RESULTS-ORIENTED

ANNUAL REPORT

2000

Executive Summary

INTRODUCTION

The results-oriented annual report (ROAR) 2000 in perspective

The ROAR 2000, which marks the first results-oriented report in the formal multi-year funding framework period, must be read in the broader context of internal transformation and the external environment within which UNDP operates. It builds on the 1999 report and maintains the orientation of management for results. It must be stressed that the report can realistically indicate only the main features of performance (the progress towards outcomes and the extent to which targets set for outputs were achieved) and point to issues requiring attention, rather than offer, on its own, a conclusive explanation of the results obtained. Furthermore, the report is the product of an evolving methodology that captures and assesses results in a structured, systematic form rather than simply scanning for anecdotes of successes or failures.

Results-based management: developments since 1999

When the Administrator presented his Business Plans to the Executive Board at its first regular session 2000, a commitment was made to reinforce results-based management (RBM) in order to improve the focus and effectiveness of UNDP operations within an increasingly demanding development environment. In the 12 months that have elapsed, the principles of this type of management have guided the restructuring and reprofiling process and are also being embedded in the routine work of the organization, as demonstrated by the comprehensive analysis of country office submissions being undertaken for the first time by each regional bureau in order to respond and plan support to country offices for the rest of the year.

The monitoring and assessment of performance during 2000 rested on the strategic results framework adopted by the Executive Board. The framework has been refined in the light of the experience gained through the preparation of the 1999 report and the comments and suggestions received from the Board. Much still remains to be done. In particular, action is required in two key areas: first, further simplification of the process, without compromising quality; and second, the realignment of programming, management and oversight tools with the new system to reap the gains from both greater synergies and lower transaction costs.

Key findings of ROAR 2000

(a) The data that formed the basis of the report strongly suggest that there is considerable and still untapped potential for UNDP to exercise leadership in key development processes. These include, in particular, the governance dimensions of globalization, forging a cross-sectoral approach to poverty reduction, making the information revolution work for the poor, and building the momentum of follow-up to the Millennium Summit;

(b) There have been notable advances in performance during 2000, perhaps even a turning point in some cases as follows:
- National human development reports were completed or were under way in 56 countries; they are beginning to influence development policies and programmes and yield innovations such as state and municipal level reports;
- Emergence of human rights – including the political, social and economic dimensions – as a key focus in governance, with almost 40 per cent of country offices providing assistance for advocacy, awareness-raising, action-planning and development of the underlying institutional framework;
- Significant acceleration in the formulation of strategies to combat poverty through support for developing poverty reduction strategies in 60 countries, and substantive engagement in the Poverty-Reduction Strategy Paper (PRSP) mechanism rising from 11 countries in 1999 to 24 in 2000 or 80 per cent of all countries preparing such papers;
- A sharp increase in the focus on HIV/AIDS. The number of country offices already active or gearing up for action rose from 32 in 1999 to 55 in 2000. There was evidence of good practices in advocacy, strategic planning, impact assessment and capacity development being pursued in Africa and Europe and the Commonwealth of Independent States;

- Integration of environmentally sustainable development and the goals of the global conventions in planning and action with, for instance, local Agenda 21/environmental action plans and national biodiversity action plans completed or under way in 15 and 32 countries, respectively. In addition, successful interventions in 64 countries to eliminate almost 6,000 tonnes of ozone-depleting substances per annum, a significant contribution to the regeneration of the ozone layer;

- Progress in gender-mainstreaming within governance, poverty reduction and HIV/AIDS interventions and through capacity development for institutional linkages across sectoral ministries;

- In collaboration with partner United Nations organizations, Common Country Assessments (CCAs) and United Nations Development Assistance Frameworks (UNDAFs) under way, completed or drafted in 66 and 24 programme countries, respectively; an expansion in the number of joint programmes either being implemented or planned (36 countries); and markedly greater emphasis on the restructuring and substantive use of thematic groups (with reporting from 26 country offices);

(c) The experience being gained by country offices shows that activities upstream involve more than just policy advocacy and advice – they also include capacity development, piloting and knowledge management as essential elements of the development cooperation package. Success upstream also hinges on another factor: the ability to be flexible, responsive and catalytic, which, in turn, depends on access principally to regular (i.e., core) resources.

Figures A and B below illustrate the percentage distribution of types of outcomes and outputs as reported by country offices.

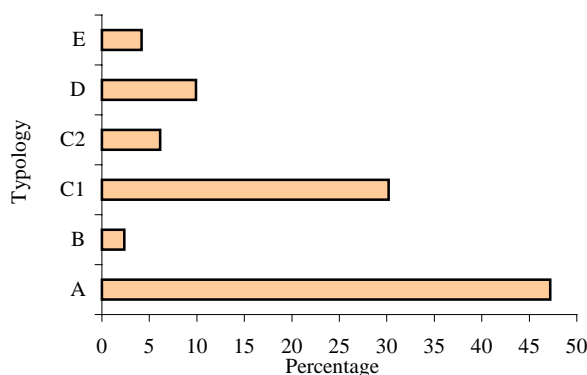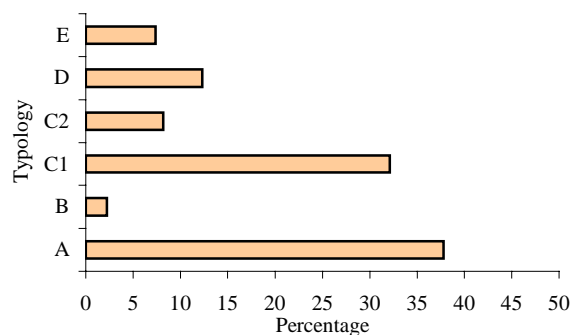Figure A. All outcomes: distribution by typology

