

Capacity Development: Empowering People and Institutions

**ANNUAL REPORT
2008**



Contents	1 Foreword: Strengthening capacity for positive change
	3 Improving lives through capacity development
	7 UNDP's role in the UN development system
	11 UNDP programmes: Capacity development in action
	13 <i>Strong institutions, inclusive growth:</i>
	<i>Poverty reduction and achievement of the MDGs</i>
	19 <i>Empowering citizens for development:</i>
	<i>Democratic governance</i>
	24 <i>Strengthening capacity to surmount vulnerability:</i>
	<i>Crisis prevention and recovery</i>
	28 <i>Greening growth: Environment and</i>
	<i>sustainable development</i>
	31 Developing capacities to deliver results
	34 UNDP resources



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

“Within a week’s time, grant money would have run out, but hands-on assistance and capacity building over a longer period was better for us.”

– Rice farmer Sofulala Zega when asked about a UNDP-supported sustainable livelihoods programme in Nias, Indonesia.



UNDP has helped establish uniform business laws in Benin to make it easier for corporations to invest in the country.



UNDP has been supporting the Philippines-based International Rice Research Institute in agricultural research and environmental sustainability for over 30 years.

Improving lives through capacity development

If human development is the *what* of the UNDP mandate, capacity development is the *how*. UNDP defines capacity development as the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives. Working alongside governments, civil society and other partners in 166 countries, UNDP strives to promote human development by helping people to access the knowledge, experience and resources they need to build better lives.

UNDP considers capacity development as its overarching contribution to development. Its main source of guidance for engaging with development partners, the Strategic Plan 2008-2011, stipulates that all of UNDP's 'policy advice, technical support, advocacy, and contributions to strengthening coherence in global development must [aim for] real improvements in people's lives and in the choices and opportunities open to them.'

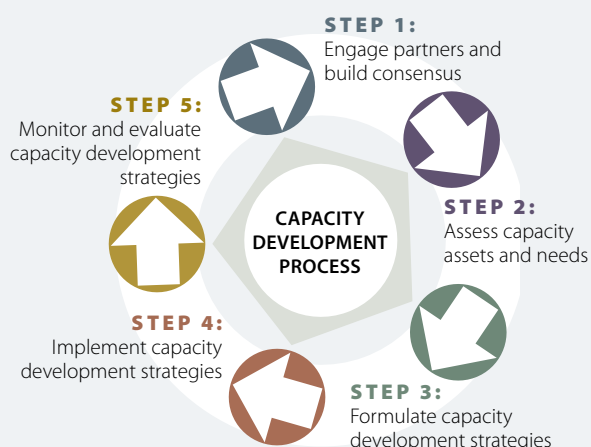
Improvements in lives, choices and opportunities are easier to come by for some than for others. While some developing countries are benefiting from globalization and catching up with the richest countries, hundreds of millions of people remain excluded from the benefits of growth. Entire countries and regions are falling behind, and even within countries with strong economic performance, significant pockets of exclusion can be found.

As the world economy faces a financial sector-induced slowdown, the length of which is uncertain, UNDP's role remains to help accelerate progress in those countries that are catching up quickly to the rich world while helping to catalyze progress in those parts of the world that are lagging behind. One of the ways in which it does this is by helping to build effective institutions that can deliver the benefits of growth and development to all people, particularly the poorest.

With the world halfway to the 2015 target date on achieving the MDGs, the prognosis is far from even. Compared to the year 2000, the number of children that die each year of preventable causes has fallen by some three million, enrolment in primary schools is up worldwide, an additional two million people receive treatment for AIDS, and women now occupy a significantly higher percentage of seats in parliaments. Many countries are demonstrating that rapid and large-scale progress is possible. It takes place where strong government leadership, good policies that support private investment and productivity growth, and sound strategies for scaling up public investments are reinforced by adequate financial and technical support from the international community. In this vein, many countries in Asia have led the way with the fastest reduction in extreme poverty in human history. Despite this progress, many countries remain off-track,

CLOSING THE LOOP: FROM CAPACITY ASSESSMENT TO EVALUATION

UNDP defines capacity development as the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time.



Source: BDP/UNDP



In Kandahar, Afghanistan, members of a District Development Assembly (DDA) discuss provincial priorities. UNDP is supporting a new model of community-led development in which DDAs are directly involved in infrastructure projects, while guaranteeing the security of project facilitators.

particularly across large parts of Africa and among the least developed countries (LDCs). Even some of the fast-growing countries of South Asia face serious challenges in improving nutrition and achieving certain other Goals. And some of the middle-income countries in Latin America have struggled to wipe out pockets of extreme poverty. Extreme poverty has declined overall, but adjustments in purchasing power estimates are expected to lead to downward revisions in the levels of real income in many countries. The MDGs are within reach, but achieving them requires that existing commitments by developing and developed countries are followed through.

At the same time, the progress that has been achieved towards the MDGs could be compromised in the absence of a comprehensive, coordinated response to climate change. One of this generation's major development challenges, global warming, could bring about serious reversals in poverty reduction, nutrition, health and education. The most immediate and devastating impact would be felt by the world's poorest, those least responsible for the greenhouse gas emissions and high rates of carbon-emitting energy consumption at the root of the problem. The recently agreed Bali Action Plan may lay the groundwork for future negotiations and target-setting on mitigation and adaptation strategies, but political commitment is uneven and the window of opportunity is limited.

Faced with these development challenges, UNDP has scaled up its work in organizational capacity support – strengthening institutions to empower the citizens they serve. It works to support institutions that safeguard political and economic stability, promote the equitable distribution of resources, increase public transparency and accountability, and enhance the conditions for sustainable human development. But it does not provide this support in isolation:

leveraging its comparative advantage as a trusted partner in development, UNDP forges partnerships across diverse spheres of influence, from national, municipal and local governing bodies to non-governmental and civil society organizations (CSOs), including grassroots coalitions, faith-based groups, academia, as well as the private sector and international donors. In each instance, UNDP places a priority on maximizing local resources and fostering collaboration among Southern partners. This includes strong engagement with CSOs, which is critical to national ownership, accountability, good governance, decentralization, democratization of development cooperation, and the quality and relevance of official development programmes. UNDP actively promotes and supports UN Country Team Civil Society Advisory Committees at the country level as mechanisms for policy advocacy and debate, as well as advice on UNDP and UN system policy direction, and a means for UNDP and the UN system to tap into local knowledge and expertise. UNDP has institutionalized external stakeholder involvement in senior management decision-making through the Civil Society Advisory Committee to the Administrator, which includes 15 CSO policy leaders from around the world.

A quick sampling of some of UNDP's work over the past year reveals the breadth of its partnerships and interventions in bolstering organizational capacity around the world. In **Niger**, UNDP helped create a corps of local volunteers in a UNV-supported national volunteerism scheme. Among the first clients of the initial 100 recruits were newly elected administrators in rural areas of Niger, who turned to their compatriots in seeking practical expertise in delivering public services. In **Jordan**, UNDP worked with the Government to devise a sustainable mine action strategy that allowed Jordan to meet its obligations under the international Mine Ban Convention. Among the cleared locations



With support from UNDP, Jordan has been clearing landmines in Wadi Araba to develop the tourism sector, and to make land accessible to the poorest communities in the Jordan Valley.

were the southern area of Wadi Araba, the site of massive foreign investment in the tourism sector, and the Jordan Valley, home to many of Jordan's poorest communities. In Albania, UNDP supported the creation of an online 'brain-gain' database to allow skilled emigrants from the Albanian diaspora to contribute to their country's development in academia, the private sector and other domains.

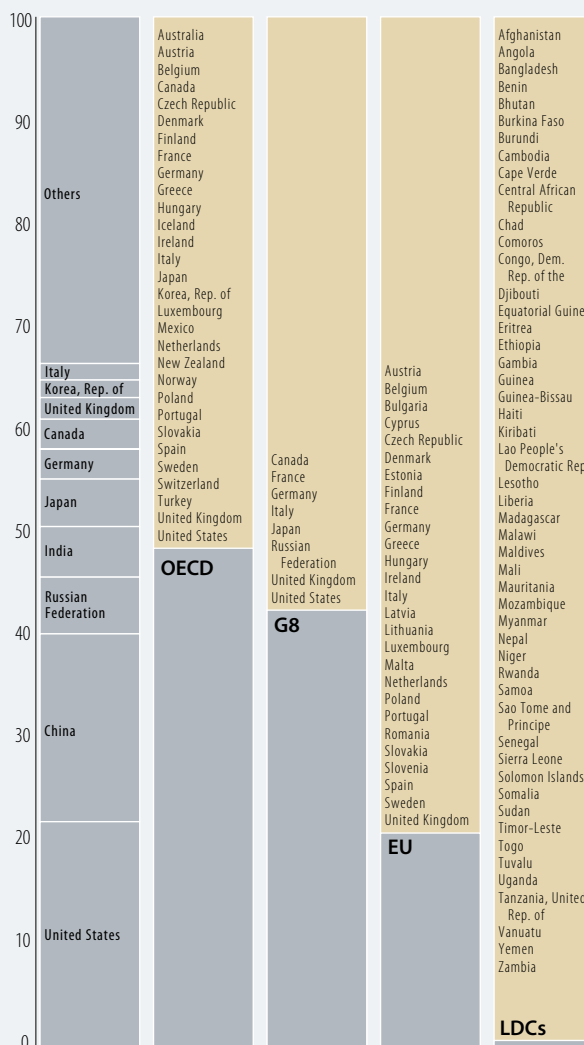
UNDP's standing as a strong partner in development is reflected in its expanding range of partnerships with the private sector. Leading businesses such as Banyan Tree, Cisco, Coca-Cola, Engro, Global Alumina, Google, Kevian, Microsoft, *Pao de Azucar*, Pfizer, Visa and others are joining governments and UNDP in the push to achieve the MDGs, recognizing that inclusive growth yields long-term benefits for all parties. UNDP remains the lead UN agency in developing countries for promoting the Global Compact, the UN system framework for engaging with the private sector. Currently UNDP manages over 80 Global Compact country and regional networks.

Growing Sustainable Business (GSB), an initiative that grew out of the Global Compact, is a platform for companies to engage in pro-poor business activities in developing countries with a challenging business environment. Looking beyond social investments and philanthropy, the GSB mechanism offers national and international companies a way to develop commercially viable business projects with a view to increasing profitability and/or engaging in new markets. To date, GSB has worked with more than 75 companies – from northern multinationals to local small- and medium-sized enterprises – supporting investments of between US\$10,000 and \$4 million.

As UNDP continues to provide support to these and other capacity development efforts, a few encouraging trends are emerging. One is a decisive shift toward strengthening

GLOBAL CO₂ EMISSIONS ARE HIGHLY CONCENTRATED

The global carbon account: Those that emit the least are also the poorest and most vulnerable.



CO₂ emissions, 2004 (% of total)

Source: UNDP Human Development Report 2007/2008



UNDP is helping Albania to equip high schools with computer labs benefitting some 140,000 students.

national implementation capacities in the management of programmes, projects, finances, procurement and human resources, following the guidance of the Strategic Plan and reflecting the enhanced capacities of those best placed to deliver on the ground. Another represents an evolution in civil service reform, from skills-building towards more qualitative leadership competencies, incentive systems, and mechanisms for reinforcing ethical standards and anti-corruption measures. A third is a renewed focus on continued learning and on tertiary education which, coupled with innovative responses to brain drain in critical sectors, aims to tap into the benefits of an increasingly mobile global labour market, turning potential hazards into opportunities.

As countries advance towards achieving their development goals, their partnership with UNDP enables them to play a larger role in the shared responsibility for global development. Twelve new members of the European Union, including 'graduated' former programme countries such as **Estonia** and **Latvia**, recently gathered to discuss their role in providing development assistance.

Flexibility and adaptability are essential components of UNDP's work as countries' capacities improve. This is significant in the context of UNDP's work with middle-income countries. A diverse group that is home to half the world's population, middle-income countries are often challenged to make optimal use of their human and financial capital, and to distribute their resources efficiently through sound planning. While many have transitioned beyond direct programme assistance to become net contributors to UNDP core resources, they continue to benefit from access to UNDP's global network in brokering development partnerships that focus on improving their institutional and policy-making capacities. UNDP continues to engage with middle-income countries by supporting capacity develop-

ment at sub-national levels, working with municipal bodies and district administrations on improving integrated planning, managing development finance and boosting implementation capacities for local service delivery. UNDP also supports policy makers in strengthening responses to climate change, promoting gender equality, supporting marginalized populations and strengthening state institutions.

As the ground beneath the standard aid architecture shifts, the capacities to access, negotiate and deliver on new modalities of development have emerged as a growing need. National aid coordination and management mechanisms have had to respond rapidly to the rising pressure to expand and deliver. UNDP's approach to capacity development continually evolves to meet these challenges, looking beyond individual project delivery to address the institutional drivers of a country's capacity quotient. Working with its development partners to make organizations and institutions deliver for all, UNDP is contributing to the global push to transform people's lives for the better.



The UNDP-supported low-cost multifunctional platform is helping women in Burkina Faso, Mali and Senegal boost productivity and incomes. The Bill and Melinda Gates Foundation recently awarded \$19 million to the project.

“If I were to sum up my view of the United Nations and its work today, it would be a spirit of principled pragmatism. By virtue of its charter and its calling, the UN must be a voice of moral conscience in the world. Part of that moral duty is to make good on the hopes and expectations vested in us – to deliver results.”

– Ban Ki-moon, UN Secretary-General, *The Economist: The World in 2008*.

UNDP's role in the UN development system

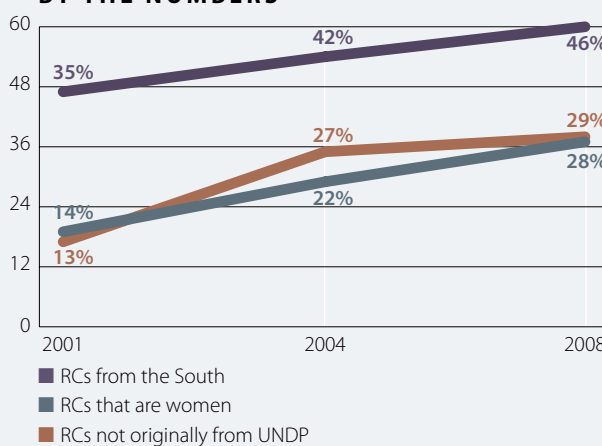
When the new Secretary-General assumed office on 1 January 2007, he identified certain priorities for action during his tenure. Among these were to continue the process of reform to bring the UN family into closer harmony, and to mobilize political will and hold leaders to their commitment to the MDGs by ensuring that adequate resources are allocated for development.

