. Such capacity will include the ability to conduct environmental and energy assessments and ensure broad public participation in policy articulation. UNDP will provide advice, methodologies and tools. Substantive support will be offered in combating land degradation and desertification (including through the Drylands Development Centre); water governance and resource management; biodiversity and

ecosystem services for development; chemical management; and energy service delivery. In the case of land degradation and biodiversity conservation, UNDP will continue to mobilize GEF and other funding in its capacity as an implementing agency of the GEF.

112. A central initiative to support environmental mainstreaming is the Poverty and Environment Facility, a Nairobi-based unit that will build on UNDP and UNEP collaboration on the Poverty and Environment Initiative. The facility will provide technical products and services to regional offices to mainstream environment into national development planning, and will extend services in the substantive areas mentioned above.

#### *Mobilizing environmental financing*

113. Over the past 15 years, UNDP technical assistance in environment and energy has evolved from supporting technology demonstration projects to promoting market development for environment-friendly technologies. For example, in the case of wind power, where UNDP supported pilot wind farms in the past, it now focuses on the policy change and institutional development needed to promote greater private sector investment in wind energy (such as wind tariffs and power purchase agreements). UNDP has lead in mobilizing additional financial resources to support such market development efforts in developing countries, largely from global environmental funds such as the GEF. During 2004-2006, for example, UNDP/GEF secured \$2.8 billion in new commitments for environmental projects. But even those funds are not adequate to address all the needs. UNDP will use its financial and programme management expertise to put a broad programme of environmental financing into place. This programme will develop new approaches to stimulating markets and payments for environmental services such as environmental funds, carbon markets, and markets for eco-system services. Strategic partnerships with UNEP and with the carbon finance unit of the World Bank have been established for that purpose.

114. One UNDP initiative to increase environmental financing by developing environmental markets is the MDG Carbon Facility, launched in December 2005. The facility builds on the successful role of UNDP as a broker for GEF funding. It will identify and develop projects, mobilize co-financing, facilitate project approval and support project implementation, as well as provide Kyoto Protocol-related services such as registering project design documents with the clean development mechanism and accessing Carbon Emission Reductions Project traders.

#### *Promoting adaptation to climate change*

115. Evidence is mounting that climate change undermines development efforts: drought, land degradation, degraded water supplies and biodiversity loss threaten development in general, and the poor in particular. The objective of UNDP in climate change is to reduce the risk that it poses to developing countries – particularly for the poor – so as to permit attainment of the MDGs.

116. In addition to supporting countries in mitigating climate change (through energy efficiency programmes, for example), UNDP will enhance its capacity to respond to programme country requests for assistance in their efforts to adapt to the consequences of climate change. To achieve that objective, the strategy of UNDP focuses on supporting countries in (a) assessing vulnerability in key

sectors; (b) integrating climate change risk considerations into national development plans and policies; and (c) gaining access to new funding sources to support innovative adaptation initiatives.

117. UNDP has a strong record of support to countries in this area. UNDP helped secure funding for preparing numerous 'second national communications', as required by the United Nations Framework Convention on Climate Change, and is developing national adaptation programmes of action in the 30 least developed countries. The recently established Special Climate Change Fund and Least Developed Countries Fund, managed by the GEF with proceeds from the clean development mechanism for adaptation, will provide a solid financial basis for continuing work in the future. UNDP will also integrate climate risk management into its programmes across the four focus areas.

*Expanding access to environmental and energy services for the poor*

118. Access to environmental and energy services are essential for poverty reduction and economic growth. The scaling up of environmental (such as water and other ecosystem services) and energy service delivery to ensure nationwide coverage will require considerable institutional capacity development. This is especially true at the local level since service delivery is increasingly decentralized to local public authorities. In line with national policies, strategies and programmes, UNDP will strengthen the capacity of national and local authorities to undertake participatory planning processes, assessment and adoption of effective service delivery systems, including data generation and analysis as a basis for policy design. Building on extensive experience from the GEF Small Grants Programme and other initiatives, UNDP will assist local authorities in building the capacity of local agents including communities, non-governmental organizations, micro-, small and medium-sized enterprises, financial institutions and other private sector actors to manage and stimulate business and development benefits from environmental and energy service delivery.

