# First regular session 1999
### Item 4 of the provisional agenda

**UNDP: COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS**


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INTRODUCTION

1. In accordance with Executive Board decision 93/3, UNDP began its operations in Tajikistan in December 1993. Due to the instability of the political and social environment, activities were initially limited primarily to humanitarian assistance at the grass-roots level. As a consequence of a ceasefire, other activities were launched to support the peace process. Given the unstable political situation and armed conflict in the country over the past five to six years, a UNDP advisory note could not be completed until recently, thus delaying the submission of the first country cooperation framework (CCF), which covers the period 1999-2000, to the Executive Board. Over the past year, consultations were held with the Government, United Nations agencies, Bretton Woods institutions, the donor community, international non-governmental organizations (NGOs) and a broad range of representatives of civil society.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE HUMAN DEVELOPMENT PERSPECTIVE

2. After prolonged negotiations, with major involvement of the United Nations, between the Government and the United Tajik Opposition, a peace agreement was signed in Moscow in July 1997. This agreement, the General Agreement on Establishing Peace and National Accord in Tajikistan (General Agreement), is the basis for putting the country on the path to stability, prosperity and sustainable human development, even if in its implementation many elements move more slowly forward than planned. Matters of security continue to be a particular concern.

3. Since the country's independence in 1991, Tajikistan has been faced with new daunting challenges: the urgency of political restructuring and the democratization process; the need for the reorganization of the economy and transition to a market-oriented system; and the need to respond to rising socio-economic expectations and civil war that followed the implementation of the peace process via the General Agreement. Efforts to tackle these challenges have heavily influenced development activities of the post-independence period.

4. According to World Bank data, more than 80 per cent of the population of Tajikistan lives in absolute poverty. The 1998 UNDP-supported national human development report indicates that, in spite of modest economic growth (1.7 per cent) in 1997, poverty eradication continues to be a major issue. The Economic Reform Programme for the period 1995-2000 contains provisions to address poverty, and land-lease activities have been advocated as an immediate modality for alleviating rural poverty. In the Human Development Report 1998, Tajikistan ranked 118 among 174 countries according to its human development index value, in sharp contrast to 1993, when it was ranked 88 out of 173 countries.

5. With industries either closed or producing at anywhere from 10 to 40 per cent, the agricultural sector declining steadily, and high unemployment (30 per cent, according to the Ministry of Labour), Tajikistan faces major economic challenges. Rural populations account for 64.7 per cent of the total...
number of people unemployed, and 17.1 per cent of those people have been unemployed for more than one year. Female unemployment is at 52.5 per cent, and youth unemployment at 59.1 per cent. Employment centres are able to place only one third of the applicants, driving job seekers to informal employment or employment outside of Tajikistan. Accelerated progress on small-scale income-generating activities and privatization of land as well as State-controlled industries are considered as essential issues by both the Government and international donors.

6. The war resulted in as many as 25,000 widows and 17,000 households headed by single mothers. Women have also suffered disproportionately from the political instability, economic decline and the collapse of the State social safety net. This has exacerbated the social and economic environment, which was already biased against women, leaving them in a highly disadvantaged condition. Increasingly, there are fewer and fewer women in decision-making positions. Young girls and women are slowly being marginalized, losing the economic and educational opportunities that had been available pre-independence, and which are guaranteed under the Constitution. Gender equity remains a serious issue to be addressed at all levels.

7. Tajikistan has recently begun to develop a national action programme. Environmental issues include pollution, soil erosion, deforestation and water resources management. The latter also has serious regional impact, since Tajikistan is the source of most Central Asian rivers (approximately 50 per cent). With only 7 per cent arable land and 70 per cent of the population without access to potable water, soil erosion and water management are vital issues. Unfortunately, limited finances within the national budget do not permit attacking the issues to the degree required.

II. RESULTS AND LESSONS OF PAST COOPERATION

8. During the period 1994-1998, UNDP activities focused on facilitating the transition from relief to longer-term development through support to the Rehabilitation, Reconstruction and Development Programme, which was designed as a post-conflict community-based rehabilitation and construction programme with the United Nations Office for Project Services as the executing agency. The objectives were: the promotion of community-based peace- and confidence-building; human resource development and national capacity-building; gender mainstreaming, aid coordination and mobilization; and the production of national human development reports. Those areas conformed to both the needs identified with the Government and key concerns of UNDP, and the activities undertaken were also the most realistic in view of the prevailing security and political environment at that time, since they contributed directly to stabilizing the situation in the country at a time when longer-term development was not yet possible.