Progress has been achieved on both of these pledges. Building on efforts already underway to strengthen the UN development system's coherence and effectiveness as a development partner at the national level, UNDP is working with its UN system partners to make a contribution through its dual role as both manager of the Resident Coordinator (RC) system and as a development actor working to provide programme support and technical and policy advice to national partners. In 2007, the UN General Assembly adopted the most recent Triennial Comprehensive Policy Review, which guides the activities of the UN development system. The review recognized the central role of RCs in making possible the coordination of operational activities for development so as to improve the UN system's response to national priorities. It also acknowledged that the RC system plays a key role as an instrument for the effective and efficient coordination of UN development activities at the country level. UNDP has been working to strengthen its management of the RC system so that the RC function is owned by the UN development system in a way that is collegial, participatory and transparent. In many countries, UNDP has introduced Country Directors to focus exclusively on managing the UNDP programme to enable the RC to focus more on strengthening the coherence of the UN Country Team to respond to national development priorities. As part of the UN Development Group (UNDG), UNDP is also doing

its part to ensure that UN activities are well integrated and aligned around national objectives.

In early 2007, the UN with eight national governments that volunteered to support the UN's efforts towards greater coherence and efficiency launched *Delivering as One* pilots in **Albania, Cape Verde, Mozambique, Pakistan, Rwanda, Tanzania, Uruguay and Viet Nam**. Through the work of national partners with the UN Country Teams, these pilots aim to make the UN's development operations more coherent and effective, to harness expertise and experience from across the UN development system, to reduce transaction costs, and to create synergies to support countries in achieving their national development plans. Initial feedback from the eight pilot governments and the UN Country Teams, based on progress achieved in 2007, is signaling that through the four “Ones” – One Programme, One Budgetary Framework, One Leader and One Office – the UN Country Teams are more effectively aligning the UN's development assistance, with national development plans and priorities to ensure national ownership, and to offer a good platform for

UN RESIDENT COORDINATORS (RCs): BY THE NUMBERS*



*as of 11 April 2008
 Source: PB/UNDP

MILLENNIUM DEVELOPMENT GOALS



1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development



Launched at the UN on 1 November 2007, the MDG Monitor – a partnership among the UN, Cisco and Google – is a pioneering website that tracks global progress towards achieving the MDGs. Users can access MDG-related information about 130 countries worldwide. The Monitor provides essential information for policy makers and development practitioners about reducing extreme poverty by 2015. A special feature of the site is Google Earth, which allows users to view country profiles in three dimensions.

Top photo, from left to right: Technologist for Google Earth and Maps Michael T. Jones, UNDP Administrator Kemal Derviş, UN Secretary-General Ban Ki-moon, and Cisco Senior Vice President Carlos Domínguez at the launch event. The MDG Monitor logo was designed pro bono by Bontron and Co.

For more information: www.mdgmonitor.org

the UN to better maximize its development impact through joint programming and planning. The pilots are also making progress in defining the mutual accountabilities within the UN Country Team towards achieving concrete development results, ensuring that all members of the UN system are supporting a coherent programme and that resources are aligned with national priorities. The pilots are also demonstrating that one size does not fit all: the ways in which the UN development system delivers as one differs from country to country, depending on the national context and priorities.

In Rwanda, One Programme has meant that priorities agreed under the existing development assistance framework – governance, health, HIV and AIDS, nutrition and population, education, environment, sustainable growth and social protection – now fall under a common operational document. Programme portfolios have been distributed among UN agencies based on the comparative expertise of each organization. A steering committee comprised of representatives of line ministries, UN organizations, bilateral development agencies, donors and others oversee progress throughout the programme cycle in each of the focus areas. Based on government feedback, the common planning has led to a more coherent strategy, with organizations collaborating for maximum impact on the ground, and the complete alignment of the UN's development operations with the government's national development plans.

In Tanzania, implementation of all three components of the One Programme (the joint programmes, common services and communication) is ongoing. Joint programme activities have been implemented since the end of 2007 and as of March 2008, 75 percent of the resources required to close the funding gaps of the respective joint programmes was made available from the One Fund. The UN offices in Dar es Salaam and two major sub-offices in Zanzibar and Kigoma are managed by UN agencies independently. This means that each agency administers its own programme activities using administrative structures – typically human resources, communications technology, procurement and finance – that tend to deliver similar services. The One Office plan for 2008-2009, which has been endorsed by the UN Country Team, focuses on reducing parallel structures and practices.

In Viet Nam, 16 resident members of the UN Country Team participate in one or more of the "Ones." In August 2007, the Vietnamese government and six UN agencies signed the first One Plan, which will guide their program-

ming activities through 2010. A One Plan incorporating all other UN Country Team members is in progress. One Budget is in place, with a dedicated One Plan Fund to support coherent resource mobilization and allocation efforts. The RC's role has been enhanced to increase policy and programmatic coherence. An operations management team is trimming costs by pooling arrangements for operational activities such as travel, security and procurement under an Action Plan for Common Services. And an eco-friendly UN House for all UN organizations is in the works to establish the UN in Viet Nam as a model of best "green" business practices.

In the context of growing efforts of the UN system towards enhanced coherence and efficiency at the country level and increasing joint UN activities, UNDP is often called upon to play the role of administrative agent for multi-donor trust funds. A multi-donor trust fund is a funding instrument through which donors pool resources to support national priorities and facilitate UN agencies to work and deliver in close coordination and collaboration. Since 2004, the role of UNDP as administrative agent has grown to include the management of more than \$3 billion on behalf of the UN system and donors. The largest of these funds is the Iraq Trust Fund, currently with over \$1 billion under management.

Recognizing the need to expedite progress toward the MDGs, governments and donors are rising to the challenge with a renewed focus of attention and resources. A new initiative launched by the Secretary-General in 2007, the MDG Africa Steering Group, is designed to accelerate progress on achieving the MDGs in Africa. The Group is chaired by the Secretary-General and comprises an unprecedented set of leaders from the major development partners working in Africa: the African Development Bank, the African Union Commission, the European Commission, the International Monetary Fund, the Islamic Development Bank, The World Bank and the UNDG, represented by the UNDP Administrator as Chair of the UNDG.

Three key objectives guide the work of the Steering Group. The first is improved in-country support for achieving the MDGs. Priorities here include launching an African Green Revolution with increased official development assistance (ODA) to double food yields. The Steering Group also aims to expand investments in education, in health systems and human resources for health, in public infrastructure, and to support the completion of a census by 2010.



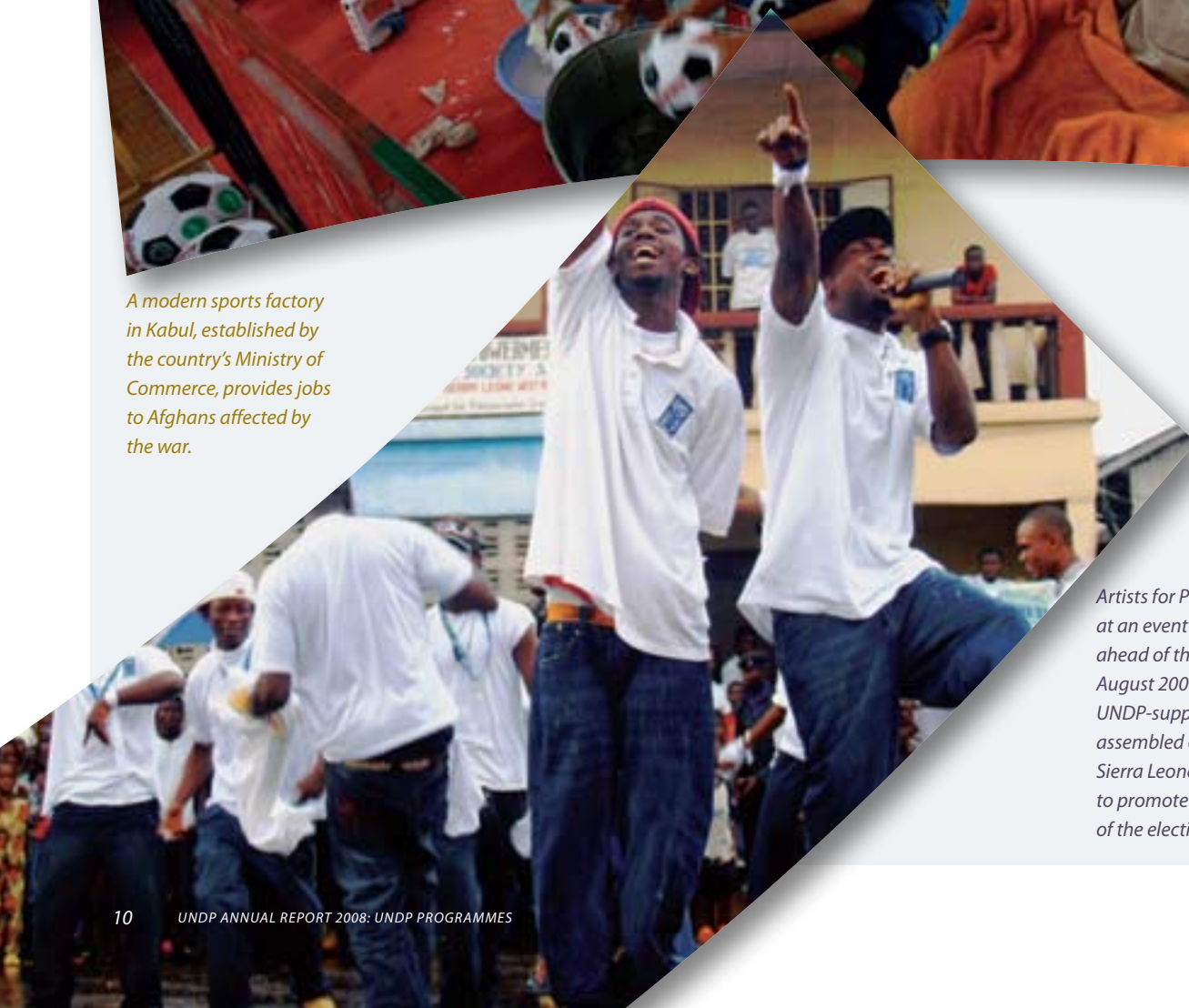
In Malawi, an abundant maize crop is one result of a special fund established by the Government three years ago to help farmers get fertilizer and high-yield seeds. Malawi's harvest doubled after just one year. Programmes like this can help combat hunger in the poorest countries.

The second objective concerns ODA funding commitments. Seventy percent of the total increase in ODA promised to Africa by 2010 remains to be programmed. In response, the Steering Group has recommended that development partners should publish country-by-country schedules for the realization of their global ODA commitments, and provide African countries with yearly schedules for the ODA that will be allocated to them. The third objective is to enhance collaboration in-country for scaling up to reach the MDGs. The Steering Group is working with **Benin, Central African Republic, Ghana, Liberia, Niger, Rwanda, Sierra Leone, Tanzania, Togo, and Zambia** to prepare case studies that identify unfinanced projects and programmes that could be immediately scaled up with international support. These case studies will be presented to the G8 at Hokkaido, **Japan** and the Accra High-Level Forum on Aid Effectiveness in Ghana to support advocacy for more predictable and larger ODA flows.

In all of these endeavours, UNDP continues to be guided by the view that true coherence and effectiveness in the UN development system ultimately leads to greater impact in improving the lives of the people in the countries it serves.



A modern sports factory in Kabul, established by the country's Ministry of Commerce, provides jobs to Afghans affected by the war.



Artists for Peace perform at an event in Sierra Leone ahead of the historic August 2007 elections. The UNDP-supported initiative assembled over a dozen Sierra Leonean musicians to promote peace ahead of the elections.

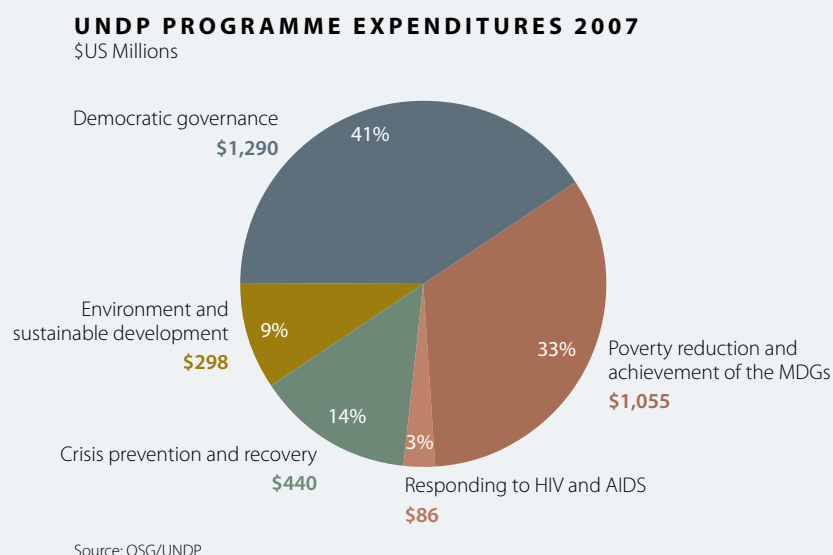
UNDP programmes: Capacity development in action

Capacity development is the key to sustainable human development. Without an enabling environment, efficient organizations and a dynamic human resource base, countries lack the foundation to plan, implement and review their national and local development strategies and promote human development.

Over the last decade, the development community has come to realize that it is impossible to work on policies without at the same time working on the capacities of people, organizations and the larger community. It is institutions that sustain policies, allowing policies to evolve from words into actions governing the development process. The development of the institution – at the grassroots level, at the community level, at the national level – is at the centre of the development challenge, be it about its human resource base, the systems or the environment in which it must function. It is for this reason that capacity development is at the heart of everything UNDP does.

UNDP places priority on strategies that create opportunities to develop and sustain capacity at national and local levels. These include institutional reform and incentives; scaling up leadership capacities; promoting education, training and learning; and enhancing accountability and broad engagement on achieving development results.

