UNDP FOR BEGINNERS

a Beginner's Guide to the United Nations Development Programme

2nd edition
June 2006

Introduction

It has been a longstanding wish for the United Nations Development Programme (UNDP) to establish a brief yet concise overview of the organization's multifaceted structure, its intricate jargon and its ongoing transformations. This guide for beginners attempts to do just this.

As a large, multilateral organization, the United Nations Development Programme (UNDP) is a complex structure. Internal jargon and the use of abbreviations also make it difficult for outsiders to understand what UNDP does and how it does it. This is further complicated by the United Nations Development Programme's recent makeover as the result of eroding confidence in development assistance as well as a financial crisis.

This guide for beginners is written to give you a snap-shot of where UNDP stands now, as well as providing an overview of the basic structures and systems of UNDP. It targets new staff members and people who work with UNDP, and will hopefully make it easier to understand the basics of the organization.

Naturally, an introductory guide is necessarily selective and therefore subjective. However, we tried to provide hyperlinks for those who want more information. This overview is for guidance only, and may not necessarily reflect the views of UNDP.

The UNDP JPO Service Centre would like to thank Thomas Winderl, a former JPO who drafted and updated the guide and the JPO alumni network for reviewing earlier drafts of the Beginner's Guide.

UNDP JPO Service Centre
Copenhagen, Denmark
www.jposc.org

WHAT DOES UNDP DO?

What is UNDP?
What does UNDP want to achieve?

HOW DOES UNDP DO IT?

Through projects
Through advocacy and reporting
Through support and coordination of UN agencies

WHO IS DOING WHAT IN UNDP?

The global structure
The country offices

HOW DOES UNDP MANAGE WHAT IT DOES?

How does UNDP manage for results?
How does UNDP manage knowledge?
How does UNDP manage its staff?

HOW DOES UNDP FUND ITS ACTIVITIES?

Global resources
Types of funding

KEY CONCEPTS AND BUZZWORDS

What does UNDP do?

What is UNDP?

The United Nations (UN) ⇒www.un.org is a unique international organization of 192 sovereign states. Its goal is to maintain international peace and security, to develop friendly relations among nations, and to promote social progress, a better living standard and human rights. Its member states are bound together by the principles of the UN Charter ⇒www.un.org/aboutun/charter/, an international treaty that spells out the rights and duties of member states.

One of the central mandates of the United Nations is the promotion of development and economic and social progress. As much as 70 per cent of the work of the UN system is devoted to development. Eradicating poverty and improving the well-being of people everywhere are necessary steps in creating conditions for peace.

The United Nations Development Programme (UNDP) ⇒www.undp.org is a development organization of the United Nations, focusing on five specific areas. UNDP is the UN's largest provider of grants for human development. It is based on the merging of the United Nations Expanded Programme of Technical Assistance, created in 1949, and the United Nations Special Fund, established in 1958. UNDP was established in 1965 by the General Assembly of the United Nations. In most country offices, the UNDP representative serves as the coordinator of development activities for the United Nations system as a whole. Through such coordination, UNDP seeks to ensure the most effective use of UN and international aid resources. UNDP's headquarters are located in New York. UNDP has liaison offices in Geneva, Brussels, Copenhagen, Tokyo, and Washington D.C. UNDP has currently about 7000 staff members on the ground in 166 countries.

What does the UNDP want to achieve?

Fighting poverty

UNDP's mandate is to fight poverty. As the development organization of the United Nations, UNDP works to achieve this through supporting human development in a sustainable way. Recently, the overarching goal of reducing poverty has been more concretely defined through the Millennium Development Goals. UNDP's network links and coordinates global and national efforts to reach these goals and helps developing countries attract and use aid effectively.

The Millennium Development Goals

In 2000, the members of the United Nations set the international agenda for the beginning of the new century. The resulting Millennium Declaration ⇒www.un.org/millennium/ is a broad commitment of all UN member states. The declaration applies the principles of the UN Charter to a new world and a new millennium. The declaration defines a new international agenda in seven key areas:

- peace, security and disarmament
- development and poverty eradication
- protecting our common environment
- human rights, democracy and good governance
- protecting the vulnerable
- meeting the special needs of Africa
- strengthening the United Nations

> **Mission Statement**
>
> In its mission statement, UNDP defines itself as a network and an advocacy organization for global development:
>
> UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners.

The 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

The Millennium Development Goals ⇒www.undp.org/mdg/ extract and refine those elements of the Millennium Declaration which are related to development. UNDP has worked with other UN organizations, the World Bank, the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD) to agree on these goals. The UN General Assembly has approved the Millennium Development Goals in 2001. The UN Secretary-General has asked UNDP to be the coordinator of the Millennium Development Goals in the UN system - helping to make them an integral part of the UN's work worldwide. The UN Secretary-General also asked UNDP's Administrator to be the campaign leader and scorekeeper for the Millennium Development Goals.

The goals are time-bound, starting in 1990 and to be achieved by 2015. They comprise only those elements of the Millennium Declaration which are both related to development and quantifiable. Only if they are quantifiable, can one objectively measure progress.

The first seven goals stress the responsibility of developing countries to undertake policy reforms and enhance good governance. Goal eight focuses on the responsibility of developed nations to relieve debt, increase aid and give developing countries better access to its technologies and markets.

To be as precise as possible, the Millennium Development Goals include 18 targets for the eight goals. One goal is normally defined by one or two targets. For each target, a number of indicators make progress measurable. There are 48 indicators in total.

The Millennium Development Goals are not meant to be analytical tools or a strategic path for successful development. The Millennium Development Goals tell us where the world wants to go, but do not tell us how to get there. Therefore, there must be a strong link with strategies outlining how to achieve these goals. These strategies are laid out in national poverty strategies or the World Bank-supported Poverty Reduction Strategies (PRSs) ⇒www.worldbank.org. UNDP country offices support the preparation, implementation and monitoring of Poverty Reduction Strategy Papers as a tool to reduce poverty.

Because the Millennium Development Goals are a limited sub-set of the Millennium Declaration, they are not scientific, but rather a politically negotiated consensus. This explains why important areas like good governance or human rights – which are included in the Declaration - are not included in the goals. In these cases, it was not possible to find a consensus about how to define and measure the goals.

Focus Areas

Previously, few people were able to describe what UNDP stands for. This is not surprising, since UNDP covered all areas of technical assistance related to development. With mounting pressure from donors and development effectiveness increasingly questioned, UNDP realized in the late 1990s that it needed to focus on a few, but well-defined areas. The focus needs to be on areas where UNDP has experience and a comparative advantage, and on areas which the programme countries identify as important.

Therefore, UNDP narrowed its focus to five core areas of operation. These focus areas (also called "practice areas" or "practices") ⇒www.undp.org/focusareas/ are based on UNDP's strengths and experience, and on an analysis of what UNDP's clients want from the organization. UNDP's five focus areas of operation are defined in UNDP's current global business plan: democratic governance, poverty reduction, crisis prevention and recovery, energy and environment and HIV/AIDS.

1. Successful human development needs to build on state institutions and processes that are more responsive to the needs of ordinary citizens, including the poor. Political participation and accountability is paramount for development. This approach is called democratic governance (also called "good governance" or just "governance"). UNDP's practice area of democratic governance serves as the foundation for much of the rest of UNDP's work. ⇒www.undp.org/governance/

2. The practice of poverty reduction stresses the importance of policies for the poor. UNDP helps to connect national policies to the Millennium Development Goals, since poverty strategies work best when they are based on local needs and priorities. ⇒www.undp.org/poverty/

3. Many countries are increasingly vulnerable to violent conflicts or natural disasters. Conflicts and disasters can erase decades of development and further entrench poverty and inequality. Therefore, UNDP supports crisis prevention and recovery through the recently created Bureau for Crisis Prevention and Recovery. While the ideal is to prevent a crisis, UNDP also supports countries in post-conflict situations like Afghanistan or Iraq. ⇒www.undp.org/bcpr/

4. The poor are disproportionately affected by environmental degradation and lack of access to clean affordable energy services. Therefore, energy and environment are essential for sustainable development and the eradication of poverty ⇒www.undp.org/energyandenvironment/. Relatively few core resources are spent on this practice area, since activities can be funded through additional resources such as the Global Environmental Facility (GEF). GEF is an independent financial organization that provides grants to developing countries for projects that benefit the global environment and promote sustainable livelihoods in local communities. ⇒gefweb.org

5. HIV/AIDS is threatening to halt and reverse progress in development. To prevent the spread of HIV/AIDS and reduce its impact, developing countries need to mobilize all levels of government and civil society. Combating HIV/AIDS remains a major concern in Africa and Asia. ⇒www.undp.org/hiv/. The United Nations also has a dedicated programme to focus exclusively on HIV/AIDS, called UNAIDS ⇒unaids.org. In 2006, UNDP has modified the core results in this focus area to better reflect the division of labour with UNAIDS.

