



Preliminary draft of the UNDP results-based biennial support budget estimates, 2008-2009*

Report of the Administrator

Summary

This draft report contains the preliminary 2008-2009 budget proposal of the United Nations Development Programme (UNDP) in the results based budget format agreed to by the United Nations Children's Fund (UNICEF), UNFPA, and UNDP, as endorsed by the Executive Board.

The Administrator is proposing a regular resources funded budget in net terms of \$795 million for the 2008-2009 biennium, which incorporates net cost increases amounting to \$116 million. It further includes net volume increases of \$21 million. The net budget for 2008-2009 is therefore \$137 million higher than the net budget approved by the Executive Board for the biennium 2006-2007 (2005/33). With respect to income that offsets the budget, an increase of \$4 million is expected, from \$71 million in 2006-2007 to \$75 million in 2008-2009.

The Administrator is also proposing that United Nations mandated security costs, which are treated as a distinct requirement from regular resources, be increased by \$5 million. Furthermore, it is proposed that a Capital Asset Fund be established, in part with an initial contribution of \$9 million from regular resources, of which \$5 million is proposed for amortization during 2008-2009 and included in the net 2008-2009 volume increase.

Elements of a decision:

Two draft decisions will be presented on pages __ and __ pertaining to UNDP and to the United Nations Development Fund for Women (UNIFEM) for Executive Board consideration in January 2008 based on the final UNDP and UNIFEM biennial support budget proposals.

* Figures and indicators contained in this document are provisional and subject to change.

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**ORGANIZATIONAL
CHART**

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TBD

I. Executive summary

1. As requested by the Executive Board, UNDP is presenting herein a draft biennial support budget proposal for the 2008-2009 biennium, with preliminary high level budgetary estimates in the new, results-based format agreed to by UNICEF, UNFPA and UNDP, and endorsed by the Executive Board. Final estimates for the 2008-2009 biennium will be submitted in October for review by the Advisory Committee for Administrative and Budgetary Questions, and for formal consideration by the Executive Board at its first regular session in January 2008.
2. The guiding principles for the 2008-2009 biennial support budget are drawn from the 2008-2011 strategic plan currently under consideration by the Executive Board, and previous Executive Board decisions, most notably on the 2006-2007 biennial support budget (2005/33) and the cost recovery policy (2007/18). These principles are discussed in chapter II.
3. The financial framework proposed for the regular resources funded budget in net terms is \$795 million for the 2008-2009 biennium. This includes estimated nominal cost increases of \$116 million (17.6 per cent) and net volume increases of \$21 million (3.2 per cent) over the 2006-2007 net biennial support budget of \$658 million. More details are discussed in chapter III A.
4. The results based management framework proposed for the 2008-2009 biennial support budget is presented in chapters III B and III C. As agreed in the harmonized approach, the biennial support budget is organized by functions representing major groupings of activities funded from regular and extra budgetary resources, and for which regular resources are appropriated by the Executive Board. Each function has selected strategic results to be achieved, which serve as justification for the proposed allocation. This is a departure from previous input-based budgeting approaches, where the justification was presented in terms of inputs (a listing of organizational units and a staffing table). The key management results are organized under 18 management functions – 16 of which are harmonized with UNICEF and UNFPA, and two of which are specific to UNDP.

II. Strategic and financial context

A. Strategic framework

5. The 2008-2009 biennial support budget and the 2008-2011 programming arrangements (DP/2007/44) set the overall framework for the use of regular resources in UNDP and are the principal financial instruments supporting the implementation of the UNDP 2008-2011 strategic plan. Accordingly, they are preceded and informed by the 2008-2011 strategic plan and prior Executive Board direction. In this regard, the growth in regular resources assumed in the strategic plan has been apportioned to ensure a maximum possible allocation for development activities funded under the programming arrangements, with limited necessary provisions to fulfil management functions funded under the biennial support budget.
6. The management results prioritized in the 2008-2011 strategic plan focus on institutionalization of a management accountability framework; responsible risk management; strong stewardship over resources; and organizational and functional alignment for improved delivery of development and management results. The United Nations coordination results prioritized in the 2008-2011 strategic plan focus on a strengthened resident coordinator system and enhanced partnerships, particularly with United Nations partners.
7. In view of the above, UNDP has prioritized further strengthening of: a) the core mandate and programme guidance and management functions to deliver better development results at the country level; b) the internal audit and corporate evaluation functions to enhance assurance and oversight; c) the United Nations coordination function and management of the resident coordinator system to respond more effectively to the critical role it plays on behalf of the United Nations system; and d) several cross-cutting corporate functions such as financial and human resources management to improve accountability and organizational effectiveness.
8. Executive Board direction on results based budgeting, the 2006-2007 biennial support budget and cost recovery have all shaped the 2008-2009 biennial support budget proposal. Accordingly, the 2008-2009 biennial support budget proposals reflect concerted efforts at containing costs, and implementing results based budgeting.

More specifically, the 2008-2009 biennial support budget proposals reflect increases in response to cost and volume factors essential for UNDP to achieve planned results. These increases in turn are significantly offset by cost containment initiatives totalling \$60 million – a \$47 million shift of management costs to extra-budgetary resources, and a \$13 million reduction through the realization of efficiency gains. Chapter III A contains more details.

B. Financial framework

Resource projections

9. Table 1 presents the preliminary, proposed 2008-2009 resource plan for UNDP, with comparative amounts for 2006-2007. Annex 1 provides additional details by funding modality. Figure 1 reflects the proposed proportional use of total resources during 2008-2009. Figure 2 provides a summary of contributions by major funding modality over six biennia, inclusive of estimates for 2006-2007 and 2008-2009.

10. Approximately \$13.0 billion in resources (regular and additional) are estimated to become available during 2008-2009. This represents a \$2.1 billion or 19 per cent net increase in nominal terms over the \$10.9 billion estimate for 2006-2007. The net increase is due to projected growth in contributions of \$2.6 billion or 35 per cent, and estimated reductions to opening balances of \$567 million or 18 per cent.

11. More specifically, regular resources availability is expected to increase by about 21 per cent in nominal terms from \$2.1 billion to \$2.6 billion in line with increased contributions projected in the 2008-2011 strategic plan. Additional resources availability is also expected to increase in line with strategic plan projections by about 18 per cent from \$8.8 billion to \$10.4 billion. Annex 1 provides more details in this regard.

12. Resources use is also expected to increase during 2008-2009 to \$10.8 billion. This represents a \$2.5 billion or 30 per cent increase in nominal terms over the \$8.3 billion resources use estimate for 2006-2007. The increase is derived primarily from projected increases in programme expenditures of \$2.2 billion or 32 per cent, and in biennial support budget expenditures of \$209 million or 19 per cent. Annex 1 provides more details in this regard.

United Nations mandated security costs

13. During the 2006-2007 biennium, the Executive Board approved a separate appropriation of \$31 million with respect to United Nations mandated security costs. This was in recognition of the need to treat these costs as a distinct requirement from regular resources. The nature of these costs remains the same, and preliminary estimates reflect the need for an increase of \$10 million, of which \$5 million is proposed to be funded from regular resources.

Capital Asset Fund

14. UNDP proposes to establish a Capital Asset Fund during the 2008-2009 biennium subject to discussions with the United Nations Board of Auditors (UNBOA) and in line with United Nations System Accounting Standards (UNSAS). Approximately \$14 million of benefits accruing to the period 2008-2012 would be capitalized under the proposed Capital Asset Fund. Of this amount, \$9 million is proposed to be funded from regular resources.

15. Critical leasehold improvements, replacement of the headquarters' telephone system, and the costs associated with the application of International Public Sector Accounting Standards (IPSAS) from 2010 onwards, will be proposed for capitalization consideration and amortization over a five year period. In this regard, it is estimated that approximately \$9 million will need to be approved as a distinct resource requirement from regular resources by the Executive Board, of which \$5 million would be amortized against 2008-2009 and is thus included in the preliminary 2008-2009 biennial support budget proposal. The balance of \$5 million is proposed for funding from extra budgetary resources.

Cost recovery and related issues

16. To include discussion of the movement of UNDP towards more equitable burden sharing of management costs from regular and other/extra budgetary resources (proportionality ratio reduced from 15.8 per cent during 2006-2007 to 10.4 per cent during 2008-2009), and the implications of the UNDP cost recovery policy approved in decision 2007/18.

Government local office costs

17. Summarized below are 2006 government contributions towards local costs (GLOC) from direct cash payments, the accounting linkage with voluntary contributions and in-kind contributions broken down by income category of programme countries. A summary will follow in the final document.

18. The 2008-2009 biennial support budget falls in the beginning of the 2008-2011 programming period. An integral part of calculating GLOC obligations of programme countries are the waivers granted based on their respective gross national income (GNI) per capita levels, which are reviewed in line with the decision on the new programming period. The local costs of a UNDP country office, which is the base for the calculation, are reduced by an established waiver percentage based on the programme country's GNI level shown below. The Administrator proposes to adjust the waiver bands for 2008-2009 in line with the adjusted country classification thresholds approved for the 2008-2011 programming period. A summary with more details on the waivers will follow in the final document.

