



# UNDP for Beginners

**a beginner's guide to the  
UNITED NATIONS DEVELOPMENT PROGRAMME**

# Introduction



It has been a longstanding wish for the United Nations Development Programme (UNDP) to establish a brief yet concise overview of the organization's multifaceted structure, its intricate jargon and its ongoing transformations. This guide for beginners attempts to do just this.

As a large, multilateral organization, the United Nations Development Programme (UNDP) is a complex structure. Internal jargon and the use of abbreviations also make it difficult for outsiders to understand what UNDP does and how it does it. This is further complicated by the United Nations Development Programme's recent makeover as the result of eroding confidence in development assistance as well as a financial crisis.

This guide for beginners is written to give you a snap-shot of where UNDP stands now, as well as providing an overview of the basic structures and systems of UNDP. It targets new staff members and people who work with UNDP, and will hopefully make it easier to understand the basics of the organization.

Naturally, an introductory guide is necessarily selective and therefore subjective. However, we tried to provide hyperlinks for those who want more information. This overview is for guidance only, and may not necessarily reflect the views of UNDP.

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# What does UNDP do?

## What is UNDP?

The **United Nations** (UN) ⇒[www.un.org](http://www.un.org) is a unique international organization of 191 sovereign states. Its goal is to maintain international peace and security, to develop friendly relations among nations, and to promote social progress, a better living standard and human rights. Its member states are bound together by the principles of the **UN Charter** ⇒[www.un.org/aboutun/charter/](http://www.un.org/aboutun/charter/), an international treaty that spells out the rights and duties of member states.

"In a globalized era, the United Nations is the global institution."

Kofi Annan, UN Secretary General

One of the central mandates of the United Nations is the promotion of **development** and economic and social progress. As much as 70 per cent of the work of the UN system is devoted to development. Eradicating poverty and improving the well-being of people everywhere are necessary steps in creating conditions for peace.

The **United Nations Development Programme** (UNDP) ⇒[www.undp.org](http://www.undp.org) is a development organization of the United Nations, focusing on five specific areas. UNDP is the UN's largest provider of grants for human development. It is based on the merging of the United Nations Expanded Programme of Technical Assistance, created in 1949, and the United Nations Special Fund, established in 1958. UNDP was established in 1965 by the General Assembly of the United Nations ⇒[www.yale.edu/unsy/UNDPHist.htm](http://www.yale.edu/unsy/UNDPHist.htm). In most country offices, the UNDP representative serves as the **coordinator** of development activities for the United Nations system as a whole. Through such coordination, UNDP seeks to ensure the most effective use of UN and international aid resources. UNDP's **headquarters** are located in New York. About 8.400 staff is administered by UNDP worldwide. UNDP has liaison offices in Geneva, Brussels, Copenhagen, Tokyo, and Washington D.C.

In its recent mission statement, UNDP redefines itself as a network and an advocacy organization for global development:

"UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners."

## What does the UNDP want to achieve?

### Fighting poverty

UNDP's mandate is to **fight poverty**. As the development organization of the United Nations, UNDP works to achieve this through supporting **human development** in a sustainable way. This concept is called Sustainable Human Development (SHD). Recently, poverty has been more concretely defined through the **Millennium Development Goals**.

### The Millennium Development Goals

In 2000, the members of the United Nations set the international agenda for the beginning of the new century. The resulting **Millennium Declaration** ⇒[www.un.org/millennium/declaration/ares552e.htm](http://www.un.org/millennium/declaration/ares552e.htm) is a broad commitment of all UN member states. The declaration applies the principles of the UN Charter to a new world and a new millennium. The declaration defines a new international agenda in seven key areas:

- peace, security and disarmament
- development and poverty eradication
- protecting our common environment
- human rights, democracy and good governance
- protecting the vulnerable
- meeting the special needs of Africa
- strengthening the United Nations

The **Millennium Development Goals** ⇒[www.undp.org/mdg/](http://www.undp.org/mdg/) extract and refine those elements of the Millennium Declaration which are related to development. UNDP has worked with other UN organizations, the World Bank, the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD) to agree on these goals. The UN General Assembly has approved the Millennium Development Goals in 2001. The UN Secretary-General has asked UNDP to be the coordinator of the Millennium Development Goals in the UN system - helping to make them an integral part of the UN's work worldwide. The UN Secretary General also asked UNDP's Administrator to be the campaign leader and scorekeeper for the Millennium Development Goals.

The Millennium Development Goals	
GOAL 1	Eradicate extreme poverty and hunger
GOAL 2	Achieve universal primary education
GOAL 3	Promote gender equality and empower women
GOAL 4	Reduce child mortality
GOAL 5	Improve maternal health
GOAL 6	Combat HIV/AIDS, malaria and other diseases
GOAL 7	Ensure environmental sustainability
GOAL 8	Develop a global partnership for development

The goals are **time-bound**, starting in 1990 and to be achieved by 2015. They comprise only those elements of the Millennium Declaration which are both **related to development** and **quantifiable**. Only if they are quantifiable, can one objectively measure progress.

The first seven goals stress the responsibility of **developing countries** to undertake policy reforms and enhance good governance. Goal eight focuses on the responsibility of **developed nations** to relieve debt, increase aid and give developing countries better access to its technologies and markets.

To be as precise as possible, the Millennium Development Goals include **18 targets** for the eight goals. One goal is normally defined by one or two targets. For each target, a number of indicators make progress measurable. There are **48 indicators** in total. Let us look closer at this structure, taking goal one as an example:

GOAL	ERADICATE EXTREME POVERTY AND HUNGER
<b>TARGET A</b>	<b>Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day</b>
<b>Indicator 1</b>	• Proportion of population below \$1 a day
<b>Indicator 2</b>	• Poverty gap ratio
<b>Indicator 3</b>	• Share of poorest quintile in national consumption
<b>TARGET B</b>	<b>Halve, between 1990 and 2015, the proportion of people who suffer from hunger</b>
<b>Indicator 1</b>	• Prevalence of underweight children
<b>Indicator 2</b>	• Proportion of population below minimum level of dietary energy consumption

The Millennium Development Goals are not meant to be analytical tools or a strategic path for successful development. The Millennium Development Goals **tell us where the world wants to go, but do not tell us how to get there**. Therefore, there must be a strong link with strategies outlining *how* to achieve these goals. These strategies are laid out in national poverty strategies or the World Bank's so-called Poverty Reduction Strategy Papers (PRSPs) ⇒[www.worldbank.org/poverty/strategies/](http://www.worldbank.org/poverty/strategies/). An increasing number of UNDP country offices supports the preparation, implementation and monitoring of Poverty Reduction Strategy Papers.

Because the Millennium Development Goals are a limited sub-set of the Millennium Declaration, they are not scientific, but rather **a politically negotiated consensus**. This explains why important areas like good governance or human rights – which are included in the Declaration - are not included in the goals. In these cases, it was not possible to find a consensus about how to define and measure the goals.

## Practices Areas

In order to support the achievement of the Millennium Development Goals, each UN agency focuses on what it does best. Furthermore, with mounting pressure from donors, and development effectiveness increasingly questioned, UNDP realized in the late 1990s that it needed to focus on a few, but well-defined areas. The focus needs to be on areas where UNDP has experience and a comparative advantage, and on areas which the programme countries identify as important.

A related problem was the diluted profile of UNDP. Both among policy makers and the public, few people were able to describe what UNDP really stood for. This is not surprising, since UNDP covered all areas of technical assistance related to development.

Therefore, UNDP narrowed its focus to five areas of operation. These so-called **practice areas** (also called “practices”) [⇒practices.undp.org](https://practices.undp.org) are based on UNDP’s strengths and experience, and on an analysis of what UNDP’s clients want from the organization. The five practice areas are now the core areas of operation of UNDP. They are fundamental for its mandate and for its identity. They are what UNDP as an organization does. UNDP defined the following practice areas in its second business plan from 2004 to 2007:

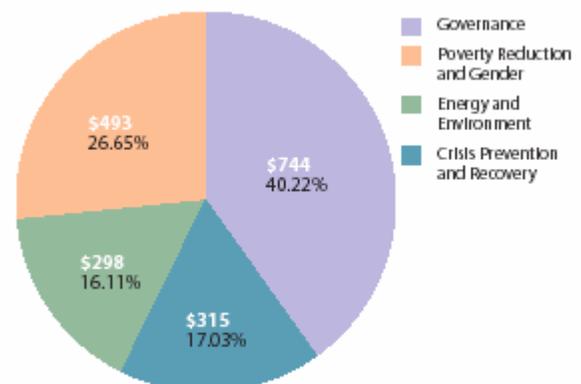
1. Successful human development needs to develop state institutions and processes that are more responsive to the needs of ordinary citizens, including the poor. Political participation and accountability is paramount for development. This approach is called **democratic governance** (also called “good governance” or just “governance”). UNDP’s practice area of democratic governance serves as the foundation for much of the rest of UNDP’s work.
2. The practice of **poverty reduction** stresses the importance of policies for the poor. UNDP helps to connect national policies to the Millennium Development Goals, since poverty strategies work best when they are based on local needs and priorities.
3. The poor are disproportionately affected by environmental degradation and lack of access to clean affordable energy services. Therefore, **energy and environment** are essential for sustainable development and the eradication of poverty. Relatively few core resources are spent on this practice area, since activities can be funded through additional resources such as the **Global Environmental Facility** (GEF). Together with the World Bank and the UN Environment Programme (UNEP), UNDP is one of the managing partners of the Global Environment Facility. The facility is a \$2 billion fund that helps countries fight ozone depletion, global warming, loss of biodiversity and pollution of international waters. [⇒gefweb.org](https://gefweb.org)
4. Many countries are increasingly vulnerable to violent conflicts or natural disasters. Conflicts and disasters can erase decades of development and further entrench poverty and inequality. Therefore, UNDP supports **crisis prevention**

### Private Sector and Development: Developing the Entrepreneurial Spirit

Economic growth rests at the core of the Millennium Development Goals; without it, ending poverty will remain perpetually out of reach. Already, the pursuit of the goals is prompting exploration of new economic resources—including among small- and medium-sized enterprises. Their potential contributions to development have been largely overlooked, even as they often serve as a primary engine of job creation and domestic commerce.

At the UNDP Administrator’s suggestion, the UN Secretary-General established the **Commission on the Private Sector and Development**, chaired by Canadian Prime Minister Paul Martin and former Mexican President Ernesto Zedillo, and managed by UNDP. The Commission’s report details a range of actions that governments, public development institutions, the private sector, and civil society organizations can undertake to spur the growth of small and medium-sized enterprises. [⇒www.undp.org/cpsd/](https://www.undp.org/cpsd/)

ESTIMATED TOTAL PROGRAMME EXPENDITURES FOR 2002 (US\$ MILLIONS)



Note: Categories are based on the 2000-2003 Strategic Results Framework. Figures include UNDP regular, donor co-funding and government cost-sharing resources.

Source: Report on the Multi-Year Funding Framework 2002

**and recovery** through the recently created Bureau for Crisis Prevention and Recovery. While the ideal is to prevent a crisis, UNDP also supports countries in post-conflict situations like Afghanistan or Iraq.