Millennium Campaign

An initiative of the United Nations, the Campaign supports citizens' efforts to hold their government to account for the Millennium promise.

Working at both the national and international levels, the ambition of the Campaign is to inspire a global movement to achieve the Goals and eradicate extreme poverty by 2015.

The ongoing work of the Campaign is led by a secretariat housed at UNDP headquarters in New York.

⇒www.millenniumcampaign.or

The protection of human rights ⇒www.undp.org/governance/sl-justice.htm and the promotion of women's empowerment ⇒www.undp.org/women/ are not a separate practice area, but are integrated into most programmes. Information and Communication Technology (ICT) ⇒sdnhq.undp.org/it4dev/ is treated similarly as an important tool to be incorporated into programmes. Furthermore, the development of capacity is the most promising approach to support sustainable human development. ⇒www.capacity.undp.org. The integration of all these aspects into development programmes is called "mainstreaming".

Service Lines

Realizing that the focus areas were rather broad, UNDP defined 30 sub-areas within the five focus areas. UNDP defined thirty Service Lines for the current business plan from 2004 to 2007, the so-called Multi-Year Funding Framework or MYFF. UNDP's Service Lines reflect current demand by recipient countries for UNDP's development services and represent UNDP's areas of expertise. ⇒www.undp.org/execbrd/pdf/dp03-32e.pdf

How does UNDP do it?

Through projects

UNDP delivers most of its services through its 135 country offices. The country offices work with governments and partners to carry out activities to tackle poverty and its causes. These activities are called projects. They are time-bound exercises, and address a specific, well-defined development problem.

The details of UNDP's approach to projects are explained in a publicly accessible section of UNDP's User Guide on Programming for Results ⇒content.undp.org/go/userguide/results. The section describes the minimum requirements used within UNDP to successfully manage processes to produce development results. It focuses on the programme management processes to be followed and relevant management checkpoints. The core sections of the Guide do not contain detailed techniques, but it is supplemented by checklists, templates, and forms.

UNPD's Global Business Plan

The main corporate planning tool is UNDP's business plan, called the UNDP Multi-Year Funding Framework (or "MYFF" in short) ⇒www.undp.org/execbrd/pdf/dp03-32e.pdf. The business plan describes UNDP's niche in UN efforts over a period of four years. It outlines the details of the organizational strategies, the usage of the funds available, and how it integrates into overall UN efforts to reduce poverty and achieve the Millennium Development Goals. The framework is the key instrument for management, monitoring and accountability for UNDP, both internally as well as for external partners. The current Multi-Year Funding Framework is the second of its kind and covers the time period from 2004 to 2007.

UN Country Programming Cycle

The UN Agencies in each country assess the key causes of poverty, and analyze a country's progress towards the Millennium Development Goals. This analysis is called the Common Country Assessment (CCA), and forms the basis of the UN's work in a country. ⇒www.undg.org/content.cfm?id=830

Based on the analysis of the country situation, the UN agencies subsequently set out the collective priorities of the UN agencies in a given country. The UN Country Programming Cycle is concerned with setting and measuring results in achieving a country's Millennium Development Goals with the government and all UN development agencies. The results expected from members of the UN country team, including UNDP and its Associated Funds and Programmes, are identified. This common UN framework is called the United Nations Development Assistance Framework (UNDAF) ⇒www.undg.org/content.cfm?id=831. The United Nations Development Assistance Framework links these priorities directly to outputs and outcomes of individual UN agency country programmes. It also contains a UNDAF result matrix with measurable indicators and a monitoring and evaluation plan.

What are Results?

Results are changes in a state or condition which derive from a cause-and-effect relationship.

There are three types of results: outputs, outcomes and impacts. Results can be intended or unintended, positive or negative and are set in motion by a development intervention.

Outputs are tangible, time-bound products resulting from a completion of activities and largely under the control of a development intervention.

Outcomes are changes in the real world, triggered by a set of outputs and largely not under the control of a project or programme.

Impact is the overall and long-term effect of an intervention. It is an end rather than a means and usually a bio-medical or socio-economic improvement in people's lives.

UNDP Country Programming Cycle

On the basis of the United Nations Development Assistance Framework, UN agencies draw up country programmes. The UNDP Country Programme describes more in detail how UNDP will achieve outcomes described in the United Nations Development Assistance Framework. It defines a limited number of outcome targets to be achieved over the next years. UNDP's Country Programme is reviewed and approved by UNDP's highest body, the Executive Board. In addition, a UNDP Country Programme Action Plan (CPAP) refines the approach taken by the UNDP Country Programme. It is the operational master plan that guides the development and delivery of projects on an annual basis. The UNDP Country Programme Action Plan details the programme, the major results expected and the strategies for achieving these results. It also clarifies the arrangements for project implementation and the management of projects.
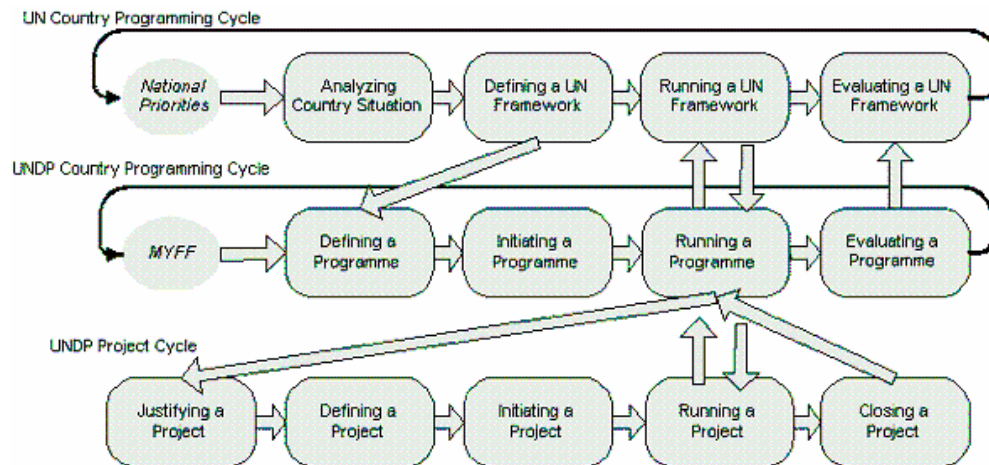
UNDP Project Cycle

A Country Programme is a plan for delivering development results through a set of projects. Projects generate the outputs identified in the UNDP Country Programme Action Plan. The project cycle for UNDP projects consists of five steps:

- Justifying a project: A project idea must be justified by providing its rationale and consistency with the United Nations Development Framework and UNDP Country Programme. A project idea must contribute to the results expected from UNDP's operations in the current programme period. It must also be a correct response to the country's needs, be in line with UNDP's global business plan and be suitable for UNDP support. At this point, a project proposal is entered into Atlas, UNDP's Enterprise Resource Planning system (see below).

- Defining a project: The next step is to analyze if the scope of the project is realistic for UNDP to deliver. It also defines how clear and obtainable results can be delivered in the most cost-effective way. A Project Brief is drafted containing information about the project scope, the objectives, the management arrangements and the approach taken by the project. This Project Brief must be appraised and approved by a Local Programme Appraisal Committee (LPAC) especially convened for this purpose. The Local Programme Appraisal Committee is an independent check point in the process and recommends to either continue to develop the project, change it, or stop it altogether. Finally, a Project Document (sometimes called "prodoc") may be signed by the parties involved.

- Initiating a project: Step three further develops the operational details of the project. It defines the structures and approaches taken to effectively monitor the project. All processes and results to which UNDP is contributing must be monitored regardless of budget and duration. A Communication & Monitoring Plan must describe which activities and outputs will be monitored, reviewed and evaluated, how and by whom. A Communication & Monitoring Calendar should provide details of activities by month. A Communication & Monitoring narrative should describe the coordinating mechanisms and strategies for implementing the plan, including a description of major risks and assumptions. Monitoring and evaluation activities should be budgeted from project funds. This includes internal UNDP and project staff monitoring as well as external evaluations. UNDP's Handbook on Monitoring and Evaluating for Results ⇒www.undp.org/eo/ is the main guideline for good monitoring.

