SUMMARY

The present report is submitted in accordance with Governing Council decision 90/14 of 22 June 1990, by which the Council requested the Administrator to report separately to the Council at its thirty-eighth session on the implementation of a funding strategy for the United Nations Development Programme (UNDP).

The present paper reports on progress in carrying out the various components which constitute the funding strategy. These components are: (a) more effective projection of a sharper image of UNDP; (b) building on the comparative advantages of UNDP; (c) enhancement of national capacity; (d) the coordination of programming and funding; and (e) improvement of programme quality and effectiveness.

Through measures taken in pursuance of the components of the funding strategy, the Administrator is endeavouring to ensure the continuing growth of the financial resources available to developing countries through UNDP.
INTRODUCTION

1. The present report has been prepared pursuant to paragraph 11 of Governing Council decision 90/14 of 22 June 1990, by which the Council requested the Administrator to report separately to the Council at its thirty-eighth session on the implementation of the requests contained in the decision.

2. Decision 90/14 was approved by the Governing Council following its consideration of the Administrator's report on the elements of a funding strategy for UNDP (DP/1990/20) and the comments made thereon. It took note also of the views expressed by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) concerning the importance of maintaining an appropriate balance between core and non-core resources (DP/1989/56 and Add.1 to 3).

3. In its decision 90/14, the Governing Council addressed a number of issues which, while linked to the funding strategy, are somewhat disparate. As a result, this paper covers a much broader range of issues than that indicated by its title. Several related issues taken up in other reports to the Council are referred to by the symbols of the relevant documents.

I. PROJECTING A SHARPER IMAGE OF UNDP

4. Governing Council decision 90/14 recognized the need for UNDP to develop greater public awareness of its programmes in order to mobilize enhanced support for their funding. The Council also recognized that to meet this goal, UNDP would have to develop a clearer profile - a sharper image - which could be more easily grasped, appreciated and supported.

5. A number of measures were taken during the past year in response to that decision. On the occasion of the fortieth anniversary of multilateral technical cooperation within the United Nations system, UNDP undertook a major public information campaign in recipient countries, through its field offices, to strengthen awareness of the important contributions it had made. In Europe, the UNDP office at Geneva initiated the production and wide distribution of a highly successful monthly television magazine, "Azimuths", which reports the contributions to development being made by UNDP-financed programmes.

6. The launching of the Human Development Report 1990 provided the occasion to identify UNDP as the organization of the United Nations system particularly concerned with the promotion of opportunities for human development. This report received extensive media coverage throughout the world.

7. Efforts to sharpen the UNDP profile have been pursued through internal discussions on a statement of purpose and on the organization's strategy for...
the future. These will provide the focused image on which a new public information strategy will be based.

8. In order to create and sustain public support for its activities and goals, UNDP will increase its efforts to reach out to a wider but carefully targeted audience: Heads of State, ministers, parliamentarians and senior government officials, non-governmental organizations, academics, leaders in the media, women and youth groups, foundations and corporations.

9. Particular attention will be paid to enhancing public and official awareness of the role played by UNDP field offices, especially the resident representatives, on behalf of the Secretary-General of the United Nations in emergency situations, whether man-made or resulting from natural events. The multitude of tasks undertaken by the UNDP field network are not sufficiently known, often being ascribed by the media to the United Nations, without specific mention of UNDP.

II. BUILDING ON THE COMPARATIVE ADVANTAGES OF UNDP

10. While emphasizing the need for greater public awareness of UNDP, the Governing Council also underscored the fact that, above all, UNDP had to stand on its performance. To this end, the Council called for identification of the UNDP's comparative advantages of UNDP, based on experience; greater focus on building national capacity in key areas such as poverty alleviation, human development and environmental sustainability; improved coordination of programming with other entities of the United Nations system; and improved programme quality and effectiveness. Implicit in the Council's decision was the belief that more focused, better coordinated and more cost-effective programming and delivery centred on the comparative advantages offered by UNDP, would attract increased voluntary contributions for both core and non-core resources.

11. UNDP has long been recognized for its technical impartiality, its respect for national sovereignty and its universality. National priorities and plans are the explicit starting point for all UNDP cooperation at the country level. They will constitute the framework for the promotion of the six areas of focus given in Governing Council decision 90/34 of 23 June 1990. The willingness of UNDP to cooperate with countries in attaining medium- and long-term goals rather than emphasize the correction of short-term problems has been welcomed by recipients of its aid.