9. The signing of the General Agreement in mid-1997 contributed to a more positive enabling environment for longer-term initiatives, which, in turn, permitted UNDP to begin formulating an advisory note, taking into account its past activities. Evaluations confirmed that considering the situation in Tajikistan, UNDP should focus on (a) the special political and social demands of
the peace process and the local communities, and (b) the need for strategic linkages between UNDP development activities and the humanitarian work of other United Nations agencies and the donor community. All this resulted in a core of revised projects, mainly in support of peace and stability.

10. Government and UNDP consultations with all parties involved, including the United Nations system, stressed the need for UNDP to: (a) help to create, at the national level, policy reforms aimed at establishing an enabling environment for the development activities of other agencies; (b) provide support for NGOs and grass-roots organizations at the community level; and (c) facilitate regional cooperation to promote international advocacy activities in support of the peace process.

11. The peace process is fragile and in need of proactive strengthening through political support and investment in development. Political stability is by far the overriding prerequisite for the survival and sustainable development of the country. Yet political stability also requires substantive development support to the parties involved in the civil conflict; in other words, development activities themselves become a stabilizing factor. Major efforts towards rehabilitation of the conflict-affected areas, including investment for reconstruction, are essential elements. Equally important is the promotion of peace and confidence-building in the communities affected by the war. The activities during the period 1994-1998 illustrated the necessity for a great degree of management flexibility, to ensure that project activities continue in spite of the temporary security issues inherent to the peace process. In this light, it has been noted that the UNDP-supported Rehabilitation, Reconstruction and Development Programme, with its particular field management structure and implementation modalities, is the best-suited vehicle through which community projects should be implemented in support of peace.

12. UNDP, like most international agencies, initially concentrated its activities in regions affected the most by the civil conflict. This is now changing and UNDP, in agreement with the Government, is promoting a more balanced distribution of activities throughout the country, since the issues of governance and community empowerment are common to the whole country.

III. PROPOSED STRATEGY AND THEMATIC AREAS

13. The overriding national strategy is to ensure that the peace process gradually leads to stability in the country as a precondition for longer-term sustainable human development. For this reason, and taking into account lessons learned, UNDP will concentrate its assistance in three main areas that bridge the political and institutional adaptation from a country at war to one in peace: governance; rehabilitation, reconstruction and development; and the sustainable management of natural resources.

14. The current situation in the country permits a dual focus: (a) support to the peace process through support for governance, rehabilitation and development, which are mutually reinforcing, and (b) launching initial activities in support of longer-term resource sustainability.
A. Governance

15. This area of concentration reflects the leadership's willingness and commitment to the peace process, as well as the dedication of UNDP to promoting the process through material and technical support to both the Government and the Commission for National Reconciliation (CNR). The CNR was established as part of the General Agreement and charged with overall responsibility for implementing the peace accord and to strengthen the role of civil society in governance. UNDP will therefore cooperate with the Government and Commission for National Reconciliation in the following main areas:

(a) Democratization and the rule of law, through support for the implementation of a civic education campaign for the election, the preparation of information and training materials for political parties, the training of media journalists to promote independent media, and support for Internet access for academic and research institutions and media;

(b) Civic education, through support for the dissemination of civic education materials on human rights, gender issues and the democratic process, the training of civic education facilitators and the establishment of community development centres for the dissemination of information, and support for women's voter groups.

16. In addition, and in support of the above, specific activities in the areas of public administration reform, external resource management and gender-focused initiatives will be promoted in addition to preparation of 1999 and 2000 national human development reports.

17. Impact. The expected impact of activities in the area of governance include: better synergy between the role of civil society and the role of the Government of Tajikistan, involving national institutions essential to ensure the peace process, aid coordination, resource mobilization and efforts to address gender-related issues by the Government.

B. Rehabilitation, reconstruction and development

18. UNDP support is envisaged in four sub-areas that have been identified as priorities by the Government as well as local communities, and which represent an expansion on current UNDP activities. It should be noted that, in strategic terms, these interventions strongly support the implementation of the General Agreement, while also helping to create an enabling environment for other activities that would build communities' capacities to cope with the new social, economic and political environment.