> **The buzz about "Joint Programming"**
>
> "Joint Programming" might well be the latest buzz word in the United Nations. Joint programming is the collective effort through which the UN organizations and national partners work together to prepare, implement, monitor and evaluate the activities aimed at effectively and efficiently achieving the Millennium Development Goals.
>
> Drastically better cooperation among UN agencies is now a top priority for UN member states, donors and the UN Secretary-General.
>
> ⇒www.undg.org/content.cfm?id=220

- Running a project: Step four focuses on producing project outputs through a series of activities. A designated UNDP programme officer (PO) normally oversees a - often related - set of projects, called a portfolio. UNDP has three core responsibilities when running a project: Monitoring assesses the scope, schedule, costs, benefits and quality of outputs and outcomes. Periodic reviews ensure that the project is achieving expected output. If needed, revisions are initiated to strengthen project performance or progress. UNDP also provides financing to the project either through advances or direct payments. In addition to these three core areas, UNDP can also provide project support services to carry out project activities (e.g. issuance of contracts, procurement, arrange training and workshops, etc.). Where UNDP is implementing projects, it also manages activities to ensure effective day-to-day direction of the project.

- Closing a project: When planned outputs are delivered or the Outcome Board makes a decision to cancel a project, a project enters its final stage. A project is operationally closed when project activities have ceased. Subsequently, a project is financially closed when all financial transactions have been reported and all accounts are closed. This has to happen as soon as possible, but no later than 12 months after it is operationally closed. The focus of this last step in the project cycle is on evidence of completion, lessons learned, benefits tracking and necessary handovers.

Evaluating projects

While a project is expected to produce all planned outputs during its lifetime, a project's outcome or impact will only become clear after the project is closed. It is important – but often difficult - to find out how much a project or programme has contributed to a change in the lives of people. It is difficult because outcomes and impacts are generally achieved through a number of different projects and programmes, and depend heavily on external events unrelated to the project.

An evaluation is a selective exercise that assesses progress towards the achievement of an outcome or impact in a systematic and objective way. It is normally broader than monitoring, and goes more into depth. A certain number of Outcome evaluations are mandatory for each country office. The number depends on the total resources of the country office during a country programme cycle. This is a new methodology for UNDP, and the organization is currently learning how to effectively conduct outcome evaluations. Project evaluations are more limited in scope, focusing on a specific project. Project evaluations are not mandatory, but can be conducted if needed. An evaluations plan for the entire country programme needs to be prepared and submitted to UNDP's Evaluation Office. UNDP's Evaluation Office (EO) is tracking project outcomes and

impact at the country level with the Assessment of Development Results (ADR) reports. ⇒www.undp.org/eo/country-evaluation.htm

Project management and oversight

The recent introduction of UNDP's new User Guide on Programming for Results (see above) puts in place a complex management and oversight system. This new set-up for managing projects should ensure accountability and the effective and efficient use of resources. There are eight main functions when implementing projects:

- UNDP designates a Programme Manager who is responsible for successful management and delivery of outcomes. The UNDP Resident Representative is by default the Programme Manager, but can designate this role to other UNDP staff as appropriate.

- The National Coordinating Authority is responsible for defining, assessing and monitoring programme achievements towards country-level outcomes.

- The Outcome Board monitors each expected outcome. It also manages the interdependency of different projects which contribute to the same outcome.

> **Special Development Situations**
>
> In certain special development situations, the UNDP Resident Representative can designate a crisis situation for up to 3 months. Operations in "crisis mode" should ensure a rapid response to such situations. UNDP's normal procedures are temporarily suspended and business processes shortened. To extend the "crisis mode" beyond 3 months, approval by UNDP's Regional Bureau and the Associate Administrator is required.

- The Project Executive Group makes executive management decisions for a project when guidance is required by the Project Manager. It contains three roles: The Executive chairs the group. The Senior Supplier provides guidance regarding the technical feasibility of the project. The Senior Beneficiary should ensure the realization of project benefits from the perspective of project beneficiaries.

- A single Implementing Partner is responsible and accountable for managing the project, delivering the planned outputs and using UNDP resources effectively. The Implementing Partner is chosen on the basis of the technical, financial, managerial and administrative capacities needed for the project. The implementation partner may agree with other entities to assist in the delivery of outputs but remains accountable for project delivery. Possible Implementation Partners include government institutions, other UN agencies or legally registered Non-Governmental Organizations (NGOs). UNDP can also be an Implementing Partner (this modality was previously called "Direct Execution" by UNDP or "DEX" in short).

- A Project Manager is responsible for day-to-day management and decision-making for the project.

- The Project Assurance role carries out objective and independent project oversight and monitoring. This role is mandatory and designated by UNDP. Typically, a UNDP Programme Officer (PO) holds the Project Assurance role.

- The Project Support role provides administrative and managerial support to the Project manager as required.

Through advocacy and reporting

UNDP has country offices operating in 135 countries and staff on the ground in 166 countries. Through this global development network, UNDP is uniquely positioned to advocate for change, connect countries to knowledge and resources, and coordinate broader efforts at the country level to achieve the Millennium Development Goals. In addition, advocacy and reporting should increase knowledge about development, and to improve sharing approaches that have been proved to work.

The Human Development Reports

UNDP's flagship publication for advocacy is the Human Development Report (HDR) ⇒hdr.undp.org. The concept of human development – although sometimes seen as a euphemism - puts people at the centre of the development process. It is about development of the people, by the people, and for the people.

The Global Human Development Reports, published annually since 1990, are commissioned by UNDP. The reports focus the global debate on key development issues, providing new measurement tools, innovative analysis and often controversial policy proposals. The reports are guided by the belief that development is ultimately a process of enlarging people's choices, not just raising national incomes. The independent teams of experts who write the reports draw on a worldwide network of leaders from academia, government and civil society who contribute data, ideas and best practices.

The Human Development Index

The Human Development Index (HDI) is a summary measure of human development. It measures the average achievements in a country in three basic dimensions of human development:

- A long and healthy life, as measured by life expectancy at birth

- Knowledge, as measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (with one-third weight)

- A decent standard of living, as measured by GDP per capita

The Global Human Development Reports also contain substantive data on development indicators. The reports rank every country each year in areas such as per capita income, literacy, life expectancy and respect for women's rights. Each report focuses on a highly topical theme in the current development debate, providing often path-breaking analysis and policy recommendations. Since the first report in 1990, four composite indices for human development have been developed — the Human Development Index, the Gender-related Development Index, the Gender Empowerment Measure, and the Human Poverty Index.

The analytical framework of the global report carries over into Regional and National Human Development Reports. Regional Human Development Reports are promoting regional partnerships for influencing change, and addressing region-specific human development approaches. National Human Development Reports are a tool for national policy debate. They attempt to place human development at the forefront of the national political agenda.

Tracking the Millennium Development Goals

The Millennium Development Goals Reports (MDGRs) help bring the Millennium Development Goals from a global to the national and regional level. The premise is that these reports can help accelerate progress. UNDP - in collaboration with national governments - is coordinating country reporting on progress towards the UN Millennium Development Goals.

Millennium Development Goals Reports (MDGRs) are not lengthy reports. They are meant to be short and easy-to-read reviews that convey messages quickly

in a non-technical way. Their main audience is the media and the general public. They show progress at a glance with the objective to help focus the national debate on specific development priorities, which in turn will trigger action - in terms of policy reforms, institutional change and resource allocation. ⇒www.undp.org/mdg/tracking_countryreports2.shtml

DevInfo

The United Nations Children's Fund (UNICEF) ⇒www.unicef.org has been leading the development and testing of DevInfo. The DevInfo database provides a method to organize, store and display data in a uniform format to facilitate data sharing at country level across government departments and UN agencies. Adapted from UNICEF's ChildInfo database technology, DevInfo offers a tool to assist countries in their MDG reporting. UNDP is collaborating with this global effort to provide national governments and statistical offices with a tool to monitor the Millennium Development Goals. ⇒www.devinfo.org

Goodwill Ambassadors

Goodwill ambassadors are prominent individuals whose fame helps amplify the urgent and universal message of human development and international cooperation. They articulate the UNDP development philosophy and programmes of self-reliant opportunities and motivate people to act in the interest of improving their own lives and those of their fellow citizens. They give their time to help UNDP, and travel often to developing countries for first-hand observation so that they can bring the human development message to the industrialized world. Global ambassadors for UNDP are currently the writer Nadine Gordimer, the actress Misako Konno, the football players Ronaldo and Zinédine Zidane and the Crown Prince Haakon Magnus of Norway. ⇒www.undp.org/goodwill/

UNDP Goodwill Ambassadors Zidane and Ronaldo

Through support and coordination of UN agencies

At the country level, UNDP's Resident Representative typically also serves as the Resident Coordinator (RC) for the entire United Nations system. Resident Coordinators are the designated representatives of the UN Secretary-General for development operations in a country. The Resident Coordinator system ⇒www.undg.org/content.cfm?id=421 aims to bring together the different UN agencies to improve the efficiency and effectiveness of operational activities at the country level. It encompasses all organizations of the United Nations system dealing with development, regardless of their formal presence in the country. The Resident Coordinator system is funded and managed by UNDP. The Resident Coordinator leads UN country teams in 135 countries. Resident Coordinators and country teams advocate the interests and mandates of the UN drawing on the support and guidance of the entire UN family. Apart from supporting the Resident Coordinator system, a UNDP country office can represent other UN agencies in the country and provide central administrative support to other UN agencies.