5. **HIV/AIDS** is threatening to halt and reverse progress in development. To prevent the spread of HIV/AIDS and reduce its impact, developing countries need to mobilize all levels of government and civil society. Combating HIV/AIDS remains a major concern in Africa and Asia. The United Nations also has a dedicated programme to focus exclusively on HIV/AIDS, called UNAIDS.  
[⇒unaids.org](http://unaids.org)

The protection of **human rights** [⇒www.undp.org/governance/humanrights.htm](http://www.undp.org/governance/humanrights.htm) and the promotion of **gender equality** [⇒www.undp.org/gender/](http://www.undp.org/gender/) are not a separate practice area, but are integrated into most programmes. **Information and Communication Technology (ICT)** [⇒sdnhq.undp.org/it4dev/](http://sdnhq.undp.org/it4dev/) is treated similarly as an important tool to be incorporated into programmes. This approach proved to be more effective than separate programmes, and is called “mainstreaming”. Furthermore, the increase of **local capacity** is the most promising approach to support sustainable human development. [⇒www.undp.org/capacity/](http://www.undp.org/capacity/)

### Service Lines

Realizing that the practice areas were rather broad, UNDP defined sub-areas within the five practice areas. UNDP defined thirty so-called **Service Lines** for the current business plan from 2004 to 2007. UNDP's Service Lines reflect current demand by recipient countries for UNDP's development services and represent UNDP's areas of expertise. Activities outside the Practice Areas and Service Lines are being gradually phased out.

Practice area	Service lines
<b>Achieving the MDGs and reducing human poverty</b>	<ol style="list-style-type: none"> <li>1. MDG country reporting and poverty monitoring</li> <li>2. Pro-poor policy reform to achieve MDG targets</li> <li>3. Local poverty initiatives, including microfinance</li> <li>4. Globalization benefiting the poor</li> <li>5. Private-sector development</li> <li>6. Gender mainstreaming</li> <li>7. Civil society empowerment</li> <li>8. Making ICTD work for the poor</li> </ol>
<b>Fostering democratic governance</b>	<ol style="list-style-type: none"> <li>9. Policy support for democratic governance</li> <li>10. Parliamentary development</li> <li>11. Electoral systems and processes</li> <li>12. Justice and human rights</li> <li>13. E-governance and access to information</li> <li>14. Decentralization, local governance and urban/rural development</li> <li>15. Public administration reform and anti-corruption</li> </ol>
<b>Energy and environment for sustainable development</b>	<ol style="list-style-type: none"> <li>16. Frameworks and strategies for sustainable development</li> <li>17. Effective water governance</li> <li>18. Access to sustainable energy services</li> <li>19. Sustainable land management to combat desertification and land degradation</li> <li>20. Conservation and sustainable use of biodiversity</li> <li>21. National/sectoral policy and planning to control emissions of ozone-depleting substances and persistent organic pollutants</li> </ol>
<b>Crisis prevention and recovery</b>	<ol style="list-style-type: none"> <li>22. Conflict prevention and peace building</li> <li>23. Recovery</li> <li>24. Small arms reduction, disarmament and demobilization</li> <li>25. Mine action</li> <li>26. Natural disaster reduction</li> <li>27. Special initiatives for countries in transition</li> </ol>
<b>Responding to HIV/AIDS</b>	<ol style="list-style-type: none"> <li>28. Leadership and capacity development to address HIV/AIDS</li> <li>29. Development planning, implementation and HIV/AIDS responses</li> <li>30. Advocacy and communication to address HIV/AIDS</li> </ol>

# How does UNDP do it?

## Through projects

UNDP delivers most of its services through its more than 130 country offices. The country offices work with governments and partners to carry out activities to tackle poverty and its causes. These activities are called **projects**. They are time-bound exercises, and tackle a specific, well-defined development problem.

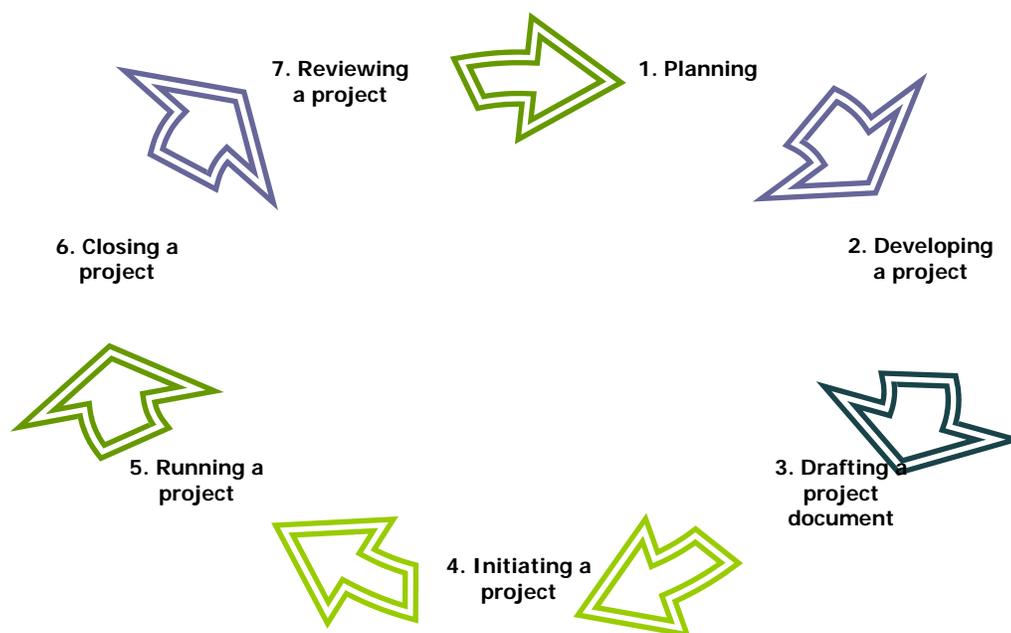
UNDP uses a **programmatic approach** to carry out projects. This approach accepts that development problems are complex and not confined to one particular theme or sector. Therefore, UNDP's interventions are interdisciplinary in nature, and address problems in different sectors at the same time. This programme approach works best with a well-articulated national programme, formulated by the national authorities.

Projects are not one-off exercises by a single UN agency. They involve an analysis of the problem by the entire UN system, the development of a concept, the drafting of a project document, initiating and running the project as well as closing and reviewing it. Finally, once the project is completed, lessons learned from the project should feed into new activities. This is called **project cycle**.

### Projects and programmes

**Projects** focus on a particular, well-defined problem in one area. They are limited in scope, and funding, and can run for a short time only. *Establishing a training centre for national park staff to combat deforestation, for example, is a project.*

**Programmes** approach a complex problem through different interventions in various sectors. They tend to longer, and generally need more resources. *Supporting the development of rural enterprises, for example, would be a programme. In order to tackle a number of interrelated problems, such a programme would supports activities in agriculture, industry, fishing, trade, energy, biodiversity, etc., to achieve its goals.*

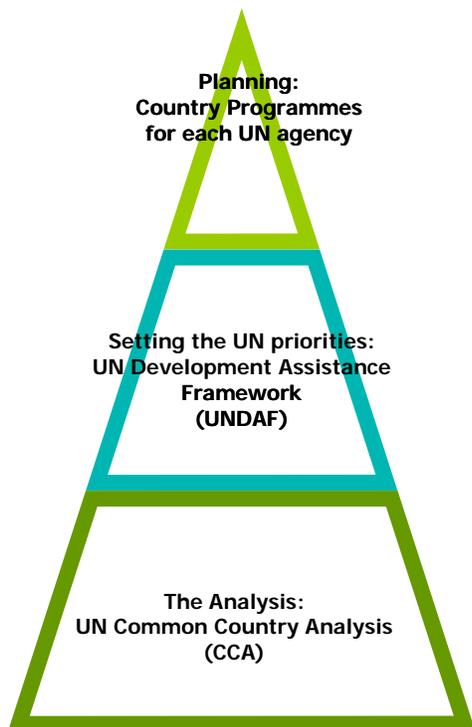


UNDP's management of project cycles is currently undergoing substantive change. The aim of these changes is to make projects more efficient and to demonstrate clear results, and to strengthen joint planning and implementation by all UN agencies. The basics of UNDP's project work are laid out in a comprehensive **UNDP Programme Manual** from April 1999 ⇒<http://www.undp.org/bdp/pm/>. However, a **Project Management Guide for Development Projects** is currently under preparation, and will soon substitute parts of the programme manual. The new approach will be based on Prince2 ⇒[www.prince2.com](http://www.prince2.com), an international standard

project management method that has been chosen by UNDP to ensure that a structured approach is used when initiating, managing, and monitoring projects.

### Step 1: Planning at global and national level

- The main corporate planning tool is UNDP's business plan, called the **Multi-Year Funding Framework (MYFF)** ⇒[www.undp.org/execbrd/pdf/dp03-32e.pdf](http://www.undp.org/execbrd/pdf/dp03-32e.pdf). This document describes UNDP's global niche in UN efforts over a period of four years. It outlines the details of the organizational strategies, the usage of the funds available, and how it integrates into overall UN efforts to reduce poverty and achieve the Millennium Development Goals. The framework is the key instrument for management, monitoring and accountability for UNDP, both internally as well as for external partners. The current Multi-Year Funding Framework is the second of its kind and covers the time period from 2004 to 2007.
- The UN agencies in each country assess the key causes of poverty, and analyze a country's progress towards the Millennium Development Goals. This analysis is called the **Common Country Assessment (CCA)**, and forms the basis of the UN's work in a country. However, since this is a new process for the UN, some Common Country Assessments are still relatively weak in their analytical power. ⇒[www.undg.org/content.cfm?id=830](http://www.undg.org/content.cfm?id=830)



- Based on the analysis of the Common Country Assessment, the UN agencies subsequently set out the collective priorities of the UN agencies in a given country. This common UN business plan is called the **United Nations Development Assistance Framework (UNDAF)**. ⇒[www.undg.org/content.cfm?id=831](http://www.undg.org/content.cfm?id=831) The UNDAF links these priorities directly to outputs and outcomes of individual agency country programmes. It also contains a UNDAF result matrix with indicators and a monitoring and evaluation plan. A joint strategy meeting (JSM) with the government, civil society and other partners makes sure that the United Nations Development Assistance Framework contributes to national priorities and targets. It is reviewed and evaluated annually.
- On the basis of the United Nations Development Assistance Framework, each UN agency draws up a country programme. Until recently, UNDP has called its country program the **Country Cooperation Framework (CCF)**. Under the new, harmonized and simplified process, UN agencies will call it the **Country Programme Document (CPD)**. It defines a limited number of objectives to be achieved over the next years. UNDP's country programme is reviewed and approved by UNDP's highest body, the Executive Board. In the future, a so-called Country Programme Action Plan (CPAP) will complement the country programme with more detailed information on implementation and management.

#### The buzz about "Joint Programming"

"Joint Programming" might well be the latest buzz word in the United Nations. Joint programming is the collective effort through which the UN organizations and national partners work together to prepare, implement, monitor and evaluate the activities aimed at effectively and efficiently achieving the Millennium Development Goals.

Drastically better cooperation among UN agencies is now a top priority for UN member states, donors and the UN Secretary General.

⇒[www.undg.org/content.cfm?id=220](http://www.undg.org/content.cfm?id=220)

## Step 2: Developing a project

- On the basis of the analysis and the broader planning process in a country, UNDP and its partners begin to design specific projects. Normally, there is additional **in-depth problem analysis** involved. It is only possible to tackle a problem successfully if the causes are clearly known. A problem tree is a convenient methodology to analyze the causes of a specific problem.
- In every project formulation, a hypothesis is subsequently developed to show the causal link between actions and results. The logic is that if A happens, then B will happen. If B happens, C will follow, etc. This is called the **development hypothesis**. *For example, a hypothesis could be that if teachers are trained better, they are better able to teach female students. This in turn leads to a higher literacy level of women, which will eventually lead to lower child mortality.*
- On this basis, an idea for a project is emerging. It is written down initially in a very short **concept paper**. All concepts should be captured in UNDP's corporate system, called "Atlas" (see below). Neither activity details nor budget are required. The purpose is to translate an idea into a proposal for UNDP intervention and record the decision to either continue the investigation or to stop the idea before it goes any further.