Above all, capacity development is about transformations – in people, organizations and societies – that lead to sustainable human development. The following pages present examples of UNDP's work in its four focus areas: poverty reduction and achievement of the MDGs; democratic governance; crisis prevention and recovery; and environment and sustainable development. Capacity development cuts across these four areas, and defines how the organization contributes to development results.



UNDP CUMULATIVE PROGRAMME EXPENDITURE 2004-2007

(US\$ millions)

POVERTY REDUCTION AND ACHIEVEMENT OF THE MDGs

MDG country reporting and poverty monitoring	585
Pro-poor policy reform to achieve MDG targets	616
Local poverty initiatives including microfinance	1,398
Globalization benefiting the poor	134
Private sector development	58
Gender mainstreaming	139
Civil society empowerment	130
Making ICTD work for the poor	161
Responding to HIV and AIDS	192
Governance of HIV and AIDS responses	205
HIV and AIDS, human rights and gender	76
Other programme activities	8
Subtotal	3,702

DEMOCRATIC GOVERNANCE

Policy support for democratic governance	576
Parliamentary development	99
Electoral systems and processes	915
Justice and human rights	404
E-governance and access to information	71
Decentralization, local governance and urban/rural development	990
Public administration reform and anti-corruption	2,122
Other programme activities	3
Subtotal	5,180

CRISIS PREVENTION AND RECOVERY

Conflict prevention and peacebuilding	239
Recovery	561
Small arms reduction, disarmament and demobilization	92
Mine action	114
Natural disaster reduction	209
Special initiatives for countries in transition	352
Subtotal	1,567

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Frameworks and strategies for sustainable development	397
Effective water governance	123
Access to sustainable energy services	249
Sustainable land management to combat desertification and land degradation	75
Conservation and sustainable use of biodiversity	328
National/sectoral policy and planning to control emissions	80
Other programme activities	12
Subtotal	1,263

Total linked to practice areas	11,712
Not linked to practice areas at the time of reporting	1,333
Countries sub-total	13,045
Global, regional, inter-regional, Programme of Assistance to the Palestinian People	1,244
Grand total	\$14,289

Source: OSG/UNDP

Minor variations in totals due to rounding of numbers.

STRONG INSTITUTIONS, INCLUSIVE GROWTH: POVERTY REDUCTION AND ACHIEVEMENT OF THE MDGS

Improving lives through the alleviation of poverty is central to the UNDP approach to development. Some 1.2 billion people around the world live on less than a dollar a day, while almost 850 million go hungry every night. Poverty is not just about money: lack of access to essential resources goes beyond financial hardship to affect people's health, education, security and opportunities for political participation. Solutions, then, need to address many dimensions while remaining targeted and measurable, and sensitive to the wider impact of poverty on women. At the same time, solutions must derive from local conditions and enhance local capacity to respond and adapt to new challenges.

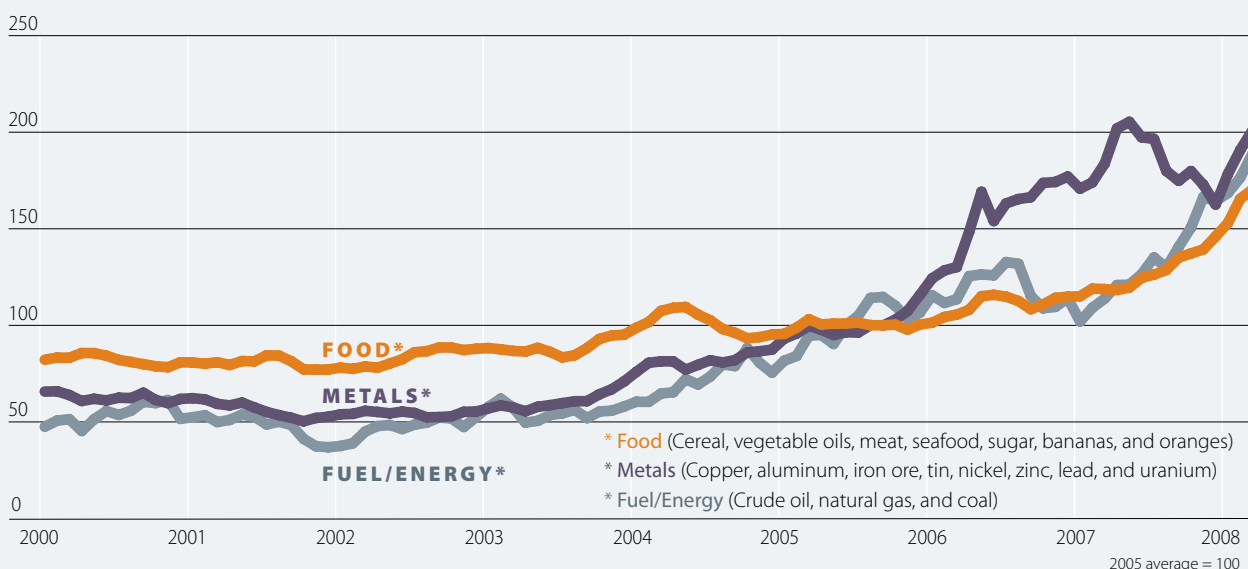
While economic growth is essential to lifting people out of poverty, this alone is not enough. Strengthening institutions to empower the citizens they serve is the bedrock of

inclusive growth, as measured by equity of access and contribution to the benefits of economic growth. The narrowly tailored financial and technical assistance that was once a mainstay of poverty prescriptions has given way to the recognition that challenges to growth are often larger and more nebulous, requiring long-term, incremental responses. UNDP has been a thought leader in this regard, partnering with governments to design solutions that fit into an overall strategy of political, organizational or societal capacity change.

One such example is a UNDP-facilitated programme, which established a network of development observatories across **Honduras**. In setting up a system for gathering quantitative and qualitative data related to the national poverty reduction strategy, the project trained local municipal authorities in the use and interpretation of statistical data. Once the information had been compiled and analyzed, local

COMMODITY PRICE INDICES

The price of food rises in tandem with prices of oil and other commodities, compounding development challenges and courting civil unrest. The Secretary-General has convened a high-level task force to tackle the global food crisis.





Across Ghana, UNDP-supported Community Information Centres like this one are expanding access to computers and other communication tools, as well as providing technical training. Here, a class learns the basics of computer literacy.

researchers and local authorities became the first line of outreach to communities, sharing knowledge and engaging the public in proposing anti-poverty solutions. The project has had the dual benefit of making poverty reduction strategies more responsive to the needs and demands of those most affected and of raising the level of public participation. At the same time, thorough grassroots research has produced a reliable database of resources at local levels – including lists of experts, programme activities and investments – that can be consulted and shared nationwide. This information has been gathered through a household survey, coordinated by UNDP and the **Costa Rica**-headquartered FLACSO, which involved 12,500 households across 47 municipalities in three regions of the country.

The Honduran observatory system used the MDGs, in addition to the Government's existing poverty reduction strategy, as its research platform. Other countries have incorporated the MDGs into their national development indicators, finding in the Goals a framework for designing solutions. By 2006, the forest region of **Guinea**, historically the country's breadbasket, was suffering the repercussions of conflicts in neighbouring **Côte d'Ivoire**, **Liberia** and **Sierra Leone**. More than 45,000 refugees, internally displaced persons and ex-combatants had flooded the region, stretching basic social services beyond capacity and causing human development indicators in the area to plummet. Using the MDG indicators as targets, in 2007 the Government partnered with the UN system, including UNDP and others to devise a long-term intervention strategy to address the needs of the affected population. The strategy aims to improve local capacity in the areas of food security, the HIV response, basic social service provision and governance. So far the programme has helped over 3,250 households to improve agricultural output, and has provided training in production

techniques to 50 community groups comprising over 3,000 members. The programme also introduced a community-based approach to prevent the spread of HIV, which has led to over 300 home visits and better-targeted care for over 1,000 orphans. Meanwhile, thanks in part to an awareness-raising campaign around water-borne diseases, over 2,600 water sources have been disinfected, impacting 148 villages throughout the region. Educational opportunities have improved under the programme, with over 15,000 people (65 percent of them women) enrolled in training or literacy programmes and 43 new classrooms built. UNDP has also supported training for over 200 local officials to administer and manage the programme over the next three years.

The education targets contained in the MDGs have prompted not only an increase in primary school enrolment, but also a renewed emphasis on expanding secondary and tertiary education opportunities as capacity development strategies move upstream. In 2007, UNDP helped **Albania** to narrow national and regional disparities in secondary enrolment through an eSchool Programme. The project has succeeded in equipping every high school in Albania with a computer laboratory, benefitting some 140,000 high school students, establishing a national Information and Communications Technology (ICT) curriculum for schools and creating a training and certification programme for ICT teachers, which has trained 7,700 high school teachers.

Elsewhere, UNDP uses a single mechanism, such as microfinance, to serve multiple capacity development goals. In Jabal Al-Hoss, in **Syria's** poor northeastern region, UNDP supported a project to promote local development and empower vulnerable groups through microfinance. The project set up a network of 32 Village Development Funds in over 40 villages to administer microloans over the short-term, with the longer-term goal of developing and sustain-



Workers at a Moldovan winery prepare bottles for shipment. A Growing Sustainable Business initiative is helping Moldovan wine producers to upgrade manufacturing practices, including conforming bottle sizes to EU standards.

ing microfinance institutions to serve the area. To date, the project has led to almost 13,000 loan disbursements to over 7,800 households, which saw their incomes rise by 20 percent. Nearly half of the borrowers were women, who also account for 46 percent of the 1,000 jobs created as a result of the initiative. At the same time, 25 adult literacy programmes have been set up throughout the area, along with two new kindergartens that allow women to attend classes while their children are being cared for. The initiative has created a socio-economic database to track progress in the region in key areas including population growth, household size, size of livestock, amount and percentage of arable land, and literacy rates. Inspired by the project and other similar initiatives in the country, a decree has been passed allowing for additional microfinance institutions to be established and maintained in Jabal Al-Hoss and beyond.

UNDP regards the challenge of alleviating poverty as an opportunity to innovate and build on models that have proven successful elsewhere while making creative use of existing local resources. It was in this spirit that UNDP, in partnership with UNCDF, supported the Government of **Mozambique** in building local capacity for service delivery on the construction of smaller public infrastructure projects.

The task of restoring rural infrastructure after a prolonged civil war had left the Mozambican Government at 40 percent delivery capacity, faced with a shortage of construction materials, unfinished or abandoned projects and insufficient leverage against the demands of contractors. A rural microenterprise initiative in Nampula province capitalized on two concurrent events – a new local economic development training course in the production of bricks and roofing tiles using local materials, and the establishment of the Nampula Local Economic Development Agency.

UNCDF: MOBILIZING CAPACITY DEVELOPMENT



A team leader conducts a workshop on local development and poverty alleviation in Yemen.

The UN Capital Development Fund (UNCDF) and UNDP's joint work on local development through local authorities in the LDCs draws on their combined mandate to build capacity of and to provide investment resources to local governments. UNCDF's contributions in the form of investment capital for block grants, capacity development support and technical advisory services are essential for piloting innovations that, when successful, can be scaled up by national governments and replicated in other countries facing similar challenges. UNCDF is administered by UNDP.

Nowhere is this better exemplified than in **Yemen**, where UNCDF and UNDP are assisting the Government to define and implement decentralization reforms and to enhance the effectiveness of local governments to promote local development and alleviate poverty. The Decentralization and Local Development Support Programme is a multi-donor initiative to improve the decentralized system in Yemen and to strengthen local institutional capacities in public expenditure management.

One dimension of the Programme involves the use of mobile capacity development teams with regionally-based experts seconded from different ministry offices that are mobilized to bring their knowledge to local authorities, and to share best practices between regions. The mobile teams specialize in a wide range of local development skills and expertise, including participatory data collection, integrated planning, budgeting, procurement, supervision of project implementation, accounting and reporting. Operating like capacity-building ambulances, the teams use four-wheel drives to reach remote areas of the country and can leave on a moment's notice. This approach has enabled the Programme to build capacity where and when it is needed and in a manner that is responsive to the capacity requirements of an evolving local authority system.

Since its start-up in early 2004, the Programme has expanded from eight to 48 districts and has demonstrated the feasibility of fiscal decentralization, while producing a tested basis for a National Decentralization Strategy with a unified methodology and institutional framework. With a total budget of \$12.5 million from nine development partners, the Programme has developed an efficient platform through which organizations seeking to support Yemen's national local development agenda can channel their assistance – demonstrating, in essence, how the various agencies of the UN and other development partners can work together in greater coherence to achieve more effective development results at the local level.

UNV VOLUNTEERS

Over 75 percent of the UNV volunteers engaged in development activities in 2007 came from developing countries, an expression of South-South cooperation.

-  = 25 National volunteers
-  = 25 Regional-International volunteers
-  = 25 International volunteers
-  = less than 25 volunteers

Source: UN Cartographic Unit and UNV

Based on this initiative, trained entrepreneurs took advantage of UNDP's Decentralized Planning and Finance Project to produce and test the materials, and then to market their newly-acquired construction and business management skills widely. The new businesses they formed were legally constituted, registered and licensed, and offered viable local alternatives for district development planners tendering infrastructure projects. So far, the pilot has led to over \$1,000,000 in infrastructure projects, with a multiplier effect on economic capacity, as contractors and sub-contractors generate employment. The training materials from the pilot have been adopted by the International Labour Organization, (ILO) for replication further afield, and the Government is taking this initiative as a national platform for low-cost infrastructure for small- and medium-sized enterprises under the private-public partnership framework.

UNDP places a high priority on South-South cooperation as an incubator for innovative development partnerships and for sharing effective responses to the common challenges of globalization. With UNDP's help, the Government of **Afghanistan** recently turned to the Indian civil service to train mid-level and senior civil servants. Thirty coaches from **India** have been assigned to groups of their counterparts in Afghan government ministries and institutions at central levels to develop capacity within financial, human resources, and procurement management, policy and strategy development and basic management and administrative services. The peer-to-peer dynamic allowed for a candid exchange of ideas and information that proved enriching for trainers and trainees alike. The initiative is part of a larger plan to develop a regional and national market of coaches that can provide large-scale international, regional and local coaching and advisory services at a reduced cost. In order to further



Paraguayan greengrocer Marta Isabela Britez is one beneficiary of a UNDP-supported project to improve microfinance institutions across the country. She recently received a loan of \$300.

strengthen regional cooperation, the civil service of a second country in the region – **Sri Lanka** – is being contacted.

