

Capacity Development:
Empowering People and Institutions

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UNDP Administrator Kemal Derviş visits a village near Dar es Salaam, Tanzania, where UNDP is helping to promote renewable energy technologies.

*Cover:
Women at a workshop on
improving agriculture and
rice production in Soc Trang,
southern Viet Nam.*

*UNDP helped Bhutan
prepare for its first-ever
national elections in 2008
by supporting the country's
Election Commission.
Here, a Bhutanese voter
proudly holds up his voter
registration card.*

Strengthening capacity for positive change

The last year held great promise for developing countries in their efforts to achieve the Millennium Development Goals (MDGs) and other development objectives. In early 2007, the world economy was still in its third year of exceptionally rapid growth, progress which has had a positive impact on poverty reduction in general, and on the performance of the least developed countries, in particular sub-Saharan African countries grew, on average, at more than six percent in 2007. Robust growth in a number of large developing countries, led by China, India and other members of the “emerging South,” gave further proof that rapid advancement towards reducing poverty and achieving the MDGs is possible.

By mid-2007, however, it was clear that developing countries would have to respond to a great deal of uncertainty in the global economy. The spread of the United States sub-prime mortgage crisis into a serious financial sector crisis affecting the US and Europe, together with serious concerns about the sharp slowdown in the advanced economies, in the US economy in particular, now threatens to turn into a major setback for poverty reduction. For many countries, the situation has been made much worse by the soaring price of energy and food. Moreover, the unavoidable expansionary macroeconomic policies that have been used to respond to the financial sector problem have created inflationary pressures throughout the world economy. Additionally, most donors are now not on track to meet the commitments they made to scale up development assistance and will need to make exceptional increases to meet the targets they have agreed for 2010.

The nature of today’s global economy highlights our interdependence and the need for much better global policies. Yet each country also has to address its own particular set of challenges. Supporting countries in identifying the actions and policies needed to respond to these and other multifarious and interlinked development challenges is at the heart of UNDP’s work. As this year’s Annual Report details, we do this by supporting countries in developing the capacity of their people and institutions to improve lives and accelerate human development. Increasingly, the development community is recognizing that strengthening capacity – at the grassroots level, at the community level, and at the national level – is at the centre of the development challenge. And that is why empowering people and institutions through capacity development is also at the centre of UNDP’s activities.

This Report highlights the relevance of our work and the critical importance of this agenda, both in terms of UNDP’s programmatic work as well as in our coordinating role as Chair of the UN Development Group and manager of the Resident Coordinator system. It outlines how UNDP is focusing its support in the four key areas of poverty reduction and achievement of the MDGs, democratic governance, crisis prevention and recovery, and environment and sustainable development. Through these and other activities, UNDP remains committed to supporting countries in their efforts to help build a better life for their people.



Kemal Derviş

UNDP Administrator