19. The following initiatives will be strengthened:

(a) The rehabilitation and reconstruction of war-affected communities, through the creation of local development committees responsible for the identification of needs and supervision of implementing key basic infrastructure in war-affected communities;
(b) Peace and confidence-building, through the organization of community development centres and NGO support centres and support to the creation of a national NGO secretariat;

(c) Private sector promotion, through management training, advisory and support services for existing, emerging and new entrepreneurs, including the establishment of credit lines, and support to women entrepreneurs and female-headed households. These activities will inspire confidence that the country is increasingly stable after the crisis;

(d) Reintegration of ex-combatants, through the implementation of labour-intensive public works and income-generating projects, skills training schemes associated with the private sector, and employment promotion as indicated above.

20. **Impact.** The expected impact in the area of rehabilitation, reconstruction and development includes: the empowerment of communities, increased overall impact of rehabilitation and economic initiatives, and improvement in the security situation, which will also increase the movement of people and goods throughout the country.

C. **Sustainable management of natural resources**

21. Considering the limited available resources at this time, the Ministry of Environment, with UNDP, will focus on water resources management and, as funding permits, new areas such as erosion control, reforestation, etc.

22. Specifically, the following initiatives and outputs are envisaged: (a) public water resources management-awareness campaigns; (b) training of national authorities at national and local levels in water resources management; and (c) mobilization of community-based organizations, local NGOs and communities towards more responsible use of water resources. Particular emphasis will be placed on women’s groups within communities, since women are the primary users of communal water facilities and play an important educational role at the household level.

23. **Impact.** The expected impact in the area of sustainable management of natural resources include: the increased awareness of the Government, leading, in turn, to the development of relevant legislative and policy reforms supporting water-use management, including a system for enforcing water usage fees and increased community awareness of broader environmental issues linked to proper water management (erosion, soil degradation, pollution, etc.).

IV. MANAGEMENT ARRANGEMENTS

24. **Coordination.** The Government expects the UNDP country office to continue to play an active role in supporting the coordination of development and humanitarian activities by strengthening the Government’s capacity to manage external resources and by maintaining a consultative dialogue with the United Nations/donor/NGO community. UNDP will continue to help the Government to collect, update and disseminate information on development cooperation.
25. Considering that the UNDP Resident Representative in his capacity of United Nations Resident and Humanitarian Coordinator is also the Deputy Special Representative of the Secretary-General, the UNDP office plays a major role in coordination together with the Office for the Coordination of Humanitarian Affairs.

26. **Execution and implementation.** In the medium to long term, national execution will be the principal execution modality for UNDP-supported projects, to be achieved through training and assistance. Until such a time, national authorities will be assisted by United Nations agencies and international experts recruited from the region in the area of training and in the execution of their programmes and projects.

27. A range of partners will be involved both in policy and strategy activities as well as implementation. These include the World Bank, the European Union, the European Community Humanitarian Office, the United States Agency for International Development, the Office of the United Nations High Commissioner for Refugees, the World Food Programme, the United Nations Volunteer programme, and both local and international NGOs, such as the Aga Khan Foundation.

28. **Monitoring and evaluation.** All activities will be subject to regular UNDP monitoring and evaluation procedures, including progress and technical reporting, meetings and monitoring visits. Ad hoc assessments will be undertaken whenever there is a change in the security or political environment that either hinders or blocks the implementation of activities. In addition, activities will be reviewed annually by a Local Project Advisory Committee. The Government has also requested that the country office support continuous improvement in impact measurement. The CCF will be evaluated in 2000.

29. **Resource mobilization.** So far the deterioration of the security situation, although a natural part of any peace process, has had a negative effect on donors. Currently, new resources to complement those of the United Nations system and the few resident donors are not forthcoming. Therefore, in view of the substantial need for financial resources for rehabilitation and development in Tajikistan, and taking into account the limited results of traditional fundraising instruments such as international donor conferences and consolidated appeal processes, the Government intends to make resource mobilization one of its highest priorities with UNDP.
Annex

RESOURCE MOBILIZATION TARGET TABLE FOR TAJIKISTAN (1999-2000)

(In thousands of United States dollars)

