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POLICY

FOURTH PROGRAMMING CYCLE: MID-TERM REVIEW OF RESOURCES

Management Development Programme

Guidelines

SUMMARY

At its thirty-fifth session (1988), the Governing Council of the United Nations Development Programme (UNDP) established a Special Programme for Management Development and Related Institution-building, to be known as the Management Development Programme. The Governing Council allocated \$60 million from Special Programme Sources (SPR) for the programme under the fourth programming cycle.

The guidelines for the programme are attached for the information of the Governing Council. The members of the Governing Council were given the opportunity to comment on the draft guidelines at informal meetings during the month of October 1988. In November, the guidelines were sent to the resident representatives, who were asked to inform the Governments of the programme.

The implementation of the Management Development Programme will not require any new structure or forums within UNDP, apart from a support unit for the programme in the Bureau for Programme Policy and Evaluation. This unit, the tasks of which are described in the guidelines, is presently being set up. The cost of the unit is estimated at \$2.8 million during the fourth programming cycle.

UNDP has started to develop a network of experts and institutions in the field of public sector management. Contacts are being established particularly with institutions specializing in process consultancy, since this approach, which aims at internalizing the process of change, seems particularly promising in the field

of management improvement. Special efforts are also being made to identify consultants in countries with an interest in receiving support under the Management Development Programme, thus making it possible for UNDP to involve local consultants as much as possible.

By 1 November 1988, before Governments had been informed of the guidelines, UNDP had received requests from six countries for support under the Management Development Programme. The first mission undertaking a preliminary management survey was sent to Bolivia in November 1988.

I. INTRODUCTION

A. Governing Council decision

1. In part A, paragraph 10, of decision 88/31 of 1 July 1988, the Governing Council decided to establish a Special Programme for Management Development and Related Institution-building, to be known as the Management Development Programme and to be operated under the following principles:

(a) The programme will be available to all countries wishing to participate and in order to ensure a fair regional balance in administering the funds available under this programme, no more than 50 per cent of the resources will be allocated to programmes in one region;

(b) The programme will operate only in response to requests from developing countries to assist them to design and/or implement long-term, sectoral or multi-sectoral programmes of management development and related institution-building;

(c) No conditionality will be applied in the use of these funds or in the activities of the programme other than the normal requirements of United Nations Development Programme programmes;

(d) The use of this facility will not be related to the implementation of any policy other than that of the Government concerned;

(e) The activities of the United Nations Development Programme in this field should not be conditional upon those of any other organization.

The Governing Council allocated \$60 million for the Management Development Programme during the fourth programming cycle.

B. Background and justification

2. In many developing countries, a combination of factors has produced massive financial problems. External factors include depressed commodity markets, adverse terms of trade, trade barriers, stagnant and, in real terms, often declining financial flows, all of which have contributed to a net transfer of resources from the developing countries. Internal factors include domestic policies leading to overvalued exchange rates, low productivity, inflation and negative interest rates. Inefficiency in the public sector, lack of an entrepreneurial and productive private sector, and price distortions have also played an important role. These issues have served to raise not only the question of policy options but also concern for the management capacity of national institutions responsible for the implementation of policies decided upon.

3. The situation of acute financial emergency has in many cases necessitated urgent measures, including major changes in economic policy and management and

substantial financial support. Many donors, including UNDP, have provided substantial assistance to strengthening management capabilities in national institutions as part of the structural adjustment process. In most cases, however, such assistance has focused on short-term remedial measures, particularly in the budgetary and fiscal areas.

4. Technical co-operation programmes, whether funded by bilateral or multilateral institutions, have long focused on the strengthening of the institutional capacity of developing countries in a broad variety of technical fields. Projects funded by UNDP have been no exception. In many cases, donors, acting separately and independently, have given assistance in an ad hoc manner to specific ministries and departments. The result has often been conflicting and unco-ordinated approaches to public management within the same country, with each donor sponsoring its own system, thus making it difficult for the Governments to implement coherent public management policies.

5. An increasing number of Governments in the developing world are aware of the need for a strengthening of their management capabilities. In recent months, UNDP has been approached by many countries from all developing regions for assistance in key aspects of public sector management. They appear concerned that if their management capacities are not enhanced, the sustainability of the societies they are attempting to develop and their efforts towards self-reliance will be endangered, given the environment of crisis management in which they now operate.

6. In recent years, UNDP has paid increased attention to the management capacity of Governments in the developing world, particularly in Africa. The evolving situation has also led to a broadening of UNDP activities, including such new mechanisms as national technical co-operation assessments and programmes (NaTCAPs) and the enhancement of the round-table mechanism; greater UNDP participation in the preparation for Consultative Group meetings; the increased emphasis within the Special Measures Fund for the Least Developed Countries (SMF/LDC) upon management issues, including support to government efforts at aid co-ordination; and similar activities being supported through SPR. In addition, projects funded under both the country and intercountry indicative planning figures (IPFs) are being related increasingly to the building up of the management capacity of Governments. Regional activities are playing an increasingly important role in this area. Among these are the Special Action Programme for Administration and Management (SAPAM); the Structural Adjustment Advisory Teams for Africa (SAATA); UNDP support to the Special Programme of Co-operation for Central America; the Caribbean Group for Co-operation in Economic Development; and the Arab States Gulf Co-operation Council.