## Step 3: Drafting a project document

- If the government and UNDP agree on a concept paper and funds are secured, the project enters the final stage of formulation. UNDP and its partners define a **set of activities** over a certain time period, normally one to five years. This is also the time when a budget is drawn up, specifying how much funds, time, and equipment is needed to carry out the project.
- Finally, all this information is condensed and written down using a simple, standardized format. Usually, partners and UNDP work together on a number of **project document drafts**, which are discussed, improved and re-written over some weeks in a reiterative process. The reiterative process of drafting the project document and discussing it with all partners is very important for future success, since it helps all partners to agree on what the project is trying to achieve and how. The project document (sometimes called "prodoc") is divided into six parts:
  - Analyzing the **situation**: What is the problem, and why is it a problem?
  - Defining a **strategy**: How do we want to tackle the problem?
  - Planning the intended **results**: What are the planned activities, and how much will they cost?
  - Defining the **management**: How will the project be carried out? Who will be responsible for what?
  - Referring to the **legal context**: On what basis is UNDP supporting this project? Normally, a country has signed a Standard Basic Assistance Agreement with UNDP as the legal basis for any activity.
  - Planning the **budget**: How much money is needed for the activities?

Thankfully, as a result of this new format, project documents are no longer the lengthy documents they once were. The focus now is on being concise, clear and meaningful. The new format contains a simplified logical framework (see below), which describes the essentials of a project on one or two pages maximum.

## Step 4: Initiating a project

- Once UNDP and the government have agreed on a final draft project document, a **Project Appraisal Committee** (PAC) discusses the project, and recommends it for signature to UNDP's Resident

Representative. The committee often consists of representatives of relevant partners, but - as a minimum - of the representatives of the agency running the project, the government and UNDP.

- After final negotiations and discussions, the project document is **signed** by the executing agency and UNDP. For UNDP, the Resident Representative of the country office has the authority to sign the project document. Technically, this authority lies with the director of the Regional Bureau, but is generally delegated to the Resident Representative.

### Step 5: Running a project

Running (also called executing) a project entails carrying out the activities described in the project document. The organization which executes a project is managing the project and has overall responsibility for the achievement of results.

Projects can be run in different ways, and by different people. The norm is that projects are executed by a government organization, often a particular Ministry or Department. In some cases, Non-Governmental Organizations (NGOs) or UN agencies can execute a project. Only in very special development situations, UNDP directly executes and manages a project. While efforts are underway in UNDP to simplify these options, the following table describes more in detail the five modalities currently in use:

Mode	Description
<b>National Execution</b>	UNDP's main aim is to help the governments increase their capacity to handle problems by themselves. Ideally, this would make UNDP redundant in the long run. Therefore, the preferred and normal way projects are managed is through <b>National Execution (NEX)</b> by a government organization.
<b>Execution by Non-Governmental Organizations</b>	In situations where close interaction with target groups is necessary, projects can be managed by <b>Non-Governmental Organizations (NGOs)</b> with legal status. This normally ensures greater participation of the people targeted, and is more grass-root oriented.
<b>Execution by a United Nations agency</b>	If a particular technical expertise is needed, projects can be carried out by specialized <b>United Nations agencies</b> .
<b>Direct Execution</b>	In exceptional circumstances, UNDP can execute a project directly with the help of implementation partners. This is the case for countries in special development situations and when the government does not have the capacity to implement a project. Such a modality is called <b>Direct Execution (DEX)</b> . Direct execution has to be authorized by UNDP's Regional Bureau.

A key element to a successful project is to identify the most appropriate management structure with the right people in the right roles. These roles have to be clearly defined for effective management and a clear division of accountability. UNDP projects must involve the following institutions that will assume different responsibilities:

- The **executing agency** (also called designated institution) is entirely responsible and accountable for managing a project. The executing agency is responsible for achieving project outputs, and for the effective use of UNDP resources.
- The **national coordinating agency** coordinates UNDP's intervention in a country. This agency ensures linking a project to national priorities, and it has overall responsibility for all UNDP-supported

activities. Most of the time, this agency is located within the Ministry of Finance, the Ministry of Planning, or the Ministry of Development.

- **UNDP** is - along with government counterparts - responsible for ensuring successful delivery of the project through government organizations, NGOs, and UN agencies.

For nationally executed projects, the government appoints a **national director**. He/she serves as the focal point on part of the government, and is UNDP's primary partner during the project implementation. He/she is responsible for effective communication between the partners, and for monitoring progress towards the expected results. In projects under direct execution by UNDP, a **project director** is hired, plus additional staff needed for the implementation of the project. For larger projects, a separate office for the project might be set up as well.

Projects normally have some sort of high-level **steering committee** or project board. These joint committees exist to monitor progress in a project, to offer guidance and support with respect to overall aspects of the project, to approve proposed project or budget revisions, and ultimately to ensure that the project is progressing in the right direction.

Once a project is up and running, UNDP has four core responsibilities. A designated **UNDP programme officer** (PO) normally oversees an (often related) set of projects, called a portfolio.

### Execution and implementation

In development lingo, **execution** is the management of a specific UNDP-supported programme or project. It includes accountability for the effective use of UNDP resources. **Implementation** means to actual carrying out the planned activities.

Consequently, the management and overall responsibility of a project lies with the **executing institution** (also called the designated institution). The executing agency might work with a number of **implementing institution** to get the job done. However, the executing institution is at the same often carrying out all planned activities as well, and therefore both executing and implementing a project.

*Difficult to understand? Let's take an example: The Ministry of Transport is UNDP's main partner for a project. The Ministry has the overall responsible for the management, and is accountable for the effective use of resources. The ministry is therefore UNDP's executing institution.*

*But within the Ministry of Transport, three different departments are carrying out different parts of the project. These departments are therefore the implementing institutions.*

### UNDP's Revolution

"UNDP today is emerging as an organization of energy and intellect, of shared knowledge and strong partnerships, of far-reaching vision married to realistic plans for transformation. This has been our revolution over the last four years, and it has gone further and faster than many predicted, featuring the most extensive reorganization of a workforce in the history of the UN.

Today, with results-based management, a growing culture of accountability, and a series of cutting-edge tools for doing business, our global network of experts is more fully prepared than ever before to support the countries and the people we serve. Donors recognized the success of our efforts in 2003, with a jump in resources, and one of the first real growth budgets approved for a UN agency in several years. Countries reaffirmed it, with a record number of requests for policy support and advice within UNDP's five practice areas.

The international business press, including the *Financial Times*, lauded the sweeping changes to our business model. And the vast majority of the over 5,000 UNDP staff who participated in our annual staff survey expressed confidence in the direction the organization is taking."

Mark Malloch Brown, UNDP Administrator

- UNDP provides the necessary **financial resources** to the project on an ongoing basis. This is done either through advances to the project or direct payments, as specified in the project document. Financial resources are provided to support project work plans approved by the project's steering committee for each stage of the project
- The UNDP country office provides **services** to ensure effective management of a project. UNDP helps, e.g., with the planning of projects and administers the payment of advances on a regular basis. UNDP can also provide additional support services to carry out project activities, like the tendering of contracts, the procurement of items needed for the project, or can help with the arrangement of training and workshops. For these additional services, UNDP asks for an additional

fee to cover its expenses.

- **Monitoring** is to closely scrutinize the evidence that the project does what it is supposed to do. Monitoring also looks closely at the quality of the activities. Monitoring includes continuous control that the project goes ahead according to plan, and stays within the budget. Monitoring also includes organizing and leading periodic reviews that the project is achieving expected outputs. This might make it necessary to revise the project or to resolve outstanding issues to ensure that it is being implemented in full compliance with UNDP policies and procedures. UNDP's Handbook on Monitoring and Evaluating for Results ⇒<http://www.undp.org/eo/> is the main guideline for good monitoring. Currently, UNDP does not have a coherent, global system for monitoring projects.
- **Reporting** is the systematic and timely provision of essential information at periodic intervals. For UNDP, the financial and reporting cycle is typically a quarter of a year. The project director submits Financial Reports (FRs) to UNDP every quarter, and a mandatory budget revision based on actual expenses follows to adjust the project. Quarterly financial reports are typically supplemented by a more detailed, narrative project report.

Apart from looking after programmes in his/her portfolio, a programme officer in UNDP has a whole range of additional responsibilities. Programme officers provide much of the analysis needed for designing projects, they participate in knowledge sharing with other country offices through UNDP's networks, they contribute to further developing UNDP's practices, keep contact with development partners and donors on an ongoing basis, give training workshops for UNDP and external partners, and participate in the life of a country office.

### Step 6: Closing a project

A project is closed when it delivers all planned outputs, or if a project is cancelled. A project is **operationally closed** if all activities have stopped. Subsequently, after a final budget revision, the project is **financially closed**. To do that, the executing institution needs to identify and settle all financial obligations and prepare a final revision of the budget. This also includes the return of unused funds. The financial closing should be within 12 months after the operational closing.

The closing of a project includes two main activities:

- **Lessons** should be learned from the project. These lessons are captured in a project final report, widely shared, and used for future planning.
- Equipment purchased with UNDP funds remains UNDP property until formally transferred to the executing organization or another institution. At the completion of the project, all parties involved must agree on the final **disposal of equipment**.

### Step 7: Reviewing a project

While a project is expected to produce all planned outputs (also called the deliverables) during its lifetime, a project's impact will only become clear *after* the project is closed. It is important – but often difficult – to find out how much a project or programme has contributed to a change in the lives of people. It is difficult because impacts are generally achieved through a number of different projects and programmes, and depend heavily on external events unrelated to the project.

In order to gauge a project's impact, the programme officer has to ensure that long-term benefit reviews are scheduled after the project ceases its activities. Currently, UNDP is using two tools to analyze long-term results:

#### A new kid in town: Outcome Evaluations

What do outcome evaluations do? They assess whether an outcome has been achieved (and how, why and under what circumstances) or if progress has been made towards it. They also assess UNDP's contribution to the progress towards or achievement of outcomes.

Outcome evaluations are fundamental to the achievement and demonstration of results. They are attempts to assess systematically and objectively the relevance, performance and success of ongoing and completed interventions.

An assessment of UNDP's contribution is not meant to produce a strictly quantifiable measurement that can be wholly attributed to UNDP. It should (1) demonstrate a credible linkage between UNDP's efforts in partnership with others, and (2) development results

- An **evaluation** is a selective exercise that assesses progress towards the achievement of an outcome in a systematic and objective way. It is normally broader than monitoring, and goes more into depth. A certain number of **outcome evaluations** are mandatory for each country office. The number depends on the total resources of the country office during a country programme cycle. This is a new methodology for UNDP, and the organization is currently learning how to effectively conduct outcome evaluations. **Project evaluations** are more limited in scope, focusing on a specific project. Project evaluations are not mandatory any more, but can be conducted if needed. An **evaluations plan** for the entire country programme needs to be prepared and submitted to UNDP's Evaluation Office (EO). In all country offices, an evaluation plan outlines what is being evaluated and when.
- UNDP's Evaluation Office is tracking project impact at the country level with the new **Assessment of Development Results** (ADR) reports. [⇒www.undp.org/eo/ADR/](http://www.undp.org/eo/ADR/) In May 2004, the Evaluation Office has also launched a comprehensive **Evaluation Resources Centre** (ERC) to better capture evaluation knowledge. [⇒intra.undp.org/eo/erc](http://intra.undp.org/eo/erc)

## Through advocacy and reporting

While UNDP delivers most of its services through country offices, it also engages in global and regional advocacy in its five key areas of work. Advocacy should increase knowledge about development, and to improve sharing approaches that have been proved to work. In addition, advocacy is used to build partnerships and mobilize resources for development.