At the global level, the UNDP Administrator chairs the United Nations Development Group (UNDG) ⇒www.undg.org on behalf of the UN Secretary-General. The United Nations Development Group aims at improving the effectiveness of UN development efforts at the country level. It was created in 1997 and brings together the operational agencies working on development. These initiatives increase UN impact in helping countries achieve the Millennium Development Goals (MDGs), including poverty reduction. The United Nations Development Group Office (UNDGO or simply DGO) is the UNDG Secretariat. It supports the Resident Coordinator system working in 134 countries, including the process for selecting the Resident Coordinators, and the allocation and monitoring of the Resident Coordination Support Funds. The United Nations Development Group Office is administered and funded by UNDP.

Who is doing what in UNDP?

The global structure

The United Nations General Assembly and the Economic and Social Council establish overall policies for UNDP. The Executive Board ⇒www.undp.org/execbrd/ provides inter-governmental support and supervises the activities of UNDP. It ensures that UNDP is responsive to the needs of programme countries. The Executive Board consists of 36 members from as many countries. The members are chosen on a rotating basis.

The Administrator manages UNDP's day-to-day work, and is directly accountable to the Executive Board for all UNDP activities. The Administrator is the third highest ranking official in the United Nations system after the Secretary-General and the Deputy Secretary-General. He/she is appointed by the Secretary-General for a term of four years, and confirmed by the General Assembly. The current Administrator is Kemal Dervis. He is a former Vice-President of the World Bank and Minister for Economic Affairs and the Treasury of the Republic of Turkey. Kemal Dervis was appointed in 2005. The Administrator is supported by an Associate Administrator. This post is currently held by Ad Melkert, a former Minister of Social Affairs and Employment in the Netherlands and member of the Board of Directors at the World Bank.

UNDP Administrator Kemal Dervis

Ten Offices and Bureaus in UNDP's headquarters in New York form the backbone of the organizational structure. They focus on management, human resources, communications, resources and partnerships. The Bureau for Development Policy provides a range of services to governments and to United Nations teams in the key areas of UNDP's work. The Evaluation Office ⇒www.undp.org/eo/ and the Office for Audit and Performance Review are concerned with the quality and effectiveness of the organization.

Five Regional Bureaus look after the country offices: Asia and the Pacific, Africa, Arab States, Europe and Commonwealth of Independent States (the former Soviet Union), and Latin America and the Caribbean. They are headed by Directors, and work out of UNDP's headquarters in New York. UNDP has also created regional knowledge hubs in the form of Regional Centres (RCs). Regional Centres provide UNDP Country Offices with easy access to knowledge through high quality advisory services based on global applied, cutting-edge research and previous experiences.

In addition to its regular programmes, UNDP administers UN funds and units for special purposes:

- The United Nations Volunteers programme (UNV) is the volunteer arm of the United Nations and based in Bonn, Germany. It mobilizes qualified UN Volunteers and encourages people to become active in volunteering in their countries. Currently, over 5600 UN Volunteers are active worldwide. ⇒www.unv.org

- The Women's Fund at the United Nations (UNIFEM) provides financial and technical assistance to innovative programmes and strategies that promote women's human rights, political participation and economic security. ⇒www.unifem.org

- The United Nations Capital Development Fund (UNCDF) works to reduce poverty in Least Developed Countries through a variety of innovative approaches in both local governance and microfinance initiatives. ⇒www.uncdf.org

- The UNDP Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) promotes the exchange of knowledge, skills, resources and technical know-how among two or more developing countries. ⇒tcdc.undp.org

UNDP Organization Chart
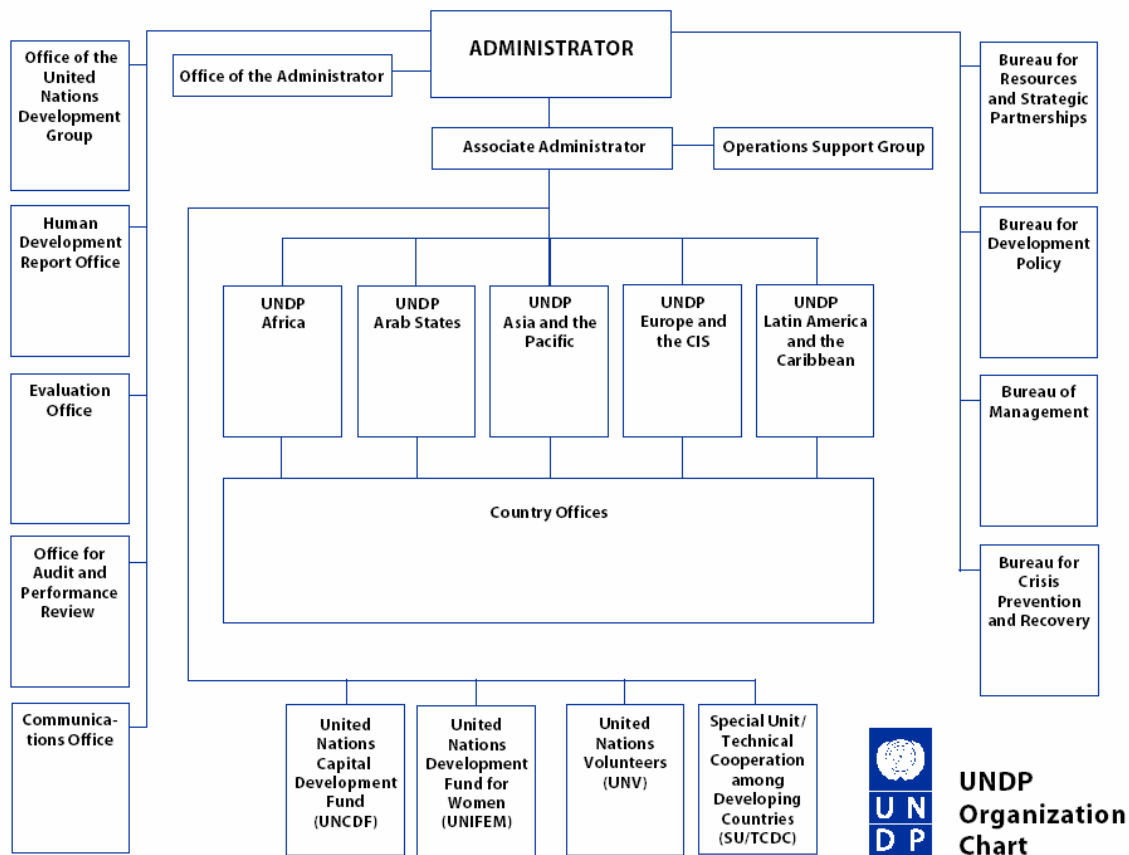
The country offices

UNDP is unique in its commitment to geographic universality. The organization has permanent offices in 135 developing countries. As a field-based organization, the bulk of its staff is based in country offices. Most of them are also citizens of the country in which they work in. UNDP is committed to maintain a programmatic presence in every country with a Gross National Income per capita of under $4,700. In countries with higher income levels (such as Bahrain or Poland), they pay themselves for the base cost of UNDP's presence in their country. Details about country offices are available at ⇒www.undp.org/countries/.