Cost Classification

19. At the first regular session 2007, a conference room paper (DP/2007/CRP.2) on the strategic plan, programming arrangements, and biennial support budget raised the issue of the cost classification of activities and functions funded from the biennial support budget and programming arrangements. In response, a limited change in cost classification is currently proposed: a transfer of the fixed line for evaluation activities from the programming arrangements to the biennial support budget; and a transfer of gender mainstreaming activities from the biennial support budget to the programming arrangements as a fixed line.

20. The Administrator will continue to address the issue of cost classification in a progressive manner during the 2008-2009 biennium in order to ensure better clarity and accountability with respect to the work of UNDP. The objectives to be achieved are twofold. All activities related to the support of management functions should be fully funded from the biennial support budget. All activities providing support to development effectiveness functions, including those currently under function 2 and function 4 of the biennial support budget, should be fully funded from the programming arrangements. Recommendations therein will be presented to the Executive Board simultaneously during 2009 as proposals to be considered within the context of the 2010-2011 biennial support budget, and as proposals emanating from the midterm review of the 2008-2011 programming arrangements.

Table 1. Resource plan
(In millions of dollars, in nominal terms)

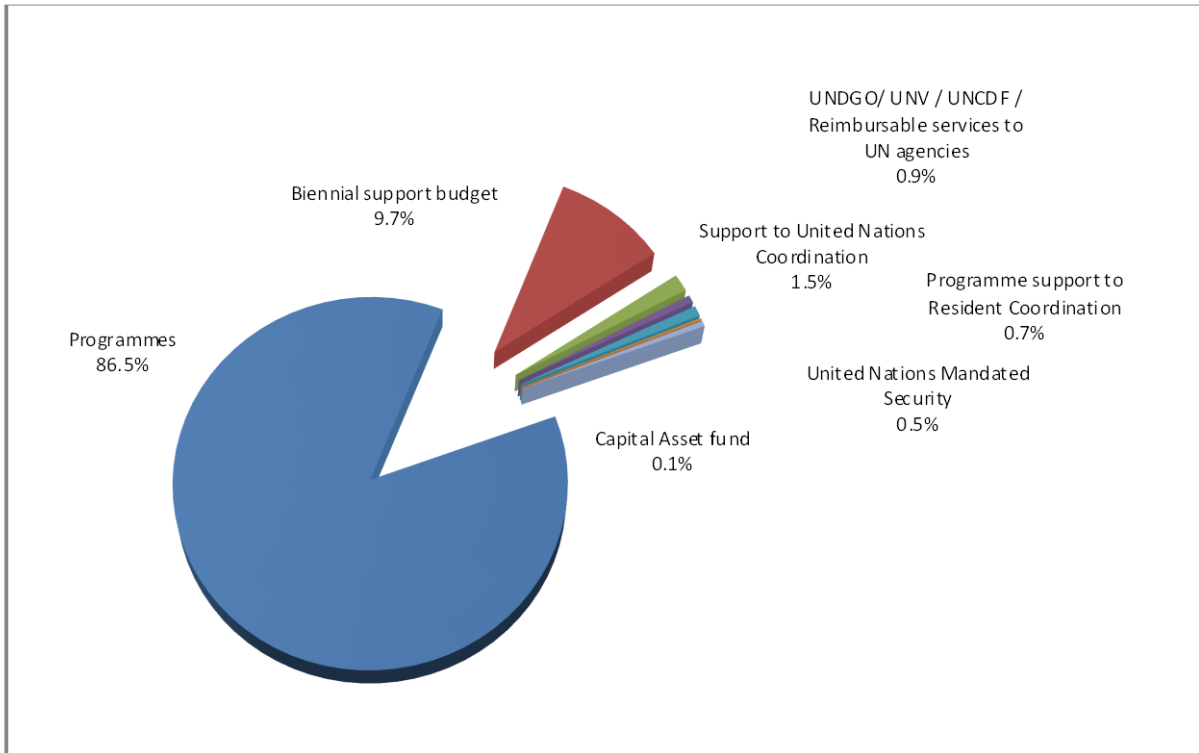
	2006-2007				2008-2009				Comparative % Change
	Regular resources	Additional resources	Total resources	% Total use	Regular resources	Additional resources	Total resources	% Total use	
1. Resources available									
Opening balance	237.5	2,933.2	3,170.7		232.5	2,370.7	2,603.2		
Income									
Contributions	1,900.0	5,600.0	7,500.0		2,350.0	7,750.0	10,100.0		
Other a/	-	197.2	197.2		-	220.9	220.9		
Reimbursement for services to other UN agencies	-	25.9	25.9		-	25.9	25.9		
Total available	2,137.5	8,756.3	10,893.8		2,582.5	10,367.5	12,950.0		18.9%
2. Use of resources									
A. Programmes	1,190.0	5,664.3	6,854.3	82.7%	1,562.2	7,496.1	9,058.3	84.2%	32.2%
B.1 Biennial support budget (Management and development support)	478.8	344.9	823.7	9.9%	550.7	426.0	976.7	9.1%	18.6%
B.2 Biennial support budget (Assurance and oversight)	14.1	3.8	17.9	0.2%	35.3	5.9	41.2	0.4%	130.0%
Subtotal (B.1 + B.2)	492.9	348.7	841.6	10.2%	586.0	431.9	1,017.9	9.5%	20.9%
Support to operational activities of the United Nations and Support to United Nations Capital Development Fund:									
C. Support to Coordination	120.8	-	120.8		161.0	-	161.0		
UN Development Group Office	3.7	1.8	5.5		3.8	2.3	6.1		
United Nations Volunteers	29.9	15.3	45.2		34.1	18.3	52.4		
Inter-agency Procurement Services Office	1.1	14.6	15.7		-	-	-		
Reimbursable services to other UN agencies	-	25.9	25.9		-	25.9	25.9		
Subtotal	155.5	57.6	213.1	2.0%	198.9	46.5	245.4	2.3%	15.2%
D. UN Capital Development Fund	9.4	0.6	10.0	0.1%	9.5	0.7	10.2	0.1%	2.0%
Subtotal Biennial Budget UNDP+ UNDP support to UN (B+C+D)	657.8	406.9	1,064.7	12.8%	794.4	479.1	1,273.5	11.8%	19.6%
E. Programme support to Resident Coordination b/	26.0	34.4	60.4	0.7%	32.0	40.0	72.0	0.7%	19.2%
F. UN Special Voluntary Fund b/ c/	-	270.0	270.0	3.3%	-	285.0	285.0	2.7%	5.6%
G. United Nations mandated security costs	31.2	10.0	41.2	0.5%	36.5	14.7	51.2	0.5%	24.3%
H. Capital asset fund	-	-	-	0.0%	9.2	4.8	14.0	0.1%	
Total use of resources (A+B+C+D+E+F+G+H)	1,905.0	6,385.6	8,290.6	100%	2,434.3	8,319.6	10,754.0	100%	29.7%
3. Balance of resources (1-2)	232.5	2,370.7	2,603.2		148.2	2,047.9	2,196.0		-15.6%

a/ Includes interest and miscellaneous income, and income to the biennium budget (comprising Government Local Office Cost contributions, Accounting linkage to offset Tax Reimbursements and UNV income to the Biennial Budget)

b/ These items are not included in table 3.