With capital, information and people in constant flow across borders, poverty reduction strategies must take account of the local impact of global trends. Facing high emigration, a negative population growth rate and a prolonged average life expectancy, **Poland** embarked on a project to expand employment options for people aged 45 and older. The initiative worked to reduce the stigma surrounding older employees while improving qualifications among the demographic through career counselling and skills training in such areas as information technology, nursing, business development and career repositioning. UNDP helped establish a corps of job coaches to promote the concept of individual development plans – strategies for remaining viable in the marketplace based on personal needs, circumstances and aspirations. In the first run of the initiative, 20 job coaches were trained to serve a group of over 340 clients. One essential component of the project was in helping older workers to develop a positive attitude towards work, to practice good work-life balance, increase self-esteem and confidence in their skills regarding their position and work place. Based on early feedback – 91 percent of participants rated the programme highly – some 24 trade union members were

trained in coaching techniques to use in their interactions with union members. The project recently issued a guide of best practices for use by unions, academic institutions, private employers and governments.

Cambodia is finding a similarly proactive way to manage its successful integration into the global economy. Looking beyond impressive figures showing a 30 percent jump in exports as a share of Gross Domestic Product (GDP), and double-digit growth rates of GDP over the past decade (the most recent projections exceeding 10 percent), the Government has teamed up with UNDP to respond to two challenges surfacing on the horizon: diversifying its export base, and ensuring that the benefits of trade are evenly distributed throughout Cambodian society. Cambodia's 2007 Trade Integration Strategy addresses these challenges head-on, identifying 19 new sectors of goods and services for exploration, leveraging comparative advantages for local producers, upgrading quality control standards and promoting policy initiatives that support the link between trade and poverty alleviation through legal and institutional reforms.

Cambodia's strategy is one example of how UNDP is working to strengthen the synergy between trade and inclusive growth. In 2007, UNDP helped more than 45 of the world's poorest countries to compete and benefit from international trade. In addition to supporting the development of pro-poor policies and legislation, UNDP helps forge links between the public and private sectors to reap the benefits of social entrepreneurship. As companies grow, their prosperity comes to depend increasingly on strong, viable markets abroad.

Innovations in social enterprise are happening all over the developing world, including in some of the LDCs. The Bill and Melinda Gates Foundation recently awarded \$19 million to a UNDP-supported project using low-cost machinery to boost the productivity and income of women farmers in **Burkina Faso, Mali and Senegal**. The centrepiece of the project is the multifunctional platform (MFP), a diesel-run engine mounted on a chassis to which a variety of processing equipment can be attached, including a cereal mill, a husker, a battery charger, and joinery and carpentry equipment. At least 24 of these MFPs will be biofuel-based. The MFP takes domestic tasks like milling and husking sorghum, millet, maize and other grains, normally done with a mortar and pestle or a grinding stone, and mechanizes them, making them profitable economic activities. The platform can also generate electricity for lighting,

refrigeration and to pump water, which helps provide clean water to communities.

Compared to developed countries where household chores can happen at the flick of a switch, in rural homes across Africa with no connection to the electricity grid (and where none is planned), preparing a meal is a laborious task for women and girls. They spend up to six hours a day collecting firewood, fetching water, husking and pounding grain, with no time left for outside employment. Girls often perform poorly in school due to inconsistent attendance and find themselves forced to drop out to help their mothers.

The benefits of the MFP have already been proven in parts of West Africa, where processing shea nuts for butter is a common economic activity. In Mali, for example, crushing 10 kilogrammes of shea nuts manually yields 3.5 kilogrammes of butter in eight hours in comparison to 4.5 kilogrammes in four and a half hours using the platform. The four-year grant will help establish 600 new sustainable agribusinesses in the three target countries, and empower the farmers to more efficiently manage their time and resources.

FIGHTING POVERTY BY RESPONDING TO HIV AND AIDS

Promising developments have been seen in recent years in global efforts to address the AIDS epidemic, including increased access to treatment and prevention programmes. However, the number of people living with HIV continues to grow, and the number of deaths due to AIDS remains alarmingly high. According to the Joint UN Programme on HIV/AIDS (UNAIDS), 33.2 million people were estimated to be living with HIV and 2.5 million were newly infected with HIV in 2007. The impact of AIDS has far-reaching implications for achieving the MDGs, particularly for targets relating to poverty, education, gender equality and child and maternal health. The epidemic is deepening and spreading poverty, and reversing human development gains.

UNDP is a founding co-sponsor and one of 10 agencies that make up UNAIDS. The UN response to AIDS is a good example of UN reform in action – demonstrating how different UN agencies come together and work to effectively address one of the world's greatest development challenges. UNDP has a specific and well-defined role in the overall response of the UN system, designated as the lead agency for addressing HIV and AIDS and development, governance, human rights and gender.

ADULTS AND CHILDREN LIVING WITH HIV AND AIDS (2001 and 2007)

Regional HIV and AIDS statistics	in thousands	
	2001	2007
Sub-Saharan Africa	20,900	22,500
Middle East and North Africa	300	380
South and South-East Asia, East Asia	3,920	4,800
Oceania	26	75
Latin America and the Caribbean	1,490	1,830
Eastern Europe and Central Asia	630	1,600
Western and Central Europe	620	760
North America	1,100	1,300
Total	29,000	33,200

Source: UNAIDS

In **China**, national and local health officials noted that an effective HIV response among men who have sex with men needed to be supported and their involvement in the response strengthened. The related UN Technical Working Group, led by UNDP in partnership with the National Center for AIDS/STD Prevention and Control, developed a National Framework on men who have sex with men and HIV and AIDS that was released in late 2007. The Framework and follow-up action aim to strengthen local community ownership among men who have sex with men and engagement in HIV prevention and awareness activities, increase access to voluntary counselling and treatment services, and provide care and support through the development of community joint action plans and the identification of specific roles and responsibilities of civil society groups and health departments at the community level.

In **Thailand**, UNDP worked closely with the Thai Network of People Living with HIV/AIDS to document lessons learned over the past 10 years of work by networks on human rights. A report compiling these lessons will be distributed among CSOs and used as a tool for development agencies working on AIDS.

In **Djibouti**, during a religious leaders' training conducted by UNDP in partnership with the National AIDS Programme and technical assistance from the HIV/AIDS Regional Programme in the Arab States, 25 *Imams* publicly took HIV tests and promoted the benefits of HIV tests by inviting the whole population to know their status.

In the **Russian Federation**, Russian Orthodox Church leaders have demonstrated their commitment to respond to HIV and AIDS at the regional and national level. The Orenburg Region Diocese nominated its leader to represent the Church in the city committee on HIV and AIDS and substance abuse and started working on the creation of

the regional church resource centre on HIV. The Moscow Patriarchate has started preparations for the second inter-faith international conference on HIV and AIDS in 2008. In terms of HIV and AIDS prevention among youth, the Church has made an important step forward by starting work on a prevention programme focused on the promotion of general behavioural change. In 2007, over 400 people participated in HIV prevention activities among injection drug users; over 300 people living with HIV received palliative care from peer volunteers of the faith-based organizations trained in the project framework; and over 500 specialists participated in capacity building, awareness and specialized training, such as training for medical personnel on palliative care for people living with HIV.

The Global Fund to fight AIDS, Tuberculosis and Malaria remains one of the most important partners for UNDP in the HIV response with one of UNDP's key priorities being to improve the implementation of AIDS responses. Since its inception, the UNDP-Global Fund partnership has grown significantly. From managing a single grant in **Haiti** in 2002, UNDP is currently managing grants in the **Democratic Republic of the Congo**, **Sudan** and 23 other countries. At the end of 2007, Global Fund results where UNDP is the principal recipient include putting over 105,000 people on antiretroviral treatment, providing anti-malarial treatment to over 4.6 million people, providing HIV, tuberculosis and malaria prevention services to over 9.3 million people and reaching 1.5 million people with HIV counselling and testing.

“The link between democracy, press freedom and development has been well articulated by several studies, including from The World Bank and the United Nations, which have shown that the more freedom journalists have the greater the control over corruption, and the greater the focus of resources on priority development issues.”

– BBC Worldwide, 16 January 2008.

EMPOWERING CITIZENS FOR DEVELOPMENT: DEMOCRATIC GOVERNANCE

Democratic governance is essential to inclusive, equitable human development. Democratic governance gives people the potential to drive change and exercise choice so as to improve their own lives. Reaching the MDGs by 2015 requires political will at the national as well as international level, which can be mobilized only if the poor have a stronger voice and influence on decisions. A democratic polity needs institutions that work, including a competent civil service focused on serving its citizens, an elected parliament that keeps the Executive in check, and an independent and professional justice system that provides legal access to all.

With approximately \$1.5 billion each year to support democratic processes around the world, UNDP is one of the largest providers of democratic governance technical cooperation globally. UNDP devotes the biggest share of its resources, 40 percent of its programme expenditure, to democratic governance.

UNDP's work in democratic governance aims to contribute to the building of effective states, supported and sustained by responsive institutions empowered to make democracy deliver for the poor. This work includes support to electoral processes but it does not stop once the elections are over. It also involves continued support to parliaments and decentralized local governance to enhance the checks and balances that allow democracy to thrive; promoting human rights, the rule of law and access to justice by helping to strengthen the impartiality and effectiveness of national human rights machinery and judicial systems; ensuring freedom of expression and access to information by strengthening legislation, media capacities, and e-governance; promoting women's political empowerment; and integrating anti-corruption measures throughout.

All interventions are grounded in the realization that democratic governance and the capacities of the state to deliver must go hand in hand. Democracy must translate into tangible benefits for the poor. If people vote, but experience no real improvement in their daily lives as a result of the activities of their elected officials, they may become disillusioned with the democratic process. If governments are strengthened, but are not accountable to the people, then the process may become essentially undemocratic – benefiting the few and not the many. Without vigorous inclusive participation, official accountability, and strengthened responsive institutional capacity, governments are unlikely to deliver on their commitments to achieve the MDGs.

For the past seven years, some of UNDP's largest donors have been channelling additional resources to this area through the Democratic Governance Thematic Trust Fund. For 2007, the Fund has provided support to 130 projects around the world, allocating over \$16 million to these innovative initiatives, which are designed to foster inclusive participation, improve the responsiveness of governance institutions and promote democratic governance practice based on international principles.

One prominent area of UNDP's democratic governance work is in electoral support. UNDP supports an election somewhere in the world, on average, every two weeks. In 2007, UNDP was proud to contribute to the efforts of the electoral authorities of **Sierra Leone** in bringing about free and fair elections – the first change of power in the country to be achieved through democratic means. The project focused on reinforcing the capacity of Sierra Leone's entire electoral infrastructure, overhauling the National Electoral Commission and reforming the electoral framework. This entailed strengthening the professional capacities of election workers, the police force, administrative workers, political



Voter registrants in Bangladesh set a world record for electronically registering over 66 million voters as of 10 May 2008. UNDP worked with the Election Commission to create a new voter registration list in preparation for national elections later this year.

party representatives and the general public, and generating a national dialogue around a code of conduct by which all parties were expected to abide.

Voters turned out in record numbers – more than 2.6 million people, some 91 percent of the electorate – following widespread voter registration drives and months of civic engagement in the reform process. National and international observers praised the transparency of the process, noting a significant reduction in political and election-related violence, voting irregularities, negligence and fraud. In the months following the election, signs of economic revitalization have been visible throughout the capital, Freetown, with shops reopening for business and a vibrant local music industry gaining attention around the world.

As part of Bangladesh's drive to improve democratic governance, UNDP worked with the country's Election

Commission to create a new voter registration list ahead of the national elections, expected to take place before the end of 2008. The new list includes digital photographs of each voter in a bid to help prevent fraud and the duplication of records. It is estimated that by the end of the registration process, Bangladesh will have set a world record for electronic registration of the largest number of voters – around 80 million – in the shortest period of time. As of 10 May 2008, over 66 million voters had already been enrolled. A total of nine development partners contributed \$50 million through a UNDP-managed pooled fund project, implemented by the Bangladesh Election Commission, to undertake this groundbreaking initiative.

Since January 2007, UNDP has supported the preparations for the first-ever democratic elections in Bhutan, the world's youngest democracy. UNDP helped train election officials at national and district levels, and partnered with the Japanese Government to outfit election offices with IT equipment and to widen television network coverage in rural areas. UNDP also supported the Election Commission of Bhutan in its voter education outreach efforts, creating voter guides and media clips targeted to various audiences, including the 16,000 young people who had just reached the voting age of 18.

Forty journalists received training with UNDP support on how to cover an election process accurately and objectively. Media spokespersons in the Government will be trained to promote open and responsive public information procedures. To institutionalize these practices, UNDP

ENHANCING ACCESS AND PARTICIPATION THROUGH THE ELECTORAL CYCLE

PERIOD	TYPES OF INTERVENTIONS
PRE-VOTING CYCLE NEEDS	<ul style="list-style-type: none"> • Screen legal framework • Legal provision and related implementing procedures • Composition of electoral management bodies: special units for marginalized groups. Women members, recruitment process • Targeted training • Improving access to registration: mobile registration teams, registration by proxy, registration close to home, ramps, etc. • Engaged political parties • Voter information and education • Engage the media • Incorporate adequate technology
VOTING PERIOD NEEDS	<ul style="list-style-type: none"> • Support easy access to polling stations • Support assisted voting (without compromising vote secrecy)
POST-ELECTION PERIOD NEEDS	<ul style="list-style-type: none"> • Evaluation of access and participation in elections and programmes implemented • Civic education • Engagement with stakeholders



Source: BDP/UNDP

supports the process of setting up a Journalists' Association of Bhutan, as well as a parliamentary information unit and website to widen public access to parliamentary decisions, draft legislation and other information. Other initiatives include supporting the Anti-Corruption Commission in its role of making the Government and the electoral process more accountable, through programmes such as road shows on curbing corruption in politics. UNDP continues to support the Election Commission of Bhutan.

Free and fair elections are just one pillar of democracy. Sound parliamentary systems are also critical to effective democratic governance. Institutions that are entrusted with safeguarding the public welfare must have the capacity, resources and independence to serve effectively. Recent research has linked the presence of a strong parliamentary institution with the existence of a strong democracy and an open society. Solid parliamentary institutions are critical to the establishment and consolidation of democracy since they empower ordinary people to participate in the policies that shape their lives. UNDP currently supports one in every three parliaments in the world.