National staff is recruited locally. National staff by far account for the majority of staff in most country offices. Salaries for national staff follow a locally defined salary scale. International staff is recruited from outside the country, and paid according to the Noblemaire principle. The Noblemaire principle states that salaries of international civil servants should match those of the best-paid national civil servants. The International Civil Service Commission (ICSC) is an independent expert body established by the United Nations General Assembly. Its mandate is to regulate and coordinate the conditions of service of staff in the United Nations common system, while promoting and maintaining high standards in the international civil service. ⇒icsc.un.org

To keep UNDP independent from governments, and to avoid possible conflict of interest, senior management positions are filled with international staff members. For the same purpose, international staff is rotated between country offices on a regular basis. These are some of the people one can find working in UNDP country offices around the globe:

- The Resident Representative (also called RR or ResRep) is the Administrator's representative at the country level, and is head of the country office. The Resident Representative is ultimately accountable for the quality and sustainability of UNDP interventions and for ensuring that all UNDP policies and procedures are fully complied with. The Resident Representative normally also serves as the Resident Coordinator (RC) for the entire United Nations system.

- The Resident Representative is aided by at least one Deputy Resident Representative (DRR). The Deputy Resident Representative is responsible for a lot of the day-to-day work of projects and advocacy. He/she is normally responsible for the programme part of UNDP, the operational part, or both. Both Resident Representative and Deputy are international staff members, and are sometimes called Senior Management.

- Assistant Resident Representatives (ARR) report to the Deputy Resident Representative, and can be either international or national staff. Often, Assistant Resident Representatives look after a certain focus area or after the programme or operational side of a country office.

- International and National Officers (NO) and General Service (GS) personnel fill so-called "posts". Posts are defined through post descriptions (also called "Terms of Reference" or TORs in short). National Officers and General Service staff is recruited for a defined period of time, using a modality called Fixed-Term Appointment (FTA).

- Junior Professional Officers (JPOs) are university graduates with some working experience in the field of development. They are usually funded by their respective government. Currently 23 donor governments and one intergovernmental organization participate. ⇒www.jposc.org

- United Nations Volunteers (UNVs) serve the entire United Nations system. They are usually hired for donor-supported projects and programmes, or based in the country offices. United Nations Volunteers can be international or national specialists. ⇒www.unv.org

- Consultants provide specific advisory and training services to strengthen national skills. They are usually assigned to a specific project. Consultants can be hired for short term or long term assignments, and can be national or international.

- Service Contract (SC) holders are hired for activities which are not part of the central functions of UNDP. UNDP uses service contracts mainly for personnel on specific projects.

- Administrative support staff is recruited for administrative and logistical work that cannot be provided by the government. They include accountants, secretaries and drivers. Administrative support staff is paid according to the local salary scale.

- Interns are independent volunteers who offer their unpaid services to support development activities, while acquiring work experience. Interns can be national or international.

> **Answering questions**
>
> When you start working for UNDP, people will soon ask you about your work. Especially two questions come up frequently:
>
> "What does UNDP do?" It is helpful to think of a good and concise answer beforehand. Try not to use any UN lingo or abbreviations.
>
> Another frequent question is "Why isn't the UN doing something about …". The UN is "only" an association of member states, and it can only do what its members agree upon. In general, the public perception of the UN is very much focused on the Security Council, which is only one of many UN institutions. You can always quote Kofi Annan: "The United Nations is your instrument. It is the expression of your hopes and aspirations."

UNDP staff is organized into staff associations at the country level. At the global level, UNDP, UNFPA and UNOPS staff forms the staff council. Staff associations and the staff council promote and safeguard the rights, interests and welfare of staff. They also act as the channel of communication with UNDP's administration on matters concerning staff.

How does UNDP manage for results?

Prince2

Prince2 ⇒www.prince2.com is an international standard for project management. The Prince2 standard focuses on processes and provides an easily tailored and scaleable method for the management of all types of projects. Each process is defined with its key inputs and outputs together with the specific objectives to be achieved and activities to be carried out. It has been chosen to ensure a structured approach in managing UNDP's thousands of projects across the globe.

UNDP User Guide

While Prince2 provides the overall standard for UNDP's management for results, the recently launched UNDP User Guide ⇒content.undp.org/go/userguide/ describes the policies of UNDP in detail. It currently covers Partnerships Management, Financial Resources Management, Human Resources Management, Contract, Asset & Procurement Management and Results Management (which is publicly accessible online).

Atlas

A key tool in UNDP's attempt to boost the operational capacity is a comprehensive Enterprise Resource Planning (ERP). The system - adjusted specifically to UNDP's purpose - is called Atlas. To mark a departure from UNDP's bureaucratic designations, Atlas is not an abbreviation but stresses UNDP's global network approach.

The purpose of Atlas is to reengineer UNDP's business processes and to change the way how UNDP does business. The first "wave" of Atlas focused on the areas of finance, procurement and human resources. It was successfully rolled out globally in one "big bang" in 2004. Wave II of Atlas functionality is being rolled out incrementally rather than all at once. One of the key remaining reforms is UNDP's move from cash to accrual accounting. Apart from revenue management, Wave II focuses on bringing the entire workforce into a single system. It also includes revising the cost recovery policy of UNDP and integrating travel management, the second biggest operational cost in UNDP after salaries.

Surveys and scorecards

UNDP uses three surveys to ensure flow of critical information to headquarters. The annual Global Staff Survey asks a comprehensive range of questions about the relation between staff and management at all levels. It is an important tool to identify areas of concern, both by topic and by country office. The Country Office Survey of Headquarter Products and Services allows country offices to provide feedback on the services provided by units in New York. The External Partners Survey attempts to solicit feedback from UNDP's clients, the host governments, other UN agencies, donors, civil society and the private sector on how UNDP is doing.

In addition, UNDP uses balanced scorecards to review the performance of senior managers. The scorecard is based on a model developed at the Harvard Business School and includes data from surveys as well as financial and project data. It also shows how a country office is doing and how it compares to other offices in the region or elsewhere.

Logical frameworks and indicators

A key tool for project planning and management are logical frameworks (often called "logframes" or "Logical Framework Approach" or LFA). Logical Frameworks map out the causal linkages between inputs, activities, outputs, outcomes and impact. They force us to think logically and comprehensively, while being able to summarize our plans into a concise frame. UNDP uses a simplified version of the logical framework in the standard project format, called a "results framework". The main elements of a logical framework are:

- A chain of cause-effect relationship: What are the inputs (the resources, the time, the equipment, etc.) needed to realize planned activities? What activities will produce the intended outputs? What are the long-term outcomes expected at the end of the project and beyond? What is the long-term impact on the life of targeted people?

- Indicators are introduced to gauge progress on all levels of the cause-effect relationship.

- Means of verification (MoV) tell us where to look for updated data for the indicators.

- Because the cause-effect relationship happens in the real world, a set of critical assumptions are needed to better anticipate potential problems during the implementation.

While the logical framework is an excellent tool for planning and managing results, it has some weaknesses. It does, e.g., not capture the management of the project. An excellent overview of the logical framework approach can be found at ⇒www.ausaid.gov.au/ausguide/pdf/ausguideline3.3.pdf.

Indicators are signals that reveal progress towards results in terms of quality, quantity and timeliness. They are quantitative or qualitative variables that provide a simple and reliable basis for assessing performance and achievement. Since inconsistent indicators do more harm than good, the quality of indicators is extremely important. Good indicators should be:

- numeric: numbers, percentages and ratios are generally more sensible to change and less subjective
- objective: there must be a general agreement over interpretation of results not based on subjective judgements
- specific: in quantity, quality, time, location, target groups, baseline and target
- relevant: they must relate directly to the result they are measuring
- feasible: it must be possible to obtain the data needed, and in a cost-effective way

Commission on the Private Sector & Development

Economic growth rests at the core of the MDGs; without it, ending poverty will remain perpetually out of reach. Already, the pursuit of the goals is prompting exploration of new economic resources—including among small- and medium-sized enterprises. Their potential contributions to development have been overlooked, even as they often serve as a primary engine of job creation and domestic commerce.

At the UNDP Administrator's suggestion, the UN Secretary-General established the Commission on the Private Sector and Development, chaired by Canadian Prime Minister Paul Martin and former Mexican President Ernesto Zedillo. Managed by UNDP, the Commission's report details a range of actions that governments, public development institutions, the private sector, and civil society organizations can undertake to spur the growth of small and medium sized enterprises. ⇒www.undp.org/cpsd/

It is often difficult as well as expensive to measure precisely what you want to know. In other cases, UNDP is working towards a highly abstract result. In such cases, proxy indicators should be used. Proxy indicators stand in for an indicator that is difficult to measure directly or if the result is very abstract. For example, instead of measuring the increase in income of bee keepers, one could use the level of their expenditure as a proxy indicator. In order to measure the abstract result of the empowerment of women, the % of female parliamentarians can be used to gauge progress.