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP CORE FUNDS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated carry-over into 1999</td>
<td>639</td>
<td></td>
</tr>
<tr>
<td>TRAC 1.1.1</td>
<td>3 339</td>
<td>Assigned immediately to country.</td>
</tr>
<tr>
<td>TRAC 1.1.2</td>
<td>0 to 66.7 per cent of TRAC 1.1.1</td>
<td>This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.</td>
</tr>
<tr>
<td>SPPD/STS</td>
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<td></td>
</tr>
<tr>
<td>Subtotal</td>
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<td></td>
</tr>
<tr>
<td>NON-CORE FUNDS</td>
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<td></td>
</tr>
<tr>
<td>Government cost-sharing</td>
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</tr>
<tr>
<td>Sustainable development funds</td>
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<td></td>
</tr>
<tr>
<td>Third-party cost-sharing</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Funds, trust funds and other</td>
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<td>Poverty Strategy Initiative</td>
</tr>
<tr>
<td>Subtotal</td>
<td>9 372</td>
<td></td>
</tr>
<tr>
<td>GRAND TOTAL</td>
<td>13 455a</td>
<td></td>
</tr>
</tbody>
</table>

a Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.
INTRODUCTION

1. Pursuant to Executive Board decision 97/15, the present conference room paper reports on the progress of key change initiatives approved in that decision. Document DP/1998/CRP.8 provided information up to June 1998; the present paper covers the period since then. The challenge of sustaining the efforts made so far in implementing the UNDP 2001 decisions - and the lessons learned after more than a year - are the main focus of the report. It focuses on key aspects of the change agenda and covers the salient features of change decisions that have wide-ranging implications for the effectiveness of UNDP in the delivery of its services and products.

2. Throughout 1998, UNDP continued its efforts to secure a realignment of the organization's structure and systems in response to the changed realities of its external environment. UNDP 2001 moved forward the organization's main goals by pursuing a policy of decentralization and greater devolution of responsibility and accountability to country offices. As noted in the previous reports, UNDP has also instituted a system in which annual strategic planning goals are established through a consultative process and then enforced through compacts signed by the Administrator and senior managers. In these compacts, UNDP 2001 decisions have been incorporated for action and follow-up, where necessary.

3. A brief account of the main achievements accomplished in 1998 and lessons learned and challenges ahead are highlighted in the following four key areas:
(a) Decentralization and empowerment of country offices through policy support and tools;
(b) Building capacity in organizational learning;
(c) Re-engineering, enhanced efficiency and accountability;
(d) Management of change.

An integral part of the UNDP 2001 vision is to reposition the organization within the United Nations system. Through the United Nations Development Group Office (UNDGO), UNDP is continuing actively to promote the Secretary-General's reform agenda. Since these matters are reported on separately, the present report does not cover them fully.

I. DECENTRALIZATION AND EMPOWERMENT OF COUNTRY OFFICES

4. The principal aim of UNDP 2001 is to complete the transformation of the organization into a decentralized, field-based body capable of working with programme countries in its mandated areas with effectiveness and speed. Three major policy directions, being pursued in support of this aim, are shaping the UNDP decentralization process: (a) a greater responsibility at the country level; (b) improved human resource capacities; and (c) improved management tools for decentralized decision-making.

5. UNDP is continuing to fine-tune its human resource function so that it ensures state-of-the-art human resource policy that supports a decentralized structure and empowers country offices. Five notable policy initiatives were approved and launched in 1998: the national staff career-management policy; the gender-balance and management policy; a framework for action for learning in support of staff development; the staffing of countries in crisis; and the development of competency-based approaches to staffing. The national staff policy, the first of its kind in the organization, reflects UNDP recognition of its vast pool of national staff who are central to the ability of the organization to deliver the 2001 agenda worldwide. The policy presents a framework regarding the optimal management of national staff and how they might develop their knowledge and competencies, thus contributing to their career progression. The first phase of the implementation of the national staff policy was completed by November 1998. During this phase, focal points were designated to support implementation. Seven national staff (one from Africa, one from Asia, two from Arab States, one from Latin America and two from Europe) were selected through a competency-assessment programme to be future Operation Managers. Ten national staff were selected to act as trainers in accounting in country offices.

6. The gender-management policy is designed to provide a framework that will enable the organization to continue to increase the ratio of women staff both at the management and operational levels. The target ratio of a minimum of four women to six men by the year 2001 will be feasible. At this time, 47.8 per cent of staff at the operational level are women. At the management level, the current figure stands at 25 per cent. The number of women resident
representatives has increased from 26 in 1997 to 31 (including designates) in 1998. UNDP met its target in this respect. At headquarters, 33 per cent of the senior managers are women. In 1998, women accounted for 34 percent of holders of contracts for activities of limited duration (ALD).