Figure B. All outputs: distribution by typology

A. Strategy-setting and policy options **B**. Regional cooperation and global public goods **C1**. Capacity development (institutions) **C2**. Capacity development (data collection and monitoring) **D**. Empowerment and social cohesion
E. Innovation and scaling-up through pilots

While the key findings listed above paint a positive picture, the report also reveals areas for which attention is required to improve performance or revisit the organization's involvement. Chief among these are the need for further progress in advancing the gender goal, dealing with under-funding in high-return areas, promoting greater synergy between upstream and downstream interventions, strengthening the link between decentralization and poverty reduction and advancing aggressively the agenda for United Nations reform to the level of reducing transaction costs and improving effectiveness.
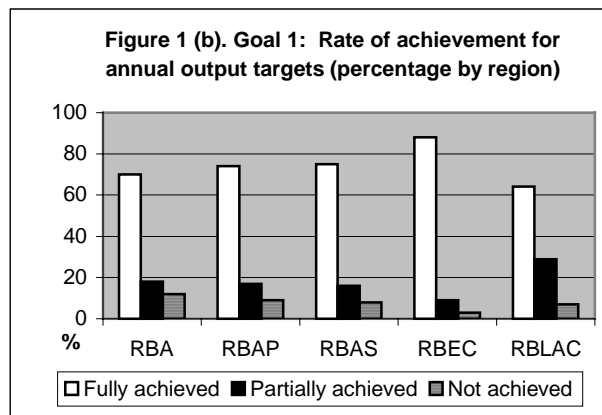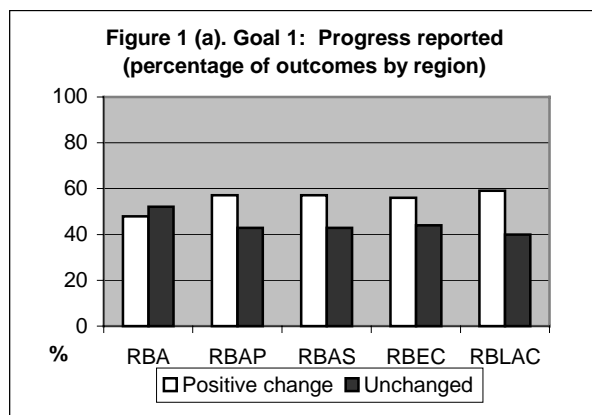
ANALYSIS BY GOAL

Goal 1: Creation of an enabling environment for sustainable human development

As in 1999, the data confirm the growing focus of UNDP work in the areas of advocacy on sustainable human development (SHD), public-sector management and support to governance institutions as well as a growing emphasis on human rights. They also reveal, however, interesting differences that respond to some of the emerging issues identified last year, most notably increased evidence of the incorporation of SHD issues into governance initiatives and expanded support for local governance across all regions.

Key findings

- As reported in 1999, the results are mostly of an upstream nature, reflecting the nature of the goal. Fifty per cent of outcomes seek to influence strategy-setting and policy options, with an additional 38 per cent of outcomes targeting capacity development;
- There is substantial ongoing investment in promoting awareness of and policy dialogue on SHD, representing the second most reported area of support in the goal, across all regions. The national human development reports, are the main platform for this, responding to the call of the Business Plans to make the reports the UNDP flagship product at the country level.

Figure 1 (a). Goal 1: Progress reported (percentage of outcomes by region)

Figure 1 (b). Goal 1: Rate of achievement for annual output targets (percentage by region)

- The increased reporting of human rights activities as compared to 1999 suggest the emergence of human rights as a key area of UNDP support in governance. This observation is consistent with findings in the United Nations system category (see goal 6); results include the formulation of human rights action plans, civic education, support for capacity development of human rights institutions such as ombudsman offices;
- Decentralization is a stronger area of focus in 2000 compared to 1999. Thirty-nine per cent of all country offices undertook programmes to strengthen sub-national capacity for participatory development planning and resource management in a wide variety of interventions including preparation of strategies, setting of mechanisms for local planning and application of information technology for community participation and social empowerment;
- UNDP involvement in public-sector management was extensive and focused mainly on civil service reform;
- There is continued effort to incorporate poverty reduction, gender issues, and participatory methods into governance programmes. This finding is also reported under the poverty category (goal 2);
- Confirming the observations first noted in 1999, programmes that support the spread and application of information and communication technology are growing across all regions (see Box 1). Much of the support goes towards strengthening capacity in governing institutions to use this technology for more effective delivery of public services. Some innovative attempts are also being made to foster networking and strengthen partnerships between public and civil society institutions. Nevertheless, the huge potential of the technology for e-governance and other initiatives remain untapped primarily because of resource constraints;
- Overall, 133 country offices (98 per cent of the total) reported under this goal. With regard to performance, positive change was reported for 54 per cent of outcomes. Annual targets were fully and partially achieved for 73 percent and 19 percent of outputs, respectively. As may be expected, performance in achieving output targets was

higher than progress towards outcomes for all regions. Overall performance did not vary significantly across regions, as can be seen from figures 1 (a) and 1 (b).