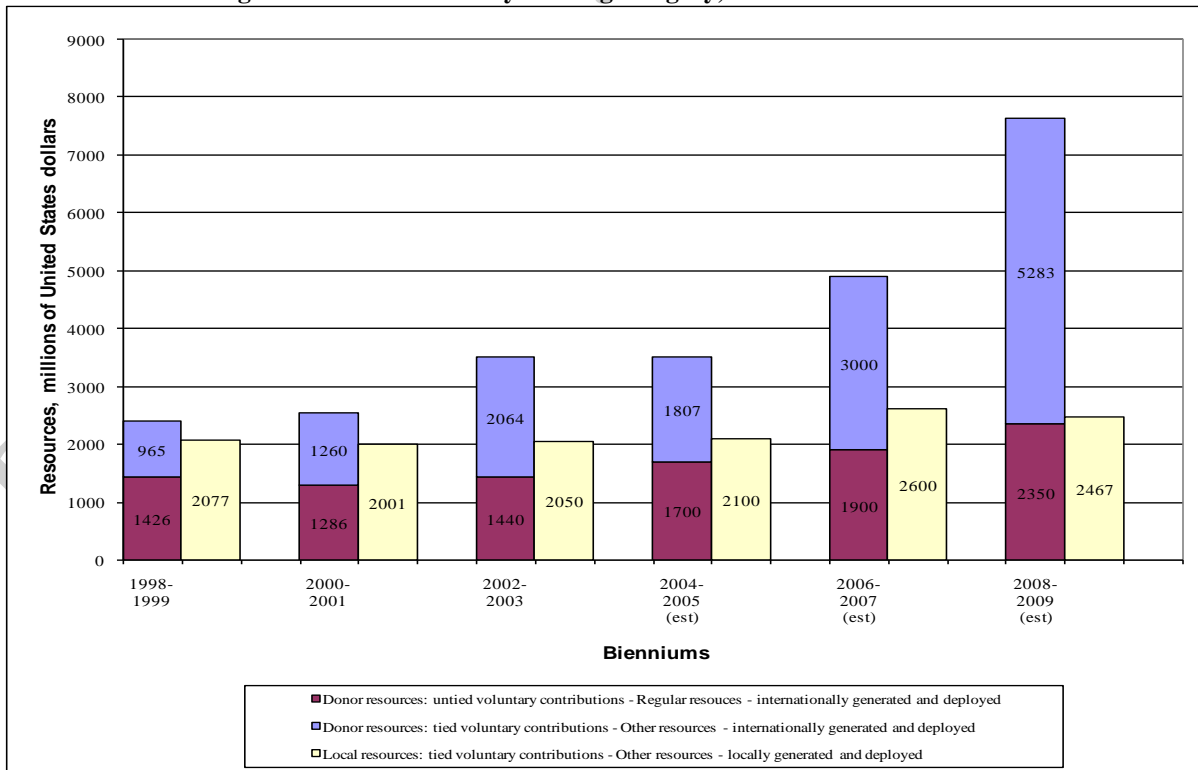
c/ Includes financial value of volunteer assignments that are charged directly to agencies and partners.

Figure 1. Use of total resources, 2008-2009



Note: figure 1 excludes financial value of volunteer assignments charged directly to agencies and partners.

Figure 2. Contributions by funding category, 1998-1999 to 2008-2009



III. Proposals

A. Summary of proposals

21. The proposed UNDP net biennial support budget for 2008-2009 to be funded from regular resources is \$795 million as reflected in Table 2. This represents a net increase of \$137 million or 20.8 per cent over the 2006-2007 net approved appropriation of \$658 million. Four major factors impact this net increase, as discussed below.

22. Approximately \$116 million in cost increases are incorporated in the proposal to maintain continuing UNDP management structures and activities during 2008-2009. This represents a 17.6 per cent nominal cost increase over the 2006-2007 net approved appropriation, and continues the trend in relatively high cost increases that commenced with the 2004-2005 biennium. The major elements contributing to the increase are as follows:

- (a) Operating cost adjustments, fully incorporating the impact of inflation and currency adjustments.
- (b) Movements in post adjustments, within-grade salary increments, reclassifications, and recosting of entitlements, all relating to international posts and associated mandatory salary and entitlement revisions, and fully incorporating the impact of inflation.
- (c) Recosting of local posts as a result of mandatory salary revisions, fully incorporating the impact of inflation.

23. Approximately \$85 million in volume increases (investments) are proposed in four key areas in support of 2008-2011 Strategic plan initiatives. This represents a 12.9 per cent real growth increase over the 2006-2007 net approved appropriation and is summarized as follows:

- (a) Strengthened country office capacities to deliver development results of \$30 million through increases to the representation and advancement of the core mandate (function 2) and programme guidance, management and oversight (function 4). This includes funding for new country directors, operations managers and deputy regional directors, and select country office base structures.
- (b) Strengthened assurance and oversight support of \$22 million through increases to the internal audit (function 14) and corporate evaluation (function 15). This includes funding to cover increased numbers of national execution (NEX) and direct execution (DEX) audits, and assessments of development results. As a result, funding should be in general alignment with Joint Inspection Unit (JIU) recommendations on broad funding levels for oversight functions of United Nations organizations, contained in report JIU/REP/2006/2;
- (c) Strengthened United Nations coordination support of \$15 million through increases to the United Nations coordination (function 17). This includes funding for resident coordinator induction courses, One United Nations pilots and support to regional director teams.
- (d) Strengthened accountability and organizational effectiveness of \$18 million through increases to the executive direction and leadership (function 1); corporate policy and strategy development planning and guidance (function 3); procurement and supply management (function 5); crisis prevention, recovery and emergency management (function 6); financial management (function 10); information and communications technology management (function 11); general administrative management (function 12) and human resources management (function 13). This includes funding for new information and communication technology (ICT) initiatives, leasehold improvements, policy advisory services and business process re-engineering.

24. The cost and volume increases in paragraphs 22 and 23 are offset in part by approximately \$60 million in proposed real volume decreases. These consist of \$47 million in shifts to extra budgetary funding and \$13 million in reductions resulting from across the board efficiency gains of two per cent. This is in response to Executive Board concerns for cost containment and improved burden sharing of management costs between regular and extra budgetary resources. With the shift, the proportionality ratio decreases from 15.8 per cent in 2006-2007 to

10.4 per cent in 2008-2009. The \$60 million in total volume decreases represents a 9.2 per cent real volume decrease over the 2006-2007 net approved appropriation.

25. Finally, estimated income to the biennial support budget is estimated to increase by approximately \$4 million due to increases in GLOC, tax reimbursements and United Nations Volunteers contributions. This represents a 0.5 per cent real income increase over the 2006-2007 net approved appropriation. Table 3 will present the proposed 2008-2009 budget by function, inclusive of extra-budgetary resources. Table 4 will present an overview of post changes.

Table 2. Summary of main areas of increase/decrease

(In thousands of dollars, in nominal terms)

	<i>Total</i>	<i>% of 2006/2007</i>
I. 2006-2007 Net approved appropriation	657,846.3	
II. Net cost increases/decreases (inflation, currency, staff costs)		
Total cost increases	115,877.0	17.6%
III. a. Volume increases		
Assurance and oversight	22,384.0	3.4%
United Nations coordination	14,812.0	2.3%
Subtotal	<u>37,196.0</u>	
Strengthening country office capacities to deliver development results	29,488.0	4.5%
Strengthening accountability and organizational effectiveness	18,132.0	2.8%
Subtotal	<u>47,620.0</u>	
Gross volume increases	84,816.0	12.9%
b. Volume decreases		
Reductions	(13,156.9)	-2.0%
Proportionality shift	(47,212.0)	-7.2%
Gross volume decreases	(60,368.9)	-9.2%
Net volume in creases (III.a + III.b)	24,447.1	3.7%
IV. Subtotal net cost and volume in creases (II + III)	140,324.1	21.3%
V. Net changes in estimated income to the biennial support budget		
Increase in Government Local Office cost Contribution (GLOC)	(1,280.0)	
Increase in tax reimbursement offset	(2,000.0)	
Increase in UNV contributions	(400.0)	
total changes in estimated income	(3,680.0)	
2008-2009 Net appropriation estimates	794,490.4	
VI. 2008-2009 United Nations Mandated Security	36,500.0	
VII. Capital asset fund	9,250.0	

Table 3. Proposed budget estimates by function and extra-budgetary resources and estimated income to the budget, 2008-2009

(In millions of dollars, in nominal terms)

	2006-2007 estimates	Change		2008-2009 estimates
		Amount	%	
A. Biennial Budget (UNDP Direct)		<i>functional breakdown TBD</i>		
Executive direction and leadership				
Representation and advancement of the core mandate				
Corporate policy and strategy development, planning and guidance				
Programme guidance, management and oversight				
Procurement and supply management				
Crisis prevention, recovery and emergency management				
External relations				
Internal and external communications: Media and public relations				
Resource mobilization and fundraising				
Financial management				
Information and communications technology				
General administrative management				
Human resources				
Internal audit a/				
Corporate evaluation a/				
Staff security				
Subtotal	841.6	176.3	20.9%	1,017.9
B. Support to operational activities of the United Nations				
Support to Coordination	120.8	40.2	33.3%	161.0
United Nations Development Group Office	5.5	0.6	10.9%	6.1
Inter-agency Procurement Services Office	15.7	(15.7)	-100.0%	0.0
United Nations volunteers	45.2	7.2	16.0%	52.4
Reimbursable services to other UN agencies	25.9	0.0	0.0%	25.9
Total support to UN operational activities	213.1	32.3	15.2%	245.4
Subtotal	1,054.7	208.6	19.8%	1,263.3
C. United Nations Capital Development Fund	10.0	0.2	2.0%	10.2
Total Gross resources (A+B+C)	1,064.7	208.8	19.6%	1,273.5
D. Estimated income to the Biennial Budget	(71.2)	(3.7)	5.2%	(74.9)
E. Extrabudgetary resources	(335.7)	(68.5)	20.4%	(404.2)
Subtotal offset to the Gross biennial budget (D+E)	(406.9)	(72.2)	17.7%	(479.1)
Total Net resources (A+B+C+D+E)	657.8	136.6	20.8%	794.4

a/ The audit and evaluation functions form part of the Assurance and Oversight category presented in tables 1, 2, and annex 1