## **I. Gender equality and the empowerment of women**

119. The Millennium Summit of 2000 reaffirmed gender equality (MDG-3) and women's empowerment as development goals, and underlined gender equality as an important means of achieving the other MDGs in accordance with national development strategies. UNDP will integrate a gender perspective into its four focus areas to increase development effectiveness. In addition, UNDP will set clear targets and benchmarks while creating enabling incentives and accountability systems throughout its own organization so as to achieve gender parity and gender sensitivity in the workplace. UNDP will inform its Executive Board on its progress in becoming a more gender-balanced organization, including among resident coordinators, and will continue to build internal capacity to address gender dimensions in all its work. Focus will be given to developing policy and measurement tools and indicators, regular monitoring and reporting, and advocacy. The UNDP gender strategy for 2008-2011 will build on its current gender action plan (2006-2007) to:

- (a) Develop capacities, in-country and in-house, to integrate gender concerns into all programmes and practice areas.
- (b) Provide gender-responsive policy advisory services that promote gender equality and women's empowerment in all focus areas, including in country programmes, planning instruments and sector-wide programmes.

(c) Support specific interventions that benefit women and scale up innovative models developed and tested by UNIFEM.

120. UNDP will work across practices and in partnership with other United Nations organizations on initiatives aimed at helping national partners to: (a) incorporate gender equality into MDG-based planning and monitoring and apply gender-sensitive budgeting techniques; (b) reduce violence against women, the vulnerability of women and girls to HIV infection, and the burden of care that falls on them; (c) expand women's participation in governance and decision-making processes and strengthen women's property and inheritance rights; and (d) reduce time burdens on women and girls by mainstreaming gender into environment and energy policies.

121. UNDP, UNIFEM, UNFPA, and the United Nations Children's Fund (UNICEF) have prepared a background paper that outlines their collective efforts to promote gender equality and women's empowerment, and the unique role of each organization in the process, for discussion with their respective Executive Boards.

## **VI. Managing for results: accountability, risk and resources**

122. UNDP experienced strong growth from 2003-2006, with aggregate income levels increasing from \$3.4 billion in 2003 to \$5.1 billion in 2006. This occurred most significantly in direct donor and multilateral contributions, in the form of 'other' resources earmarked for specific themes, countries and/or projects. Within the overall growth, the UNDP role in early recovery, and its service provision to the United Nations specialized agencies, funds and programmes have expanded. Continued substantial growth is expected in these areas. With growth comes complexity. The number of funding sources, including trust funds, within UNDP has increased dramatically over the last few years. UNDP has also been entrusted with resources to administer on behalf of the United Nations system. While these are not considered direct contributions to UNDP and thus are not counted as income, it is important to ensure the necessary organizational capacity for these administrative responsibilities.

### **A. Accountability framework**

123. Greater accountability is an overarching theme among the management priorities of UNDP. At the request of the Executive Board, UNDP is moving to strengthen a more comprehensive accountability framework to guide all aspects of its operations. This is consistent with its largely decentralized operational mandate and essential for rapid delivery in response to country demand.

124. The framework entails enhanced reporting to the Executive Board and UNDP partners; internal monitoring of performance against plans and budgets; and compliance with UNDP operational policies and procedures. It builds on a dynamic cycle of planning, performance monitoring and results reporting that reflects principles of ethics, risk management and learning. Key components of the accountability framework for the planning period include:

- (a) The present strategic plan as the basis of the accountability framework;
- (b) Documented functions, authority and accountability between the Executive Board and senior management;
- (c) An annual timeline for communications with the Executive Board and UNDP partners on the results of: (i) internal and external audit; (ii) independent evaluations; and (iii) UNDP management response on implementation of recommendations;
- (d) An enhanced Atlas system that incorporates unit-level work plans, budgeting and risk management;
- (e) An enhanced integrated performance monitoring system to provide information on the status of UNDP work in various areas and progress on achieving targets set in the strategic plan; and
- (f) An annual cycle quality review of accountability in UNDP, identifying the improvements required.