Box 1: Innovative uses of information technology

The ROAR 2000 illustrates the varied means by which countries are using information technology for development. Brazil, for example, is connecting all 27 state and 162 municipal legislative assemblies through a communications network. Macedonia has implemented an innovative programme to foster partnerships between local authorities and community-based organizations. Armenia is providing training and is launching a web-based database of external cooperation programmes for use by the government and donors.

There is also interest in supporting e-governance, in pilot regions, to strengthen public service capacity and achieve literacy at the regional and municipal levels. The Human Development Resource Centre was set up in India, with a web site to support SHD networking between state governments, research institutions and the media.   Azerbaijan is preparing a national information technology strategy to increase government accountability and transparency.   E-governance has begun in Burkina Faso with planned e-services for Parliament and a regional CISCO academy involving a national university.

In Cameroon, a draft protocol agreement has been formulated on the use of information technology for development, in partnership with the Tokyo International Conference on African Development and CISCO. Jordan improved the efficiency of the administration of public finances through the electronic conversion of the country's taxation systems, including computerized customs systems. The Islamic Republic of Iran is operationalizing ICT systems in key trade and investment institutions.

These examples illustrate the possibilities for much wider adoption of information technology programmes in the service of development with increased resources.
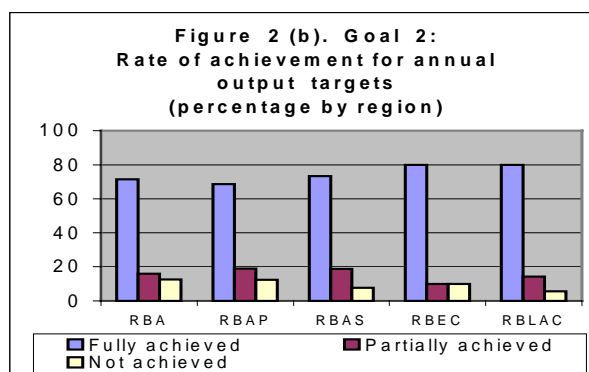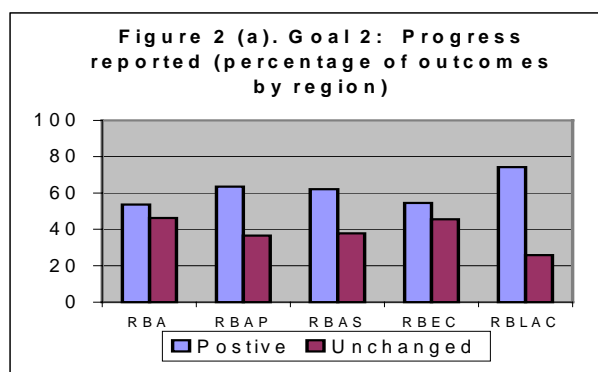

Emerging issue.   Building social capital by improving the ability of governance structures to mobilize the participation of stakeholders and generate consensus among them on major development issues is a potential high-return activity. At the national level, this means investing in the relationship between legislatures and citizens and, at the sub-national level, promoting the participatory aspects of decentralization;

Goal 2: Economic and social policies and strategies focused on the reduction of poverty

The data under this goal provide growing evidence of more strategic priority-setting by country offices; an accelerating shift upstream towards policy formulation and monitoring; an expanding response to the priorities for poverty reduction; and more evidence of progress towards building cross-cutting linkages. At the same time, although downstream interventions are diminishing in relative importance in the total UNDP portfolio, the existing interventions remain unfocused and do not display a clear direction, not least in the still limited linkage with pro-poor policy change.

Key findings

- Support for poverty-reduction strategies and the monitoring of poverty together account for the major thrust of UNDP effort, consistent with the focus identified in 1999; they are also the areas in which the greatest changes in outcomes were achieved in 2000. In this respect, UNDP has brought its long-standing experience with national anti-poverty strategies to bear on the Poverty-Reduction Strategy Paper process, moving rapidly beyond the small scale of its involvement in 1999 (11 countries) to more widespread and sustained engagement in 24 of the 30 countries with interim or completed PRSPs while continuing to support general poverty-reduction strategies more broadly in a further 60 countries;

Figure 2 (a). Goal 2: Progress reported (percentage of outcomes by region)

A bar chart showing percentage values for regions RBA, RBAP, RBAS, RBEC, RBLAC with two series: Positive and Unchanged.

Figure 2 (b). Goal 2: Rate of achievement for annual output targets (percentage by region)

A bar chart showing percentage values for regions RBA, RBAP, RBAS, RBEC, RBLAC with three series: Fully achieved, Partially achieved, and Not achieved.