Table 4. Regular resources posts by location

	2006-2007 Approved posts							Changes Increase/decrease						2008-2009 Approved posts						
	ADM/ USG/ ASG	D2	D1	Other IP	All other	Total	% of total	ADM/ USG/ ASG	D2	D1	Other IP	All other	Total	ADM/ USG/ ASG	D2	D1	Other IP	All other	Total	% of total
Country offices ¹	-	33	113	245	2,302	2,693	81.9							-	-	-	-	-	-	-
Regional offices	-	-	-	-	-	-	-							-	-	-	-	-	-	-
Headquarters	10	25	40	127	168	370	11.2							-	-	-	-	-	-	-
Support to United Nations operational activities	-	2	5	27	170	204	6.2							-	-	-	-	-	-	-
Country offices ²	-	-	-	-	-	-	-							-	-	-	-	-	-	-
UNDGO	-	1	1	3	7	12	0.4							-	-	-	-	-	-	-
IAPSO	-	-	1	-	1	2	0.1							-	-	-	-	-	-	-
UNV	-	1	3	24	162	190	5.8							-	-	-	-	-	-	-
UN Capital Development Fund	-	1	3	9	9	22	0.7							-	-	-	-	-	-	-
Total	10	61	161	408	2,649	3,289	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-

¹ Includes outposted headquarters posts e.g. OAPR national officers

² All staff resources assigned to country offices are shown in the first line and not split between UNDP country offices and United Nations support to country offices

B. Activities and resources by function – harmonized results-based budget framework

26. This chapter describes each of the 16 harmonized management functions that constitute the results and activities financed by the biennial support budget; section 'C' contains the two functions specific to UNDP.

27. For each function, a narrative definition and description is provided, as well as overall objectives and issues for the biennium. Specific links between the function and outputs of the strategic plan are highlighted, as are funding levels for the 2006-2007 and 2008-2009 bienniums. Each narrative is followed by a template that shows key results to be achieved, indicators used to measure performance and a 'baseline' and 'target' for each performance measure. The baseline represents the biennium starting point, while the target provides an intended 'end state'. Key results do not represent total accomplishments expected for each function; rather they should be considered corporate results that relate directly to management and/or coordination objectives of the strategic plan.

Function 1: Executive direction and leadership

28. *Definition and description:* The activities that enable senior management to define the executive direction for the organization, based on the longer-term vision and mandate outlined in the strategic plan. This entails providing effective leadership to the entire organization, driving it towards defined organizational results in an accountable and transparent manner, and enabling managers at all levels to lead their staff towards unit specific-results, holding each other accountable for achieving those results within the overall executive direction of UNDP.

29. *Issues and narrative:* During the 2008-2009 biennium, senior management is responsible for defining the direction of UNDP, providing leadership to strengthen organizational results in development, and United Nations coordination and management, as outlined in the strategic plan. However, this function could be affected by Executive Board decisions and intergovernmental processes requiring a shift in course and a change in development, coordination or management goals.

30. *Accountability and funding levels:* Accountability for Executive direction and leadership is vested in the Office of the Administrator and the Associate Administrator and includes a portion of the work of the Assistant Administrators. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Promotion of a development agenda centered on human development / MDGs approach	Stakeholders' satisfaction with the programmatic direction of UNDP	2007 partner survey	TBD
2.	Effective corporate leadership and management	Achievement of strategic plan management priorities 2008-2009	New in 2008	TBD
3.	UNDP leadership contributes to strengthening the management of the resident coordinator system.	Stakeholders' satisfaction with the leadership of UNDP in managing the resident coordinator system	2007 partner survey	TBD

Function 2: Representation and advancement of the core mandate

31. *Definition and description:* UNDP country office and headquarters activities related to representing and advancing the core mandate and major programme goals of the organization. Activities in this function are carried out principally in country offices, but may also occur in regional or headquarters units. All units will integrate and apply the strategic plan to daily management, programmatic/policy activities and United Nations coordination operations, including the integration of development effectiveness principles into programmes, and the achievement of greater programme concentration in the four focus areas of UNDP.

32. *Issues and narrative:* During the 2008-2009 biennium, the organization will enhance its support to national priorities through effective management of country programmes. Within the core mandate of UNDP, the organization will work towards aligning the global, regional and country programmes and projects with strategic plan priorities. Representing and advancing the organization's core mandate, along with United Nations system coordination (see function 17), constitute the greatest portion of the work of the core structure of country offices. Headquarters units (programme and regional bureaux), as well as regional centres, also play important roles in carrying out this critical function. The need to align UNDP resources with the priorities in the strategic plan is balanced with the need to be responsive and alert to new needs, to react quickly and forcefully to emergency situations and crises, and to respond where UNDP is sought by programme countries and partners as a provider of last resort. This will impact the progress of UNDP with respect to alignment.

33. *Accountability and funding levels:* Accountability for results in this function rests largely with the country offices and the headquarters regional and programme bureaux. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Effective operational leadership / management that advances the development agenda of UNDP	Aggregate office performance results for development and management activities	2007 balanced scorecard/ MYFF report	TBD

2.	Global, regional and country programmes and projects are aligned with development priorities reflected in the strategic plan	Proportion of Programme expenditure within the development goals and focus areas of the strategic plan	2007 data	TBD
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Function 3: Corporate policy and strategy development, planning and guidance

34. *Definition and description:* The planning of goals, business lines and approaches of UNDP. This includes research activities that support strategic planning, and guidance to headquarters and country office operations that communicate results of the planning process. Activities in this function will be devoted to assuring that policies, strategies, rules and procedures are: up-to-date and relevant; reflective of overall direction from top management on goals, strategies, business lines and approaches; and communicated clearly and promptly to organizational units.

35. *Issues and narrative:* This function supports the overall implementation of the strategic plan by providing prescriptive policy guidance to directly support management outputs and enhanced accountability within UNDP, an enterprise risk management system, and the alignment of the programming arrangements framework and biennial support budget with the strategic plan. It is central to supporting the rigorous application of the practice architecture in the development of policy frameworks, products and tools that support global, regional and country offices' substantive alignment to, quality of, and accountability for strategic plan development results. Integral to success will be incorporating a more systematic approach to risk management into UNDP procedures and policies, the creation of cultural change within the organization, and helping staff members, through leadership, accountability, support and training to adopt risk management as an aspect of good management practice.

36. *Accountability and funding levels:* This function is carried out by headquarters units including the Operations Support Group (OSG), Bureau for Development Policy (BDP), the Bureau for Crisis Prevention and Recovery (BCPR), Regional Bureaux, and the Bureau of Management (BOM). Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Effective system and culture of accountability embedded in UNDP	Accountability and risk management frameworks in place	New in 2008	TBD
		Percentage of staff reporting a good understanding of accountability and transparency issues	New in 2008	TBD
		Percentage of operating units that have completed their risk log for their unit risk analysis.	2007 data	TBD
2.	UNDP results-based management tools available and effectively supporting the implementation of programmes	User satisfaction with UNDP results-based management tools	Available	TBD
3.	Policy frameworks, products and tools support practice alignment and coherence	Quality Assurance and Clearance process established	New in 2008	TBD
		Percentage of country offices satisfied with policy services	2007 data	TBD
4.	Communities of practice and knowledge networks integrated into UNDP business processes	Percentage of country offices satisfied with knowledge networks	2007 data	TBD
		Percentage increase in consolidated replies	2007 data	TBD

Function 4: Programme guidance, management and oversight

37. *Definition and description:* The development, approval and implementation of UNDP programmes at the country, regional and global levels, including: (a) guidance to programme formulation and implementation; (b) oversight of programmes (for example, of country programmes from regional offices); and (c) overall programme management of country operations to ensure programmes proceed toward approved results. The function does not cover operational management of the specific programmes themselves – those costs are an integral part of the programmes. The objective of this function during the 2008-2009 biennium is to ensure that country programme strategies (and programmes within them) are of high quality and are prepared, approved and implemented in alignment with the goals of the strategic plan and with UNDP prescriptive content

38. *Issues and narrative:* This function supports the overall alignment of the strategic plan in UNDP programmes at country, regional and global levels. In addition, it supports the practice architecture through linking policy and programming support, as well as promoting coherence between programming at various levels. The Regional Service Centres play a critical role in performing this function through close proximity to programme countries. Integral to success, in particular for country programmes, is to ensure that programmes are guided by programme country plans and priorities. Political limitations, security risks, capacity and resource constraints influence the success of this function.