12. The round of mid-term reviews undertaken during 1989 and 1990 confirmed the value of these attributes - neutrality, respect for sovereignty, universality - to recipient Governments. Governments have also reiterated the importance of UNDP cooperation in formulating policies, strategies and programmes respecting national goals and priorities, unmotivated by concern for subsequent commercial contracts. Another advantage offered by UNDP is its willingness to help countries to choose from a variety of technologies and, more importantly, to conduct research aimed at adapting them to local requirements and conditions.
13. The cost of expatriate experts and the consequently high proportion of technical cooperation funds absorbed by them has long been a concern. UNDP is continuously striving to provide expertise where appropriate on a more cost-effective basis. Greater use of national expertise and consultancies, expanded in-country training and fellowships in other developing countries, as well as twinning arrangements, all represent initiatives that address this legitimate concern without reducing the quality of the services provided. Few, if any, other technical cooperation agencies offer such a range of cost-effective modalities.

14. UNDP offers unusual flexibility in programming which is appreciated by recipients, allowing them to rationalize the external resources available to them. Many recipients appreciate the fact that UNDP does not have specific, sectoral mandates: the areas of focus specified in Governing Council decision 90/34 are all multisectoral. Other donors frequently have a sectoral mandate or a priority focus of their own. It is crucial, however, that UNDP resources be used only for programmes of critical national priority and not be marginalized.

15. In the preparation of fifth cycle country programmes, Governments are being urged to identify the comparative advantages offered by UNDP in their national context, to state them, and to exploit them in the next country programme.

III. ENHANCEMENT NATIONAL CAPACITY

16. In paragraph 6 of its decision 90/14, the Governing Council emphasized the need for UNDP to respond effectively to government requests for technical cooperation in enhancing national capacity in such important areas as poverty alleviation and investment in people, in particular women in development, better economic management and environmentally sound and sustainable economic growth. The same concern is echoed in paragraph 7 of decision 90/34.

17. National capacity-building has always been a major goal of UNDP activities. To make UNDP response more effective, several steps have been or are being taken, as indicated in the following paragraphs.

18. First, resident representatives have drawn the attention of Governments to Governing Council decision 90/34 and specifically to paragraphs 4 to 8 of that decision. In countries where the formulation of the next country programmes has begun, reference to these paragraphs has been made in the advisory notes submitted to Governments by UNDP. The country programmes submitted to the current session of the Council already reflect the desire of UNDP to focus on certain areas within the context of national capacity-building.

19. Second, a series of briefs and notes is being drawn up, based on UNDP experience, giving practical suggestions on how to build or strengthen national capacity in the areas specified by the Governing Council.
20. Third, the issue of capacity-building was clearly addressed by the Governing Council on 22 June 1990, in its decisions 90/21, on national execution, and 90/26, on support cost successor arrangements. It is anticipated that increased emphasis will be given to leadership and management of technical cooperation programmes by national authorities. The Administrator's reports on support cost successor arrangements (DP/1991/25) and national execution (DP/1991/23) outline a number of practical measures to support the increased use of national capacities in programmes supported by UNDP.

21. In accordance with paragraph 9 of Governing Council decision 90/34, a full report on capacity-building and capacity-strengthening within the six areas of focus determined by the Council will be submitted to the Council at its fortieth session, in 1993.

IV. COORDINATION OF PROGRAMMING AND FUNDING

22. UNDP has for almost a decade pioneered and supported assessments of technical cooperation needs. Initially these were undertaken in the context of preparations for round-table meetings, and such studies continue to provide valuable guidance to Governments in determining their priorities for technical cooperation. More recently, National Technical Cooperation Assessment and Programmes (NATCAPs) have been carried out in an ever-increasing number of countries (over 30 to date), principally in Africa, but also now in Latin America and the Caribbean. These comprehensive assessments provide a firm basis on which to build technical cooperation and, equally important, to coordinate assistance from various sources. An evaluation of NATCAPs has recently confirmed their utility in this regard (see DP/1991/17). In many cases, UNDP has helped Governments to find donors to complement UNDP resources.