- HIV/AIDS received far greater priority in 2000, with 55 country offices reporting, up from 32 in 1999. The UNDP effort is concentrated in the Africa region as well as Europe and the Commonwealth of Independent States; (see Box 2)

Box 2: Comprehensive strategies to prevent the spread and mitigate the impact of HIV/AIDS

Overall, positive change reported for outcomes is relatively modest at 59 per cent, reflecting the difficulties of mobilizing an urgent, country-wide response to HIV/AIDS. In terms of substantive focus, there appears to be a discernable shift upstream, focusing on the governance challenge, with a large increase in UNDP interventions assisting Governments in the formulation of national HIV/AIDS strategies; building national capacity to coordinate effective, multisectoral strategies; and supporting the creation of decentralized structures to manage local action plans. This focus corresponds to lessons learned over the past two decades demonstrating that effective national responses require sustained, high-level engagement and leadership, and a single, powerful, integrated HIV/AIDS plan involving a wide range of sectors as well as coordinated local action. Among the several partners with whom UNDP is working to combat the epidemic is UNV, particularly in central and southern Africa. In 2000, almost 100 volunteers worked in this area, as peer counsellors and educators and as promoters of a community-oriented approach to prevention and care, in a number of cases with the participation of people living with HIV/AIDS. Some significant findings by region are:

- RBA: UNDP is strongly mobilized in the majority of countries, focused on high-profile advocacy, support for policy and strategy formulation, capacity development and decentralization. In a number of countries, lessons learned about the strong linkage between HIV/AIDS and poverty has led to the integration of HIV/AIDS-prevention measures into poverty-reduction strategies. UNDP has also worked to improve the focus and relevance of its support through three major consultations organized by the regional programme in partnership with UNAIDS. Furthermore, partnerships on HIV/AIDS have been strengthened through the global programme, which has spearheaded an alliance with local government leaders in Africa through the Alliance of Mayors;
- RBAP: UNDP response is less developed at country level and is largely limited to ad hoc activities. Results reported through the regional programme include development of an HIV impact assessment tool and models for early warning and rapid response;
- RBEC: There is an impressive range of well-planned interventions aimed at supporting strategic planning and capacity development at the national level, support for decentralized responses, and innovative mass information campaigns for policy-makers, the media, educators, and care-givers. UNDP leadership of the thematic groups on HIV/AIDS is a supportive factor.
- RBLAC: Interventions are strong in some countries, focusing on human rights issues, including assistance for networks of people living with HIV/AIDS.

- UNDP work on the asset base of the poor (such as support in micro finance, employment promotion and access to basic social services) was characterized by a range of interventions with varying prospects for generating significant results in poverty reduction, especially where linkage to upstream policy change was not apparent;
- Finally, the great majority of UNDP country offices, 123 in all (or 90 per cent of the total) reported activities in poverty reduction. In terms of performance, positive change was reported for 60 per cent of outcomes but with significant regional variation (see figures 2 (a) and 2 (b)). Over half of all outcomes supported by UNDP related to

strategy-setting and policy options (53 per cent) and a further quarter addressed the capacity development of institutions. Annual targets were either fully or partially achieved for close to 68 per cent of outputs.
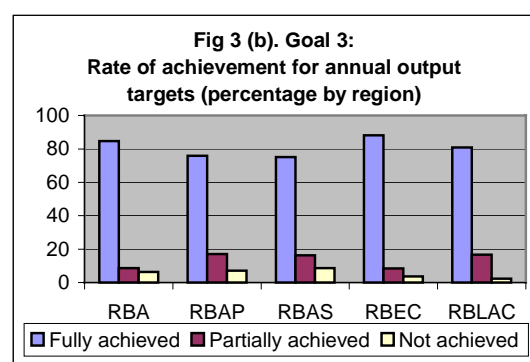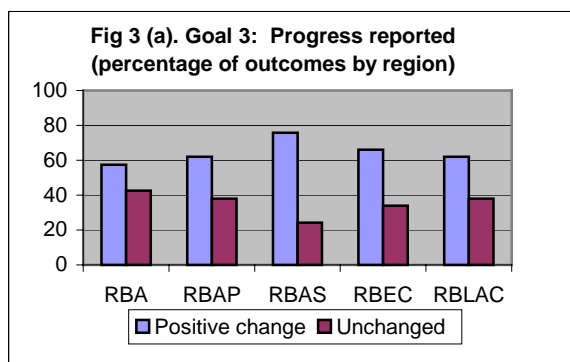
Emerging issue.   Information and communication technology remains a new field for UNDP. It is especially important (a) to harness in the fight against poverty and (b) to relate the continued presence downstream more closely to upstream work.

Goal 3: Environmentally sustainable development to reduce human poverty

The data on this goal confirm that environmental management and energy development is one of the major UNDP areas of focus, as was the case in the ROAR 1999. The composition and performance of the portfolio of programmes are also largely unchanged although opportunities are more evident, especially in linking environmental concerns with poverty reduction.

Key findings

•   The main focuses of UNDP cooperation in environment and energy are the development of legal and regulatory frameworks for environmentally sustainable development at the national and policy levels; capacity development of both national and local authorities; the promotion of participatory processes; and the follow-up and integration of global environmental issues into national development plans, and policies. There appears to be relatively less emphasis in 2000 on securing sustainable domestic sources of financing and on the monitoring of environmental conditions;

•   There has been considerable investment in upstream results; for example, the preparation of legislation, action plans and strategies. The next step is to promote greater integration of environmental objectives into anti-poverty policies and programmes. This is particularly important since performance has been very high in those limited areas where environment has been employed as the entry point to protect the asset base of the poor;

•   In a similar vein, the extensive follow-up to global commitments supported by UNDP through its leadership role can be used for enhancing interlinkages or synergies among the global conventions. The conditions for pursuing this task may have become more favourable as a result of action by a significant group of countries during 2000 to reinvigorate their commitment to the principles of Agenda 21;

Fig 3 (a). Goal 3: Progress reported (percentage of outcomes by region)

Fig 3 (b). Goal 3: Rate of achievement for annual output targets (percentage by region)