Accountability and funding levels: Accountability for results in this function rests largely with the country offices but is shared by the headquarters regional and programme bureaux. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Programme development, support and oversight are enhanced	Percentage of country offices satisfied with the quality of advisory services	TBD	TBD
		Percentage of country programme annual reviews conducted	2007 data	TBD
		Percentage of mid-term reviews of regional and global programmes conducted	TBD	TBD
2.	The quality of programme management is enhanced	Percentage of projects with defined and updated risk logs	Not Available	TBD
		Project data quality dashboard rating	Not Available	TBD

Function 5: Procurement and supply management

39. *Definition and description:* To provide central guidance and oversight on the procurement of goods and services and ensure value for money through the use of an organizational knowledge network on supply and procurement issues. The objective is to ensure UNDP has systems and resources in place to support effective administrative and programme procurement by country offices and headquarters units. The function does not include the procurement process itself; that is included within individual programmes and under function 12 (general administrative management).

40. *Issues and narrative:* This function directly supports the accountability framework and enterprise risk management strategy of the strategic plan.

41. *Accountability and funding levels:* This function will be carried out by the new, central UNDP procurement support office. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Procurement capacity is strengthened	Percentage of procurement practitioners certified	2007 data	TBD
2.	Procurement support and oversight are provided to clients effectively and timely	Percentage of operating units satisfied with timeliness and quality of procurement support	2007 data	TBD

Function 6: Crisis prevention, recovery and emergency management

42. *Definition and description:* The capacity to respond quickly to crisis situations in developing countries. This function establishes and maintains a core capacity for programmatic response to emergency and crisis situations and ensures UNDP headquarters can support disaster preparedness and rapidly respond to country office requirements. Broad corporate policies related to crisis prevention are covered under function 3.

43. *Issues and narrative:* This function includes developing, updating and dissemination of policies, strategies and guidelines for emergency response and recovery support, and maintaining the core capacity. This permits UNDP to respond to crisis situations and support recovery efforts. The Bureau for Crisis Prevention and Recovery (BCPR) leads efforts to ensure that the role of UNDP in crisis and post-crisis situations is clearly defined; that UNDP is properly equipped to fulfill that role and that all levels of the organization are prepared to deliver recovery and development support in the aftermath of a natural disaster or conflict. Timeliness is critical to the success of this function. However, the occurrence of numerous simultaneous crisis situations could potentially overwhelm organizational response capacity, thereby compromising timeliness. Political limitations and security risks may also threaten success in deploying UNDP resources. This function supports the strategic plan coordination output relating to implementation of the International Strategy for Disaster Reduction and also the management outputs on reducing risk management and increasing accountability.

44. *Accountability and funding levels:* The Bureau for Crisis Prevention and Recovery is accountable for the results below. Funding levels for the function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results:

Management results		Indicators	Baseline	Target
1.	Timely deployment of financial resources and personnel in emergency situations are ensured	Average deployment time of emergency financial grant.	72 hours	TBD
		Average deployment time for SURGE support.	New in 2008	TBD
2.	Country programmes incorporate disaster risk and/or conflict risk as necessary.	Proportion of country programmes that incorporate crisis risk analysis	New in 2008	TBD

Function 7: External relations and partnerships

45. *Definition and description:* The support for, and relations with, the Executive Board, other oversight bodies, and partnership-building with civil society organizations, public and private sector organizations and others (beyond those related to specific UNDP programmes). This function also includes relations with other entities within the UN system and with international financial institutions. Activities carried out with other United Nations agencies associated with UNDP in its development coordination role are covered under Function 17. An

important objective for 2008-2009 is an increased understanding of, and support for, UNDP by current and new UNDP partners, as well as a more participatory role in programme and strategy development by partners.

46. *Issues and narrative:* Success in achieving results in this function depend largely on the willingness and ability of other organizations to establish platforms for joint action and to build partnerships with UNDP. The function directly supports outputs of the strategic plan that call for strengthening relations with United Nations partners, international financial institutions, and the private sector and civil society.

47. *Accountability and funding levels:* This function is carried out at headquarters by the Partnerships Bureau. Related activities carried out in country offices are covered under Function 2. Funding levels for this function are \$ ____ in 2006-2007 and \$ ____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Current and new UNDP partners have an increased understanding of and support for the organization	Percentage of clients and partners which think partnership with UNDP is valuable	2005-2006 partner survey	TBD
2.	Strengthen existing and building new partnership arrangements with United Nations and other multilateral partners	Number of new Memoranda of Understanding, action plans and joint initiatives with United Nations partners to assure practical division of labor and create synergies in 2008 and 2009	2005-2006 partner survey	TBD
		Percentage of United Nations organizations satisfied with UNDP support	2005-2006 partner survey	TBD
3.	Establish platforms for United Nations system-wide support for private sector development, civil society and decentralized cooperation partnerships	Number of private sector, civil society and foundation initiatives launched at country and global level	2007 data	TBD
		Number of alliances with decentralized cooperation partners forged (i.e. regional and local government entities)	2007 data	TBD

Function 8: Internal and external communication: media and public relations

48. *Definition and description:* An increased understanding by external and internal audiences of the role, activities, and programme and management goals of UNDP through enhanced communication. Activities in this function publicize the mandate and accomplishments of UNDP to the global public and lay the foundation for later programming activities, including advocacy of specific policies and programmes.

49. *Issues and narrative:* External factors influencing the success of this function include the climate among populations in donor and programme countries regarding the United Nations, and UNDP in particular. The achievement of results in this function is important to prevent the possibility of an erosion of the status and relevance of UNDP in the global arena. This function supports overall implementation of the strategic plan.

50. *Accountability and funding levels:* This function is carried out at headquarters by the Communications Office of the Partnerships Bureau; related functions carried out in country offices are covered under function 2. Funding levels for this function are \$ ____ in 2006-2007 and \$ ____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Reference to UNDP key messages in significant media	Number of times UNDP key messages are covered in major media outlets, the world wide web, or in academic journals	Second semester 2007 data	TBD
2.	Response to important programme and management goals (including accountability and risk management)	TBD	TBD	TBD
3.	Increased cooperation on communications amongst entities in the United Nations development system (including United Nations Information Centres)	Number of organizations sharing external communication tools	2006-2007 data	TBD
		Number of organizations sharing internal communication tools		

Function 9: Resource mobilization and fundraising

51. *Definition and description:* To attract and leverage resources from donors and programme governments, non-governmental organizations and through partnerships with other public and private organizations. The activities in this function are intended to assure that United Nations and UNDP contributions are in line with projections made in the strategic plan.

52. *Issues and narrative:* Resource mobilization entails a number of uncertainties: political (the general climate of support for the United Nations and UNDP); financial (exchange rate fluctuations); economic (the condition of worldwide donor government budgets); and substantive (donors may continue to limit the amount of core funding while contributing more to non-core for a variety of reasons). This function supports strategic plan outputs covering expanded partnership building and resources mobilization as well as lending support to United Nations coordination outcomes. It also supports the strategic plan objective of having core contributions rise more rapidly than non-core, thereby rebalancing the ratio of core to non-core resources.

The Partnerships Bureau is responsible for overseeing this function. Related functions carried out in country offices are covered under function 2. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Regular and other resources contributions are in line with strategic plan	Amount of regular contributions in 2008 and 2009 in line with strategic plan	2007 actual	From the strategic plan
		Amount of donor and multilateral non-core contributions (other resources) in 2008 and 2009 in line with strategic plan (third party cost sharing and trust funds)	2007 actual	From the strategic plan
		Amount of programme	2007 actual	From the

		country non-core contributions (other resources) in 2008 and 2009 in line with strategic plan (government cost sharing)		strategic plan
2.	Increased participation by non-traditional / non-DAC donors in support of the programme goals of UNDP	Size of volume increase	2007 Non-DAC contribution	TBD
3.	Resources effectively administered by UNDP on behalf of the United Nations	Number of new governance / administrative arrangements in place	2007 actual	TBD
		Percentage of partners satisfied with UNDP as managing agent of resources on behalf of the UN system	2007 actual	TBD

Function 10: Financial management

53. *Definition and description:* To establish and maintain systems of financial management and accountability, manage financial and other assets of UNDP, support the allocation of programme and operating resources to optimize the use of expected/available funds based on planning and budget priorities, and manage and report on financial transactions involving the use of UNDP resources.

54. *Issues and narrative:* Improving financial management, including implementing 15 major audit recommendations, and implementing the results-based biennial support budget will require commitment and effort by UNDP management and staff, as financial results will depend heavily on having trained financial staff in place to perform effective management. Success in implementing result-based budgeting will require adequate training and information to assure that staff understand the new concepts and procedures. This function directly supports the strategic plan outputs calling for a reduction in the frequency and number of high-risk audit observations in national execution management, for an unqualified UNBOA audit of UNDP and for achievement of higher implementation rates for audit recommendations. It also supports the strategic plan outputs calling for integration of the biennial support budget with the strategic plan and for unit operational plans to be aligned with the strategic plan. The function is essential to the achievement of outputs relating to accountability and risk management.