How does UNDP manage knowledge?

Knowledge is what people know. Knowledge management turns personal knowledge into corporate knowledge. It helps to connect people and information. Knowledge management makes it easier for staff members to access the best knowledge the organization has, and to access the best people to get a job done.

UNDP is currently moving towards becoming a knowledge-based organization. The goal of this shift is to capitalize on UNDP's global network and to better manage its knowledge of development work. What works? What does not work? What works where, and what works under what circumstances?

Knowledge networks

Drawing on UNDP's global presence, community networks of practitioners emerged over the last few years. Membership in these networks has soared to over 12.000, including UNDP staff, staff from other UN organizations and other development institutions. These vibrant networks are used for a variety of things: discussing current problems, asking for help or advice from colleagues, sharing reports and documents, etc.

Regional Centres

In response to the call for development reform, UNDP established Regional Centres to boost aid efficiency by providing policy advice and technical back stopping. By connecting the region to a global network of development experts and local knowledge, the Regional Centres help UNDP be more closely tuned in the development needs of the countries. Regional Centres also manage region-wide projects. Regional Centers currently operate in Bangkok ⇒regionalcentrebangkok.undp.or.th, Bratislava ⇒europeandcis.undp.org, Colombo ⇒www.undprcc.lk and Johannesburg ⇒www.undprsc.org.za/.

> **Having fun with abbreviations**
>
> Countless abbreviations are an annoying element of UNDP lingo. It's not uncommon to hear somebody say: "The RR wants the NPD to submit the FR to UNDP by EOB today". It might save time to use some well-known abbreviations for internal communication, especially in writing. But in order to communicate effectively with everybody who is not UNDP staff (and that is the majority of people), abbreviations are a nuisance.
>
> Say "the Millennium Development Goals". Then say "the MDGs". How much time did you gain, if any? And it makes non-UN staff roll their eyes. It also makes you look like a show-off.
>
> However, the reality is that you will come across many abbreviations in UNDP. But they are not a well-kept secret. Pick up ten or twenty as you go along, and you will be fine. For the rest, it's perfectly fine to ask what they stand for (and you might find that some people using them don't know what they really mean).
>
> You can find a brief list of abbreviations and acronyms in most official UNDP documents. For the more advanced, there is a UN multilingual terminology database, with 70,000 acronyms in the 6 official UN languages. ⇒unterm.un.org
>
> The creative use of abbreviations can also provide you with additional fun while still doing work. For example, UNDP's Sub-Regional Facilities were called SURFs. Accordingly, SURF's supervising board was called – well – SURF board.

Thematic centres

UNDP currently has three global thematic facilities to research and provide policy advisory services.

- The Oslo Governance Centre helps UNDP country offices to assist in democratic reforms necessary to achieve the MDGs, with a special emphasis on access to justice, human rights, civil society, access to information, and governance and conflict prevention. ⇒www.undp.org/oslocentre/

- The International Poverty Centre (IPC) fosters the capacity of developing countries to design and implement poverty reduction strategies. The centre opened in early 2004 and is based in Brasilia, Brazil. It concentrates on training high-level analysts and decision makers, supports South-South research on alternative anti-poverty strategies, and monitoring poverty and inequality. ⇒www.undp.org/povertycentre/

- The Drylands Development Centre specializes in assisting countries to fight poverty and encourage development in the drier parts of the world. The Centre is located in Nairobi, Kenya. ⇒www.undp.org/drylands/

Training programmes

The Leadership Development Programme (LEAD) is UNDP's fast-forward, intensive training programme for promising young staff under 35 years. It was introduced to rejuvenate UNDP management staff. The selection process is open to both UNDP staff and outsiders, and is highly competitive. The Leadership Development Programme includes at least two assignments of two to three years each, typically in UNDP country offices or regional centres. ⇒www.undp.org/ohr/lead/

The Virtual Development Academy (VDA) is a UNDP-tailored distance learning course in cooperation with the Jones International University. This internal training programme builds up the skills and competencies needed to provide expert policy advice to UNDP programme countries. The Virtual Development Academy is open to all staff. ⇒vda.undp.org/

Publications

UNDP and its administered funds produce a wide variety of publications that are available free of charge in electronic form at ⇒www.undp.org/publications/.

The Office of Development Studies (ODS) ⇒www.undp.org/ods/ focuses on providing forward-looking policy analyses, promoting research partnerships with leading think tanks around the world and on building bridges between policy analysis and policy-making. The Office of Development Studies publishes a number of though-provoking books, discussion papers, working papers and lecture series.

UNDP's Evaluation Office ⇒www.undp.org/eo/ publishes a number of evaluations as well as reports on development effectiveness. It also publishes the Essentials series which summarizes knowledge on what works from past experiences of UNDP and other development partners. ⇒www.undp.org/eo/essentials.htm

The Journal of Human Development provides perspectives on human potential, growth and markets. It focuses on multi-dimensional approaches to economic, social and political issues. The journal publishes original work that expands concepts and measurement tools for human development and that challenges traditional views of economics. Published since 2000, it targets policy makers, economists and academics. ⇒hdr.undp.org/publications/journal.cfm

How does UNDP manage its staff?

What types of contract are there?

UNDP works with a mix of contract types. The type of contract depends on a number of criteria, e.g. the legal basis or the duration of services. There are four basic types of contract:

- Fixed-term Appointments (FTA) contracts are used for core staff members. The basis for these appointments are the so-called 100/200 Series Staff Rules. Local salaries are established on scales based on best prevailing local conditions. International salaries are in line with the best comparator civil service.

- Activities of Limited Duration (ALD) contracts are used for non-career posts in UNDP. Their duration can range from six months to maximum four years. The legal basis for Activities of Limited Duration contracts are the 300 Series Staff Rules.

- Special Service Agreements (SSA) are used for very specific tasks which are limited in time. The duration of Special Service Agreements does not exceed eleven months, after which there is a mandatory break of four months. The salary is based on market conditions for a particular job.

- Service Contracts (SC) are used mainly for specific projects or for activities that are not an integral part of the work of UNDP's office.

Currently, UNDP has a total of 7000 international and national staff members on Fixed-term Appointments or Activities of Limited Duration contracts. The largest Regional Bureau is the Bureau for Africa and its country offices with more than 1800 employees. The average age of UNDP staff is currently 46 years. While the overall ratio of men versus women is practically 1:1, senior level posts are still predominantly male with 71%.

MillenniumProject

The Millennium Project was commissioned by the United Nations Secretary-General in 2002 to develop a concrete action plan for the world to reverse the grinding poverty, hunger and disease affecting billions of people.

Headed by Jeffrey Sachs, the Millennium Project is an independent advisory body and presented its final recommendations, Investing in Development: A Practical Plan to Achieve the Millennium Development Goals to the Secretary-General in January 2005.

⇒www.unmillenniumproject.org

How does UNDP assess staff performance?

The performance of all UNDP staff is evaluated on an annual basis. At the beginning of each year, staff members agree with their supervisor on five clear and concise key results, and five learning objectives. These plans are evaluated at the end of the year in a Results and Competency Assessment (RCA). This is an elaborate review process, including an assessment of the staff members' general performance. Staff members are evaluated on a five point scale from 1 ("outstanding") to 5 ("unsatisfactory performance"). To keep assessments comparable among different offices, they broadly follow a bell curve distribution. The Result and Competency Assessment serves as the basis for promotions and salary raises. The termination of contracts is based on this assessment as well.

Global resources

UNDP's global income has grown consistently since 2000 and stood at about $4 billion annually in 2004. The composition of UNDP's income, however, has changed radically over the last few years.

UNDP's regular resources ("core" resources") are voluntary contributions of member countries. From 1994 to 2001, there has been a steady decline in regular resources, leading to a funding crisis of UNDP. The seven-year downward trend in regular resources was reversed in 2001. Annual contributions to UNDP by member states now stand at $842 million annually. Long-term funding commitments made by several donor governments have helped increase the predictability of UNDP's regular funding base. While the turnaround in regular resources continues, UNDP is still far from achieving its $1.1 billion target for 2007. Regular resources constitute the bedrock of UNDP, and guarantee its universality, neutrality and independence. Other donor resources rose significantly in 2004 to $1.5 billion. Virtually all donors are active in co-financing UNDP programmes to complement UNDP's regular resources. Local resources - funds provided by governments of UNDP's host countries – have increased as well.