23. The programme approach requires that programmes be fully assessed and formulated in line with national priorities. It is expected that UNDP will increasingly be called upon to assist in such endeavours, taking advantage of its policy neutrality referred to earlier. When a true programme approach is widely adopted for technical cooperation, coordination and complementary funding should be significantly facilitated.

24. The Administrator is in regular communication with the Director-General for Development and International Economic Cooperation, collaborating in the overall effort to improve coordination of the programming of United Nations operational activities. Efforts towards improved coordination of programming also continue through the machinery of the Administrative Committee on Coordination (ACC), particularly the Consultative Committee on Substantive Questions (Operational Activities) (CCSQ (OPS) and the Consultative Committee on Substantive Questions (Programme Matters) (CCSQ (PROG), as well as the Joint Consultative Group on Policy (JCGP). At the country level, resident representatives, in their capacity as resident coordinators, play a leading role in striving for improved coordination of the operational activities of
the United Nations system. UNDP has fully supported a strengthened role for the resident coordinators through improved selection criteria, briefing and training. Training courses for resident coordinators and members of their teams were introduced for the first time in early 1991. Governing Council members will be able to judge for themselves the efficacy of these efforts based on field visits by members of the Standing Committee on Programme Matters.

V. IMPROVEMENT OF PROGRAMME QUALITY AND EFFECTIVENESS

25. In paragraph 10 of its decision 90/14, the Governing Council requested the Administrator to improve programme quality and effectiveness, including programme management, by undertaking the following steps:

(a) Concentration of resources on areas and activities in which UNDP can maximize its advantages, improve the programme focus and quality and reduce administrative costs;

(b) Increased integration with the country programme process of the resources available from the funds under the authority of the Administrator;

(c) Streamlining of UNDP operations through the merger of trust funds, services and programmes to simplify administration and provide a clearer focus to the programme;

(d) Strengthening of monitoring and evaluation mechanisms to ensure effective feedback to current and future programmes.

26. The Administrator is constantly seeking ways in which to improve the quality and effectiveness of UNDP. In recent years, substantial changes have been introduced to improve formulation, monitoring and evaluation procedures backed by staff training.

27. In several countries, there was an attempt during the fourth programme cycle 1987-1991, to focus UNDP interventions to reduce the number of individual projects. This process is being encouraged in the dialogue on the preparation of the fifth cycle country programmes, 1992-1996, as it is recognized that the process requires the agreement of the recipient Government. Greater emphasis has been placed on feeding back evaluation findings to ongoing and new programming activities (see document DP/1991/22).

28. Programme managers have been urged to coordinate and, if possible, to seek greater integration of the programming of the main funds with that of the administered funds.
VI. A FUNDING STRATEGY FOR UNDP

29. The Governing Council stated clearly, in paragraph 3 of its decision 90/14, that funding of the programme through core resources was of primary importance. The value of non-core resources was recognized, provided that they were designed to serve as a means of ensuring the flow of additional resource; that the programmes and projects financed through such resources were coherently and effectively integrated with the technical cooperation programmes of the country, appropriately and within the mandate of UNDP and the technical cooperation programmes of the United Nations system; that they were activities in which UNDP had a comparative advantage; and that they were in accordance with national priorities.

30. Further, Governing Council decision 90/14 invited all Governments to increase, to the extent possible, their voluntary financial support to UNDP. On his part, the Administrator has continued in his efforts to pursue a minimum growth of 8 per cent per annum in voluntary contributions, the target agreed to by the Council. Special attempts are also being made in recipient countries to seek greater participation in the UNDP resource base.

31. Non-core resources are raised based on the priorities of the recipient Governments, within the framework of each country programme. The link with the activities financed from core resources is being emphasized. The Administrator has also continued to explore possibilities for additional financing for global priority themes. In addition, recipient Governments are being encouraged to finance part of their programmes and projects through the cost-sharing modality.

32. Through the measures outlined above, the Administrator is endeavouring to ensure the continuing growth of the financial resources available to developing countries through UNDP. Such growth must be based on a clear and visible sense of purpose, on the relevance of the programme to national priorities and global concerns, on coordination and cost-effectiveness and on broader awareness of UNDP and its contribution to world development.

Notes