7. While the proposal to the Governing Council for a Management Facility focused mainly on management needs in sub-Saharan Africa, the Governing Council states in its decision to establish a Management Development Programme that the Programme should be available to all countries wishing to participate and that no more than 50 per cent of the resources will be allocated to programmes in one region.

8. The Management Development Programme will enable UNDP to expand its activities with regard to public sector management and to encourage Governments to choose a comprehensive approach to improved management of the public sector and to

assistance in the field of public administration and management. It will also give UNDP scope for developing its approaches and methods of work. Tentative guidelines for the implementation of the Management Development Programme are given below.

II. THE IMPLEMENTATION OF THE MANAGEMENT PROGRAMME

A. Objectives

9. The overall objective of the Management Development Programme is to assist developing countries to achieve sustainable improvements in the public sector through the enhancement of their management capacities and capabilities. More specifically, the Programme will: (a) assist Governments so that they can make overall assessments of their requirements for improved management in the public sector and (b) help in formulating programmes devised to meet these requirements, particularly through projects either with a potential for pervasive impact on the total public sector or with a focus on key functions.

10. Assessments of management needs will be undertaken against the background of the overall development strategy of the Government. The Management Development Programme will focus particularly on the following:

- (a) The organization and the productivity of the public and parastatal sector;
- (b) The capacity of the administration to formulate and implement long-term reform policies, whether or not arising from structural adjustment programmes;
- (c) The organization of the civil service, conditions of service, and human capabilities development in the public sector;
- (d) The monitoring and evaluation machinery of the Government, including services for statistics and auditing;
- (e) Resource management, including planning, budgeting, taxation, capital market organization, debt management, aid co-ordination and related fields;
- (f) Training and research institutions in public administration and business management.

11. In line with its stress on a comprehensive approach to improved management, the Management Development Programme will be particularly concerned with measures aimed at improving the entire government machinery. Central institutions for resource management are, however, essential for the efficiency of the total public sector, as are the monitoring and evaluation machinery of the Government. Measures directed to such institutions would also be given priority. The stress on comprehensiveness also implies that the Management Development Programme must have available an overview of the activities in the country which are being undertaken in the field of public sector management and assistance to such activities. This will avoid duplication and will assist in the presentation of coherent recommendations which may serve the purpose of facilitating government co-ordination of assistance for public sector management.

12. The particular needs and underutilized potential of women in developing economies will be given explicit consideration, as in other UNDP programmes.

13. It cannot be too strongly emphasized that there is no intention to impose any particular model or philosophy of management upon developing countries. The role of the Management Development Programme is that of adviser. It is the Governments that decide which reforms are to be undertaken. The recommendations for management improvement will be designed to meet the specific requirements of individual countries.

B. Activities and modus operandi

14. At the request of Governments, UNDP will field missions to undertake preliminary management surveys. They will help Governments to assess their total needs for management improvements in the public sector. Requests for such surveys may be initiated at any time. UNDP will expect the requests to contain information concerning the responsibilities and organization on the government side for the policy reforms under consideration. A Government focal point should also be identified. Requests will be given positive consideration only if the missions and the projects to be developed will be assured direct access to senior policy-making level in the host country.

15. It might at times seem excessive to make the intervention of the Management Development Programme dependent on requests for preliminary management surveys. Governments may already have identified the management bottlenecks they wish to tackle and for which they seek the support of UNDP under the Management Development Programme. Even in such situations, however, UNDP will find it necessary to start with a survey in order to get a comprehensive overview. On that basis, UNDP would then, with greater confidence, be able to focus on the management problems which are the particular concerns of a Government.

16. It is important that, from the outset, the intervention of the Management Development Programme be fully co-ordinated with other UNDP activities in the countries concerned. Duplications of missions should be avoided and terms of reference of missions should take fully into account such studies as have already been made. Countries engaged in NaTCAPs and similar exercises or those which are in the SAPAM programme should be advised not to request special missions under the Management Development Programme. Should any surveys be required in these countries in addition to those already undertaken, they should be done within the framework of co-operation already established. The countries in question should be assured that projects based on existing studies may be considered for financing from the funds of the Management Development Programme and that UNDP will be ready to give the same fund-raising support to these countries as will be given for activities initiated by special management surveys.

17. When submitting requests for preliminary management surveys, resident representatives should, after consultation with the Governments, indicate whether there is scope for follow-up action within the IPF. Requests for surveys should be addressed to the Regional Bureau concerned.

18. The requests for surveys will be reviewed by the Regional Bureau concerned and the Management Development Support Unit of the Bureau for Programme Policy and Evaluation (BPPE) (see paras. 23-26 below). Decisions about survey missions will be taken by the Regional Directors on the recommendation of the Co-ordinator of the Management Development Programme.