•   The Global Environment Facility (GEF) was important in providing direction and resources for important components of the UNDP portfolio. In all regions, programme development using this facility was critical in mobilizing significant non-core funding. For example, country offices are providing GEF-funded support for national activities to address global environmental conventions in a large majority of programme countries, especially for the preparation of national action plans and communications on biodiversity and climate change. Similarly, the GEF Small Grants Programme, together with Capacity 21, was an important vehicle for building partnerships with civil society organizations, especially in RBLAC and RBAP;

•   Finally, a large number of country offices were active in this goal, with 119 (87 per cent of the total) reporting. Positive change was reported for 64 per cent of outcomes while annual targets were either fully or partially achieved for 64 per cent of outputs.
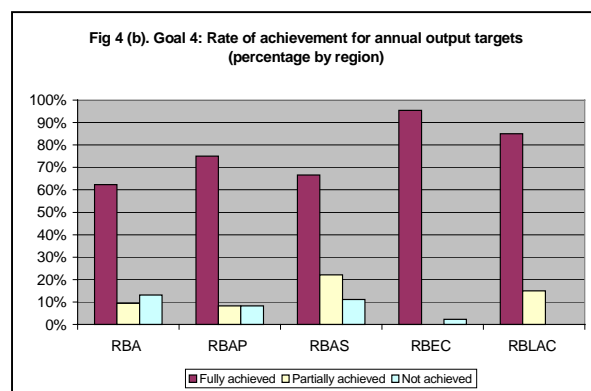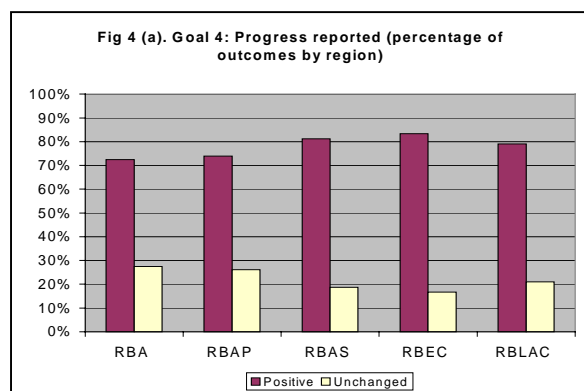
<u>Emerging issue</u>. Although positive changes at the outcome level were reported was made during 2000, UNDP was still relatively more engaged in planning than in implementation, as was the case in 1999. Planning and setting strategy alone are insufficient to generate the development changes at the outcome level required. In the remaining years of the SRF (2001-2003) emphasis must shift towards facilitating the implementation of existing commitments;

Goal 4: Advancement in the status of women and gender equality

The challenge of internalizing gender-mainstreaming is still evident in 2000, with continuing focus upstream on policy and planning as well as capacity development. There are, however, indications of encouraging changes in the organization's work under this goal that will have to be closely followed and monitored through the evidence gathered in future ROARs.

Key findings

• There are signs of improving linkage and coherence in country-level activities. A substantial number of interventions reported in 2000 cut across the two sub-goals in this area, linking national action and implementation of international commitments. This brings together the two principal dimensions of the UNDP mandate and offers a good basis for efforts during the MYFF period. Similarly, there is increased evidence of a more holistic approach, across thematic areas and at different levels, with linkages between policy, the capacity development of institutions and the creation of alliances and coalitions as the main building blocks for the achievement of gender equality;

• The data for 2000 also suggest progress in gender-mainstreaming in UNDP cooperation. There are at least three elements in this finding: (a) responsiveness to an increased demand for mainstreaming in governance, poverty reduction and HIV/AIDS; (b) evidence of innovation in capacity development for gender-mainstreaming across line ministries, which allows the linking of gender with the other SRF goals - here it must be noted that reporting on such activities still remains limited under goals other than gender; and (c) in countries in special development situations, increasing interventions in 2000 to support the advancement of women and gender-mainstreaming, especially in post-conflict environments;

Fig 4 (a). Goal 4: Progress reported (percentage of outcomes by region)

Fig 4 (b). Goal 4: Rate of achievement for annual output targets (percentage by region)

• Reporting on the collection of gender-disaggregated data is more prevalent than in the ROAR 1999 and appears to be better integrated into policy and strategy-setting activities and the national human development reports. This may well be a reflection of the demand that data support national reporting to the twenty-third special session of the General Assembly held from 5 to 9 June (Women 2000: gender equality, development and peace for the twenty-first century) and to the Convention to Eliminate All Forms of Discrimination Against Women (CEDAW). There is, however, limited evidence of gender-disaggregated data collection within other goals. It also remains unclear whether the activities reported in 2000 will be sufficient, without systematic follow-up, to develop the indicators and generate the data required for monitoring progress towards the development goals adopted as part of the Millennium Declaration;