#### *Enterprise risk management*

125. UNDP is exposed to a broad range of environmental, financial, operational, programmatic, organizational, political, regulatory and strategic risks. Risk management is an essential element of good corporate governance. Enterprise Risk Management is an important approach to identify and manage risks proactively and systematically so as to better achieve objectives while protecting stakeholder interests. Internal and external audits of UNDP have emphasized the risk management focus that is required in the organization. UNDP has developed therefore a corporate risk management framework that consolidates the existing procedures and tools. It includes processes to implement risk management across UNDP planning, operational and management practices and processes, and integrates all elements of UNDP risk management activities into one system that facilitates strategic planning and decision-making.

126. Some of the main risk management activities and performance targets for 2008-2011 are: (a) policy, guidelines, online portal (tracking of selected risk areas); tools and instruments developed and rolled out in 2008; (b) these to be mainstreamed in unit-level work planning (including corporate roles where applicable) starting in 2008; (c) corporate training programmes also in 2008.

127. A high-priority area of risk management concerns security. The increase of global threats and related risks to United Nations operations, expanding UNDP involvement in post-conflict situations, including early recovery, and the difficult operating environments for many programmes, call for greater vigilance and appropriate investment in measures designed to allow UNDP staff to accomplish their vital mission without becoming victims themselves. Security risk management includes raising awareness of security issues; ensuring that programme delivery can take place safely; maintaining internal capacity to respond immediately and effectively to security emergencies; and leveraging UNDP resources and assets through structured cooperation with the United Nations Department of Safety and Security and partnerships with other organizations.

128. Security performance targets for the planning period are based on: (a) progressive efforts to achieve greater compliance with United Nations minimum operating security standards compliance criteria in all UNDP operations, based on solid threat and risk assessments; and (b) security risk

management mainstreamed into UNDP programming at all levels by 2009, coupled with an effective, timely security response mechanism for emergencies.

*Resource management*

129. UNDP has identified key resource management priorities to address concerns raised by internal and external audits as well as to better position the organization to handle its growing financial responsibilities. The priorities comprise three matters of specific concern raised by the United Nations Board of Auditors for the 2004-2005 biennium, namely: (a) risk management and unsatisfactory audit reports associated with national execution; (b) irregular performance of bank reconciliation; and (c) weaknesses in key internal controls.

130. The other five areas that require closer management attention are: (a) ensuring proper recording and accounting of assets; (b) rectifying weaknesses in the Atlas system; (c) further promoting transparent and competitive procurement; (d) strengthening project design and cost recovery; and (e) consistent monitoring and evaluation.

131. An initial report on the measures that management is taking to address these and other audit concerns was presented to the Executive Board at its first regular session 2007. UNDP will continue to provide the Board with timely, up-to-date information on the progress of these measures.

132. UNDP will participate actively in the United Nations-wide implementation of IPSAS<sup>3</sup> by 2010, further improving transparency throughout the United Nations system. The efficient use of resources entrusted to UNDP includes keeping management and operational costs low in order to maximize real impact without compromising accountability.

133. UNDP will continue, to the fullest extent possible, to use national execution and available national expertise and technologies as the norm in the implementation of operational activities, bearing in mind the importance of building national capacity, simplifying and aligning with national procedures, and fostering responsible financial management of operational activities.

134. The key outputs and performance targets for UNDP in 2008-2011 are: (a) a substantial reduction in the frequency of audit observations on nationally executed project management; internal control framework application, bank reconciliation, financial reporting and procurement transparency; (b) an unqualified audit for UNDP; and (c) a minimum 90 per cent implementation rate of audit recommendations.

*Integration of planning, budgeting, performance and human resource management*

135. The strategic plan, 2008-2011 is based on an integrated financial resources framework covering development and management activities funded from both regular and other resources. The resource alignment reflected in the strategic plan is supported by two distinct resources frameworks, which are considered separately by the Executive Board – the programming arrangements framework,

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<sup>3</sup> IPSAS represents a set of independently developed accounting standards which are considered the best accounting practice by international organizations for the public sector. The adoption of IPSAS is a major step forward in harmonizing business practices within the United Nations system.