Strengthening institutional governance has remained a priority for the **Solomon Islands** since the end of the civil unrest in 2003. With a population of fewer than 500,000 speaking more than 65 languages, the country has been working to maintain national unity and to achieve consensus on equitable resource distribution. In late 2007, UNDP supported the Parliamentary Secretariat during a leadership crisis following the resignation of eight Ministers. UNDP helped provide the legal analysis that allowed those in authority to react to each new development of the crisis based on administrative principles and the rule of law, avoiding violent conflict. The project has helped reinforce the capacity of Parliament to serve as an effective balance between the executive and judicial branches of government.

UNDP helps governments deliver basic services to the people. Running a government is largely about ensuring that basic services like health, education and energy get to those who need them. To do this, healthy democracies require fair and efficient public administrations – nationally and locally – with a solid civil service and equitable social policies. For this reason, UNDP is working with developing countries to strengthen public administrations. In 2007, almost two-thirds of overall UNDP expenditure in democratic governance was in public administration reform, anti-corruption, and decentralization and local governance.

UNV: DEVELOPING CAPACITY THROUGH VOLUNTEERISM



In Sudan, UNV community volunteer Badria Ahmed Elhij distributes materials during a community discussion and awareness training on female genital mutilation.

The UN Volunteers (UNV) programme, administered by UNDP, supported the development objectives of 25 UN organizations in 2007, by deploying 7,500 UNV volunteers and promoting volunteerism and the integration of volunteerism in development planning. Some 77 percent of all UNV volunteers were from developing countries, an expression of South-South development cooperation. This included 2,185 African nationals and 1,133 nationals from across Asia who became volunteers serving outside their home countries. In **Somalia**, a Nepalese UNV volunteer nurse taught midwives and nurses, while in **Trinidad and Tobago**, a Kenyan UNV volunteer doctor developed HIV testing protocols. UNDP engaged 2,105 UNV volunteers in 488 projects, including 16 co-funded from UNV's Special Voluntary Fund.

Volunteerism plays a role in capacity development by promoting people's involvement in the development of their own societies. Through its business model of advocacy, integration and mobilization of volunteers, UNV enhances the role of volunteerism in development. One important result indicator was the integration of UNV activities in 41 UN Development Assistance Frameworks and in 29 Country Programme Assistance Plans.

In addition to the placement of UNV volunteers, UNV contributed to developing national capacities for volunteer management, developing volunteer legislation and establishing national volunteer schemes in countries such as **Burkina Faso, Ecuador, Liberia, Niger, Pakistan and Tanzania**, among others.

To advance results-based programme management, UNV held five results workshops to analyze its contributions in post-conflict, disaster management, youth participation, governance, and national volunteer infrastructure. The workshop on capacity development for democratic governance in Africa found that volunteers helped strengthen the accountability and transparency of government institutions in the delivery of basic services, increased access to justice by poor and marginalized peoples, improved citizens' participation in development planning, enhanced the organization of elections, and strengthened social services. The impact of UNV's contribution to developing capacity for democratic governance and elections was demonstrated in the Democratic Republic of the Congo and **Timor Leste**.

UNV volunteers worked in a range of projects, including a joint programme on human security in **Honduras**, improving disaster risk reduction capacity in **India, Indonesia and Sri Lanka**, supporting the rule of law in Sudan, and building health sector capacity in countries such as **Malawi, South Africa** and Trinidad and Tobago. Through UNV, people have the opportunity to contribute their skills for developing capacity worldwide, with a third of UNV volunteers contributing to capacity development within their own communities.



In Nepal, electoral workers display polling centre staff identification cards for use during the April 2008 elections.

A series of interventions in the **Philippines** established a citizens' watch for monitoring progress towards achieving the MDGs at city level. These MDG-focused projects have raised awareness among city bureaucrats and the citizens at large to marshal efforts towards MDG achievement. The initiatives promoted collaboration among departments in planning and delivering basic services to meet the MDG targets in 13 cities across the country. These cities' laws, ordinances and policies were improved to make them more responsive to the MDGs, human rights and gender. The projects ultimately improved access to public goods and services for poor and disadvantaged groups. The success drivers included poverty profiles and development baselines (which form the basis for setting local MDG targets), twinning cities with local resource institutions, and knowledge-based constituency feedback mechanisms that made the local government units more accountable. The model has been documented and is being disseminated throughout the Philippines.

UNDP is supporting a range of decentralization projects around the world. Some, as in **Burkina Faso** and throughout Africa, seek to formalize the relationship between the civil court system and village councils. Others, such as a municipal empowerment programme in **Egypt**, emphasize fiscal decentralization as a means to alleviate poverty.

Eliminating corruption is critical to reducing poverty and promoting social and people-centred sustainable development. In 2007, UNDP **Mexico** scaled up an initiative previously launched to prevent vote-buying, guarding against the interference of "political entrepreneurs" who promised social benefits in exchange for votes. The project developed and monitored the degree of implementation of a number of policy recommendations seeking to improve access to information by programme beneficiaries and the general public, enhance transparency and accountability for

government performance, and strengthen the capacities of public oversight bodies and watchdog groups. In addition, a national survey with 9,000 respondents was carried out – the first ever of its kind – linking perceptions on the operation and transparency of anti-poverty programmes, questions of political culture and participation, and the exposure of social programme beneficiaries to practices that seek to coerce poor people's votes in exchange for a public good or service. It yielded a number of good practices for improving transparency and accountability in the administration of anti-poverty programmes, and facilitating access to information to beneficiaries and the general public. The project also helped identify ways to strengthen civic education campaigns, as well as citizen monitoring and oversight of social programmes at the community level. The project received wide media exposure – more than 200 reports in major national newspapers.

UNDP promotes access to justice for the poor. Governing democratically means getting the law right and making sure it is upheld, while ensuring that people know they can resolve disputes impartially and equitably. For countries coming out of conflict, this can mean starting from scratch – writing a constitution, recruiting judges, training prison officers and the police. After two decades of civil war, Southern **Sudan** is now rebuilding and UNDP is on hand to provide support. UNDP and its partners have trained 40 judges and support staff in English language skills and 17 judges and legal counsel in continuing legal education. In **Yemen**, UNDP supported the introduction of IT-based legal records and a court management system. Transferring the laws to compact discs has been so successful that the number of copies has increased from 500 to 5,000.

UNDP supports the realization of placing human rights at the centre of the democratic governance agenda. A strong national human rights promotion and protection system, guided by public policies that promote human rights of all people, is a fundamental requirement for successful democratically-governed societies. Therefore, UNDP provides capacity development support at national, regional and local levels, often in collaboration with partners within and outside the UN system. Recent interventions include strengthening national human rights institutions and harmonizing laws in **Kazakhstan**, supporting minorities and providing legal assistance for disadvantaged populations in **Indonesia**, and addressing rights for the disabled in **Peru**.



UNDP is helping Southern Sudan to re-establish the rule of law, including honing the skills of judges.

UNDP works to help governments address imbalances caused by gender inequality. High on this agenda is women's access to and participation in democratic governance processes. UNDP has developed a series of resource materials to guide policy and its application in improving women's access to justice, encouraging broader women's participation in elections and producing gender-sensitive governance, including drafting legislation with an awareness of any potential unique impact on women. These resources include an online network for women in politics called iKNOW Politics that connects women candidates and leaders worldwide with the advice and know-how they need to be effective once elected to office.

The right to freedom of expression and the right to information are prerequisites for ensuring the voice and participation necessary for an open democratic society. UNDP supports countries in improving the legal and regulatory environment for freedom and pluralism in information, and strengthening the capacities of media and civil society to exercise the right to information and the communication mechanisms that empower citizens, including marginalized groups, to participate effectively in governance processes.

One recent example of this work is in **Nepal**. As part of a UNDP Participation in Peace project, the BBC World Service Trust brought together citizens in rural areas to put questions directly to the Prime Minister on the state of the peace process and to express their own concerns on a range of governance-related issues. A separate meeting between the general public and the chairman of the Communist Party of Nepal (Maoist) was also organized. Both took place before a live audience and marked the first real-time direct exchange between the two figures of authority and ordinary citizens. The Trust has now launched a new public affairs series in Nepal – *Sajha Sawal* or Common Questions – that is broadcast on 35 FM radio stations as well as on television.

The links between democracy, free media and development have been well documented by several studies, includ-

ing by The World Bank and the UN. These studies have shown that the more freedom the media have, the greater the control over corruption and the greater focus of resources on priority development issues. Globally, regionally and nationally, UNDP contributes to the training of national journalists and to the strengthening of legal and institutional frameworks that allow independent journalism and the media to flourish. Working with partners in the UN system and the international journalism community, UNDP aims to encourage the growth of vibrant, self-sustaining, professional news media organizations and institutions on both the national and local level in developing nations.

A recent UNDP-sponsored workshop hosted 18 journalists and media professionals from seven countries – **Belarus, Kyrgyzstan, Moldova, the Russian Federation, Tajikistan, Ukraine and Uzbekistan**. The workshop provided participants with a deeper understanding of human development concepts, focusing on strengthening skills in covering human development trends and issues of particular importance to the region. At the same time, it helped foster greater cooperation among media outlets.

UNDP is improving the national information base for democratic reform. By promoting nationally-owned governance assessments, UNDP is both enhancing the ability of policy makers to make informed decisions and strengthening the voices of the poor and women. In **Argentina**, a UNDP-supported citizens' audit was rolled out in 2007 to institutionalize qualitative analysis of local democratic practices in municipalities. The project established local civic forums composed of representatives of CSOs and the municipal government. These forums set standards and indicators of the elements of governance to be evaluated, and then used surveys to gather information for analysis. To date, some 50 civic forums have been established, covering 30 percent of the national population. Reports emerging from the forums are already influencing policy decisions on access to public information and public health projects. With broad participation and ownership on the part of municipal governments and civil society, the citizens' audit is enshrining the practice of monitoring and evaluating democratic life in the country.

“Let us remember that peace is not simply the absence of war. It must include freedom from fear and an end to impunity.”

– Kathleen Cravero, Assistant Secretary-General and Director of the Bureau for Crisis Prevention and Recovery, UNDP, *A Letter to UN Security Council Members*, published in the *International Herald Tribune*, 8 March 2008.

STRENGTHENING CAPACITY TO SURMOUNT VULNERABILITY: CRISIS PREVENTION AND RECOVERY

More than 40 countries have been scarred by violent conflict since 2000. According to the latest available figures from the UN High Commissioner for Refugees (UNHCR), some 32.9 million refugees, internally displaced persons and others are now directly impacted. More than 1.5 million people have been killed by natural disasters over the past two decades, and the annual economic losses associated with these disasters are rising.

While many developing countries have made significant progress in human development with millions of people being lifted out of poverty every year, violent conflict, lack of resources, insufficient coordination and weak policies continue to slow down development. UNDP supports national development strategies to prevent and recover from armed conflicts and natural disasters through conflict-sensitive development tools, promoting gender equality, knowledge networking, strategic planning and programming, and policy and standard setting.

The link between security and development has prompted UNDP to support efforts to address the issue of armed violence. Civilians own approximately 650 million of the known 875 million firearms in the world today. The proliferation of cheap weapons leads to an increased risk of civil unrest, and the more effective a country's regulatory capacity, the higher weapons prices will be. For example, in some African countries, the price of an assault rifle is around \$200 lower than the global average, highlighting the ease with which arms cross porous borders.

In **Guatemala**, there is widespread acceptance of firearms among the civilian population, with 85 percent of the killings in the capital city being committed with small firearms. A UNDP-sponsored initiative in 2007 aimed to raise awareness of the dangers posed by small arms and to help

implement a National Disarmament Programme. The project included a study of the costs of violence to the national economy, which generated public discussions of the broader socio-economic impact of armed violence. In Santa Lucía Cotzumalguapa, a mid-size town with a high level of violence, strong political will led the municipality to design and implement initiatives to reduce violence and improve security. The project helped train municipal staff on surveys and analysis, and to develop a security plan. UNDP also helped create Guatemala's first municipal public policy on citizens' security. Since the start of these programmes, violence levels, as measured in terms of homicides committed and other violent events reported, have decreased. Santa Lucía's experience is being seen as a model by other municipalities.

Whether as a result of armed violence or natural disaster, crises disproportionately affect women, exacerbating the discrimination that often exists even under peaceful conditions. Women and men, girls and boys are vulnerable in different ways in times of crisis and are often treated differently by perpetrators of violence and by state actors. Gender difference is one of the most significant determinants of an individual's capacity to cope safely during a crisis, and gender profoundly affects whether, how, and when individuals gain access to support in the aftermath. While women and men collectively experience the insecurity of crisis situations and must contend with the economic and social consequences, women – globally the poorest of the poor – bear the additional insecurity of sexual and gender-based violence.

A recent initiative, the *UNDP Eight Point Agenda for Women's Empowerment and Gender Equality in Crisis Prevention and Recovery*, is a comprehensive effort to prioritize and respond to the needs of women and girls in crisis and amplify their voice in the recovery process. The eight points bring women to the forefront of the crisis agenda:



At a community gathering in Rwanda, a police officer advocates against gender-based violence as part of a dedicated effort to curb violence against women.

stop violence against women; provide justice and security for women; advance women as decision-makers; involve women in all peace processes; support women and men to build back better; promote women as leaders of recovery; include women's issues on the national agenda; and work together to transform society.

Examples of initiatives under the Eight Point Agenda include: a programme to strengthen women's security and access to justice in eastern **Democratic Republic of the Congo**; a post-conflict support centre in western **Côte d'Ivoire** run by a local women's non-governmental organization that provides psychological, health and economic services to women and girls affected by the conflict; support to the national justice system in **Timor Leste**, which led to 11 judges, seven public defenders and nine prosecutors being appointed to replace international professionals that had held these positions since independence; and in **Somalia**, a rule of law programme that helped ensure that an estimated 10 percent of the graduates of the police academy were women. In addition, the first Women Lawyers' Association was established, providing legal assistance to victims of rape and domestic violence.

UNDP has also been codifying country experiences with youth-related programming to develop practical guidance on youth and conflict. Interventions at the country level include supporting governments and national counterparts in developing and implementing National Youth Policies in **Liberia**, promoting employment generation for youth in Kosovo, using sports and other socio-cultural activities in **Lebanon**, and promoting youth volunteerism in **Bosnia-Herzegovina**.