The relative decline of regular resources triggered a radical shift of UNDP's funding model: While regular resources accounted for 72% of UNDP'S income in 1990, they declined to 46% in 1999 and 21% in 2004. Increasingly, donors prefer to provide non-regular resources. It allows donors to earmark their donation to a particular country or to a particular area of interest. In addition, since regular resources pay for maintaining UNDP country offices, 35% of regular funding goes to overhead, as compared with typically 5% for non-regular resources.

> **Can we still afford the United Nations?**
>
> The entire UN system spends some $12 billion a year. Just over half of this amount comes from voluntary contributions from member states. The rest is received from mandatory assessments of those states. Mandatory assessments are calculated on the basis of their share of the world economy.
>
> One year of world military expenditures – some $800 billion – would pay for the entire UN system for more than 65 years.

Actual and Projected Resources, 1994–2004 (preliminary)
In millions of US dollars

= other sources of funds*
= local resources
= other donor resources
= UNDP regular resources
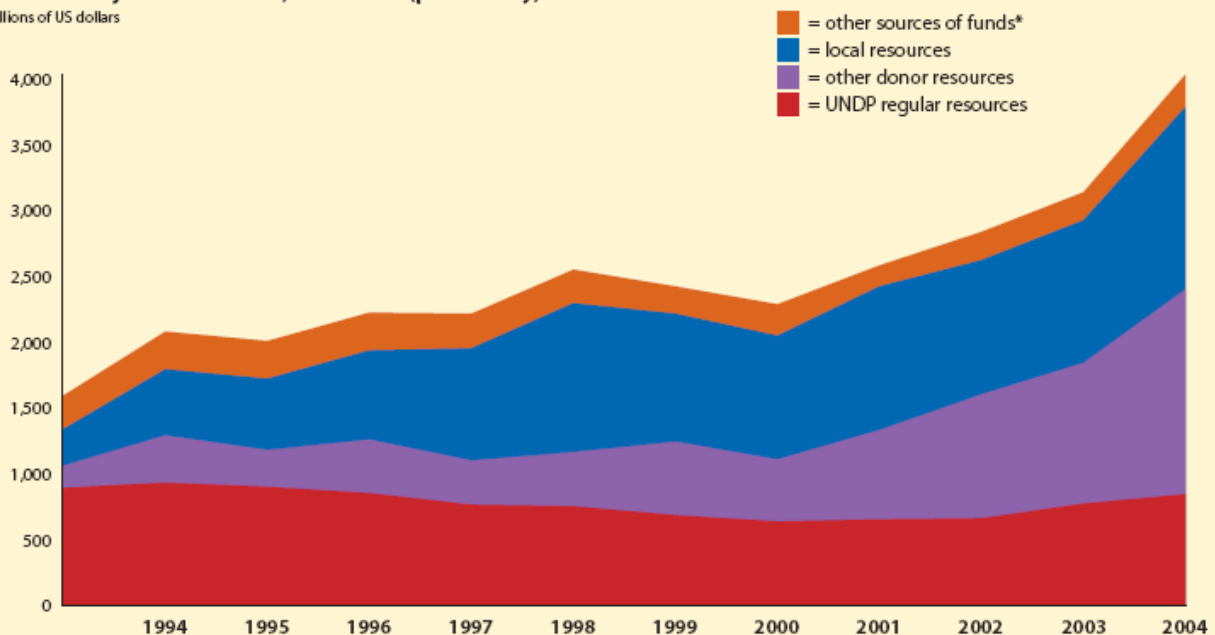
* Includes income of administered funds (UNCDF, UNIFEM and UNV), extra-budgetary resources, miscellaneous income and management service agreements.

Source: BRSP, UNDP

Types of funding

UNDP's regular resources

Regular resources are the voluntary contributions by UN member States. They are also called core resources or Target for Resource Assignment from the Core (TRAC in short). UNDP's current global business plan foresees an increase of annual regular resources from $769 million in 2004 to $1.1 billion in 2007. The largest contributors to UNDP's regular resources in 2004 were the United States, Norway, the Netherlands, Japan and Sweden. The largest contributors to other resources are the European Commission, the United Kingdom and the United States.

Country offices and headquarters are provided with at least $350,000 yearly from regular resources to fund a base structure. The base structure centers on the fundamental functions that UNDP is mandated to fulfill, in particular as custodian of the resident coordinator system for the entire UN. These functions do not change with the volume of resources managed and are considered fixed costs. All country office costs above the base structure are split proportionally between regular and other resources. A part of the regular resources are held back by UNDP to address special development needs of countries in crisis, or to prevent a severe crisis from happening.

Programme country cost-sharing

Many developing countries contribute to UNDP's activities on the ground by sharing a portion of the costs. In this case, governments allocate their own funds to a UNDP-sponsored project. These funds are fully integrated into UNDP's budget process, and UNDP recovers the costs incurred for handling these funds. Cost-sharing by programme countries is particularly strong in Central and Latin America, particularly in Argentine, Brazil, Honduras and Panama.

Gross Income Received in 2004 (preliminary)
Ranked by top contributors to regular resources.* In millions of US dollars

Donors	Regular resources	Other resources
United States	98.71	144.67
Norway	97.77	73.58
Netherlands	93.74	83.27
Japan	86.77	92.57
Sweden	85.19	64.77
United Kingdom	72.31	161.06
Denmark	60.28	27.09
Canada	47.88	50.25
Switzerland	41.27	15.86
Germany	33.25	23.24
France	20.06	9.36
Italy	18.27	51.88
Finland	17.15	11.56
Belgium	15.87	21.08
Ireland	15.79	10.10
Spain	8.15	1.43
Austria	5.48	2.83
Australia	5.03	11.91
India	4.57	0.18
New Zealand	4.27	6.88
China	3.20	1.38
Saudi Arabia	2.00	7.69
Republic of Korea	2.00	1.18
Portugal	1.60	2.33
Luxembourg	1.39	2.87
Cuba	1.35	—
Mexico	1.00	2.64

*All donors to regular resources contributing $1 million or more.
Note: The European Commission is a major source of non-core funding to UNDP. In 2004, it provided $226.5 million.

Source: BRSP, UNDP

Third-party co-financing

Under a third-party co-financing agreement, a bilateral donor government, an international financial institution, or a private entity contributes funds to individual projects. Third-party co-financing can also fully fund a project, in which case it is called 100 percent cost-sharing.

Trust funds are a mechanism established to receive contributions from one or several governmental or non-governmental donors, including private corporations and individuals. They are specific in supporting a certain

theme, a particular project, a certain country or region. Large trust funds are the Electricity Network Rehabilitation Programme for Iraq (ENRP) ⇒www.enrp.undp.org/ and the Global Environment Facility (GEF).

To reverse the downwards trend in donor contributions and to allow donors better targeting and clearer results, UNDP introduced Thematic Trust Funds (TTFs) for its five focus areas. These trust funds finance short (normally one year) interventions with a clear impact in response to country-level needs and demands. Donors are able to contribute resources specifying the type of service, the regions, the countries, or a combination thereof. The Thematic Trust Funds are a flexible co-financing modality with rapid approval and swift disbursement of funds. Most of the Thematic Trust Funds give priority to low-income countries, Least Developed Countries (LDCs), and Africa in general. A small proportion is used for global and regional initiatives. These funds are highly competitive. Once a Thematic Trust Fund announces a disbursement, country offices submit short, one-page proposals. These proposals are evaluated by UNDP's Bureau for Development Policy, and awarded on a competitive basis. The Bureau has the overall responsibility for the management of Thematic Trust Funds. Among the Thematic Trust Funds, the funds for Post Conflict and Recovery and for Democratic Governance are currently the largest.

Local Resources—Top 10 Programme Countries 2004 (preliminary)
In millions of US dollars

Source: BRSP, UNDP

Parallel financing

Parallel financing happens when other donors join UNDP in a common programme or project but administer their resources separately. These resources are managed by the respective donors themselves, and do not enter in UNDP accounts. However, UNDP generally prefers a common management of funds rather than parallel financing.