- Some progress was made during 2000 in linking country, regional and global programmes, a shortcoming identified in the ROAR 1999. Reporting on regional programmes indicates actions in support of interventions at the national level in the main strategic areas of this goal. This was primarily focused on the implementation of the Beijing Platform for Action (PFA), the development of indicators and the collection of data disaggregated by sex. The global gender programme has also focused on reinforcing corporate commitments and has developed tools and methodologies to build the capacities of country offices, strengthen the gender focal point network and develop a broad-based network of experts in the field through a consultative process involving 110 countries. The global programme has in fact been instrumental in bringing women advocates for change to intergovernmental processes such as Beijing+5 and WSSD+5;
- A total of 105 country offices (77 per cent of the total) reported on this goal in 2000 as compared to 95 countries in 1999. On the performance front, positive change was reported for 77 per cent of outcomes, a relatively high rate compared to the other goals, with limited variation among regions (see figure 4 (a)). These outcomes were mainly focused on advocacy, networking and partnerships, capacity development of institutions and strategy-setting and policy options. This observation is similar to a finding under the environment goal that effective upstream work involves, at the minimum, a combination of policy advice and capacity development. Finally, annual targets were either fully or partially achieved for 74 per cent of outputs (see figure 4 (b)).
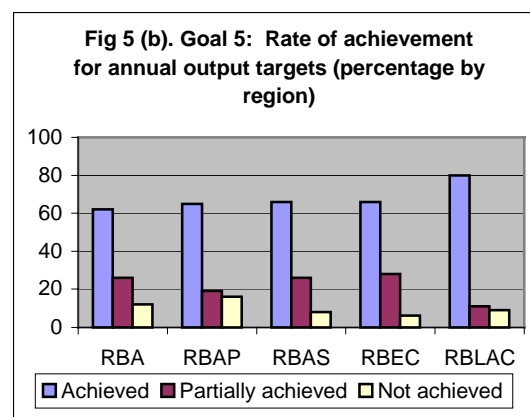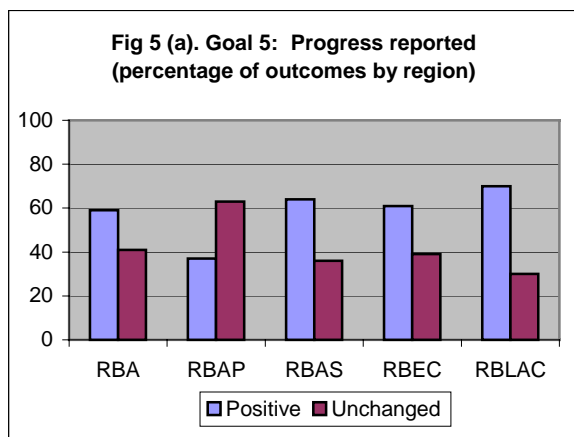
Emerging issue.   The methodological challenge about how best to capture UNDP work on gender issues within the SRF framework assumes greater importance with the policy of gender-mainstreaming. The relatively weak reporting specifically on gender may be attributed in part to the numerical limit on outcomes recommended to country offices in order to encourage a focus on strategic priorities. This may have led a number of offices simply to subsume gender-relevant activities under the other goals or to mention them only in the narrative section of the ROAR, where the most comprehensive information on the type, scope and quality of interventions can be found.

Goal 5: Special development situations

UNDP activities in special development situations during 2000 were also subject to the transformation process as the organization adapted to a changing operating environment that involved elements ranging from the Business Plans and the consensus on a reinvigorated strategy for crisis and post-conflict situations to, late in the year, the debate on the report of the Panel on United Nations Peace Operations (the Brahimi Report). As a consequence, it is not surprising to find several elements of the conflict and post conflict strategy paper, recently approved by the Executive Board (decision 2001/1) in the country reports for 2000.

Key findings

- The development dimension of conflict and post conflict situations was a prominent feature of UNDP work during 2000, as was also the case in 1999. Disaster mitigation, mine action and community-based recovery work remain the most notable and visible aspects of assistance. Country offices report providing strong support to community-based activities in post-conflict situations, notably in revitalizing local economies, rebuilding local infrastructure and reintegrating war-affected populations;
- UNDP work at the community level embraced both upstream and downstream perspectives although the extent to which they are being linked is not clear from the ROAR data alone. However, policy advisory and institution-building dimensions are more prominently reported in the context of natural disasters than in the area of complex emergencies involving conflict and post conflict situations;

Fig 5 (a). Goal 5: Progress reported (percentage of outcomes by region)

Categories (x-axis): RBA, RBAP, RBAS, RBEC, RBLAC
Legend: Positive, Unchanged

Fig 5 (b). Goal 5: Rate of achievement for annual output targets (percentage by region)

Categories (x-axis): RBA, RBAP, RBAS, RBEC, RBLAC
Legend: Achieved, Partially achieved, Not achieved

- Figures 5 and b reveal a similar level of performance for output across the five regions. Similarly, the situation is more or less the same for outcomes except for countries in the Asia region.

- A number of countries reported progress in early warning systems during 2000 as compared to 1999, when almost no country reported;

- As regards partnerships – which is also an important element of the CPC strategy – the information available from country office reports do not reveal a definitive pattern other than a broad, predictable emphasis on collaboration with governmental structures at national and sub-national levels, the United Nations system, NGOs and CSOs as well as donors;

- Given the regional implication of most crises, support for intercountry efforts continues to grow, although slowly. An example is reported by RBA on UNDP collaboration with the Organization of African Unity in preparing a conflict prevention and management mechanism for African countries;

- The ROAR 2000 data show greater reporting and delineation of activities than in 1999. At the same time, the Executive Board in its decision 2001/1, has set the stage for greater alignment of planning, assessment and reporting with the UNDP strategy for conflict and post-conflict situations;