Responding to natural disasters, UNDP works with national partners to strengthen early warning and early recovery systems. The past few years have witnessed an

increased frequency of hurricanes, heavy rains and drought in the Caribbean. UNDP recently worked with the Government of **Cuba** and a range of partners including the Government of **Canada**, the Office for the Coordination of Humanitarian Affairs, the Economic Commission for Latin America and the Caribbean, Oxfam, and the Andalusian Fund of Municipalities for International Solidarity to support the strengthening of a national prevention and risk management strategy. The project has created 24 Centres for Disaster Management and Risk Reduction and 51 Early Warning Systems in four provinces and 20 municipalities across Cuba, benefiting more than 1.2 million people. The centres conduct vulnerability studies and prepare response plans, using geographical information systems that help boost the response capacity of the institutions that must respond to crisis. The risk management approach has also been integrated into the housing sector with an emphasis on local production of construction materials, the use of sustainable technologies and the improvement of local management mechanisms and technical advisory services. So far, 39 local centres for the production of construction materials have improved their facilities, and 34 municipal entities providing housing services have benefited an estimated 1,500 families.

A relatively new concept, early recovery addresses a critical gap in the coverage between humanitarian relief and long-term recovery. While working within a humanitarian setting, early recovery team workers have their eyes on the future – assessing damages to infrastructure, property, livelihoods and societies. Their goal is to enable a smoother transition to long-term recovery – to restore livelihoods, government capacities, and shelter – and to offer hope to those who have survived the crisis.

Supporting capacities to remain responsive to development needs in the midst of crisis is a mainstay of UNDP's

UNIFEM: GENDER-RESPONSIVE BUDGETING



Women from Peru's Uros Islands gather on the banks of Lake Titicaca. Tourism is the main source of income here.

In Cochabamba, **Bolivia**, many men have left to seek better prospects abroad, creating a shortage of skills that are traditionally performed by men. Now the women of Cochabamba are learning to fill that gap. Financed by the municipal government, they learn how to be carpenters and brick layers, and earn a decent living for themselves and their children. While the women are at work, their children are taken care of in a sports programme catering equally to boys and girls, also paid for by the local government. Both initiatives are the result of a new focus on gender-responsive budgeting in Cochabamba.

In Bolivia, the 1994 Law of Popular Participation established participatory development of local development plans and vigilance committees as two of the main citizenship participation mechanisms at local level. Supported by UNIFEM, the *Instituto de Formación Femenina Integral* (IFFI) of Cochabamba has mobilized and trained members of local women's organizations to use these opportunities to bring a gender perspective into local public policies. As a result of IFFI's advocacy campaign, municipal budgetary guidelines now require budgetary resources to be allocated to programmes that promote gender equality and provide services for victims of violence.

For the past eight years, UNIFEM, which is administered by UNDP, has contributed to building the capacity of governments and women's organizations to incorporate gender into budgetary processes in over 30 countries, at times in collaboration with UNDP. Initially, UNIFEM's efforts focused on making gender budgeting tools and methodologies available and increasing stakeholders' skills and knowledge to advocate for and carry out gender budget analysis. Since 2005, emphasis has been placed on ensuring that national budgeting processes adequately reflect the priorities of poor women.

Initiatives in **Ecuador, Morocco, Mozambique, and Senegal** aim to make budget processes and policies more responsive to principles of gender equality and allocate resources in line with poor women's priorities. In Morocco, this has led to annual gender reports which accompany the national budgets and spell out how the allocation of public resources through the Government's departments will address gender equality priorities. In 2007, 19 different departments detailed their plans in this gender report.

As decentralization raises the role of local governments in serving their constituencies, UNIFEM is supporting local gender-responsive budget initiatives. Local initiatives have been carried out in six Latin American countries – Argentina, **Brazil**, Bolivia, **Ecuador, Mexico** and Peru – as well as in **India, Morocco, the Philippines and Uganda**.

work. In **Iraq**, over \$40 million has been delivered in activities related to water and sanitation rehabilitation, hospital reconstruction and building community markets. More than 160 generators have been installed to provide emergency power to hospitals, schools and water pumping stations. UNDP continues to administer the Iraq Trust Fund on behalf of the undg, which consists of more than \$1 billion in funds from over 20 sources for large-scale recovery efforts.

Through the undg Iraq Trust Fund, the Government of **Japan** partnered with UNDP in Iraq to support a project to rehabilitate two units of the Hartha power station on the Iraqi energy grid. Six site engineers were trained in Japan in industry best practices to guarantee the sustainable operation of the plant, as well as an additional four in international practices for equipment inspection. Since the last major shipment of equipment to Iraq, both units of the plant have been running smoothly without unscheduled interruption, and are now capable of producing up to 350 megawatts with fewer interruptions and reduced outage times. As a result, approximately three million Iraqis now receive regular power from the station.

In addition to its work during a crisis, UNDP helps people to transition in the aftermath of conflict. Through the European Commission-funded **Sudan** Post-conflict Community-based Recovery and Rehabilitation Programme, 300 recovery projects benefiting 800,000 people were implemented throughout the country, with 22 health care centres rehabilitated, 207 water systems refurbished, and 4,520 women receiving microfinance support for small businesses. In Eastern Sudan, 1,700 members of the Eastern Front were demobilized, and provided with cash and reinsertion support, counselling and HIV awareness. In Southern Sudan, UNDP recently commenced the construction of the first stages of two prison training centres. Thus far, a



UNDP Administrator Kemal Derviş comforts a survivor of the bombing attacks in Algeria on 17 December 2007 that claimed the lives of 17 UN workers.

prison service training programme has trained 1,100 former soldiers of the Sudan People's Liberation Army, who were transferred from the army to join the prison service. In addition to re-orienting and training former combatants in a three-month orientation course, the training centres will be used as the site for specialist training courses for the prison service. Courses offered will include training for trainers, welfare officers, medical officers, and management training.

At the global level, a new UNDP initiative is focusing on scaling up capacity to manage disaster risk. The Global Risk Identification Programme is a five-year programme to support national partners in high-risk countries to identify the factors that cause natural disasters. The initiative has supported seismic risk assessments in the vulnerable region of Baja California, Mexico, and helped create disaster loss observatories in six Asian countries. Another initiative known as the SURGE Project, begun in 2006, aims to enhance UNDP's capacities to respond quickly and effectively to recovery demands immediately after a crisis, whether conflict or natural disaster. In 2007, SURGE identified 63 staff with experience in crisis situations and expertise in at least one of 12 areas, including early recovery, coordination, operational support, resource mobilization, and communications. As of April 2008, 43 of the 63 staff identified have undergone training in preparation for their role in providing advisory support services to Country Offices facing crisis. In 2007, Standard Operating Procedures for crisis situations were developed – including an online SURGE Toolkit – and are to be tested in 2008.

THE SOCIO-ECONOMIC COSTS OF VIOLENCE

DIRECT COSTS

Value of goods and services used in treating or preventing violence	<ul style="list-style-type: none"> • Medical • Police • Criminal justice system • Housing • Social services
--	--

NON-MONETARY COSTS

Pain and suffering	<ul style="list-style-type: none"> • Increased morbidity • Increased mortality via homicide and suicide • Abuse of alcohol and drugs • Depressive disorders
---------------------------	---

ECONOMIC MULTIPLIER EFFECTS

Macroeconomic, labour market, inter-generational productivity impacts	<ul style="list-style-type: none"> • Decreased labour market participation • Reduced productivity on the job • Lower earnings • Increased absenteeism • Intergenerational productivity impacts via grade repetition and lower educational attainment of children • Decreased investment and savings • Capital flight
--	---

SOCIAL MULTIPLIER EFFECTS

Impact on interpersonal relations and quality of life	<ul style="list-style-type: none"> • Intergenerational transmission of violence • Reduced quality of life • Erosion of social capital • Reduced participation in democratic process
--	---

Source: Investing in Gender Equality: Global Evidence and the Asia-Pacific Setting; Asia-Pacific Gender Mainstreaming Programme UNDP Regional Centre in Colombo, 2008

GREENING GROWTH: ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

The world's poor are disproportionately affected by environmental degradation and lack of access to clean, affordable energy services. Climate change, loss of biodiversity and depletion of natural resources are both national and global issues requiring cooperation among all countries. UNDP works to strengthen national capacity to manage the environment in a sustainable manner while ensuring adequate protection for the poor, by identifying and sharing best practices, providing policy advice and forging partnerships.

The scientific evidence gathered by the UN Intergovernmental Panel on Climate Change over the last two decades has contributed to an ever-broader consensus about the scale of the changes occurring in the global climate, the connection between human activities and climate change, and the effects of climate change. While the exact impact of greenhouse gas emission is not easy to forecast, enough is now known to recognize that there are large risks of potentially catastrophic outcomes for people and the planet if nothing is done to stabilize atmospheric concentrations of heat-trapping gases at levels that are considered safe.

Genuine concern about the effect of climate change on future generations dictates that the world must act now. The effects of climate change bear heavily on human development, with severe impact on the world's poorest.

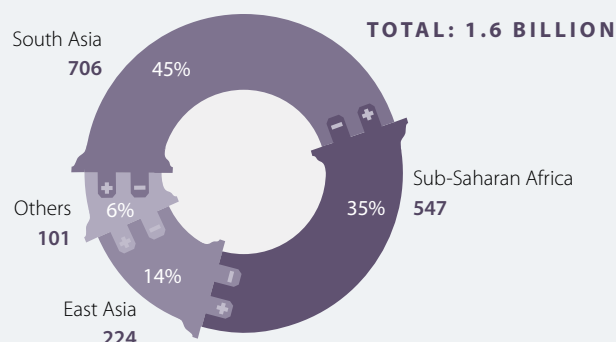
In its 2007/2008 Human Development Report, *Fighting Climate Change: Human solidarity in a divided world*, UNDP makes the case for immediate, affordable and effective responses. It asserts that with enough political will and global action, societies can deal with the impact of climate change and adapt to continue to advance human development despite them. Identifying a 10-year window of opportunity, the Report lays out a plan of action, including strategies for reducing emissions while using market

mechanisms to mitigate their effects, financing low-carbon initiatives for developing countries, strengthening energy efficiency regulatory standards, and financing and supporting adaptation strategies in poor countries.

In December 2007, the UN Climate Change Conference in Bali, **Indonesia** assembled more than 10,000 participants from over 180 countries to plan the way forward. The conference led to a number of forward-looking decisions including the Bali Action Plan, which sets the terms for new negotiations around climate change, to be concluded by 2009. The Bali Action Plan also establishes a negotiation process to agree on emission reductions for the period after 2012. At the same time, most industrialized countries under the Kyoto Protocol agreed to take leadership to achieve the 'deep cuts in global emissions' called for in the Bali Action Plan. For developing countries, three major agreements were reached. First, critical pledges were made in Bali to tackle deforestation and conserve forest cover as one of the most effective ways of preventing further emission increases. Second, countries agreed to consider how to finance and remove obstacles to the scaling up of clean energy technology trans-

LIVING WITHOUT ELECTRICITY

People without access to electricity (millions, 2004)



Source: UNDP Human Development Report 2007/2008

fer from industrialized nations to the developing world. And third, there was agreement on the launching of the Adaptation Fund, a resource managed by the Global Environment Facility (GEF) that will fast-track adaptation projects and programmes for countries meeting certain fiduciary criteria.

UNDP is working to help coordinate climate change adaptation and mitigation responses and support national capacity to continue to advance development strategies. For example, around Lake Baringo in Northern **Kenya**, which scientists predict will dry up in about 20 years, UNDP is helping to restore the soil by supporting villagers to farm and graze their animals in new ways as the volume of rainfall declines. More resilient and versatile native species of grass are being planted that are also enhancing the biodiversity of the area.

UNDP champions innovative strategies to reduce greenhouse gas (GHG) emissions and promote energy efficiency. UNDP supports the Clean Development Mechanism, which provides new energy financing opportunities for developing countries based on public and private investments from industrialized countries required to reduce their GHG emissions under the Kyoto Protocol. Governments or companies in industrialized countries can finance emission-reduction projects in developing countries as a means of meeting their own obligations under the protocol. This means that developing countries can benefit by receiving financing for the adoption of low-emission energy technologies, while industrialized countries can fulfill their emission reduction commitments at lower costs than they would incur through actions at home.

UNDP has also joined forces with the banking and insurance company Fortis on an MDG Carbon Facility, an innovative means of harnessing the vast resources of the carbon market to bring long-term sustainable development to more countries. Under the terms of the partnership, UNDP will help developing countries formulate projects intended to reduce GHG emissions, and will ensure that these projects meet the Kyoto Protocol's agreed standards and deliver real, sustainable benefits to the environment and broader human development. Fortis will then purchase and sell-on the emission reduction credits generated by these projects. The proceeds from Fortis' purchases will provide developing countries and communities with a new flow of resources to finance much needed investment and to promote development. Among the MDG Carbon Facility's first project agreements are three methane capture projects



In Nigeria, a solar panel provides indoor lighting as part of a UNDP-supported pilot project to expand the use of solar energy.

located in **The Former Yugoslav Republic of Macedonia**, **Uzbekistan** and **Yemen**.

The Government of **Japan** is the largest bilateral donor to Africa in the area of environment and energy. For the past 15 years, Japan has been working with UNDP through the Tokyo International Conference on African Development (TICAD) to contribute to boosting economic growth, ensuring human security, achieving the MDGs and consolidating peace and security across the continent. Over the last half-decade, TICAD has provided about \$84 million in support to various initiatives.

In **Tanzania**, farmers on the southern shores of Lake Victoria are gearing up to capture clean wind and solar energy to drive the pumps necessary for watering their crops. Instead of using diesel-powered water pumps, they are taking advantage of eight solar and windmill energy generating irrigation projects that have been established in four districts with TICAD support. The irrigation pumps take water from Lake Victoria and pipe it to a central tank, then onwards to several storage tanks where it will flow by gravity through canals to farmers' fields. The project, assisted by a dedicated TICAD UNV volunteer, is estimated to benefit some 400 farmers. In addition to providing the farmers with an energy source that is clean and renewable, the project works with community-based organizations to train farmers to operate and maintain the pumps.