### The Human Development Reports

UNDP's flagship publication for advocacy is the Human Development Report (HDR) [⇒hdr.undp.org/reports/](http://hdr.undp.org/reports/). The concept of *human* development – although sometimes seen as a euphemism - puts people at the centre of the development process. It is about development of the people, by the people, and for the people.

**Global Human Development Reports**, published annually since 1990, are commissioned by UNDP. The reports focus the global debate on key development issues, providing new measurement tools, innovative analysis and often controversial policy proposals. The reports are guided by the belief that development is ultimately a process of enlarging people's choices, not just raising national incomes. The independent teams of experts who write the report draw on a worldwide network of leaders from academia, government and civil society who contribute data, ideas, and best practices.



### The Human Development Index

The Human Development Index (HDI) is a summary measure of human development. It measures the average achievements in a country in three basic dimensions of human development:

- A **long and healthy life**, as measured by life expectancy at birth
- **Knowledge**, as measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (with one-third weight)
- A **decent standard of living**, as measured by gross domestic product per person.

The reports also contain substantive data on development indicators. The reports rank every country each year in areas such as per capita income, literacy, life expectancy and respect for women's rights. Each report focuses on a highly topical theme in the current development debate, providing path-breaking analysis and policy recommendations. Since the first report, four new composite indices for human development have been developed — the Human Development Index, the Gender-related Development Index, the Gender Empowerment Measure, and the Human Poverty Index.

The analytical framework of the global report carries over into **regional, national and local Human Development Reports**, also supported by UNDP. So far, more than 420 National Human Development Reports have been published in 135 countries. The success of these reports is created by national experts and intellectuals who draw on UNDP's global network for advice and

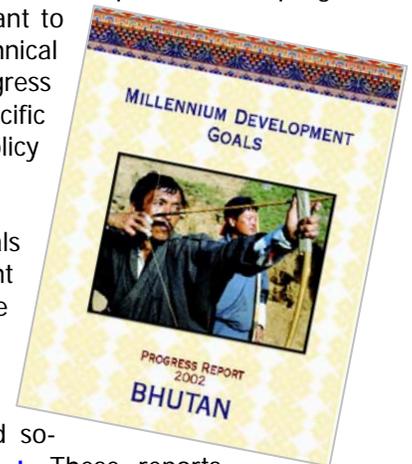
inspiration. Their success shows how quality research and advocacy can spur policy debates, draw political attention to pressing issues, and help countries build their own development solutions. The reports also help donor governments measure the impact of their aid dollars, and communicate the way in which aid is making a positive difference, both to direct beneficiaries and to electorates at home.

### The Millennium Development Goals Reports

The Millennium Development Goals Reports (MDGRs) help bring the Millennium Development Goals from the global to the national and regional level. The premise is that these reports can help accelerate progress. Millennium Development Goals Reports are not lengthy reports. They are meant to be short and easy-to-read reviews that convey messages quickly in a non-technical way. Their main audience is the media and the general public. They show progress at a glance with the objective to help focus the national debate on specific development priorities, which in turn will trigger action - in terms of policy reforms, institutional change and resource allocation.

So far, more than forty countries have published Millennium Development Goals Reports. They confirm the mixed progress vis-à-vis the Millennium Development Goals. A dozen others are under preparation. The plan is to have at least one Millennium Development Goals Report per country by the end of 2004.

While many developing countries have already reported on progress, so far only two developed country, Denmark and the Netherlands, have published so-called **Donor country reports** ⇒ [www.undp.org/mdg/donorcountryreports.html](http://www.undp.org/mdg/donorcountryreports.html). These reports focus on donor countries' commitments regarding Millennium Development Goal eight.



### DevInfo

The United Nations Children's Fund (UNICEF) has been leading the development and testing of **DevInfo**. DevInfo is a tool to promote and improve monitoring of human development indicators and the Millennium Development Goals. It is specially designed to make it easier for national entities to use the integrated database for advocacy with key decision-makers. DevInfo provides a common software platform to help countries monitor the MDGs and advocate their achievement through policy measures, multi-sectoral strategies and the development of appropriate interventions. DevInfo is a more flexible, updated version of the United Nations Children's Fund's ChildInfo database. Version 4.0 of DevInfo is currently under testing in a number of countries.

### ***Through support and coordination of UN agencies***

Typically, UNDP's head at the country level, the Resident Representative, also serves as the **Resident Coordinator** (RC) for the entire United Nations system in a country. Resident Coordinators are the designated representatives of the UN Secretary General for development operations in a country. The **Resident Coordinator system** ⇒ <http://www.undg.org/content.cfm?id=421> aims to bring together the different UN agencies to improve the efficiency and effectiveness of operational activities at the country level. It encompasses all organizations of the United Nations system dealing with development, regardless of their formal presence in the country. The Resident Coordinator system is funded and managed by UNDP. The Resident Coordinator leads **UN country teams** in more than 130 countries. Resident Coordinators and country teams advocate the interests and mandates of the UN drawing on the support and guidance of the entire UN family. Apart from supporting the Resident Coordinator system, a UNDP country office can represent other UN agencies in the country and provide central administrative support to other UN agencies.

# Who is doing what in UNDP?

## The global structure

The **United Nations General Assembly** and the **Economic and Social Council** establish overall policies for UNDP. UNDP's **Executive Board** ⇒[www.undp.org/execbrd/](http://www.undp.org/execbrd/) provides inter-governmental support to UNDP and supervises the activities of UNDP. It ensures that UNDP is responsive to the needs of programme countries. The Executive Board consists of 36 members from as many countries. The members are chosen on a rotating basis.



Mark Malloch Brown

The **Administrator** manages UNDP's day-to-day work, and is directly accountable for all UNDP activities to the Executive Board. The Administrator is the third highest ranking official in the United Nations System after the Secretary-General and the Deputy Secretary-General. He/she is appointed by the Secretary-General for a term of four years, and confirmed by the General Assembly. The current Administrator is Mark Malloch Brown. He is the former Vice-President for External and United Nations Affairs of the World Bank, and the first non-US national to be appointed to head UNDP. Mark Malloch Brown was appointed for a second four-year term in 2003. The Administrator is supported by an **Associate Administrator**. This post is currently held by Zéphirin Diabré, a former Minister of Economy, Finance and Planning of Burkina Faso.

Ten specific **Offices** and **Bureaus** in UNDP's headquarters in New York form the backbone of the organizational structure. They include management, human resources, communications, resources and partnerships. The **Bureau for Development Policy** provides a range of services to governments and to United Nations teams in the key areas of UNDP's work. The **Evaluation Office** and the **Office for Audit and**

**Performance Review** are concerned with the quality and effectiveness of the organization.

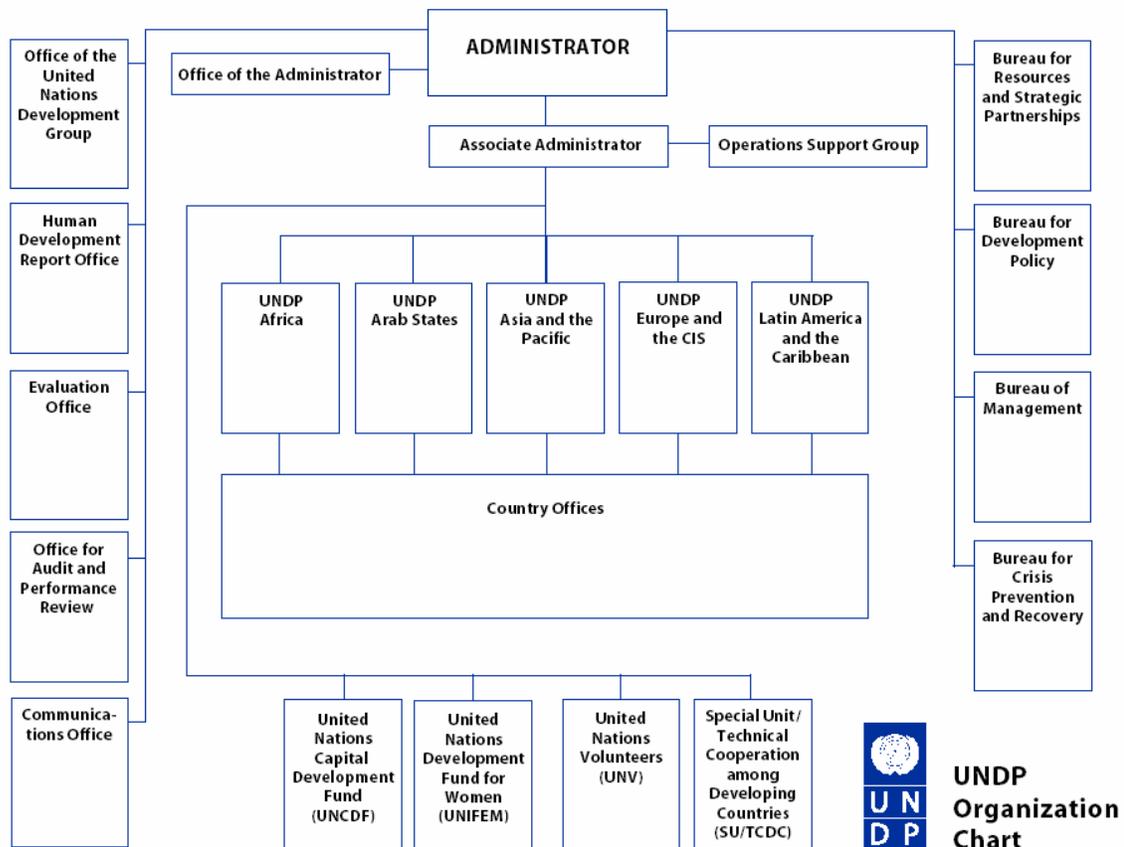
A particular office is the Office of the **United Nations Development Group** (UNDG) ⇒<http://www.undg.org>. The United Nations Development Group is an instrument for UN reform, created by the Secretary General in 1997, to improve the effectiveness of UN development efforts at the country level. The Development Group brings together the operational agencies working on development. It has currently 20 members and five observers, including the World Bank. The Administrator of UNDP chairs the group. Currently, the Development Group is promoting far-reaching simplifications and a harmonization of how various UN agencies operate.

Five **Regional Bureaus** look after UNDP's country offices: Asia and the Pacific, Africa, Arab States, Europe and Commonwealth of Independent States (the former Soviet Union), and Latin America and the Caribbean. They are headed by Regional Directors, and work out of UNDP's headquarters in New York. UNDP currently plans to decentralize further by setting up **Regional Centres** (RCs) located in the respective regions.