19. Governments may request assistance from UNDP for the implementation of all or part of the recommendations contained in the mission reports.

20. After consultation with the Government and donor agencies, the resident representative will present an analysis of how the planned activities can be financed and the extent to which Management Development Programme resources will be required. Considering the limitations of the resources, other sources of finance should as a rule be explored. During the fourth programming cycle, no more than \$2 million from the Management Development Programme can be committed to any one country. Since the requirements for programme funds will, in all probability, exceed available resources, a choice may have to be made between candidates for support. Decisions about the use of the funds will be taken on an ongoing basis; however, to the extent possible, priority will be determined by the relative poverty of the country, the need for the types of assistance offered and the commitment to management improvements.

21. The technical assistance provided under the Management Development Programme should be fully co-ordinated, where appropriate, with financial support provided to facilitate structural adjustment and economic reform programmes. Close co-ordination with technical assistance from bilateral and other multilateral sources is also essential. Whenever invited, UNDP will be ready to advise Governments on the co-ordination of various technical and financial inputs so that effective co-ordination is assured.

22. The projects or activities requested from UNDP will be reviewed, as is the general practice in UNDP, by the Project Appraisal Committees (PACs) of the Regional Bureaux. The support unit will appraise all projects submitted for financing from the funds of the Management Development Programme. Projects considered suitable for approval will be submitted to the Action Committee.

III. THE ORGANIZATION AND MANAGEMENT OF THE MANAGEMENT DEVELOPMENT PROGRAMME

A. Implementation

23. The implementation of the Management Development Programme will not require any new structures or forums within UNDP, apart from the support unit in BPPE presented below. Management responsibility at headquarters rests with the Regional Bureaux, which will co-operate closely with BPPE in the implementation of the programme.

24. A Management Development Support Unit will be established in BPPE. The unit will initially have four Professional posts, and will be headed by the Co-ordinator of the Management Development Programme, who will be an expert in public sector

management; the professional support staff will be selected to provide joint experiences from different regions of the world. One staff member will be a specialist in public sector organizations and methods/institutional development; another will be specialized in economic planning and public finance; the third will have specific expertise in human resources development/personnel management. Expertise in the field of business management should also be represented within the team.

25. The unit will act as an adviser to other units within UNDP in matters regarding the implementation of the Management Development Programme. In co-operation with other concerned bodies, the unit will be required to:

(a) Assess requests for comprehensive management surveys and prepare terms of reference for missions;

(b) Organize and, when needed, conduct or participate in missions, brief and debrief consultants and finalize mission reports;

(c) Develop criteria for the selection of projects to be financed under the Management Development Programme;

(d) Develop new strategies and methods for improvements in public sector management;

(e) Appraise projects proposed for financing by the Management Development Programme;

(f) Assist resident representatives in negotiating the content and scope of technical co-operation programmes needed to strengthen the public sector management capability of the countries to which they are assigned;

(g) Monitor the execution of projects and prepare reports on programme implementation;

(h) Establish a network of experts and institutions qualified for participation in the Management Development Programme and promote this resource base in response to the evolving requirements of developing countries.

26. The consultants to be engaged in missions and projects will be both international and local. Great importance will be attached to the use of local experts. It will be a major responsibility of resident representatives to help in identifying qualified local consultants with competence in the field of the Management Development Programme.

B. Co-ordination and resources mobilization

27. The resources available to the Management Development Programme are limited and will need to be supplemented from other sources. As a rule, the possibility of financing from the IPF should be explored. Efforts should also be undertaken to augment UNDP resources available for the Management Development Programme through

funds-in-trust, cost-sharing, co-financing or parallel funding. Where several sources of funding are involved, mechanisms should be set up for this purpose. Such mechanisms would at the same time promote the co-ordination of the activities of various donors involved in support to public sector management. Accordingly, it is intended that:

(a) The Governments concerned will be advised either to use existing aid co-ordination forums for consultations with concerned donors about the Management Development Programme or to set up a special management co-ordination committee. In such forums, the Governments would be able to consult donors on the selection of management projects and on the mobilization of additional resources;

(b) On the basis of government requests for projects and guided by consultations that have taken place in the host country, a select number of donors may be asked by UNDP to fund specific components of projects or management programmes that have been formulated. The possibility of co-financing projects or activities which in part can be financed by UNDP will also be explored;

(c) Interested donors may be asked to participate in missions undertaking comprehensive management surveys;

(d) The Administrator will regularly report to the Governing Council on the progress of the Management Development Programme. On the basis of the evaluation to be undertaken, UNDP will decide whether general financial support should be requested from donors or whether additional resources will continue to be requested only on a country and project basis.

C. Evaluation

28. The Management Development Programme presently covers the period of the fourth programming cycle. In the beginning of 1991, an evaluation of the programme will be undertaken to form the basis for the Administrator's proposal concerning the programme during the next programming cycle.