2008-2011, and the biennial support budget, 2008-2009. The two are inextricably linked. Comprehensive, results-based operational plans at the country office and unit levels, derived from the strategic plan, guide the allocation of resources. Thus the alignment and integration of the strategic plan with the resources frameworks and operational plans provide for coherent planning, budgeting and reporting on the allocation and utilization of resources, in line with planned results.

136. The programming arrangements framework is the regular resource funding framework that supports the development objectives reflected in the strategic plan. Top priority is given to the allocation of resources to low-income countries, with an emphasis on strengthening national capacities in support of achieving the MDGs. The biennial support budget represents management plans for implementing and supporting UNDP activities and support to the United Nations system. With the introduction of results-based budgeting in the 2008-2009 biennial support budget, for the first time management activities are planned and resources allocated based on results. The classification and attribution of all resources will be aligned with: (a) support to United Nations system-wide coordination; (b) UNDP programmes and related costs; and (c) management functions.

137. To enhance delivery and effectiveness, human resources have to be aligned with the needs of the organization. UNDP will strengthen strategic human resource management so that the skills mix and staff capacity mirror corporate requirements. The present demographic makeup of UNDP indicates a very high retirement rate over the course of the plan: talent management, including succession planning, career development and staff 'retooling', warrant special attention.

138. In view of the need to institutionalize accountability and performance management in the human resources management system, an ethics office function and ethics training are being introduced. Strengthened learning, especially in the substantive programmatic areas and in leadership and management skills, will enhance staff capacities to implement the strategic plan effectively.

139. Some key outputs and performance targets for 2008-2011 are:

- (a) Competency needs framework completed and rolled out by 2008;
- (b) Succession planning framework implemented by 2008;
- (c) Gender and diversity benchmarks in line with the TCPR resolution 59/250 in place, and targets achieved;
- (d) Implementation of a learning strategy addressing strategic plan priorities, as well as management and leadership skills training;
- (e) Professional development and certification programmes available and implemented in functional areas by 2009.

140. The present strategic plan offers performance-based indicators for monitoring the three dimensions of UNDP work: development, coordination, and management. This is the basis for the monitoring and evaluation framework of the strategic plan. Tools already in place will be consolidated and refined to establish an integrated, coherent system to support results management throughout the organization, aligned with the strategic plan. The information management system will enable the organization to access, interpret and analyse the same set of data, thereby enhancing transparency and effectiveness.

## VII. Integrated financial resources framework

141. The present strategic plan is aligned with the four-year programme budget (referred to as the 'programming arrangements') and the two-year support budget (referred to as the 'biennial support budget'). This means that the Executive Board and other stakeholders will be able to see a clear link between the strategic priorities outlined and the resources required to achieve them. The plan includes regular and other resources. This will provide greater transparency on the use of all UNDP resources.

142. The integrated financial resources framework represents the overall funding target for the strategic plan encompassing the resources that are contributed directly to UNDP and managed by it (UNDP resources), as well as the resources that are administered by UNDP on behalf of the United Nations system (United Nations resources). UNDP resources directly support established development objectives and management priorities, as well as the UNDP role in coordinating United Nations development activities. United Nations resources are entrusted to UNDP in its role as administrative agent for the United Nations system, and passed through to other United Nations entities.

143. UNDP resources are composed of regular and other resources. Regular resources represent contributions to the UNDP core budget, which follows the criteria and appropriations established by the Executive Board. Other resources are comprised of contributions earmarked to themes, countries, regions and/or specific projects, and are broken down into three distinct categories based on their source, namely, bilateral donor contributions, multilateral contributions, and resources provided by programme countries for local development activities.

144. The adoption by the Executive Board of the regular resource target represents a consensus on the desirability of reaching an aggregate level of regular resources that is adequate to meet the objectives and priorities of the strategic plan. In contrast, targets for other resources represent an estimate of the total amounts of resources likely to be made available to UNDP as the result of many individual donor decisions on the allocation of resources specific to themes and countries. Both types of resources form an integral part of the strategic plan and should be aligned with established organizational objectives.

145. Within the available resources, distribution across focus areas is a direct reflection of country demand for the full range of development services provided by UNDP to programme countries at their request. A review of historical expenditure patterns presented in the MYFF cumulative report, 2004-2006 (DP/2007/17) can, however, provide an indication of the distribution of resources across the focus areas of the strategic plan. Such review can be useful to understanding the aggregate demand for regular resources and the important correlations and complementarities between regular and other resources.