In addition to its regular programmes, UNDP administers **UN funds** for special purposes:

- The **United Nations Volunteers programme** (UNV) is the volunteer arm of the United Nations, and based in Bonn/Germany. It mobilizes qualified UN Volunteers and encourages people to become active in volunteering in their countries. ⇒[www.unv.org](http://www.unv.org)

- The **Women's Fund at the United Nations** (UNIFEM) provides financial and technical assistance to innovative programmes and strategies that promote women's human rights, political participation and economic security. →[www.unifem.org](http://www.unifem.org)
- The **United Nations Capital Development Fund** (UNCDF) works to reduce poverty in Least Developed Countries through a variety of innovative approaches in both local governance and microfinance initiatives. →[www.unctdf.org](http://www.unctdf.org)
- The **UNDP Special Unit for Technical Cooperation among Developing Countries** (SU/TCDC) promotes the exchange of knowledge, skills, resources and technical know-how among two or more developing countries. →[tcdc.undp.org](http://tcdc.undp.org)



## The country offices

**National staff** is recruited locally. National staff by far account for the majority of staff in most country offices. Salaries for national staff follow a locally defined salary scale. **International staff** is recruited from outside the country, and paid according to the Noblemaire principle. The Noblemaire principle states that salaries of international civil servants should match those of the best-paid national civil servants →[icsc.un.org](http://icsc.un.org). To keep UNDP independent from governments, and to avoid possible conflict of interest, senior management positions are filled with international staff members. For the same purpose, international staff is rotated between country offices on a regular basis.

These are some of the people one can find working in country offices around the globe:

- The **Resident Representative** (also called RR or ResRep) is the Administrator's representative at the country level, and is head of the country office. The Resident Representative is ultimately accountable for the quality and sustainability of UNDP interventions and for ensuring that all UNDP policies and procedures are fully complied with. The Resident Representative normally also serves as the **Resident Coordinator** (RC) for the entire United Nations system.
- The Resident Representative is aided by at least one **Deputy Resident Representative** (DRR). The Deputy Resident Representative is responsible for a lot of the day-to-day work of projects and advocacy. He/she is normally responsible for the programme part of UNDP, the operational part, or both. Both Resident Representative and Deputy are international staff members, and are sometimes called Senior Management.
- **Assistant Resident Representatives** (ARR) report to the Deputy Resident Representative, and can be either international or national staff. Often, Assistant Resident Representatives look after a certain practice area or after the programme or operational side of a country office.
- **National Officers** and **General Service** personnel fill so-called "posts". Posts are defined through post descriptions. National Officers and General Service staff is recruited for a defined period of time, using a modality called Fixed-Term Appointment (see below).
- **Junior Professional Officers** (JPOs) are university graduates with some working experience in the field of development. They are funded by their respective government, and work with a UN agency for two to four years. ⇒[www.jposc.org](http://www.jposc.org)
- **United Nations Volunteers** (UNVs) serve the entire United Nations system. They are usually hired for donor-supported projects and programmes, or based in the country offices. United Nations Volunteers can be international or national specialists or field workers. ⇒[www.unv.org](http://www.unv.org)
- **Consultants** provide specific advisory and training services to strengthen national skills. They are generally assigned to a project or programme. Consultants can be hired for short term or long term assignments, and can be national or international.
- **Service Contract** (SC) holders are hired for activities which are not part of the central functions of UNDP. UNDP uses service contracts mainly for personnel on specific projects.
- **Administrative support staff** is recruited for administrative and logistical work that cannot be provided by the government. Administrative support staff includes accountants, secretaries and drivers, and is paid according to the local salary scale.
- **Interns** are volunteers who offer their unpaid services to support development activities, while acquiring work experience. Interns can be national or international.

#### Answering questions

When you start working for UNDP, people will soon ask you about your work. Two questions come up frequently:

"What does UNDP do?" It is helpful to think of a good and concise answer beforehand. Try not to use any UN lingo or abbreviations.

Another frequent question is "Why isn't the UN doing something about ...?" The UN is "only" an association of member states, and it can only do what its members agree upon. In general, the public perception of the UN is very much focused on the Security Council, which is only one of many UN institutions. You can quote Kofi Annan: "The United Nations is your instrument. It is the expression of your hopes and aspirations."

UNDP staff is organized into **staff associations** at the country level. At the global level, UNDP, UNFPA and UNOPS staff forms the **staff council**. Staff associations promote and safeguard the rights, interests and welfare of staff. They also act as the channel of communication with UNDP's administration on matters concerning staff.

## ***How does UNDP manage its staff?***

### **What types of contract are there?**

UNDP works with a mix of contract types to cover all individuals employed either for UNDP or on behalf of other UN agencies. The type of contract depends on a number of criteria, e.g. the legal basis or the duration of services. There are four basic types of contract:

- **Fixed-term Appointments (FTA)** contracts are used for core staff members. The basis for these appointments are the so-called 100/200 Series Staff Rules. Local salaries are established on scales based on best prevailing local conditions. International salaries are in line with the globally best paid civil servants.
- **Activities of Limited Duration (ALD)** contracts are used for non-career posts in UNDP. Their duration can range from six months to maximum four years. The legal basis for Activities of Limited Duration contracts are the 300 Series Staff Rules.
- **Special Service Agreements (SSA)** are used for very specific tasks which are limited in time. The duration of Special Service Agreements does not exceed eleven months, after which there is a mandatory break of four months. The salary is based on market conditions for a particular job.
- **Service Contracts (SC)** are used mainly for specific projects or for activities that are not an integral part of the work of UNDP's office.

### **How does UNDP assess staff performance?**

The performance of all UNDP staff is evaluated on an annual basis. At the beginning of each year, staff members agree with their supervisor on five clear and concise key results, and five learning objectives. These plans are evaluated at the end of the year in a **Results and Competency Assessment (RCA)**. This is an elaborate review process, including an assessment of the staff members' general performance. Staff members are evaluated on a five point scale from 1 ("outstanding") to 5 ("unsatisfactory performance"). To keep assessments comparable among different offices, they broadly follow a bell curve distribution. The Result and Competency Assessment serves as the basis for promotions and salary raises. The termination of contracts is based on this assessment as well.

# How does UNDP manage what it does?

## What is management for results?

### Making a difference in the life of people

For decades, UNDP and other development organizations have been focusing on processes rather than on clear results. However, it turned out that while many projects were apparently successful, the living standards in some countries were not improving.

In today's development business, it is not enough to focus on what the projects deliver. The main question is if UNDP is making a measurable contribution to the elimination of poverty and its causes. **Does UNDP's work result in actual changes in the living conditions of people?** *For example, there is no use organizing twenty training workshops for apple growers, if they subsequently will not apply the new techniques, or if these techniques will not significantly increase their income and their living standards in the long run.*

The introduction of UNDP's business plan in 1999 initiated the transformation of UNDP into a results-based organization. The new methodology is called **result-based management** (RBM) [=>undp.org/eo/rbm/](https://undp.org/eo/rbm/). It is a methodology by which an organization ensures that its processes, products and services contribute to the achievement of clearly stated results. Performance is systematically measured at the level of development goals. This major shift should enhance the organization's development effectiveness.

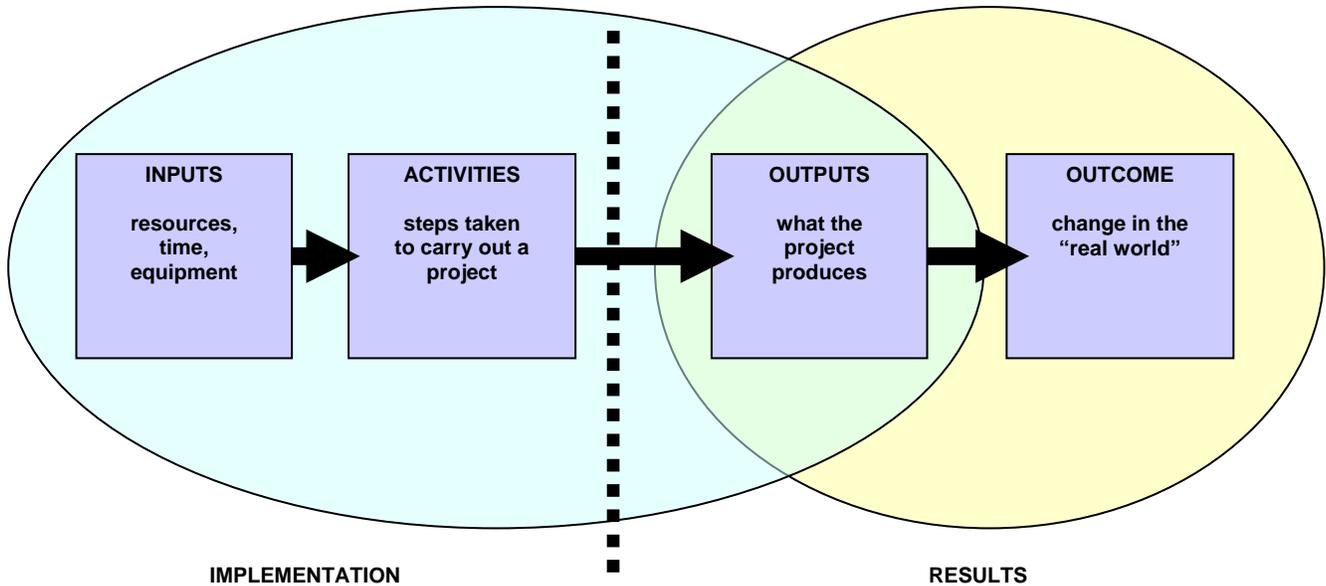
To understand result-based management, it is paramount to understand some concepts. The key notions of result-based management are:

- **Inputs** are funds, staff time and other resources needed to carry out activities. *For example, a project requires \$10.000, one full-time project manager, and the usage of an office for two years.*
- **Activities** are the various steps taken to carry out a project. *For example, in order to train teachers in secondary school in HIV/AIDS, activities comprise of the printing and distribution of information leaflets, a number of workshops, a concept paper for the training, and one-to-one coaching of teachers.*
- **Outputs** are what the activities ultimately lead to. Outputs are the products of a project, and are still under the control of the project (in opposition to outcomes). *For example, the activities above will lead to the output that a certain number of teachers are better trained to teach matters related to HIV/AIDS.*
- **Outcomes** (sometimes called impact or goals) are changes in the real world, triggered by the outputs of projects. They are not under the control of the project any more. They follow the outputs, assuming that the development hypothesis used for the project design was correct. In more complex projects, outcomes can be separated into short-term, mid-term and long-term outcomes. The latter are sometimes called **goals** or **impact**. *For example, better trained teachers should lead to better knowledge of HIV/AIDS. Increased knowledge of students in turn leads to a decreasing HIV/AIDS rate in the region or the country.*

#### What is management?

Management is about analyzing, sequencing, planning, and monitoring a process. It is about optimizing tasks, and using smart delegation as a tool.

A good manager knows how to achieve a given goal or a vision, and does it in the shortest time possible, using only the resources which are necessary.



### Defining and measuring results

If you plan something, you have a desired result in mind. Result-based management is doing exactly that: it defines expected results *before* an activity starts. *For example: How many resources will be used for what purpose? How many training seminars will be held? When will the draft law be discussed in the national parliament? How many small business enterprises will increase their profits? How many community members will escape from poverty and by when?*

How do you know if the intended results of a project are actually achieved? In order to credibly argue that results have been achieved, they have to be measured somehow. The results should be defined in an unambiguous manner. **Results are well-defined if there is no potential disagreement about the situation at a later stage.** *For example, if a project result states that “a large part of the community will have improved their living standard”, there is plenty of potential for disagreement. How large is a “large part”? By when? Are specific groups in the community targeted? What is living standard? Is it income, better housing, or literacy? By how much will they improve their living standard? Is 5% enough? Or 50%? A better result could be defined as “50% of farmers in the three target communities will increase their income by at least 25% from 2001 to 2006”.*

It is easier to use numbers to capture results, since they provide less scope for disagreement. However, sometimes non-numerical results capture a result more accurately. Such “qualitative” (in contrast to “quantitative”) results have to be formulated in an equally careful and precise way.