- Finally, in terms of coverage, 54 country offices (40 per cent of the total) reported under the special development situation category in 2000. As for performance, positive change was reported for 53 per cent of outcomes, with annual targets either fully or partially achieved for 69 per cent of outputs.
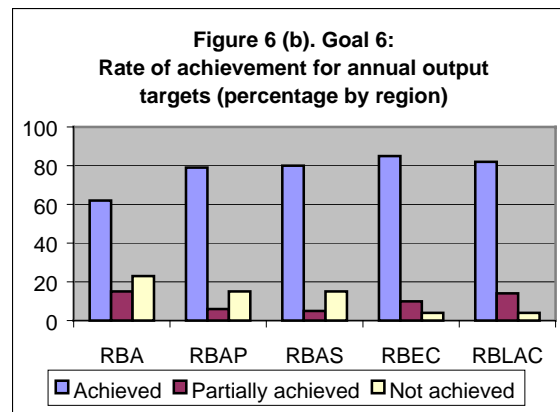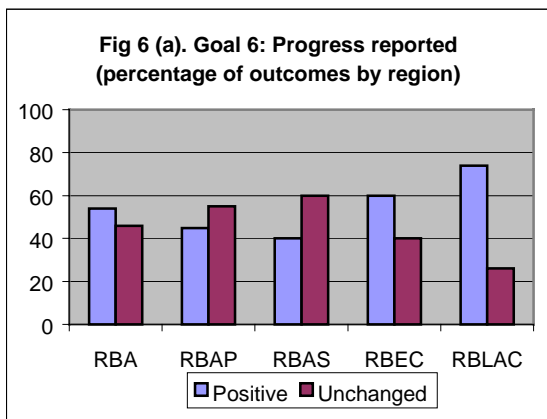
Emerging issue. The organization must fashion subregional approaches for dealing with conflict and post-conflict situations and translate into guidance for country office activities, the underlying principles contained in the report submitted to the Executive Board at its first regular session 2000 (DP/200/4 and Corr. 1; see decision 2000/1).

Goal 6: UNDP support to the United Nations

The data reported under goal 6 lead to insights that are remarkably similar to those for 1999. There are, nevertheless, some interesting signs of evolution, especially in the implementation of the United Nations reforms at the country level. Some of the emerging issues raised in this regard last year remain a continuing cause for concern.

Key findings

- Integrated follow-up to conferences is a potentially key activity within this goal. Four observations are apparent from the report: (a) country-level initiatives are varied and dispersed and have not reached the critical mass necessary for world-wide impact; (b) there is limited evidence of either national-level target-setting or systematic monitoring of follow-up; (c) evidence on the integrated follow-up to conferences is sparse; and (d) the degree of national ownership does not appear to be high overall;

Fig 6 (a). Goal 6: Progress reported (percentage of outcomes by region)

Legend: Positive, Unchanged

Figure 6 (b). Goal 6: Rate of achievement for annual output targets (percentage by region)

Legend: Achieved, Partially achieved, Not achieved

- The evidence of progress on United Nations reforms is still mixed. On the one hand, both the common country assessment and United Nations Development Assistance Framework are contributing to team-building and providing a platform for conference follow-up; the UNDAF, in particular, is being used as a springboard for joint programming, which appears to be on the increase. The data also point to increased restructuring, re-focusing and substantive utilization of thematic groups. In addition, there is a reported narrowing in the focus of United Nations system collaboration towards HIV/AIDS, gender issues and human rights. On the other hand, the uneven quality of CCAs and UNDAFs is seriously limiting the impact of these instruments. More importantly the adoption of new instruments has not been accompanied by elimination of existing processes or documentation with the result that transaction costs have tended to increase.

- All country offices were asked to complete goal 6; 125 country offices (or 92 per cent of the total) responded. Performance was adequate at both outcome and output levels (see figures 6 (a) and 6 (b)). Specifically, positive change was reported for 54 per cent of outcomes with annual targets either fully or partially achieved for 57 per cent of outputs.

<u>Emerging issue</u>.   The resident coordinator system must move rapidly in the direction of rationalization and simplification by replacing old programme instruments with the new United Nations system versions adapted by the United Nations Development Group

THE INTEGRATED RESOURCES FRAMEWORK 2000

Programme expenditures

Overall, the impact of lower voluntary contributions can be clearly perceived. The estimated regular ("core") programme expenditure in the year 2000 amounted to $420 million which is significantly lower than the comparable figure for 1999 of $541 million[1] and the average annual delivery of $660 million estimated in the MYFF. As was the case in 1999, close to 60 per cent of these resources were spent in the least developed countries (LDCs).

There was, however, a significant increase in the delivery of other ("non-core") programme resources in the category of third-party cost-sharing and trust funds, from an amount of $534 million in 1999[2] to an estimated amount of $586 million in 2000. Approximately one third of these programme resources were expended in LDCs. Programme delivery of government cost-sharing is projected at $873 million, which is significantly lower than the comparable 1999 figure of $948 million.[3] Nevertheless, taken together, the estimated delivery of other programme resources in 2000 ($1.459 billion) was closer than in 1999 to the annual average of $1.492 billion projected in the MYFF.
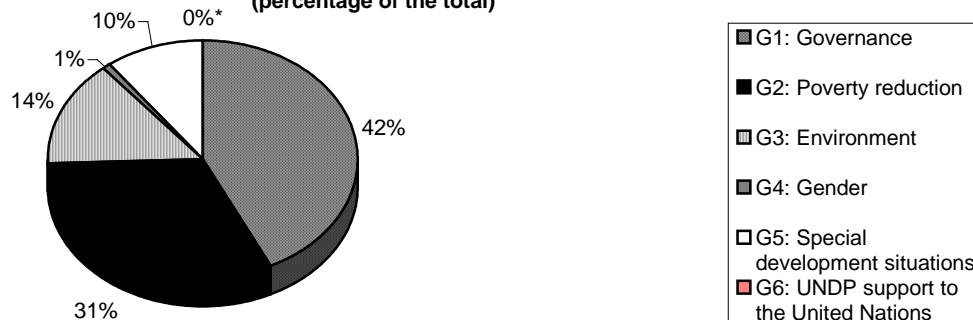
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[1]   This final figure is higher than the estimate of $477 million reported in the ROAR 1999.
[2]   The estimate provided in the ROAR 1999 was $477 million.
[3]   The estimate provided in the ROAR 1999 was $882 million.