55. *Accountability and funding levels:* The Bureau of Management Offices of Finance and Administration (OFA) and Planning and Budgeting (OPB) oversee this function at headquarters; all units in the organization are accountable for financial management results. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	1. Audit recommendations systematically managed	Percentage of reduction in frequency and number of high risk audit observations, especially in areas of NEX management, compliance with internal controls and bank reconciliation		TBD
		Audit opinion from the UNBOA for 2006-2007 biennium	Un-qualified 2004-2005 audit opinion	Un-qualified

		Rate of audit recommendations to country offices and headquarters units relating to the 2006-2007 biennium implemented by the target completion date.	90.2 per cent (2006 balanced Scorecard – country offices)	TBD
2.	Financial management capacity strengthened	Percentage of operating units with green rating in Financial Data Quality Dashboard (FDQD)	34 per cent	TBD
3.	Biennial support budget resources are allocated and managed based on results	Percentage of operating units implementing results-based budgeting	New in 2008	TBD
		Percentage of corporate sponsors of RBB functions reporting semiannually to UNDP management on progress towards management results	New in 2008	TBD
4.	Costs for managing non-core resources are fully recovered	Percentage of operating units that meet cost recovery rate targets	2007 data	TBD

Function 11: Information and communications technology management

56. *Definition and description:* To develop and manage modern information technology to serve the needs of the organization worldwide and ensure that UNDP investments in ICT promote and enhance organizational and development effectiveness.

57. *Issues and narrative:* Results are produced through the provision of a variety of information technology services including: (a) developing and procuring information systems and equipment that serve the organization's business needs; (b) ensuring that worldwide communication capability (telephone, e-mail, fax, other) is installed and available to permit effective organizational operation; and (c) providing technical support to UNDP staff in developing and utilizing systems applications to improve business operations, assuring that existing systems and equipment are operating successfully, protecting the intellectual property, privacy and other assets of the organization, and managing UNDP knowledge databases. The availability and effective use of ICT resources directly support the achievement of strategic plan outputs relating to accountability and risk management. Risks associated with achieving planned results in the function include the possibility that vendors and/or hosting services might not be able to meet service level standards.

58. *Accountability and funding levels:* The Office of Information Systems Technology (OIST) in the Bureau of Management oversees this function at headquarters. Country offices are also accountable for achieving results. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	The ICT platform of UNDP effectively serves programmatic and management needs	Availability and uptime of corporate systems	2007 data	TBD
		Percentage of operating units satisfied with quality of ICT support services	2007 data	TBD

2.	UNDP operations meet prescribed technology standards	Compliance with UNDP ICT standards ²	Q2 2007 ICT survey	TBD
		Percentage of staff in operating units with International computing drivers' licenses certificates	2007 data	TBD

Function 12: General administrative management

59. *Definition and description:* The provision of workplace and support services (travel, assets and general services) that permit UNDP staff at all locations to carry out the mission of the organization. Costs include rents and utilities relating to office facilities at headquarters and country offices, supplies and equipment needed for staff to carry out biennial support budget functions, and the cost of staff that provide administrative services.

60. *Issues and narrative:* Results are produced through delivery of efficient and cost-effective general administrative and management services. This function directly supports the achievement of strategic plan outputs relating to accountability and risk management and, more generally, to outputs in the area of resource management. The training of staff responsible for asset management is of paramount importance; however operational needs may take precedence over training in some cases, resulting in fewer staff being trained during the biennium.

61. *Accountability and funding levels:* The Office of Finance and Administration (OFA) is responsible for overseeing this function across the organization. Headquarters units and country offices are accountable for results. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Assets are safeguarded	Percentage of units that complete semi-annual and year end certification	Status of Assets Dashboard as of 3Q 2007	TBD
		Percentage of staff responsible for asset management who are trained	TBD	TBD
2.	Ensure efficient and strategic administrative management	Percent of units in compliance with UNDP policies and procedures in the areas of vehicle, travel, common services and office space management	TBD	TBD
		Staff satisfaction with quality and timeliness of administrative services	TBD	TBD

² The component of the ICT dashboard includes collaboration tools, connectivity, desktop and network technology, ICT security, user training etc.

Function 13: Human resources management

62. *Definition and description:* To ensure that capable staff are in place to achieve organizational goals and key priorities of the strategic plan. Achieving this will require: (a) recruiting qualified staff internally and externally to fill vacant posts; (b) deploying and rotating staff to support achievement of agency programmes and objectives; (c) training and educating staff to assure that skills and competencies required for agency functions are available; (d) establishing and managing a system of performance review and evaluation that rewards personal and organizational performance and provides remediation for less than satisfactory performance; and (e) providing adequate counselling for agency staff on issues such as career development and grievances.

63. *Issues and narrative:* This function directly supports strategic plan outputs calling for the strengthening of talent management and the aligning of staff capacity with the needs of the strategic plan. It also supports the development of an integrated results management system. Factors that could affect the achievement of planned results include a projected high retirement rate in the biennium, which will put pressure on the recruitment system, and the impact of the United Nations inter-agency mobility programme, which could influence the intake and the outflow of staff.

64. *Accountability and funding levels:* This function is managed centrally by the BOM/Office of Human Resources (OHR); all headquarters and country office units are accountable for results in the area of human resources. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Ensure that UNDP has competent, qualified, and motivated staff.	Time to fill vacant posts		TBD
		Percentage of staff satisfied as measured through global staff survey	2007 data	TBD
		Performance effectiveness of staff as measured by Results Competency Assessments (RCAs) linked to the unit work plan.	TBD	TBD
2.	Achieve gender parity	Gender ratio of staff at organizational level		
		Gender ratio of staff at senior management level		
3.	Effective management of talent by ensuring retention and career development	Achievement of corporate targets in certification courses as well as individual learning plans		
		Pool of leaders established for middle and senior management functions		
		Retention rates of National Officers, Leadership Development Programme and Junior Professional Officer Programme staff		

Function 14: Internal audit

65. *Definition and description:* The effective internal audit oversight of UNDP programmes and operations that ensure the integrity and efficiency of UNDP. This function actually captures the costs of planning and performing internal audits as well as investigations, a special unit embedded within the Office of Audit and Performance Review (OAPR). OAPR provides internal audit services – independently and objectively – designed to add value and improve UNDP operations by bringing a systematic, disciplined approach to assess and improve the effectiveness of risk management, control, and governance processes. Investigation is an independent and objective review, documentation, investigation and reporting on allegations of fraud, misconduct or wrongdoing in accordance with approved regulations.

66. *Issues and narrative:* Results are produced through delivery of efficient and cost-effective internal audit services, including: implementation of the three year audit plan, 2007-2009, and following-up on the implementation of internal audit recommendations. This function directly supports the enhancement of accountability and risk management, which are key management priorities highlighted in the strategic plan. The main issues relating to audit implementation are those of security and political risks, which could prevent OAPR from doing its work in some locations.

67. *Accountability and funding levels:* OAPR is accountable for this function across the organization. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Successful implementation of the three year (2007-2009) audit plan	Average time to issue internal audit report upon completion of audit fieldwork	2007 data	TBD
		Percentage of key outputs of the three year plan achieved by the end of 2009	2007 data	TBD
		Satisfaction of senior management, Audit Advisory Committee and Executive Board		TBD
2.	Follow-up on the implementation of internal audit recommendations	Frequency of reporting on the implementation of internal audit recommendations	Twice a year	Twice a year

Function 15: Corporate evaluation

68. *Definition and description:* A longstanding and widespread function in UNDP carried out by the operational programmes of the organization (decentralized evaluations), and by the Evaluation Office. This function captures only corporate (central) evaluation, as operational programmes evaluation is an integral part of the monitoring and evaluation of programmes. Evaluation is guided by an Evaluation Policy, which was endorsed by the Executive Board in June 2006.

69. *Issues and narrative:* Corporate programme and strategic evaluations support the accountability function, inform decision-making, and contribute to organizational learning through provision of systematic and independent assessment of results and development effectiveness of UNDP strategies, policies and programmes. It is possible that some planned evaluations will not be carried out because of security and/or political issues in particular regions. This function directly supports outputs relating to accountability and risk management in the strategic plan.

70. *Accountability and funding levels:* The Evaluation Office is accountable for this function across the organization. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Independent evaluations conducted according to the annual evaluation agenda approved by the Executive Board	Percentage of independent evaluations completed according to evaluation plan approved by Executive Board	80 per cent	TBD
2.	Management information system to monitor and analyze information on compliance, coverage and management responses of evaluations conducted within UNDP	Annual report on evaluation to Executive Board	One annual report	TBD
3.	Quality enhancement of evaluation function through methodological guidance, quality assurance and capacity development support to country offices and programme units.	Percentage of norms and standards for conducting evaluation aligned with United Nations Evaluation Group quality standard.	100 per cent	100

Function 16: Staff security

71. *Definition and description:* To ensure a safe, secure environment for UNDP personnel and facilities so that programmes may be planned and implemented effectively. This also entails building an enabling environment for safe programme delivery, ensuring staff safety and security and reducing the number of staff who are detained, injured or killed.