#### Working with Partners

The recent focus of UNDP on partners is also a result of the organization's emphasis on results-based management. No single development organization can achieve a real change in the life of people. Therefore, UNDP is increasingly working closely with the governments, other UN agencies and development organizations, and business enterprises.

As a matter of policy UNDP has consistently encouraging cooperative exchanges of knowledge, skills, resources and technical know-how between developing countries. Recognizing the value of developing these partnerships, South-South cooperation is an important element of corporate and country-level partnership. UNDP considers active collaboration among developing countries particularly relevant in high priority areas such as trade and investment, debt, the environment, poverty alleviation, production and employment, macroeconomic policy coordination, and aid management.

## How is UNDP managing for results?

Beginning in 1999, UNDP has experienced a radical and sometimes painful transformation in the effort to put result-based management at the core of its operations. During the first business plan from 2000 to 2003, UNDP laid the cornerstone for what may be the most radical transformation in its history. Lay-offs and re-directed resources enabled UNDP to unify its policy, advocacy, and resource work around five thematic practice areas. UNDP established nine sub-regional resource facilities to serve as hubs for its new knowledge networks – and brought in new partners. Supported by a major investment in global internet and e-mail connectivity, UNDP's country offices are seeking out and sharing knowledge and experience about what works - and what does not work - as never before.

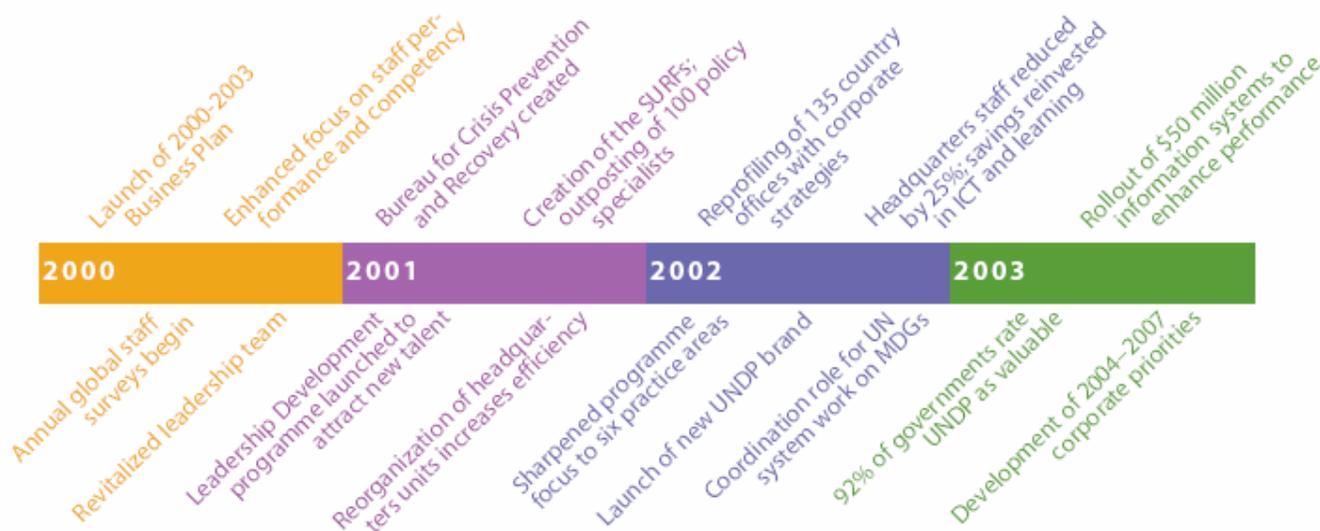
In 2001, UNDP overhauled its corporate structure to make sure its staff and services were in line with country needs. During this essential but painful **re-profiling exercise**, 25 percent of headquarters staff was cut. In the country offices, 24 percent of the core staff was laid off. This allowed UNDP to bring in new policy specialists. UNDP established a hiring programme for young managers and devoted more time to learning and skill development. In 2004, UNDP started to experiment with a more flexible salary system based on performance.



Simultaneously, UNDP's public image had to be sharpened through a **branding** exercise. A new corporate brand was launched, drawing on extensive research to craft a clear statement on UNDP's unique role as the UN's global development network. The brand does much more than simply inform all communication materials—it now frames the way that UNDP sets its organizational priorities. The most obvious result of the new UNDP brand is its new logo. The new logo visually connects UNDP with the United Nations more closely than the previous one. The "building blocks" of the initials, together with the well-known UN emblem and a new blue - as opposed to green - suggest how the different parts of UNDP form one worldwide organization supporting the values and goals of the United Nations.



### FOUR YEARS OF THE UNDP BUSINESS PLAN, MILESTONES AND ACHIEVEMENTS

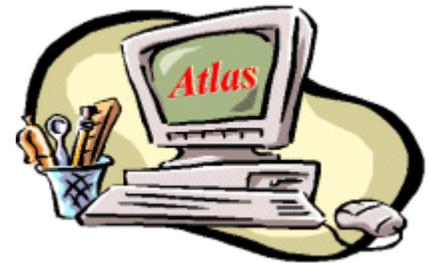


## What tools is UNDP using to manage for results?

### Atlas – UNDP's Enterprise Resources Programme

A key component in UNDP's transformation was the introduction of an **Enterprise Resource Programme** (ERP) at the beginning of 2004. UNDP opted for a system from PeopleSoft, which is like those used by large enterprises. The system adjusted specifically for UNDP is called **Atlas**. To mark a departure from the UNDP's bureaucratic designations, Atlas does not stand for anything, but stresses UNDP's global network approach.

The purpose of Atlas is to reengineer UNDP's business processes, to change the way how UNDP does business. The first wave of Atlas (a second wave is expected in 2005) focused on the areas of finance, procurement, human resources and project management. Despite initial teething problems with the introduction of Atlas in early 2004, the system is now up and running.



Over the next two years, Atlas will enable UNDP to retire sixteen existing systems. Many of these systems had inadequate functionality, were poorly integrated and were increasingly costly to maintain. Atlas will integrate financial, project and human resources information across UNDP. From processing payments to managing pools of staff ready for rapid deployment in crisis situations, it will provide both snapshots and strategic overviews of how UNDP is managing its resources.

### The Strategic Results Framework

As a consequence of the increased autonomy of country offices in how they spend earmarked funds, country office performance is now closely monitored. The **Strategic Results Framework** (SRF) ⇒ [www.undp.org/execbrd/pdf/99crp12.pdf](http://www.undp.org/execbrd/pdf/99crp12.pdf) is the planning instrument for country, regional and global cooperation, while the **Result-Oriented Annual Report** (ROAR) tracks country office performance on an annual basis. The Result-Oriented Annual Report is used to report to governments and donors. It is increasingly a basis for organizational learning, defining programme direction, and improving performance management.

### Logical frameworks

Logical frameworks (or "logframes") are not merely a four-by-four matrix with sixteen boxes to be filled. Rather, logical frameworks are a mindset and a structure. They make clear the causal linkages between inputs, activities, outputs and outcomes. They force us to think logically and comprehensively, while being able to summarize our plans into a concise frame. UNDP uses a simplified version of the logical framework in the standard project format.

The main elements of a logical framework are:

- A **chain of cause-effect relationships**: What are the *inputs* (the resources, the time, the equipment, etc.) needed to realize planned activities? What *activities* will produce the intended *outputs*? If the project produces the planned outputs, what are the long-term *outcomes* expected at the end of the project and beyond? What is the long-term *impact* on the life of targeted people?
- **Indicators** are introduced to gauge progress on all levels of the cause-effect relationship.
- **Means of verification** (MoV) tell us where to look for updated data on the indicators.
- Because the cause-effect relationship happens in the real world, a set of **critical assumptions** are needed to better anticipate potential problems during the implementation.

While the logical framework is an excellent tool for planning and managing results, it has some weaknesses. It does not capture the management of the project. An excellent overview of the logical framework approach can be found at =>[www.ausaid.gov.au/ausguide/ausguidelines/1.cfm](http://www.ausaid.gov.au/ausguide/ausguidelines/1.cfm).

## Indicators

Indicators are signals that reveal progress towards objectives in terms of quality, quantity and timeliness. They are quantitative or qualitative variables that provide a simple and reliable basis for assessing performance and achievement. Since inconsistent indicators do more harm than good, the quality of indicators is extremely important. Good indicators should be:

- **Objective:** there must be a general agreement over interpretation of results;
- **Specific:** in quantity, quality, time, location, target groups, baseline and target;
- **Relevant:** they must directly relate to the objective indicators are trying to measuring;
- **Feasible:** it must be possible to obtain the data needed, and in a cost-effective way;
- **Quantitative:** while quantitative indicators are not always more objective, their numerical precision lends itself to agree on an unambiguous interpretation of data.

Weak indicators can often be improved by a simple method of adding additional elements of quantity, quality, time frame, target group and location in order to make them more specific. *The following table gives an example how very weak indicators (“More and better trained student graduates”) can be transformed into a good indicator:*

Action	Question?	Example
<b>Weak indicator:</b>		<b>More and better trained students</b>
+ quantity	How many?	The number of graduates increased <b>from 5.000 to 14.000</b>
+ quality	What kind of change?	The number of graduates passing <b>standard exams</b> increased from 5.000 to 14.000
+ time frame	By when?	The number of graduates passing standard exams increased from 5.000 to 14.000 <b>in year three of project</b>
+ target group	For whom?	The number of graduates <b>from lower income families</b> passing standard exams increased from 5.000 to 14.000 in year three of project
+ location	Where?	The number of graduates from lower income families passing standard exams <b>in three northern provinces</b> increased from 5.000 to 14.000 in year three of project
<b>Good indicator:</b>		<b>The number of graduates from lower income families passing standard exams in three northern provinces increased from 5.000 to 14.000 in year three of project</b>

It is often difficult as well as expensive to measure precisely what you want to know. In such cases, **proxy indicators** should be used. Proxy indicators stand in for an indicator that is difficult or costly to measure directly. *For example, instead of measuring the increase in income of bee keepers, one could use the level of their expenditure as a proxy indicator.*

## How does UNDP manage knowledge?

Knowledge is what people know. **Knowledge management** turns personal knowledge into corporate knowledge. It helps to connect people and information. Knowledge management makes it easier for staff members to access the best knowledge the organization has, and to access the best people to get the job done.

UNDP is currently moving towards becoming a **knowledge-based organization**. The intention is to capitalize on UNDP's huge global network and to better manage its extensive knowledge of development work. What works? What doesn't work? What works where, and what works under what circumstances?

### Knowledge networks

Drawing on UNDP's global presence, community networks of practitioners emerged over the last few years. Membership in these networks has soared to over 12.000, including UNDP staff, staff from other UN organizations, and other development institutions. These vibrant networks are used for a variety of things: discussing current problems, asking for help or advice from colleagues, sharing reports and documents, etc.  
⇒ [groups.undp.org/read/all\\_forums/](http://groups.undp.org/read/all_forums/)

### Sub-Regional Resource Facilities

In order to improve the services country offices offer, UNDP boosted its capacity with the introduction of Sub-Regional Resource Facilities (SURFs). These teams of policy specialists liaise both with the country office and headquarters. In order to disseminate knowledge on development and to strengthen links among country offices and regions, UNDP posted 100 policy specialists in nine Sub-Regional Resource Facilities. These facilities respond to requests from country offices and headquarters staff with advice or information. Inquiries can be about anything related to UNDP programme policy or implementation. In the near future, UNDP plans to merge the Sub-Regional Resource Facilities with the newly established Regional Centres.