### *UNDP resource projections*

146. Total UNDP resource projections for the 2008-2011 period amount to \$20.6 billion, or an average of \$5.15 billion a year, ranging from \$5 billion in 2008 to \$5.3 billion in 2011. The overall resource projection underscores the intent to sustain the historically high income levels achieved in 2005 and 2006,

with some changes in the composition of total resources. Against the background of General Assembly resolutions 56/201 and 59/250 on the TCPR (E/2004/5) and decisions of the Executive Board, the projections under the four UNDP resource areas described below reflect the prioritization of increasing regular resources necessary to ensuring the multilateral, connecting nature of the work of the organization as well as the overarching goal of strengthening support to achievement of the MDGs at the country level.

*Regular resources*

147. Regular contributions to UNDP are projected to reach \$5.3 billion: \$1.1 billion in 2008, \$1.25 billion in 2009, \$1.4 billion in 2010 and \$1.55 billion in 2011. The average annual target is derived from a comprehensive examination of the forward-looking regular resources requirements in the Executive Board-approved country programme documents<sup>4</sup>, as well as from the requisite biennial support budget projections. The estimate of total programmatic demand for regular resources was subsequently adjusted in line with the stated objectives and priorities of the strategic plan. The adjustments included the strengthening of strategic plan results areas of proven UNDP comparative advantage and added value, and the phasing out of areas where those qualities are not present.

148. Regarding the projected growth of the other resource components described below, the proposed target was adjusted to reflect the requisite shift of bilateral other resource contributions to regular resources. This assumption is based on the need to address the increasing imbalance in the regular to other resources ratio, and to begin equalizing their respective growth dynamics. Embedded in this compensatory approach is the assumption that least developed countries, which do not always benefit from the growing other resource flows, would ultimately stand to gain from such a shift.

*Other resources: bilateral donor contributions*

149. Corresponding to this approach, co-financing in the form of cost-sharing and trust fund contributions by bilateral donors are projected at \$5 billion during the 2008-2011 period, or an average of \$1.25 billion a year, ranging from \$1.3 billion in 2008 to \$1.2 billion in 2011. The marginal decline in this category takes into account the projected shift of bilateral other resources to the regular resources category and the rapid increase in joint programmes administered by UNDP on behalf of the United Nations system (which are not recorded as income to UNDP).

*Other resources: multilateral contributions*

150. Contributions from multilateral partners are projected at \$5.5 billion in 2008-2011, or an average of \$1.37 billion a year. This represents a minor increase from \$1.35 billion in 2008 to \$1.4 in 2011. In real terms, the multilateral other resources contributions are projected to decline from \$1.18 billion in 2008 to \$1.09 billion in 2011. The reduction reflects the projected composition of the UNDP non-bilateral portfolio and the likely decrease in the Global Fund to Fight Aids, Tuberculosis and Malaria component, since the transfer of implementation capacity to national actors will gradually diminish the direct role of UNDP.

<sup>4</sup> Taking country programme documents linked to UNDAFs to indicate country-level demand, a sample of 76 countries was identified wherein at least one year of the country programme fell within the strategic plan period (2008-2011).

*Other resources: programme country government contributions*

151. Programme country co-financing contributions are projected at \$4.8 billion for the 2008-2011 period, or an average of \$1.2 billion a year. This component is projected to decrease from \$1.25 billion in 2008 to \$1.15 billion in 2011. In real terms, the projected reduction translates into a decrease from \$1.1 billion in 2008 to \$0.90 billion in 2011. This portfolio is expected to undergo a transformation reflecting: (a) further alignment with the UNDP focus areas; and (b) geographic diversification in programme country co-financing portfolios. Loan implementation projects that fall outside the UNDP focus areas will be gradually phased out. Wherever appropriate and cost-effective, portions of this portfolio will be managed by United Nations specialized agencies, funds, and programmes with relevant mandates.