72. *Issues and narrative:* Results are produced through delivery of efficient and cost-effective security provision for staff, including establishing and maintaining policies and systems of security management and accountability (note that costs under this function are only those incurred directly by the UNDP). This function directly supports strategic plan outputs under risk management relating to ensuring staff security and providing an enabling environment for safe programme delivery. Local conditions in some parts of the world make it difficult to achieve complete security. Resources will be deployed to assure that the highest priority needs are met first and that risks will be mitigated in an acceptable manner in relation to threats assessed.

73. *Accountability and funding levels:* The Security Unit of the Bureau of Management is accountable for this function. Funding levels for this function are \$ ___ in 2006-2007 and \$ ___ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Staff security is ensured	MOSS compliant UNDP offices	2007 data	TBD
		Percentage of offices with completed or updated threat and risk assessments	2007 data	TBD
2.	Enabling environment for safe programme delivery ensured	Percentage of new UNDP programmes and projects at corporate, regional and country levels into which security risk management is built	2007 data	TBD
		Average effective first response time to security emergencies	5-8 days (2007 estimated)	TBD

C. Activities and resources by functions – UNDP specific

74. This section will cover areas that require additional information, including: UNV, UNCDF, and United Nations-mandated security activities.

Function 17: United Nations coordination

75. *Definition and description:* The mandated work of UNDP to coordinate the development activities undertaken by all United Nations system agencies to optimize support to national development efforts.

76. *Issues and narrative:* The objectives of this function are to ensure that the United Nations coordination system is strengthened, to enable UNDP to provide enhanced coordination at headquarters bureaux and offices and to support United Nations system operations in programme countries. A further purpose of this function is to ensure support for United Nations Volunteers and the United Nations Capital Development Fund. This function supports strategic plan objectives calling for the strengthening of the resident coordinator system and enhanced quality of UNDAFs.

77. *Accountability and funding levels:* The function is coordinated at headquarters by the Partnerships Bureau; accountability for results rests principally with country offices and headquarters regional and programme bureaux. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

Management results		Indicators	Baseline	Target
1.	Effective country office support to United Nations coordination	Common programming instruments approved (UNDAFs and joint programmes)	TBD	TBD
		Percentage of United Nations organizations and host governments satisfied with the management of common services, coordination and support of the resident coordinator system	TBD	TBD
2.	Increased trust and confidence in resident coordinator system	Global participants survey reflects increased confidence	TBD	TBD
		resident coordinator/country director dual roles implemented	TBD	TBD
		Percentage increase in resources mobilized for United Nations system/ joint programmes	TBD	TBD
		Use by resident coordinators and United Nations country teams of UNDP-sponsored United Nations system knowledge management platforms	TBD	TBD
		Percentage of non-UNDP resident coordinators selected	2006 Data	TBD
		Newly designed RC induction course in place and rolled out.	2007	TBD

3.	Strengthened Regional Director Teams carry out common resident coordinator/humanitarian coordinator appraisal for each country	Common inter-agency appraisal system for all resident coordinator/humanitarian coordinator in place	New in 2008	TBD
		Number of non-resident/specialized agencies participating in regional director teams and United Nations country teams (especially during UNDAF process)	2007 Data	TBD
		Resident Coordinator recourse procedure established	2007 Data	TBD
4.	Effective support to United Nations Development Group inter-agency collaboration	Number of TCPR recommendations implemented on Joint Offices, Joint Programmes and new business practices	TBD	TBD
		Number of Post-Crisis Needs Assessment/Transitional Results Matrix, Transitional Plans; Shared Humanitarian Coordinator/Resident Coordinator offices	TBD	TBD
5.	Effective management of UNCDF and UNV programme priorities	TBD	TBD	TBD

Function 18: Provision of services to other United Nations entities on a fully reimbursable basis

78. *Definition and description:* The provision of corporate-level services to United Nations entities and the full recovery of all associated service costs.

79. *Issues and Narrative:* The objective is to ensure the delivery of quality and timely services to United Nations entities on a fully reimbursable basis.

80. *Accountability and funding levels:* This function is administered by the Bureau of Management. Funding levels for this function are \$_____ in 2006-2007 and \$_____ in 2008-2009.

Expected key results

	Management results	Indicators	Baseline	Target
1.	Memoranda of Understanding (MOUs) and associated agreements covering services are concluded	Percentage of signed MOUs / Service Level Agreements per service provider	2007 data	TBD
2.	Services are billed and payments received in timely manner to assure sustainable provision of services	Payments received as a percentage of bills issued by service provider	2007 data	TBD

IV. United Nations Development Fund for Women

81. This section will cover the UNIFEM biennial support budget proposal 2008-2009.

DRAFT - 5 Sept 2007

V. Draft decision – UNDP

82. The Executive Board may wish to:

1. *Take note* of the functions, management results, indicators and resource requirements in the report on the biennial support budget as contained in document XX/XXX,
2. *Approve* gross regular resources in the amount of \$XXX representing the total regular resources funded biennial support budget 20XX-20XX and note that the income estimates of \$XXX shall be used to offset the gross regular resources appropriation, resulting in estimated ‘net’ regular resources appropriation of \$XXX,
3. *Resolve* that the appropriated amount be used to achieve the results as specified in the functions as presented in document XX/XXX,
4. *Approve* the amount of \$XXX and \$XXX from the regular resources for covering the security costs mandated by the United Nations, and the establishment of a Capital Asset Fund.

VI. Draft decision – UNIFEM

83. The Executive Board may wish to:

1. *Take note* of the functions, management results, indicators and resource requirements in the report on the biennial support budget as contained in document XX/XXX,
2. *Approve* gross regular resources in the amount of \$XXX representing the total regular resources funded biennial support budget 20XX-20XX and note that the income estimates of \$XXX shall be used to offset the gross regular resources appropriation, resulting in estimated ‘net’ regular resources appropriation of \$XXX,
3. *Resolve* that the appropriated amount be used to achieve the results as specified in the functions as presented in document XX/XXX.

Summary tables

Summary Table I. Regional resource plan.

Use of resources	2006-2007				2008-2009		
	Regular resources	Additional resources	Total resources		Regular resources	Additional resources	Total resources
	\$	\$	\$	%	\$	\$	\$
AFRICA					TO BE DONE		
A. Programmes	498.0	898.0	1 396.0		-	-	-
B. Biennial support budget (operating)	130.3	27.8	158.1		-	-	-
Total Africa	628.3	925.8	1 554.1	18.7	-	-	-
ARAB STATES							
A. Programmes	79.0	481.3	560.3		-	-	-
B. Biennial support budget (operating)	37.7	27.4	65.1		-	-	-
Total Arab States	116.7	508.7	625.4	7.5	-	-	-
ASIA AND THE PACIFIC							
A. Programmes	352.0	850.0	1 202.0		-	-	-
B. Biennial support budget (operating)	70.8	34.1	104.9		-	-	-
Total Asia and the Pacific	422.8	884.1	1 306.9	15.8	-	-	-
LATIN AMERICA AND THE CARIBBEAN							
A. Programmes	51.0	2 639.0	2 690.0		-	-	-
B. Biennial support budget (operating)	46.9	66.5	113.4		-	-	-
Total Latin America and the Caribbean	97.9	2 705.5	2 803.4	33.8	-	-	-
EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES (CIS)							
A. Programmes	78.0	398.0	476.0		-	-	-
B. Biennial support budget (operating)	47.8	30.8	78.6		-	-	-
Total Europe and the CIS	125.8	428.8	554.6	6.7	-	-	-
INTERCOUNTRY, GLOBAL AND OTHERS							
A. Programmes	132.0	398.0	530.0		-	-	-
B. Biennial support budget (operating)	33.2	147.1	180.3		-	-	-
Total intercountry, global and others	165.2	545.1	710.3	8.6	-	-	-
CENTRALLY MANAGED SUPPORT							
Biennial support budget (operating)	103.3	15.0	118.3	1.4	-	-	-
TOTAL UNDP							
A. Programmes	1 190.0	5 664.3	6 854.3	82.7	-	-	-
B. Biennial support budget (operating)	470.0	348.7	818.7	9.9	-	-	-
C. Support to operational activities of the UN	204.4	362.0	566.4	6.8	-	-	-
D. United Nations Capital Development Fund	9.4	0.6	10.0	0.1	-	-	-
E. United Nations mandated security costs	31.2	10.0	41.2	0.5	-	-	-
GRAND TOTAL USE OF RESOURCES	1 905.0	6 385.6	8 290.6	100.0	-	-	-

Summary Table II. **Proposed changes in senior posts**

	<i>Senior Posts</i>			
	<i>ADM/ USG/ ASG</i>	<i>D2</i>	<i>D1</i>	<i>Total</i>
2006-2007 APPROVED POSTS	10	61	161	232
A. Proposed increases				
----	-	-	-	-
----	-	-	-	-
Total increases	-	-	-	-
B. Proposed reclassifications				
----	-	-	-	-
----	-	-	-	-
Total reclassifications	-	-	-	-
Total changes (net)	-	-	-	-
2008-2009 PROPOSED POSTS	-	-	-	-