7. The staffing of UNDP offices in countries in crisis provides a set of fast-track mechanisms for mobilizing and deploying competent UNDP staff and recruiting emergency personnel. The Regional Bureau for Africa has created the Special Team on Africa Recovery, headed by a Special Adviser, which provides one-stop response to support the offices in countries in special emergency situations in the Africa region. The special team will also intensify UNDP relationships with other key entities for these countries, both within the United Nations system and in the wider international communities.

8. During the reporting period, 15 headquarters posts have been delegated to the country operation level to support the implementation of subregional resource facilities (SURFs). While it appears unlikely that major new core resources can be shifted to the country offices during the current biennium, the issue of the relationship of resources in headquarters and country offices is being reviewed in the context of the UNDP budget exercise for the 2000-2001 biennium.

9. Appointments of personnel under project-financed posts at headquarters are being strongly discouraged by strengthening screening and approval procedures. Where feasible, current headquarters-based project funded posts as well as posts under ALD arrangements will be subject to redeployment to the country offices. This will continue to remain under review throughout 1999. At headquarters, specific measures were taken to limit the provision of junior professional officers (JPOs) to a maximum of 20; they exceeded 32 in past years.

10. With respect to management tools, in addition to the national execution guidelines, issued earlier in 1998, two new tools were approved by the Executive Committee: (a) guidelines for collaboration with the private sector and (b) decentralized cost-sharing agreements. With these newly delegated authorities, UNDP country office staff are now better equipped to seek and exercise wider management responsibility on strategic partnerships at the country level. Close monitoring of the use of these tools will be required at the central service levels during the start-up phase to ensure that country offices can receive guidance and support when needed. Two other tools, the programme manual and the finance manual, have also been finalized. Details on the status of these manuals are provided in paragraph 18 of the present report.

11. The central capacity of UNDP to provide speedy support to countries in crisis has been strengthened with the establishment of the Emergency Response Division (ERD), under the overall authority of the Associate Administrator, and more recently with the creation of a Disaster Management Programme in Geneva, which is responsible for supporting the disaster preparedness, mitigation and recovery functions in countries at risk of natural disasters. In 1998, ERD initiated and undertook a comprehensive programme in mine-action capacity-building in support to the country offices in mine-affected countries. Through this initiative, UNDP is assisting with regard to the socio-economic consequences of landmine contamination.
II. BUILDING CAPACITY IN ORGANIZATIONAL LEARNING

12. The importance of learning and the management of knowledge was recognized as a key element of UNDP reform initiatives. The main challenge to UNDP has been to integrate this new dimension into the culture and mainstream work of its staff. UNDP has made some progress in this respect, albeit slow. There were, for example, initial difficulties in fully operationalizing the SURF initiative (see document DP/1998/CRP.8), one of the key aspects of the organization’s approach to the management of knowledge.

13. As part of UNDP decentralization efforts, the SURF system serves as a channel to connect the substantive elements of UNDP country offices, regional resources, headquarters units, and international resources. The country offices represent the system’s clients, who rely on it as a "one-stop-shop" for the expertise and information needed to respond to pressing substantive needs. The SURFs provide the country offices with technical support on a demand-driven basis and link them to regional knowledge bases and specialists. The global hub and the regional SURFs have completed the initial phase of recruiting staff. Except for the SURF in the Caribbean region, all others are currently in operation. One of the main concerns of UNDP in 1999 will be to develop ways to measure the impact of the SURF system on the effectiveness of the country office work and to build on user feedback.

14. Progress in the use of information technology has opened up vast opportunities to help to transform UNDP into a learning organization where information is freely shared and decisions are based on best available knowledge. Increase in Internet and intranet connectivity in the past two years has already laid the building blocks to transform UNDP into a learning organization. Recognizing, however, that the organization could have moved faster to maximize the advantages offered by technological innovations, UNDP will give vigorous managerial attention to speed up the process.