⇒ [undp.org/policy/surf.htm](http://undp.org/policy/surf.htm)

### Thematic centres

UNDP currently has three thematic centres to research and to provide policy advisory services.

- The **Oslo Governance Centre** helps UNDP country offices to assist in democratic reforms necessary to achieve the MDGs, with a special emphasis on access to justice, human rights, civil society, access to information, and governance and conflict prevention.  
⇒ [www.undp.org/oslocentre/](http://www.undp.org/oslocentre/)

- The **International Poverty Centre** (ICP) fosters the capacity of developing countries to design and implement poverty reduction strategies. The centre opened in early 2004, and is based in Brazil. It will concentrate on training high-level analysts and decision makers, supports South-South research on alternative anti-poverty strategies, and monitors poverty and inequality. ⇒ [www.undp.org/povertycentre/](http://www.undp.org/povertycentre/)

#### Having fun with abbreviations

Countless abbreviations are an annoying element of UNDP lingo. It's not uncommon to hear somebody say: "The RR wants the NPD to submit the FR to UNDP by EOB today". It might save time to use some well-known abbreviations for internal communication, especially in writing. But in order to communicate effectively with everybody who is not UNDP staff (and that is the majority of people), abbreviations are a nuisance.

Say "the Millennium Development Goals". Then say "the MDGs". How much time did you gain, if any? And it makes non-UN staff roll their eyes. It makes you look like a show-off.

However, the reality is that you *will* come across many abbreviations in UNDP. But they are not a well-kept secret. Pick up ten or twenty as you go along, and you will be fine. For the rest, it's perfectly fine to ask what they stand for (and you might find that some people using them don't know what they really mean).

You can find a good list of abbreviations e.g. at ⇒ [www.undp.org/bdp/pm/docs/abbreviations.pdf](http://www.undp.org/bdp/pm/docs/abbreviations.pdf). For the more advanced, there is a UN multilingual terminology database, with 70,000 acronyms in the 6 official UN languages. ⇒ [unterm.un.org](http://unterm.un.org)

The creative use of abbreviations can also provide you with additional fun while still doing work. For example, UNDP's Sub-Regional Facilities are called SURFs. Accordingly, SURF's supervising board is called – well – SURF board.

- The **Drylands Development Centre** specializes in assisting countries to fight poverty and encourage development in the drier parts of the world. The Centre is located in Nairobi, Kenya. [⇒www.undp.org/drylands/](http://www.undp.org/drylands/)

### Training programmes

The **LEAD** programme is UNDP's fast-forward, intensive training programme for promising young staff. It was introduced to rejuvenate management. The selection process is open to both UNDP staff and outsiders, and is highly competitive. The LEAD programme includes at least two assignments of two to three years each, typically in UNDP country offices or regional centres. [⇒www.undp.org/ohr/lead/](http://www.undp.org/ohr/lead/)

The **Virtual Development Academy** (VDA) is a UNDP-tailored distance learning course in cooperation with the Jones International University. This internal training programme builds skills and competencies needed to provide expert policy advice to programme countries. The Virtual Development Academy is open to all staff. Participants are recommended by the Resident Representative. [⇒vda.undp.org/](http://vda.undp.org/)

### Publications

**Choices** is UNDP's magazine reporting on human development. Distributed in 166 countries worldwide, Choices targets diplomats, legislators, public officials, journalists, representatives of civil society organizations and the private sector. It focuses on how people around the world are successfully improving their lives. Choices is published quarterly, and features first-hand articles on UNDP-supported programmes. [⇒www.undp.org/dpa/choices/](http://www.undp.org/dpa/choices/)



The **Journal of Human Development** provides perspectives on human potential, growth and markets. It focuses on multi-dimensional approaches to economic, social and political issues, and publishes original work that expands concepts and measurement tools for human development and that challenges traditional views of economics. It targets policy makers, economists and academics. [⇒hdr.undp.org/publications/journal.cfm](http://hdr.undp.org/publications/journal.cfm)

The **Essentials** series summarizes cutting edge issues and main lessons learned from past experiences of UNDP and other development partners. It is produced by UNDP's Evaluation Office. [⇒www.undp.org/eo/publication/essentials.htm](http://www.undp.org/eo/publication/essentials.htm)

The **UNDP Bulletin** is a great source of news from UNDP, media coverage of UNDP's work, updates of life and work in UNDP, etc. [⇒bulletin.undp.org](http://bulletin.undp.org)

# How does UNDP fund its activities?

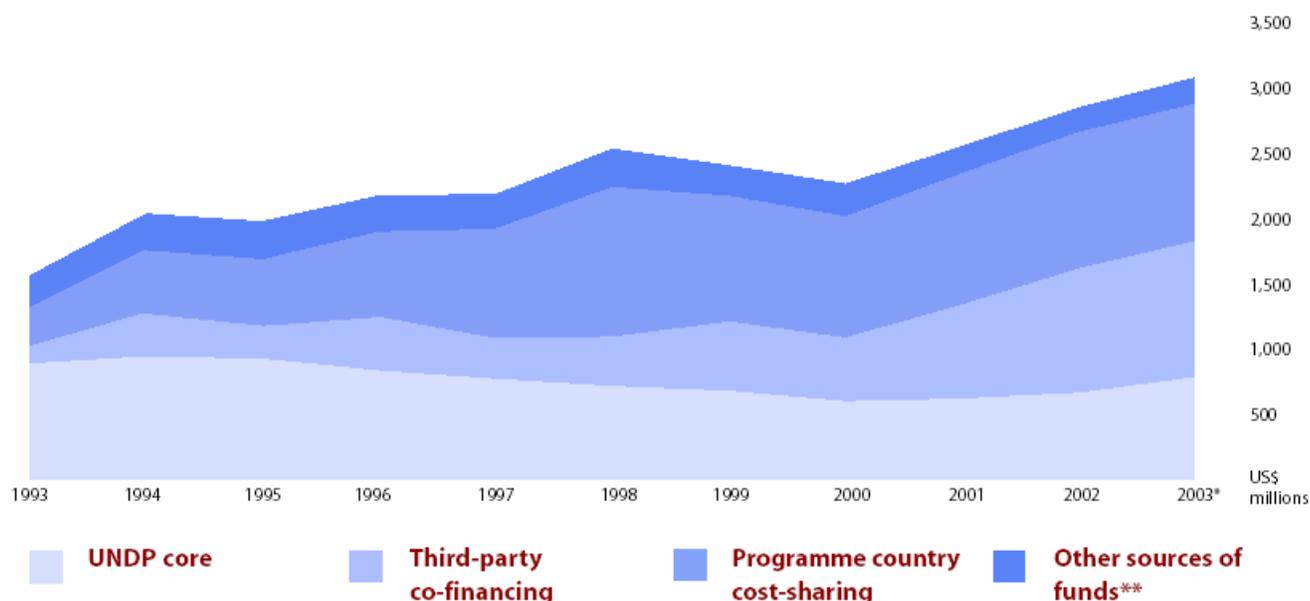
## Global resources

UNDP's global resources reached their highest level ever in 2003. Global resources of UNDP stand currently at annually **\$3.2 billion**.

UNDP's core resources (or regular resources) are voluntary contributions of member countries. From 1994 to 2001, there has been a steady decline in core resources, leading to a funding crisis of UNDP. The seven-year downward trend in core resources was reversed in 2001. Annual contributions to UNDP by Member States now stand at **\$769 million** annually.

The ability of UNDP to mobilize non-core resources depends on having an adequate, secure base from core resources. While the turnaround in core resources continues, UNDP's financial situation remains critical. Regular resources still do not keep pace with the growing demands put on the organization, and remain far off the \$1.1 billion goal for 2007.

### RESOURCES, 1993–2002



\* includes income from administered, extrabudgetary and miscellaneous funds, and management service agreements.

\*\* preliminary

About 86 percent of the total resources are invested in programme activities. 9 percent are used for programme support, 2 percent for management and administration, and 3 percent to support the coordination of the United Nations system.

## Types of funding

UNDP country office can access a variety of funds in order to develop project activities.

### UNDP's core resources

Core resources are voluntary contributions by Member States. They are also called regular resources or **Target for Resource Assignment from the Core (TRAC)**. The current global business plan foresees an increase of annual core resources from \$769 million in 2003 to \$1.1 billion in 2007.

How does UNDP distribute these core funds to the programme countries? There are three types of distributions:

- Every programme country receives a certain minimum amount of guaranteed funding from the global core budget, called **TRAC 1**. This amount is determined by a distribution methodology established by UNDP's Executive Board. It takes into account a country's gross national product per person and its population size.
- UNDP's Executive Board grants additional core funds for programme countries – called **TRAC 2** – based on the quality of the Country Cooperation Framework. Through this competitive mechanism, a country office can additionally receive up to 200 percent of TRAC 1 funds.
- About 5 percent of the total core resources are held back by UNDP to address special development needs of countries in crisis, or to prevent a severe crisis from happening. These funds are called **TRAC 3**.

Core resources, particularly TRAC 1 and 2, are the most flexible funds available for country offices. Once a country programme has been rated by UNDP's executive board, the level of funds available for the next five years becomes known. The country office, UN agencies and its national partners subsequently agree on the concrete use of these core funds on the basis of the country programme, and start elaborating specific projects.

There is little scope for programme officers to access core resources during a country programme cycle. However, it happens occasionally that projects spend less money than anticipated, or that core resources are adjusted upwards. In this case, the new core resources can be used for prioritized project proposals not yet funded.

### Programme country cost-sharing

Many developing countries contribute to UNDP's activities on the ground by sharing a portion of the costs. In this case, governments allocate their own funds to a UNDP-sponsored project. These funds are fully integrated into UNDP's budget process, and UNDP recovers the costs incurred for handling these funds. Cost-sharing by programme countries is particularly strong in Central and Latin America.

## GROSS INCOME, 2003 (PRELIMINARY)

(US\$ millions)

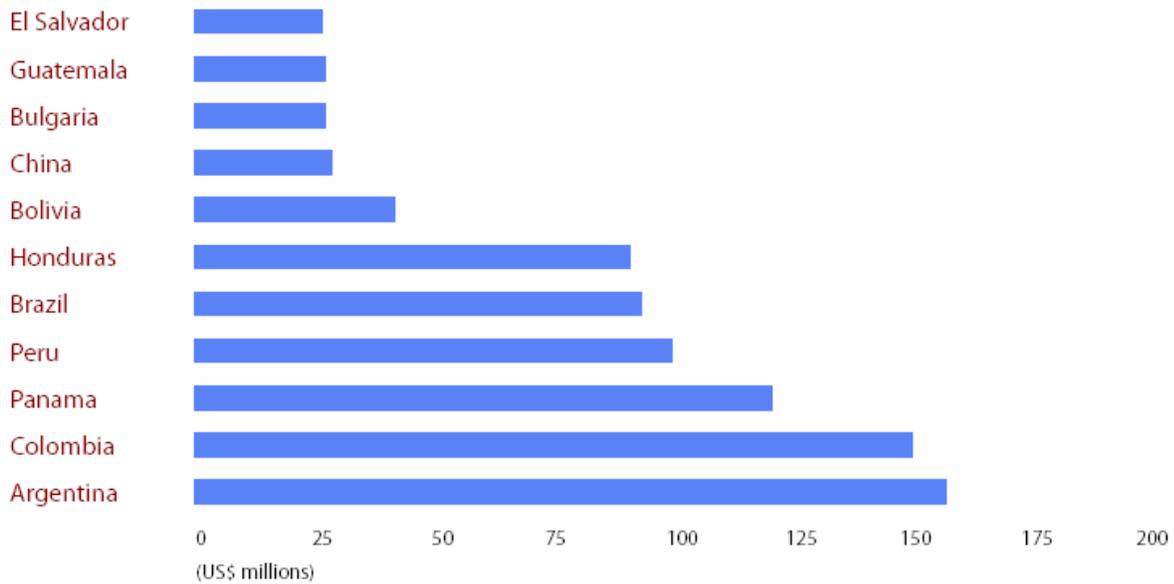
Ranked by top 24 contributors to core resources

Donors	Core resources	Co-financing*
United States	103.72	80.34
Norway	91.64	55.86
Japan	86.77	88.29
Netherlands	85.88	44.95
Sweden	62.44	43.08
United Kingdom	60.44	87.79
Denmark	55.27	12.93
Switzerland	38.52	8.48
Canada	38.22	29.60
Germany	28.28	12.63
France	18.28	2.61
Italy	16.27	27.60
Finland	14.53	3.47
Ireland	13.97	3.57
Belgium	12.94	6.17
Spain	6.85	2.74
Austria	5.37	—
Australia	4.67	13.81
India	4.63	0.6
New Zealand	3.43	1.5
China	3.10	29.04
Saudi Arabia	2.00	7.71
Portugal	1.60	0.31
Cuba	1.35	0.12

\* Includes cost-sharing and trust funds.