Each environmental challenge presents UNDP with an opportunity to work with national partners to develop institutional capacity around successful responses. In **Belarus**, a project to restore over 40,000 hectares of wetland ecosystems on 17 degraded peatlands ended up not only rehabilitating and safeguarding a larger than projected area, but also strengthening integrated ecosystem management within the Ministry of Forestry, with enhanced monitoring



Workers inspect plants at a nursery in Terengganu, Malaysia. UNDP is supporting the state's first ever community-based mangrove regeneration project to better manage the mangrove ecosystem resources – including tripling the yield of nurseries like this.

systems featuring new indicators of biological diversity and emission and/or sequestration of carbon dioxide and methane. The monitoring network will now be extended to cover all degraded wetlands.

In **Malaysia**, UNDP and local company *Petra Perdana Bhd.*, in partnership with the State Government of Terengganu, have joined 150 families to implement a community-based mangrove regeneration project. Terengganu is one of the poorer states in Malaysia, with a household poverty rate in 2004 of 15.5 percent, compared to the national average of 5.9 percent. As of December 2007, four mangrove-replanting schemes have been completed and a nursery has been established. The community has managed to increase the nursery's capacity from an initial 10,000 to 36,000 saplings.

Together with the UN Environment Programme (UNEP) and The World Bank, UNDP is one of the primary implementing agencies of GEF, which helps developing countries fund projects and programmes that protect the global environment. GEF grants support projects related to biodiversity, climate change, international waters, land degradation, the ozone layer, and persistent organic pollutants. UNDP supports the development of projects in the areas covered by GEF, and also manages two corporate programmes on behalf of the GEF partnership – the Small Grants Programme, with a portfolio of over 5,000 community-based projects, and the GEF National Consultative Dialogue Initiative, which strengthens country ownership and involvement in GEF activities through multiple stakeholder dialogue. As of February 2008, UNDP's GEF-funded projects amounted to \$7.5 billion, representing over 560 projects as well as more than 530 enabling activities. The Small Grants Programme, which supports small-scale activities in GEF focus areas and the generation of sustainable livelihoods by non-governmental and community-based

organizations in more than 100 developing countries, has allocated another \$479.7 million.

For over two decades, the Montreal Protocol on Substances that Deplete the Ozone Layer has sought to reverse past damage done to the Ozone Layer by supporting efforts to eliminate the consumption and production of ozone-depleting substances. With the financial support of the Multilateral Fund for the Implementation of the Montreal Protocol, the GEF and bilateral donors, UNDP assists countries with economies in transition and developing countries to comply with the Montreal Protocol's control measures. UNDP **India** has helped establish an "Ozone Cell" to monitor India's compliance with the Montreal Protocol on eliminating chlorofluorocarbons (CFCs) in all sectors. In addition to raising public awareness and assisting the Ministry of Environment and Forests to phase out CFCs in such areas as foam and refrigeration manufacturing, the Ozone Cell assists companies to identify sustainable technologies. Access to energy services affects practically all aspects of sustainable development, including access to water, agricultural productivity, health care, education, job creation, and climate change. Managing energy and environment is central to achieving the MDGs.

In **Lebanon**, UNDP has partnered with the Ministry of Finance and the Ministry of Energy and Water to scale up a successful pilot programme, which identified alternative sources of energy to create a sustainable energy strategy. The strategy works to implement energy-efficiency applications and solar thermal systems in all public buildings, and contributes to a fiscal and legislative environment that encourages the private sector and the public at large to adopt similar sustainable energy approaches. This approach is helping to diversify Lebanon's energy sources, promote environmentally-sustainable renewable energy alternatives, lower demand on the national electricity provider *Electricité du Liban*, and ultimately provide cleaner and more affordable energy for Lebanon's citizens.

Developing capacities to deliver results

UNDP's most important asset is its people. Every day, thousands of men and women work hard to bring the world's development goals to fruition. UNDP remains committed to empowering them to serve safely and effectively.

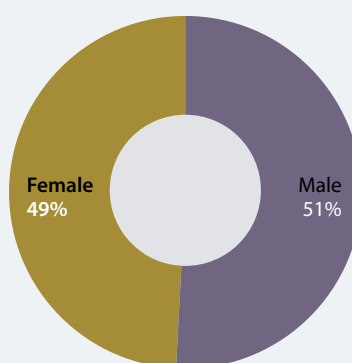
UNDP's work takes place in a wide range of environments. Colleagues work right within the populations they serve, sharing in the everyday realities of life in their duty stations. The element of risk can sometimes be high. On 11 December 2007, a car bomb exploded in the vicinity of the UNHCR and UNDP offices in **Algeria**. Seventeen UN colleagues were killed, including seven who worked for UNDP.

With staff serving often under difficult and dangerous conditions, staff safety and security remain a top priority for UNDP. One of the ways in which UNDP is addressing this is in its 2008-2009 support budget, which calls for \$87 million to support security costs mandated by the UN system and by UNDP, as well as an additional \$10 million to cover unforeseen emergency requirements.

Beyond issues of security, UNDP is constantly seeking ways to sustain strong morale across the organization and to ensure that good performance is justly recognized. Recent measures include a Staff Wellbeing Guide that comprises work-life and well-being recommendations for coping with the demands of the workplace. Colleagues across the world are also contributing to the development of a new human resources strategy, which will address qualitative issues such as maintaining a good work-life balance.

UNDP strives to ensure personal growth opportunities that allow for employees to maintain marketable skills. The organization invests in staff development with wider opportunities for professional certification and training, including through its Virtual Development Academy, a set of online courses co-certified with leading universities. In 2007,

GLOBAL WORKFORCE BY GENDER



Source: OHR/UNDP, March 2008

UNDP TOTAL WORKFORCE BY GENDER AND NATIONALITY GROUPING

Nationality	Percentage Male	Percentage Female
Africa	56	44
Arab States	54	46
Asia and the Pacific	50	50
Eastern Europe and the CIS*	42	58
Latin America and the Caribbean	38	62
WEOG**	53	47

* Commonwealth of Independent States

** Western European and Other Groups: US, UK, France, Italy, Spain, Belgium, Netherlands, Germany, New Zealand, Austria, Australia, Japan, Canada, Norway, Sweden, Switzerland, Denmark, Poland, Finland, Portugal, Luxembourg, Ireland

Source: OHR/UNDP, March 2008

64 staff members graduated from the Academy. Recruitment and succession management processes have also been strengthened to support enhanced capacity at the country level while ensuring continuity of quality service.

Since the Beijing Platform for Action in 1995, a number of General Assembly resolutions have called for gender parity within all UN organizations. UNDP has set a target to achieve 50-50 gender balance in its staff by 2010. As a result, currently 49 percent of all UNDP staff are women; at the level of Assistant Secretary-General, women now head

five major Bureaux within UNDP. A new Gender Equality and Diversity Unit has been established, and many UNDP offices now include gender parity – with specific outputs and targets – in the management work plans and results-based budget submissions.

In keeping with its core principle of managing for results, UNDP continues to foster a corporate culture that emphasizes results-based development. Guided by the Strategic Plan, the organization is strengthening its monitoring, evaluation, accountability and oversight capacities for optimal service delivery.

In the past year, UNDP has begun planning for the adoption of International Public Sector Accounting Standards (IPSAS), which are considered the most transparent accounting practice for public-sector institutions. With plans to adopt IPSAS in 2010, UNDP will join the 53 countries, including many developing nations, and many international organizations that have either adopted or are in the process of adopting IPSAS.

Practical steps towards greater accountability include three recent corporate initiatives. The first aims to enhance standards for accountability and transparency by providing Country Offices and corporate units with up-to-date programming and operational policies and procedures for delivering results. The second is an enhanced results-based

management platform to facilitate the planning, monitoring and reporting of country, regional and global results by serving as a single gateway that can be customized to meet the needs of a wide variety of users. The third is a corporate risk management framework that integrates all tools and procedures for risk management into one system, facilitating strategic planning and decision-making.

As an organization accountable for demonstrating results, UNDP has made a conscious choice to open itself up to scrutiny, both through access to its own instruments as well as through the assessment tools of partners. This openness includes new corporate standards for UNDP Country Office websites under a revamped Information Disclosure Policy, which requires procurement and project expenditure information to be included. UNDP also successfully implemented the Financial Disclosure Policy in line with the UN and the associated funds and programmes. An Ethics Office has been established and an Ethics Adviser has been appointed. The Adviser works closely with the UN Ethics Committee, which seeks to establish a unified set of standards and policies across the UN system.

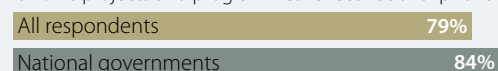
The priority on measuring effectiveness is reflected in the many surveys UNDP conducts throughout the year, starting with its own Global Staff Survey. Now in its ninth year, the survey's high participation rates among staff indi-

UNDP UNDER THE MICROSCOPE

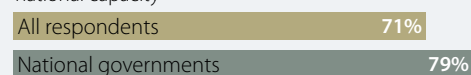
UNDP participates in a range of surveys to measure its effectiveness, voluntarily opening itself up to scrutiny by development partners and independent observers. The organization engages with CSOs regularly, and consistently rates highly in accountability and transparency; national governments praise UNDP's effectiveness as a programming partner to deliver results on the ground.

UNDP PARTNERS SURVEY 2007

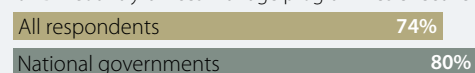
UNDP's projects and programmes reflect national priorities



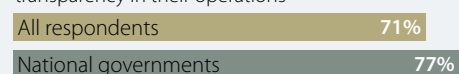
UNDP's programme contributes effectively to developing national capacity



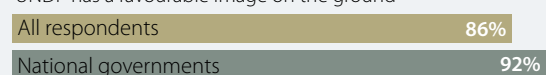
UNDP Country Offices manage programmes effectively



UNDP Country Offices demonstrate accountability and transparency in their operations



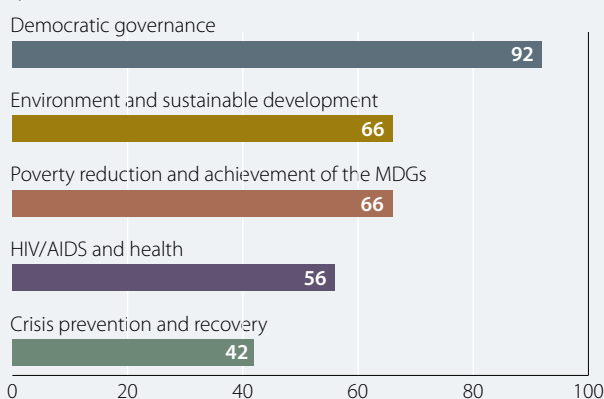
UNDP has a favourable image on the ground



Source: UNDP

NUMBER OF UNDP COUNTRY OFFICES ENGAGING CIVIL SOCIETY ORGANIZATIONS

by sector



Source: Oslo Governance Centre/UNDP

cate the value placed in the exercise. Since 2002, UNDP has also been the subject of a survey by its external partners, soliciting detailed feedback at the national, regional and global level. Over 3,000 stakeholders, including host governments, CSOs, donor partners, UN and other multilateral counterparts, participated in the last survey, which was conducted by an outside assessment firm. Data from these surveys show a steady improvement in UNDP's overall effectiveness.

Other assessments support this conclusion. The independent think-tank, the London-based Overseas Development Institute, surveyed the effectiveness of seven multilateral agencies through the eyes of key stakeholders in selected programme countries. It captured the opinions of recipient governments, parliaments, businesses and CSOs focusing on how multilateral agencies promote national ownership, build local capacity and provide effective policy advice. The results of this survey ranked UNDP as first preference among multilateral organizations for disbursing additional overseas development assistance. Similarly, UNDP received top ranking among 30 peer organizations on the 2007 Global Accountability Report published by the United Kingdom's One World Trust, a leading expert in the field of global governance and accountability. UNDP scored highest overall, coming first or second in three of the sur-

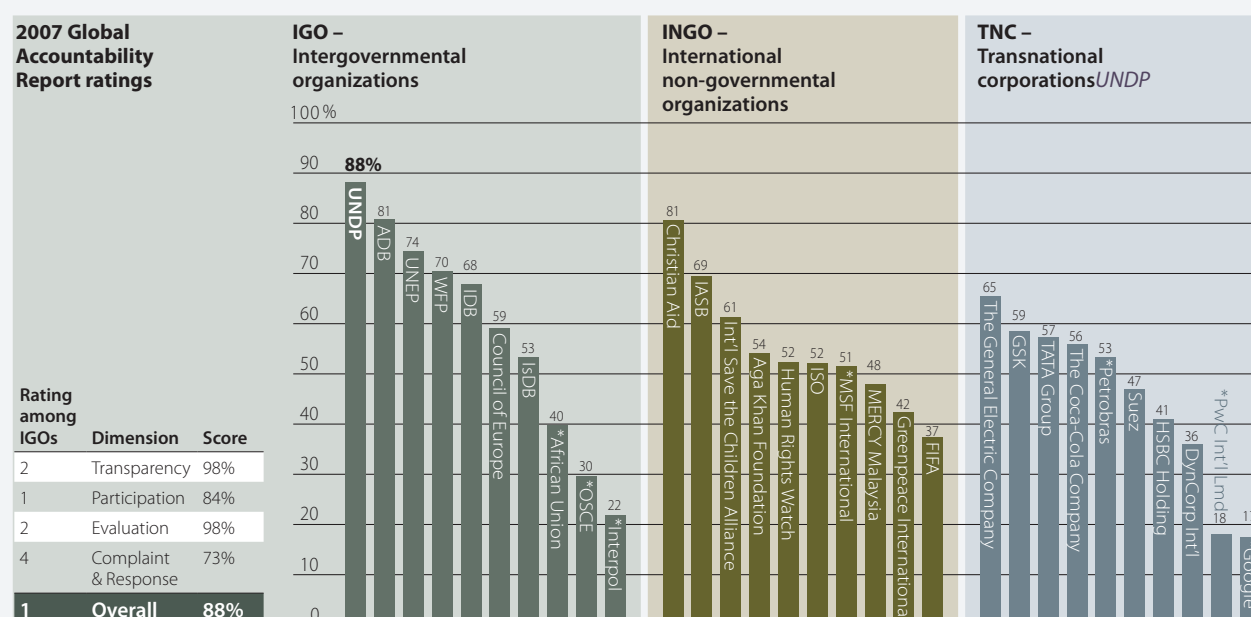


UNDP Associate Administrator Ad Melkert listens to Patrick Ibrahim Yakowa, Deputy Governor of Kaduna State in Nigeria, on progress achieved in Pampaida, Kaduna, one of 13 Millennium Villages in Africa.

vey's four dimensions of accountability – transparency, participation, evaluation, and complaint and response. And the 2007 Multinational Organizational Performance Assessment Network survey, conducted by a group of 10 donor countries, rated UNDP favourably in terms of policy dialogue, quality of technical advice, advocacy around government campaigns and alignment with national poverty reduction strategies. The survey also commended UNDP in information-sharing, inter-agency coordination and harmonization.