Summary Table III. **Estimated area of resource impact**

(in thousands of dollars)

	2006-2007		Changes		2008-2009	
	Resource estimate	% of Total	Inc./ (dec.)	%	Resource estimate	% of Total
Country level	xxx					
Regional level	xxx					
Global level	xxx					
TOTAL	1,064.6					
Income	(71.2)					
Extrabudgetary resources	(335.7)					
Net budget estimates	657.7					

Annex 1: UNDP resource plan by detailed funding source
(In millions of dollars, in nominal terms)

	2006-2007						2008-2009					
	Regular (Other income utilization)		Bilateral/Multilateral Resources	Subtotal Donor resources	Local Resources	Total resources	Regular (Other income utilization)		Bilateral/Multilateral Resources	Subtotal Donor resources	Local Resources	Total resources
	Regular resources	Resources					Regular resources	Resources				
1. Resources available												
Opening balance	237.5	-	2,103.7	2,341.2	829.5	3,170.7	232.5	-	1,775.2	2,007.7	595.5	2,603.2
Income												
Contributions	1,900.0	-	3,000.0	4,900.0	2,600.0	7,500.0	2,350.0	-	5,283.4	7,633.4	2,466.6	10,100.0
Other a/	-	71.2	50.0	121.2	76.0	197.2	-	74.9	60.0	134.9	86.0	220.9
Reimbursement for services to other UN agencies	-	-	25.9	25.9	-	25.9	-	-	25.9	25.9	-	25.9
Total available	2,137.5	71.2	5,179.6	7,388.3	3,505.5	10,893.8	2,582.5	74.9	7,144.5	9,801.9	3,148.1	12,950.0
2. Use of resources												
A. Programmes	1,190.0	-	2,842.0	4,032.0	2,822.3	6,854.3	1,562.2	-	4,956.0	6,518.2	2,540.1	9,058.3
B.1 Biennial support budget (Management and development support)	478.8	63.1	198.0	739.9	83.8	823.7	550.7	65.8	284.9	901.5	75.2	976.7
B.2 Biennial support budget (Assurance and Oversight)	14.1	2.0	1.3	17.4	0.5	17.9	35.3	2.4	2.5	40.2	1.0	41.2
Subtotal B.1 + B.2	492.9	65.1	199.3	757.3	84.3	841.6	586.0	68.2	287.4	941.6	76.2	1,017.9
<i>Support to operational activities of the United Nations and Support to United Nations Capital Development Fund:</i>												
C. Support to Coordination	120.8	-	-	120.8	-	120.8	161.0	-	-	161.0	-	161.0
UN Development Group Office	3.7	0.3	1.5	5.5	-	5.5	3.8	0.3	2.0	6.1	-	6.1
United Nations Volunteers	29.9	5.2	10.1	45.2	-	45.2	34.1	5.7	12.6	52.4	-	52.4
Inter-agency Procurement Services Office	1.1	-	14.6	15.7	-	15.7	-	-	-	-	-	-
Reimbursable services to other UN agencies	-	-	25.9	25.9	-	25.9	-	-	25.9	25.9	-	25.9
Subtotal	155.5	5.5	52.1	213.1	-	213.1	198.9	6.0	40.5	245.4	-	245.4
D. UN Capital Development Fund	9.4	0.6	-	10.0	-	10.0	9.5	0.7	-	10.2	-	10.2
Subtotal Biennial Budget UNDP + UNDP support to UN (B+C+D)	657.8	71.2	251.4	980.4	84.3	1,064.7	794.4	74.9	328.0	1,197.3	76.2	1,273.5
E. Programme support to Resident Coordination b/	26.0	-	34.4	60.4	-	60.4	32.0	-	40.0	72.0	-	72.0
F. UN Special Voluntary Fund b/ g/	-	-	270.0	270.0	-	270.0	-	-	285.0	285.0	-	285.0
G. United Nations mandated security costs	31.2	-	6.6	37.8	3.4	41.2	36.5	-	9.8	46.3	4.9	51.2
H. Capital asset fund	-	-	-	-	-	-	9.2	-	3.9	13.1	0.9	14.0
Total use of resources (A+B+C+D+E+F+G+H)	1,905.0	71.2	3,404.4	5,380.6	2,910.0	8,290.6	2,434.3	74.9	5,622.7	8,131.9	2,622.1	10,754.0
3. Balance of resources (1-2)	232.5	-	1,775.2	2,007.7	595.5	2,603.2	148.2	-	1,521.8	1,670.0	526.0	2,196.0

a/ Includes interest and miscellaneous income, and income to the biennium budget (comprising Government Local Office Cost contributions, Accounting linkage to offset Tax Reimbursements and UNV income to the Biennial Budget)

b/ These items are not included in table 3.

c/ Includes financial value of volunteer assignments that are charged directly to agencies and partners.

Annex 2. Proposed budget estimates by function and funding source

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Annex 3: actions taken to implement the Advisory Committee on Administrative and Budgetary Questions recommendations as approved by the Executive Board

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Annex 4. Terminology

(Terms upon which common agreement has been reached and their corresponding definitions are given below)

Results based budgeting (RBB): Based on the HLCM Concept paper, for the biennium support budgets of UNDP, UNFPA and UNICEF, RBB is defined as a results-driven budgeting process wherein resource justification is made for a set of expected results with indicators including baseline and targets to be achieved, presented by key functions.

Biennial support budget: The budget of organization covering a set of functions that support the operational activities of the organization, in support of its mission and mandate at all levels within the framework of the strategic plan, over a two-year period.

Appropriation: An authorization by the Executive Board *to the Head of the Agency to commit biennial support budget funds during the biennium up to the amounts so approved.*

Cost (increase/decrease): Any increase or decrease in the cost of a resource input in the budget period compared with that in the previous budget period, arising from changes in costs, prices and exchange rates.

Function: Group of activities carried out, funded with BSB resources, to operate and improve the agencies in order to assure the effective delivery of development results and implementation of their respective mandates.

Gross budget: For voluntarily funded organisations, the budget in which staff costs are estimated on a net basis (i.e., exclusive of staff assessment) and all other costs are estimated on a gross basis, e.g., inclusive of income tax payments for staff, total local office costs and costs of services to be rendered.

Net budget: For voluntarily funded organisations, the budget which reflects estimates of income to be expected which offsets, in whole or in part, the related gross budget estimates.

Other resources: Resources of a voluntarily funded organization, other than Regular resources, which are received for a specific programme purpose (Other resources relating to programmes) and for the provision of specific services to third parties (Other resources relating to reimbursements).

Additional Resources: This terminology is used in the context of a simplified presentation of the biennial support budget tables. It is defined as resources, other than Regular resources, including other resources and Funds-in Trusts.

Programmes: Direct inputs needed to achieve the objectives of a specific project or programme for development cooperation. This may typically include experts, support personnel, supplies and equipment, subcontracts, cash assistance and individual or group training.

Regular resources: Resources of a voluntarily funded organization that are co-mingled and untied. These will include pledges of voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources and related interest earnings and miscellaneous income.

Volume (increase/decrease): Any increase or decrease in resource requirements attributable to changes in the level or nature of activities carried out by an organization during the current budget period and those proposed for the forthcoming budget period. Volume is expressed using the same cost factors applicable for the approved appropriations to permit direct comparison of these changes relative to the level of activities approved for the current budget period.

Annex 5. Methodology

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Annex 6. List of acronyms

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ASG	Assistant Secretary-General
BCPR	Bureau of Crisis Prevention and Recovery
BRSP	Bureau for Resources and Strategic Partnerships
DSRSG	Deputy Special Representative of the Secretary-General
GLOC	Government contributions to local office costs
IAPSO	Inter-Agency Procurement Services Office
ICSC	International Civil Service Commission
IMIS	Integrated management information system
LEAD	Leadership Development Programme
MAIP	Malicious acts insurance programme
MDG	Millennium Development Goals
MYFF	Multi-year funding framework
OAPR	Office of Audit and Performance Review
PAPP	Programme of Assistance to the Palestinian People
PRSP	Poverty Reduction Strategy Papers
RBA	Regional Bureau for Africa
RBAP	Regional Bureau for Asia and Pacific
RBAS	Regional Bureau for Arab States
RBEC	Regional Bureau for Europe and the Commonwealth of Independent States
RBLAC	Regional Bureau for Latin America and the Caribbean
RBM	Results-based management
ROAR	Results-oriented annual report
SU/SSC	Special Unit for South-South Cooperation
TRAC	Target for resource assignment from the core
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDGO	United Nations Development Group Office
UNDSS	United Nations Department of Safety and Security
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNOPS	United Nations Office for Project Services
UNV	United Nations Volunteers
USG	Under-Secretary-General