Notes: (a) Contributions include income from administered funds, extra-budgetary, miscellaneous and management service agreements. (b) Contributions for Austria include pledges from previous year. (c) The European Commission is a major source of non-core funding to UNDP.

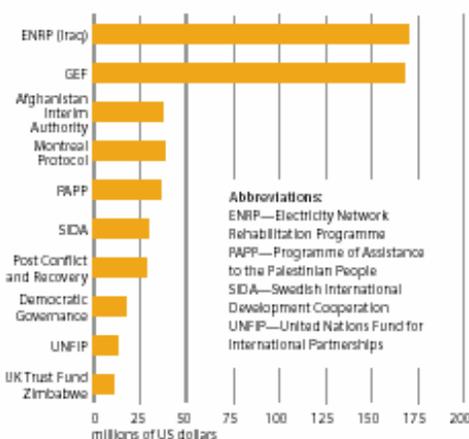
## TOP PROGRAMME COUNTRY COST-SHARING CONTRIBUTIONS, 2003 (PRELIMINARY)



### Third-party co-financing

Under a third-party co-financing agreement, a bilateral donor government, an international financial institution, or a private entity contributes funds to individual projects or programmes. Third-party co-financing can also fully fund a project or programme, in which case it is called 100 percent cost-sharing.

### TOP 10 TRUST FUNDS, 2002: INCOME



**Trust funds** are a mechanism established to receive contributions from one or several governmental or non-governmental donors, including private corporations and individuals. They are specific in supporting a certain theme, a particular project, a certain country or region. The largest trust funds by far are the Electricity Network Rehabilitation Programme for Iraq (ENRP) and the Global Environment Facility (GEF). The Global Environmental Facility in particular is funding many projects at the country office level.

To reverse the downwards trend in donor contributions and to allow donors better targeting and clearer results, UNDP introduced **Thematic Trust Funds (TTFs)** for its five practice areas. These trust funds finance short (normally one year), catalytic interventions in response to country-level needs and demands. Donors are able to contribute resources specifying the type of service, the regions, the countries, or a combination

thereof. The Thematic Trust Funds are a flexible co-financing modality with rapid approval and swift disbursement of funds. Most of the Thematic Trust Funds give priority to low-income countries, Least Developed Countries (LDCs), and Africa in general. A small proportion is used for global and regional initiatives. These funds are highly competitive. Once a Thematic Trust Fund announces a disbursement, country offices submit short, one-page proposals. These proposals are evaluated by UNDP's Bureau for Development Policy, and awarded on a competitive basis. The Bureau has the overall responsibility for the management of Thematic Trust Funds. Among the Thematic Trust Funds, the funds for Post Conflict and Recovery and for Democratic Governance are currently the largest.

## Parallel financing

Parallel financing happens when other donors join UNDP in a common programme or project but administer their resources separately. These resources are managed by the respective donors themselves, and do not enter in UNDP accounts. However, UNDP generally prefers a common management of funds rather than parallel financing.

## Providing development services

An additional source of resources for UNDP is its role as a provider of development services. Since 1998, UNDP recovers additional costs incurred in managing programmes and projects at the request of the executing organization. This is the case when UNDP's support clearly involves identifiable and additional costs to the office. These additional costs are debited to the project. It is important that the government agrees with this prior to UNDP's additional support. *For example, a ministry is not able to identify and import heavy machinery and asks the UNDP country office to do this for them. UNDP agrees, provided that a certain amount of overhead can be charged to the project to cover UNDP's additional costs.* Furthermore, UNDP increasingly provides other development services to governments, UNDP agencies and other development organizations.

### Can we still afford the United Nations?

The entire UN system spends some \$12 billion a year. Just over half of this amount comes from voluntary contributions from the Member States. The rest is received from mandatory assessments on those States, which are calculated on the basis of its share of the world economy.

World military expenditures – some \$800 billion a year – would pay for the entire UN system for more than 65 years.

## Key concepts and buzzwords

The following pages describe concepts or buzzwords currently in fashion which have not been discussed in the guide. However, you will inevitably come across them when working for or with UNDP.

### Best practice

Best practices (or good practices) are projects and advocacy which have proven successful in the past or in other countries. Unfortunately, there is little information about worst practices, although it could be equally important to learn how absolutely not to do things.

### Civil Society

The Civil Society comprises of organizations in between the family structure and the state structure. Civil society organizations include Non-Governmental Organizations (NGOs), but also independent media, religious organizations, business associations, etc. A developed civil society is mostly seen as something positive, because it allows individuals to freely associate themselves, thereby expressing their own ideas, wishes, and interests.

### Comparative advantage

If an organization has an advantage of some sort to carry out an activity in comparison to other organizations, this is called comparative advantage. UNDP, e.g., can have a comparative advantage over bi-lateral donors in cases where a neutral broker is called for, or where its global network brings additional value for successfully implementing activities.

### Efficiency and effectiveness

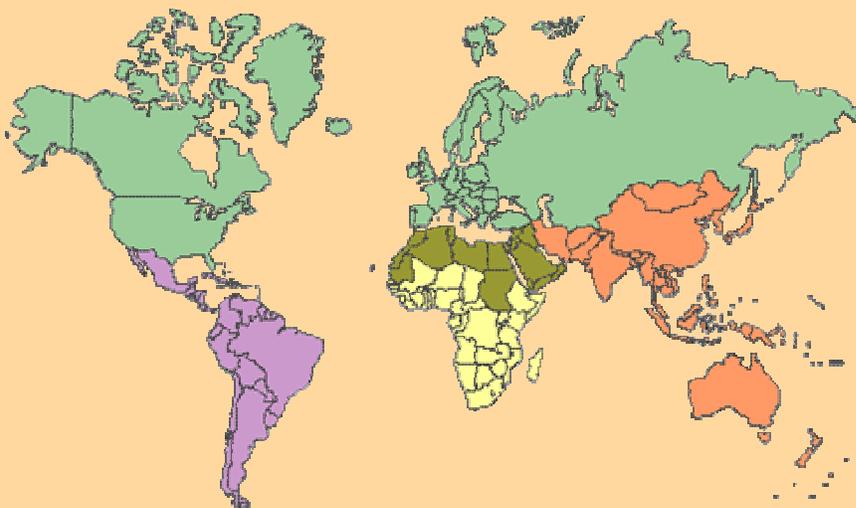
Efficiency is to do something in the shortest time possible. Effectiveness is doing something in the best way possible. Efficiency and effectiveness are often used in tandem (as in “the efficient and effective implementation of the project”).

### Empowerment

This concept stipulates that people should become active agents of change. They should be able to take part in, or directly influence, the decision-making that vitally affects their lives.

### Least Developed Countries

Least Developed Countries (LDC) are defined by three characteristics: low income criterion, weak human resources, and economically vulnerable. In the late 1960s, the United Nations began paying special attention to Least Developed Countries recognizing those countries as the most vulnerable of the international community.



### Lump-sum

Instead of complicated calculations of costs, a total amount is agreed upon beforehand, and paid out if the product is delivered. Lump-sum payments minimize administrative work and save money. *For example, instead of paying a consultant on an hourly basis for writing up a project document, a fix lump-sum can be agreed upon after the document is delivered to UNDP.*

### **Mainstreaming**

If an issue is “mainstreamed”, it is included as an integrated element into a project, instead of designing a project which specifically targets this issue. Gender, human rights and Information and Communication Technology are all mainstreamed in UNDP. However, there is a certain danger that mainstreaming dilutes development problem, and that mainstreamed issues are only nominally included in projects to please donors or headquarters.

### **National ownership**

National ownership implies that programme countries assume principal responsibility for their development agenda. It exists, e.g., if government officials speak of “their” project rather than about a “UNDP project”.

### **Overhead**

If UNDP is asked to give additional support to a project, a certain percentage or a lump-sum will be charged to cover administrative and other expenses that are incurred. These administrative costs are called overhead costs.

### **Participation**

Often used as a particular way of doing things (“participatory”). The participatory approach in development demands that people who are affected by an activity should also have a say in its implementation.

### **Peer review**

Peers are colleagues. A peer review is a review among colleagues on a similar level. For example, a programme officer can submit a draft document to one of UNDP’s networks, and other programme officers (the peers) will review it.

### **Pipeline**

Project ideas and projects at various stages of formulation are called the project pipeline. While the **soft pipeline** is mere ideas and initial concepts, projects in the **hard pipeline** are close to being formulated and approved.

### **Portfolio**

A portfolio is a set of (mostly related) projects and programmes which are looked after by one programme officer.

### **Procurement**

When UNDP buys goods or services from commercial companies, this is called procurement. UNDP has rules and regulations governing procurement to ensure that the best possible use of UNDP resources is made to meet the required needs.

### **Stakeholders**

A stakeholder is everybody with an interest, a “stake”, in a project or an activity. Generally these include people and organizations directly affected by an activity, the government, development partners and UNDP.

### **Strategic Partnerships**

Over the past several years, UNDP has made significant progress in strengthening its international partnerships and marshalling the resources it needs to support progress toward the Millennium Development Goals. In early 2000, UNDP created the Bureau for Resources and Strategic Partnerships to coordinate and nurture its working relationships with donor countries, civil society organizations, international financial institutions, regional development banks, the private sector and rest of the UN system.

## **Sustainability**

Sustainable development is development that lasts. In providing opportunities for the current generation, resources should not be allocated in such a way that would compromise the capacity of future generations to sustain at least the same level of human development. In a project context, sustainability demands that a project activity, output or outcome should continue after the project comes to an end.

## **Technical Cooperation among Developing Countries**

Called TCDC, the premise is that cooperation between developing countries can sometimes be more effective and efficient than cooperation with a highly developed country. It is also called **South-South Cooperation**.

## **Up-stream and down-stream**

Down-stream activities include direct contact with the people who will subsequently benefit. Upstream activities, on the contrary, work on a policy level, and are much more abstract and indirect. While most UNDP country offices use a mix of both, the focus in UNDP is on up-stream activities. *For example, to support the reconstruction of roads is down-stream work. Providing the support to establish a media law would be an up-stream activity.*

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