15. As noted in paragraph 5, UNDP formally shifted its approach from selective training for a few staff members to an environment of continuous learning for all staff. The framework for action for learning in support of staff development, implementation of which began in August 1998 sets some of the parameters for this transition. It recognizes the importance of creating an organizational environment in which every staff member’s learning activities count and contribute to the success of UNDP. To support staff in their efforts for self-directed learning, the framework provides a flexible minimum of 5 per cent of staff time for learning. UNDP has decided to encourage the voluntary use of staff time for learning in order to ensure that its work force remains skilled and adaptable to new demands. With a clear focus on individual learning, the framework outlines a number of innovative mechanisms geared towards supporting organizational learning in UNDP, including: computer-based learning; multi-media modules; structured self-study; group learning; exposure to best practices; and organized courses. Key steps to support the framework include the development of a learning managers’ network at the country level; the development of a tool kit for use by the learning managers; further decentralization of the budget for learning; the establishment of an electronic platform for learning; and the building of a learning alliance with external institutions. The success of the framework depends significantly on country
office response to the opportunities it offers and the ready acceptance by staff of a culture shift towards learning.

16. The shift to the new learning culture, in which the participation of the whole organization is a key factor, seems to be taking much longer than was anticipated. A great deal of debate focused on the in-house conceptualization of learning and knowledge management issues and the need for clarity. The creation of a learning organization represents a deep-rooted cultural change. It involves all parts of organization and therefore is a time-consuming experience. In view of the fact that several headquarters units have management and substantive responsibility in different aspects of learning and knowledge management (Bureau for Development Policy, the Evaluation Office and the Bureau for Programme and Resource Management (BPRM)), detailed monitoring arrangements for, and coordination of, these activities will have to be put in place.

III. RE-ENGINEERING, ENHANCED EFFICIENCY AND ACCOUNTABILITY

17. Efficiency enhancement remains a major concern of UNDP. Several approaches are being used to improve efficiency, including process simplification, delegation of authority, introduction of new systems and the use of technology. Throughout the year, simplification in programme, financial, operations management and personnel administration procedures have been pursued.

18. Integral parts of the change management for the enhancement of UNDP effectiveness in programme operations are improved tools to get the job done. The development of the ALD and Special Service Agreement (SSA) contracts are two such tools and detailed guidelines for their implementation were developed and approved. During 1998, a total of 65 country offices were given delegated authority with detailed guidelines to implement the ALD and SSA contracts.

19. One notable development with regard to programme operations was the completion of the new programming manual consistent with the principles of UNDP 2001 and results-based management. The final version of the manual will be ready for distribution in March 1999, thus enabling the incorporation of results-based reporting in sections. The finance manual, made available on-line in December 1998, will be ready for distribution in April 1999. The new manual will feature: a new structure aligned with new financial regulations; full consistency with other UNDP manuals; new procedures empowering country offices; and electronic access to a centrally maintained database.

20. UNDP has also taken major strides to build a new corporate culture of greater efficiency and accountability. Notable progress in this regard is the launching, in October 1998, of the control self-assessment-training programme. The pilot phase of the programme, which focuses on accountability, delegation, internal controls and risk assessment, will continue in 1999 with the participation of the Office of Audit and Management Review (OAPR), the Bureau for Financial and Administrative Services (BFAS), the Office of Human Resources (OHR), the Regional Bureau for Asia and the Pacific.

21. The full operationalization of the 1:7 supervision ratio has been achieved in BFAS and OAPR while in the other central service units this remains to be
implemented. As regards the five-day response policy, despite conscious efforts made by the individual headquarters units, the level of achievements varies. A client survey is being carried out by BPRM to ascertain country office views on the effectiveness of headquarters support to their needs and on how to enhance further the efficiency of services provided by headquarters. The results of the survey will be used as a basis for initiating further re-engineering efforts aimed at improving service quality.

22. The Office of Human Resources has undertaken a number of significant streamlining measures at headquarters to re-engineer business processes and to delegate tasks. The goal of further decentralization and enhancing country office empowerment has been the driving principle. An anticipated result of these measures will be speedier service. Noteworthy examples of the simplifications include: elimination of headquarters role in applying the special education grant and dependency allowance for local staff; fast track settlement of travel claims; elimination of the intermediary Office of Human Resources role in the medical clearance of national staff; delegation to the country office of the extension of contract beyond the mandatory retirement age for national staff; decentralization of the approval authority for home leave and education grant travel; medical evacuation; and dealings with the Pension Fund and Compensation Claims Board.

23. Systems improvement has been a major factor in the organization's activities to enhance efficiency. Full implementation of the Financial Information System (FIMS) global release is expected to start in the first quarter of 1999. The new country office accounting system (WinFOAS) will also be ready for use in the second quarter of 1999. For the first time in UNDP, the FIMS and WinFOAS will be working together, thus providing an improved tool for monitoring the use of financial resource at the country-office level. In addition, the establishment of Internet access to all staff at headquarters was completed in December 1998. So far, 125 country offices have access to Internet and 64 have Intranet connectivity. The Executive Information System (EIS) is expected to be in full use by early 1999. UNDP expects to see a leap forward in the systems improvement area in 1999.