With its results-based approach to service delivery growing steadily stronger, UNDP continues to improve its effectiveness as a development partner.

ORGANIZATIONAL SCORES ON OVERALL ACCOUNTABILITY CAPACITIES



Source: One World Trust, UK 2007

*Denotes organizations that did not formally or in practical terms engage with the research process

See page 36 for acronyms

UNDP resources

Voluntary contributions to the organization's regular (core) resources grew for the seventh consecutive year. The \$1.12 billion gross regular income received by UNDP in 2007 represents a significant increase over the \$922 million received in 2006 and exceeds the overall nominal target of \$1.1 billion set by the Multi-Year Funding Framework (MYFF 2004–2007). This increase results from both step increases in voluntary contributions and exchange rate changes: expressed in current dollar terms, core income increased by 21.5 percent between 2006 and 2007 and by 32.7 percent over the planning period from 2004 to 2007. When corrected for both inflation and the performance of the US dollar vis-à-vis other currencies, adjusted core income still grew by 12.1 percent and 16.8 percent, respectively.

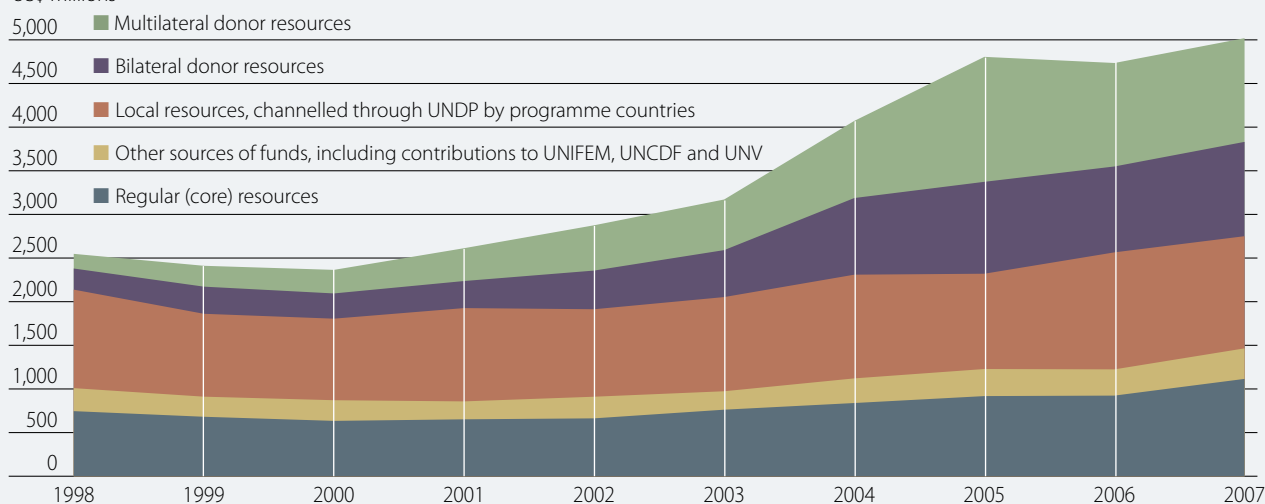
Overall combined earmarked (non-core) contributions to UNDP in 2007 totaled \$3.8 billion, remaining at the same high level in nominal terms as in 2005 and 2006. Between 2006 and 2007, resources channelled through UNDP by programme country governments in support of

their own development priorities decreased a little, from \$1.4 to \$1.3 billion. Non-core contributions from bilateral donor governments, mostly from OECD-DAC member states, increased a little from \$1 billion to \$1.1 billion. Total contributions from non-bilateral partners remained at \$1.2 billion, the same level as in 2006. UNDP continues to be called upon to support governments to obtain, direct and manage different types of funding in accordance with national priorities.

Earmarked resources represent an important complement to the regular resource base of UNDP. However, the ratio of earmarked to non-earmarked regular resources remained imbalanced, although increased core resources improved this ratio slightly in 2007. A continued focus on the mobilization of core resources remains imperative to enable UNDP to fulfil its mandate and deliver effective capacity development support for partner countries and to pursue flexible, integrated management approaches focused on long-term development effectiveness and sustainability.

CONTRIBUTIONS TO UNDP, 1998–2007† (PRELIMINARY)

US\$ millions



Source: PB/UNDP

† as of 24 April 2008

GROSS INCOME RECEIVED IN 2007†

(PRELIMINARY)

Ranked by top contributors to regular resources*

US\$ millions

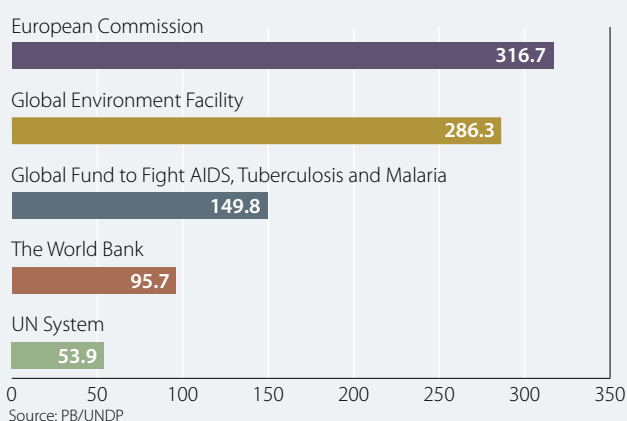
TOP DONORS	RESOURCES	
	REGULAR	OTHER
Norway	131.6	114.0
The Netherlands	124.9	91.6
Sweden	119.9	95.7
United Kingdom	109.9	201.6
United States	106.9	99.6
Japan	75.0	79.2
Denmark	69.7	24.9
Spain	60.9	86.0
Canada	56.7	86.6
Germany	45.9	31.8
Switzerland	43.3	18.8
France	36.5	7.5
Ireland	30.0	27.7
Italy	23.0	41.6
Finland	21.3	7.2
Belgium	18.1	15.1
Austria	7.1	7.3
Australia	7.0	21.5
New Zealand	5.6	6.9
India	4.4	1.8
China	3.4	20.8
Luxembourg	2.3	13.1
Portugal	1.8	4.3
Kuwait	1.7	5.0
Russia	1.1	1.8
Turkey	1.0	6.1
Mexico	1.0	2.3

* All donors to regular resources contributing \$1 million or more
Source: PB/UNDP

UNDP SUPPORT TO NON-BILATERAL AID DELIVERY†

Top contributors to "other resources"

US\$ millions



† as of 24 April 2008

THE UNDP-SPAIN MDG ACHIEVEMENT FUND

Established in 2006 with a contribution from the Government of **Spain** of close to \$750 million, the Fund supports the dual goals of accelerating progress towards achieving the MDGs and bringing UN development partners closer together at the country level. Over 80 percent of approvals focus on LDCs and lower middle-income countries. To date, some 60 proposals have been approved for funding in the areas of gender equality and women's empowerment, environment and climate change, economic governance, culture and development, and youth, employment and migration.

Among the initiatives approved under this Fund is a project in **Costa Rica** to incorporate a multicultural perspective into public policies while building capacities and improving economic development. \$4.7 million will go towards strengthening multiculturalism across different governmental sectors at central, local and community levels, and to supporting the creation of a multi-purpose interactive cultural centre in the suburbs of San Jose. The project is supported by UNDP, the Food and Agriculture Organization of the UN (FAO), the UN Children's Fund (UNICEF), the UN Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO).

In **Mozambique**, the Fund has contributed \$7 million to an environmental mainstreaming initiative supported by UNDP, FAO, UNEP, UN Habitat, the UN Industrial Development Organization (UNIDO) and the World Food Programme. The project takes on the threats of climate change by supporting Government efforts to mainstream climate-proofing techniques, develop coping strategies and promote livelihoods diversification.

In **Nicaragua**, an economic governance initiative is being supported by eight UN partners – UNDP, ILO, UNCDF, UNESCO, UNICEF, the UN Office on Drugs and Crime (UNODC), UNV and WHO. Through this initiative, the Fund will contribute \$7.7 million to water infrastructure investments, helping to empower local governments in managing decentralized public services such as water and sanitation in response to the needs of the most disadvantaged groups.

In **Viet Nam**, the Fund has contributed \$4.5 million to support the Government in strengthening policies and institutional arrangements for gender issues in light of recent legislation on gender equality and an imminent law on domestic violence. This initiative is supported jointly by UNDP, FAO, ILO, the International Organization for Migration, UNESCO, UNICEF, UNIDO, UNIFEM, WHO, UNFPA, and UNODC.

ACRONYMS

BDP	Bureau for Development Policy
CFCs	Chlorofluorocarbons
CSOs	Civil Society Organizations
FAO	Food and Agricultural Organization of the United Nations
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
GSB	Growing Sustainable Business
ILO	International Labour Organization
IPSAS	International Public Sector Accounting Standards
LDCs	Least Developed Countries
MDGs	Millennium Development Goals
MFP	Multifunctional Platform
ODA	Official Development Assistance
OECD-DAC	Organisation for Economic Cooperation and Development/Development Assistance Committee
OHR	Office of Human Resources
OSG	Operations Support Group
PB	Partnerships Bureau
TICAD	Tokyo International Conference on African Development
UNCDF	United Nations Capital Development Fund
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNODC	United Nations Office on Drugs and Crime
UNV	United Nations Volunteers
WHO	World Health Organization

ONE WORLD TRUST SURVEY ACRONYMS, Page 33

INTERGOVERNMENTAL ORGANIZATIONS (IGO)

ADB	Asian Development Bank
IDB	Inter-American Development Bank
IsDB	Islamic Development Bank
OSCE	Organization for Security Co-operation in Europe

INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS (INGO)

IASB	International Accounting Standards Board
ISO	International Organization for Standardization
FIFA	Fédération Internationale de Football Association

TRANSNATIONAL CORPORATIONS (TNC)

GSK	GlaxoSmithKline plc
PwC Int'l Ltd.	PricewaterhouseCoopers International Limited

PHOTO CREDITS

Front cover: top – © Jørgen Schytte/Still Pictures bottom – Roche Amandine/SIPA
Inside front cover: Rosemary Nuamah/UNDP
Page 2: top – Gentil Adjinkou/UNDP Benin bottom: Richard Falco/Vision Project
Page 4: National Area-Based Development Programme (UNDP and Government of Afghanistan)
Page 5: National Committee for Demining and Rehabilitation, Jordan
Page 6: top – UNDP Albania bottom: Evan Schneider/UNDP
Page 8: MDG icons, UNDP Georgia
Page 8: Eskinder Debebe/UN Photo
Page 9: © Siphwe Sibeko/Reuters
Page 10: top – Ash Sweeting/Panos Pictures bottom – Michelle Delaney/UNDP Sierra Leone
Page 14: UNDP Ghana
Page 15: left – Valerii Corcimari/UNDP Moldova right – UNCDF
Page 16: UNDP Paraguay
Page 20: top – M. Arifuzzaman, SW Multimedia Ltd./UNDP bottom – Katrina Manson/UNDP
Page 21: Blazej Mikula/UNV
Page 22: Robel Mockonen/UNMIN
Page 23: UNDP Sudan
Page 25: Rwanda National Police
Page 26: Xabier Llamosas Doval/Spain
Page 27: © Zohra Bensenra/Reuters
Page 29: Oladipo Osibo/UNDP Nigeria
Page 30: Lilei Chow/UNDP Malaysia
Page 33: UNDP Nigeria

For further information, contact your local UNDP office or:

UNDP

Office of Communications
One United Nations Plaza
New York, NY 10017, USA
Tel: (212) 906 5300
Fax: (212) 906 5364

UNDP

European Office
Palais des Nations
CH-1211 Genève 10
Switzerland
Tel: (41-22) 917 8542
Fax: (41-22) 917 8001

UN Office in Brussels

Rue Montoyer 14
B-1000 Bruxelles, Belgium
Tel: (32-2) 505 4620
Fax: (32-2) 505 4729

UNDP Nordic Office

Midtermolen 3
PO Box 2530
2100 Copenhagen O
Denmark
Tel: (45-35) 46 71 50
Fax: (45-35) 46 70 95

UNDP Tokyo Office

UN House 8F
5-53-70 Jingumae
Shibuya-ku, Tokyo 150-0001
Japan
Tel: (813) 5467 4751
Fax: (813) 5467 4753

UNDP Liaison Office

Washington, DC
1775 K Street, NW, Suite 420
Washington, DC 20006, USA
Tel: (202) 331 9130
Fax: (202) 331 9363

UNDP Regional Centre

Europe and the Commonwealth
of Independent States
Grosslingova 35
811 09 Bratislava
Slovak Republic
Tel: (421-2) 59337 111
Fax: (421-2) 59337 450

UNDP Regional Centre in Bangkok

United Nations Service Building
3rd Floor, Rajdamnern Nok Avenue
Bangkok 10200, Thailand
Tel: (66) 2288 2129
Fax: (66) 2288 3032

UNDP Regional Service

Centre for Eastern and
Southern Africa
7 Naivasha Road Sunninghill
PO Box X4
Johannesburg
South Africa 2157
Tel: (27-11) 603 5000
Fax: (27-11) 258 8511

UNDP Pacific Centre

c/o UNDP
Private Mail Bag
Suva, Fiji
Tel: (679) 330 0399
Fax: (679) 330 1976

UNDP Regional Centre in Colombo

23 Independence Avenue
Colombo 7, Sri Lanka
Tel: (94-11) 4526 400
Fax: (94-11) 4526 410

Published by the
Office of Communications
United Nations Development Programme
New York

Writer: Clare A. Davis
Designer: TaitDesign®
Printer: Scanprint, Denmark

Printed by means of environmentally-
compatible technology on Forest Stewardship
Council-certified paper.





**United Nations
Development Programme**
One United Nations Plaza
New York, NY 10017

www.undp.org