*United Nations resources projections for UNDP administration*

152. Total United Nations resources projections for the 2008-2011 period amount to \$5 billion, or an average of \$1.25 billion a year. These resources are administered by UNDP in support of country programmes and activities of the United Nations system and primarily take the form of multi-donor trust funds and other pass-through joint programmes. This category of resources has grown substantially since 2005, and is expected to expand over most of the 2008-2011 period. This category of resources does not constitute income to UNDP. It has distinct governance and accountability arrangements, as referred to in chapter IV, part B.

*Use of resources<sup>5</sup>*

153. The use of UNDP regular and other resources for the period 2008-2011 will be aligned to the present strategic plan and distributed across budget categories. The strategic plan will inform decisions on the programming arrangements and the biennial support budget.

154. The following broad directions for UNDP regular resources are under consideration:

- (a) The classification of countries (low income, middle income, net contributor) on the basis of indexed classification thresholds of GNI per capita will be maintained. This will preserve universality and take into account shifts in relative growth and the priority of target for resource assignment from the core (TRAC) funding for lower-income countries.
- (b) The distinction between fixed and variable lines will be maintained, while their distribution among budget categories in accordance with the strategic plan will be reviewed.
- (c) The key features of the TRAC allocation methodology will be maintained, while (i) adjusted for updated GNI per capita and population data (TRAC-1); (ii) simplified in the allocation of resources with a decreased administrative burden for country-level implementation (TRAC-2); and (iii) ensuring a balance between TRAC-1 and TRAC-2 allocation levels.
- (d) The preparation of the biennial support budget should: (i) facilitate implementation of the strategic plan, after discussion and approval by the

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<sup>5</sup> The figures provided in this section are indicative and subject to confirmation.

Executive Board; (ii) respond to the requirement for results-based budgeting, with the necessary adjustment in the classification of costs; and (iii) harmonize, with UNICEF and UNFPA, as appropriate, on results-based budgeting, as well as on the timing of decision-making by the respective Executive Boards.

155. To frame the use of resources, the following considerations are proposed:
- (a) Over a four-year period (2008-2011), the estimated overall availability of regular and other resources for UNDP is projected at \$20.5 billion (in nominal terms). Assuming that cost classification will be harmonized among the United Nations funds and programmes, there will be an allocation of approximately \$18.5 billion (90.2 per cent) for programmes and related costs; \$1.5 billion (7.3 per cent) for management functions and approximately \$500 million (2.4 per cent) for United Nations coordination. This would include an attribution of approximately \$500 million in management/development effectiveness costs to programme expenditure, in line with the practices of partner organizations. On an annualized basis, the estimate for United Nations system coordination (\$125 million) amounts to approximately 0.8 per cent of the total funding for United Nations system operational activities in the year 2005.
  - (b) Resource growth will be apportioned to ensure a maximum possible allocation for programming arrangements with necessary provisions to fulfil management functions. This is based on the assumption of adequate donor contributions and/or burden-sharing arrangements between agencies, funds and programmes. This apportioning will be guided by a consistent effort to: (i) Prioritize additional resource allocation for programme expenditures over management expenditures, with overall proportion of resources for programmes remaining at current levels or increasing; and (ii) Ensure that the allocation of additional resources supports strategic plan objectives, taking into account the short-term emphasis on building the necessary infrastructure for United Nations coordination. Both income and budget projections foresee no re-allocation from programme to management items.
  - (c) The costs of functions associated with the management of resources derived from bilateral, multilateral and programme country contributions will be met through the application of UNDP cost recovery policy consistent with Executive Board decision 2007/18 on this matter.

## VIII. Monitoring, evaluation and reporting

156. The strategic plan outlines performance indicators in all three areas of UNDP work: management, coordination, and programming. In relation to management and coordination, the majority of performance targets relate to results for which UNDP is primarily accountable. On the coordination side, there are processes and initiatives that will require joint or collaborative efforts with other United Nations organizations, and the targets in those areas should be seen as purposeful rather than strictly controllable. Development indicators also reflect the shared efforts of governments, national stakeholders and development partners.