Providing development services

An additional source of resources for UNDP is its role as a provider of development services. Since 1998, UNDP recovers additional costs incurred in managing programmes and projects at the request of the executing organization. This is the case when UNDP's support clearly involves identifiable and additional costs to the office. These additional costs are debited to the project. It is important that the government agrees with this prior to UNDP's additional support. For example, a ministry is not able to identify and import heavy machinery and asks the UNDP country office to do this for them. UNDP agrees, provided that a certain amount of overhead can be charged to the project to cover UNDP's additional costs.
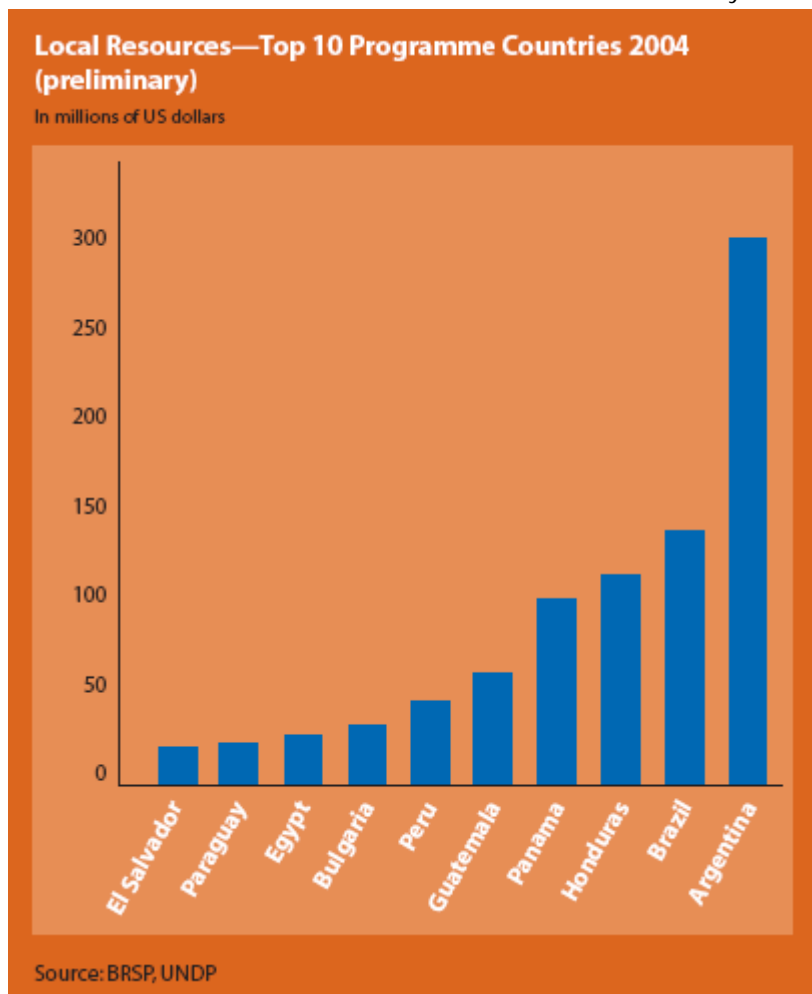
Key concepts and buzzwords

The following pages describe concepts or buzzwords currently in fashion which have not been discussed in the guide. You will inevitably come across them when working for or with UNDP.

Best practice
Best practices (or good practices) are projects and advocacy which have proven successful in the past or in other countries. Unfortunately, there is little information on examples of worst practice, although it could be equally important to learn how absolutely not to do things.

Civil society
The civil society comprises of organizations in between the family structure and the state structure. Civil society organizations include Non-Governmental Organizations (NGOs), but also independent media, religious organizations, business associations, etc. A developed civil society is mostly seen as something positive, because is allows individuals to freely associate themselves, thereby expressing their own ideas, wishes, and interests.

Comparative advantage
If an organization has an advantage of some sort to carry out an activity in comparison to other organizations, this is called comparative advantage. UNDP, e.g., can have a comparative advantage over bilateral donors in cases where a neutral broker is called for, or where a global network can add additional value in successfully implementing activities.

Efficiency and effectiveness
Efficiency is to do something in the shortest time possible. Effectiveness is doing something in the best way possible. Efficiency and effectiveness are often used in tandem (as in "the efficient and effective implementation of the project").

Empowerment
This concept stipulates that people should become active agents of change. They should be able to take part in, or directly influence, the decision-making that vitally affects their lives.
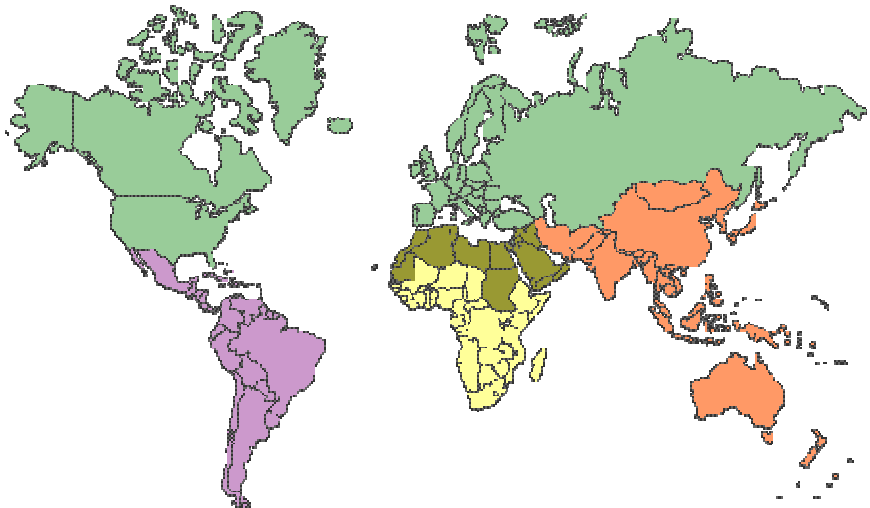
Least Developed Countries
Least Developed Countries (LDC) are defined by three characteristics: low income, weak human resources, and economically vulnerable. In the late 1960s, the United Nations began paying special attention to Least Developed Countries recognizing those countries as the most vulnerable of the international community.

Lump-sum
Instead of complicated calculations of costs, a total amount is agreed upon beforehand, and paid out if the product is delivered. For example, instead of calculating the exact air fee and reimburse to a staff member, a lump-sum can be paid up front. The staff member then purchases the ticket him/herself.

Mainstreaming
If an issue is "mainstreamed", it is included as an element into most projects, instead of designing a project which specifically targets this issue. Gender, human rights and Information and Communication Technology are all mainstreamed in UNDP. However, there is a certain danger that mainstreaming dilutes development concerns, and these concerns were only nominally included in projects to please donors or headquarters.

National ownership
National ownership implies that programme countries assume principal responsibility for their development agenda. It exists, e.g., if government officials speak of "their" project rather than about a "UNDP project".

Overhead
If an organization is asked to support an activity, a certain percentage or a lump sum will be charged to cover administrative and other expenses that are incurred.

Participation
The participatory approach in development demands that people who are affected by an activity should also have a say in its implementation. It is also used as a particular way of doing things ("participatory").

Peer review
Peers are colleagues. A peer review is a review among colleagues on a similar level. For example, a programme officer can submit a draft document to one of UNDP's networks, and other programme officers (the peers) will review it.

Pipeline
Projects ideas and projects at various stages of formulation are called the project pipeline. While the soft pipeline is mere ideas and initial concepts, projects in the hard pipeline are close to being formulated and approved.

Portfolio
A portfolio is a set of (mostly related) projects and programmes which are looked after by a programme officer.

Procurement
When UNDP buys goods or services from commercial companies, this is called procurement. UNDP has rules and regulations governing procurement to ensure the best possible use of UNDP resources.

Stakeholders
A stakeholder is a person with an interest (a "stake") in a project or a development activity. Generally the stakeholders include the people directly affected by an activity, the government, development partners and UNDP.

Strategic partnerships
Over the past several years, UNDP has made significant progress in strengthening its international partnerships and marshalling the resources it needs to support progress toward the Millennium Development Goals. In early 2000, UNDP created the Bureau for Resources and Strategic Partnerships to coordinate and nurture its working relationships with donor countries, civil society organizations, international financial institutions, regional development banks, the private sector and rest of the UN system.

Sustainability
Sustainable development is development that lasts. In providing opportunities for the current generation, resources should not be allocated in such a way that would compromise the capacity of future generations to sustain at least the same level of human development. In a project context, sustainability demands that a project activity, output or outcome should continue after the project comes to an end.

Technical Cooperation among Developing countries
Called TCDC, the premise is that cooperation between developing countries can sometimes be more effective and efficient then cooperation with a highly developed country. It is also sometimes called South-South Cooperation.

Up-stream and down-stream
Down-stream activities include direct contact with the people who will subsequently benefit. Upstream activities, on the contrary, work on a policy level, and are much more abstract and indirect. While most UNDP country offices use a mix of both, the focus in UNDP is on up-stream activities. For example, to support the reconstruction of roads is down-stream work. Providing the support to establish a media law would be an up-stream activity.

Thomas Winderl
thomas@winderl.net
31.05.2006