Programme expenditures by goal and sub-goal

Figure 8: Distribution of estimated programme expenditure by goal, 2000
(percentage of the total)

▨	G1: Governance
■	G2: Poverty reduction
▨	G3: Environment
▨	G4: Gender
☐	G5: Special development situations
▨	G6: UNDP support to the United Nations

* This does not mean the absence of expenditure. As shown in table 1, annex V, UNDP support to the United Nations accounted for 1% of regular programme resources spent in 2000. When the relevant amount is computed as a proportion of all resources, however, the figure drops below 1per cent.

Programme support, management/administration, support to United Nations operational activities

Overall, biennial support budget expenditures in 2000 were well within the targets set out in the MYFF, which aim at a zero-nominal growth budget, in other words, real reductions once inflation and other cost increases are taken into consideration. Some of the key findings are as follows:

- Net programme support expenditure (adjusted for government contribution to local office costs or GLOC) funded from regular resources amounted to $123 million. This is similar to the figure of $124 million in 1999. Here it should be pointed out that the amount of GLOC and other income was projected at $30 million in 1999 while in the year 2000 the actual figure was $21 million. Hence, despite lower income from GLOC and other income, programme support expenditure has remained the same

- Management and administration expenditure decreased significantly compared to 1999 by some $8 million to $52 million. This decrease can be explained mainly by the relatively high expenditure in 1999 on specific activities of a non-recurrent nature;

- Expenditure for support to United Nations operational activities decreased from $73 million to $66 million, mainly because of an increase in UNV income, which offsets expenditure, and lower overall expenditure at the country-office level.

Regular resources: prospects for 2001 and beyond

The widespread endorsement at the Ministerial Meeting in 2000 of the UNDP reform process continues to provide an important impetus to the rebuilding of political commitment to the organization. This, coupled with the steady progress being made through the MYFF/ROAR process to demonstrate clear results, and through implementation of the Business Plans to strengthen the organization and its performance, has provided important stimulus to resource mobilization. Sustaining this dynamic process to ensure the continued engagement of Ministers and their commitment to joint action remains key to rebuilding regular resource levels to agreed MYFF targets. In this regard, the recent trend towards a significant increase in other ("non-core") resource contributions to UNDP, while welcome, should not be seen as a solution to the problem since regular and other resources are not interchangeable, as has been demonstrated by the evidence in the ROARs for 1999-2000.

The ability of UNDP to fulfil its mandate, promote development change in cooperation with partners, and mobilize other resources depends on an adequate and secure regular funding base that guarantees the organization's multilateral, impartial and universal character. In this sense, regular ("core") contributions remain the bedrock of UNDP and putting the regular resource base back on a path of sustainable growth to meet agreed targets still remains the overriding priority.

CONCLUSION

The ROAR 2000 reveals that UNDP is responding to the rapidly evolving needs of programme countries. The growing body of good practices and emerging results demonstrates that where UNDP is more narrowly focused on clearly identified development changes, makes judicious use of entry points and resources, and forges effective partnerships with Governments and other development actors, it is able to make an important contribution not only towards outcomes in programme countries, but also towards the common goals of the international community.

 UNDP must now draw on its unique strength to:

      (a)   Ensure that poverty reduction is viewed through the lens of human development;

      (b)   Further prioritize the focus areas where it has comparative advantage, as demanded by programme countries;

      (c)   Consolidate its move upstream by implementing the many initiatives launched and facilitating cross-region learning in advocacy and policy analysis, areas that are relatively new to UNDP;

      (d)   Refine the substantive content of organizational priorities and contributions;

      (e)   Forge cross-cutting synergies;

      (f)   Set pragmatic timeframes for the achievement of results along the continuum of upstream support - from policy analysis and advocacy through planning and implementation;

      (g)   Bridge the gap between intent and capacity to ensure that the credibility of UNDP commitments is underpinned by adequate internal resources.

The complementarity between core and non-core resources in funding the work of the organization in its priority practice areas is confirmed in the ROAR 2000. The report also provides evidence of the difficulties faced when core funding for policy-level activities is so scarce that it severely limits the ability of the organization to respond in a timely manner and to use seed money to mobilize non-core resources. Additional core resources are essential to achieve agreed, timely results at the country level and to grasp new opportunities before they are lost.

 In the one year that has elapsed since the first ROAR, considerable progress has been achieved not only in terms of progressing towards the goals of the Business Plans but, even more importantly, in focusing attention and resources on achieving results in reducing poverty in the areas agreed with programme countries. As the tools and practices of results-based management are further internalized within UNDP and increasingly applied, it will become possible to determine more precisely, and to take appropriate measures for improving, the effectiveness of development cooperation in reducing poverty.