IV. MANAGEMENT OF CHANGE

24. The Executive Board may recall that priority was given to the principle that change management practices had to be mainstreamed into the working business of the organization. Accordingly, UNDP integrated the main elements of the strategic plan for 1998, which focused mainly on the goals of UNDP 2001, into the compacts of all senior managers at the headquarters and the Resident Representatives in the country offices. The commitments made in the compacts were monitored and progress assessed by the Bureau Directors along with their colleagues in July and August 1998. The Administrator undertook a comprehensive review of the achievements of the compacts in November and December 1998.

25. The culture of participatory decision-making, in which corporate managers and senior managers from the country offices examine issues for policy-setting and prioritization of the work of the organization became an institutional norm. Throughout the year, the Change Implementation Committee and the Expanded
Executive Committee reviewed and contributed to decision-making on new initiatives emanating from the change agenda and on many other important policy matters.

26. In November 1998, UNDP senior managers reviewed the organizational work priorities for 1999 in a retreat at Mohonk. The retreat also provided an opportunity to examine in depth the emerging priority for UNDP to develop a new strategic framework that will enable the organization to report on results to the Executive Board.

27. In support of the change management process envisioned in Executive Board decision 94/14, a number of Governments have provided generous funding to UNDP to help it to carry out the needed reforms. Two areas were identified for use of the funds: (a) improving administrative procedures and managerial methods and (b) improving the management and the quality of the programme. As of 1998, 17 reform projects were implemented, of which 8 have been completed; those remaining are targeted for completion in 1999. They have contributed to the change process in three ways: (a) by developing management and programme tools aimed at the delegation of greater authority to country offices; by developing new strategies, methodologies, and quality control and monitoring mechanisms to improve the effectiveness and impact of programmes and by building essential structure and infrastructure to improve efficiency, accountability and management. New pledges to support the continuation of change activities have been received from donor members. These resources will be used to support activities in the following areas:

(a) Enhance UNDP capacity to respond to countries in crisis situations;

(b) Enhance efficiency in administration and financial management by streamlining procedures;

(c) Develop tools to enhance information management in the country offices;

(d) Enhance country office competencies through learning-based programmes;

(e) Improve management competencies through executive development programmes;

28. In its decision 98/23, the Executive Board decided that UNDP will adopt a framework more closely linking the organization's resources and the results of its activities; the decision has significant implications for UNDP work processes. With immediate effect, internal arrangements in programme planning, programme design, monitoring and analysis will therefore be driven by one key concern: accountability for results. In this way, UNDP will provide results of the highest quality to its clients and the best possible value for its donor countries. Early results are expected in 1999 as UNDP continues to overhaul its system and procedures to adapt to the new system.

29. A limited number of activities under the change agenda are moving relatively slowly. These are: ensuring a closer linkage between the country-based project team and the core team; issuance of the finance manual;
reallocignment of non-core with core resources; providing a one-stop-shop facility for the country office; and ensuring a five-day response as an organization-wide practice; and a more vigorous resource mobilization strategy and action plan with a wider donor base. UNDP will devote more attention to ensuring that implementation of all change management issues are on track.

30. Outreach of the change messages and dissemination of information of the progress on UNDP 2001 within and outside the organization constituted one of the core elements of the UNDP management approach to change. Throughout the year, BPRM, as the lead unit responsible for monitoring the overall implementation of change, carried out a series of outreach activities. Examples of these activities include: issuance of a resource guide on change; publication in English, French and Spanish of a brochure and poster, "UNDP 2001: Change Management"; setting-up of an intranet-based tracking system on the status of 2001 actions; monthly information provided to the country offices through the operations bulletin issued by the Operations Support Group; provision of resource services on change agenda in training events; and holding of town hall meetings and meetings with other headquarters units to promote key issues of change.

31. Through various in-house mechanisms (compact review, the Change Implementation Committee, the Executive Committee), UNDP maintains a constant review of the progress and problems in the implementation of change. It is planned that in the second half of 1999, UNDP will undertake a full assessment of the change process. This assessment is expected to provide an analysis of the overall outcomes of the change initiatives in relation to the goals of UNDP 2001.