*Monitoring and reporting*

157. Outcomes must be nationally owned, so the first line of accountability rests with national authorities. UNDP will contribute to those outcomes, and its chief accountability must therefore be for its contributions to development impact. Its on-the-ground performance should be assessed first at the country level, as part of a joint process with governments and other partners, and second at the corporate level, by senior management and the Executive Board, based on monitoring and evaluation data. UNDP is directly accountable for the corporate services and global and regional programmes that support country programmes.

158. Annual performance data will inform the ongoing management review of performance to ensure that the organization remains on track vis-à-vis the objectives. A subset of this data will be used for biennial reporting to the Executive Board. UNDP country programmes will be required to hold at least one joint portfolio review annually with governments and other national and local-level stakeholders.

159. Reporting to the Executive Board will centre on the strategic development priorities and key coordination and management initiatives for the cycle. UNDP commitment to providing more strategic, results-oriented information in future reports to the Executive Board is facilitated somewhat by the decision to align the evaluation plan more closely with the strategic plan, and, on a rotational basis, to conduct thematic or strategic evaluations in areas where UNDP is considered to have a leadership or significant role in influencing development results at the global and country levels. It is further facilitated by the wide array of internal monitoring tools that are currently in place, including the 'balanced scorecard', the Atlas system, and the partners survey. As described in the management section of the present strategic plan, those tools will be improved to meet the requirements of the plan and the wider management needs of the organization. Risk management indicators are being incorporated into the overall system.

160. UNDP will provide the Executive Board, at its annual session 2010, with a comprehensive and analytical results-based mid-term review of the strategic plan. The review will not only report on management, coordination and development outputs but will assess achievements analytically in terms of development outcomes, verified by survey and evaluation data, and will identify lessons learned and best practices. In addition to the report on performance, the Board will have access to: (a) annual reports of the Administrator, which include performance data; (b) evaluations undertaken for country programmes nearing the end of their cycle and before the development of new programmes; (c) annual assessments of development results, conducted by the UNDP Evaluation Office, and other independent strategic and country-level evaluations; and (d) the donor tracking website, which will facilitate the monitoring of donor contributions.

161. Evaluation in UNDP is conducted in accordance with the evaluation policy. The policy was developed and approved by the Executive Board at its annual session 2006, and is consistent with General Assembly resolution 59/250 and the norms and standards for evaluation set by UNEG in April 2005.

*Decentralized evaluation*

162. Decentralized evaluations are planned, commissioned and used by UNDP programmatic units. All units are required to develop a monitoring and evaluation plan with partner governments and key stakeholders as an integral part of the programme planning process. All units managing global, regional and country programmes are required to make the monitoring and evaluation plan available to Executive Board members, as an annex to every programme document submitted for approval.

163. The timely implementation of mandatory outcome evaluations constitutes the basis of evaluation compliance. Programme units are responsible for entering the plan in the Evaluation Resource Centre and updating evaluation status. Units exercising line oversight monitor evaluation compliance based on the conduct of planned outcome evaluations.

164. Outcome and project evaluations commissioned by programme units seek primarily to generate information on the UNDP contribution to development results for the purposes of learning, line oversight and public accountability, at country, regional and global levels. The UNDP role in coordination and joint programming will be addressed by UNDAF evaluations. Those evaluations will be available to UNDP management in the preparation of the annual progress reports on the strategic plan. Management responses will be input into the report to demonstrate the use of evaluation lessons.

*Independent evaluation*

165. The agenda for independent evaluations conducted by the Evaluation Office is approved annually by the Executive Board. Considerations in the development of the evaluation agenda include key intended organizational results as expressed in the strategic plan; corporate priorities, evidenced by investment patterns, emerging organizational practices and development priorities; issues emerging from past evaluations; programme areas not covered by recent evaluations; and opportunities for joint evaluations with United Nations system and other partners.

166. The evaluation agenda includes evaluation of UNDP global and regional programmes. A representative sample of countries whose programmes are to be submitted to the Executive Board will be subject to independent evaluation. Country-level evaluations will address the issue of United Nations coordination, and joint evaluation with United Nations partners will be encouraged.

167. The Evaluation Office consults with the Executive Board, senior management, the associated funds and programmes and other stakeholders in the development of the proposed evaluation agenda. All independent evaluations require a management response, and the respective report on follow-up will be provided in the annual report on the strategic plan.