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UNDP institutional budget estimates for 2012-2013

Report of the Administrator

Summary

The present document contains the UNDP institutional budget estimates and related proposals for 2012-2013 in the results-based format. It underpins and forms an integral part of the extended UNDP strategic plan, 2008-2013, and of the midterm review, as approved by the Executive Board in decisions 2007/32, 2008/15, 2009/9 and 2011/14. It is also informed by the UNDP agenda for organizational change launched in April 2011.

The estimates were formulated in line with Executive Board decisions 2010/32 and 2011/10. These decisions approved the harmonized approaches for cost classification and results-based budgeting within the context of the joint road map to an integrated budget for UNDP, UNFPA and the United Nations Children's Fund (UNICEF).

The UNDP institutional budget estimates for 2012-2013 reflect an unprecedented level of $120.1 million, or 12.3 per cent in volume reductions, in comparison to the 2010-2011 gross budget of $980.9 million approved in Executive Board decision 2010/1. These reductions offset $31.1 million (3.2 per cent) in non-discretionary cost increases and $40 million (4.1 per cent) in proposed investments, resulting in a net budget reduction of $49.3 million or 5.0 per cent. This reflects the ongoing need to exercise budgetary discipline. This also acknowledges the importance of continually investing in the organization in order to ensure accountability for the resources placed at the disposal of UNDP, as well as for the revised results approved in the midterm review of the strategic plan. Thus, in gross terms, the UNDP institutional budget estimates for 2012-2013 are $931.9 million. An increase of $0.3 million in income that offsets the gross budget estimates is also projected, raising total income offsets to $75.4 million. Thus, in net terms, the UNDP institutional budget estimates for 2012-2013 are $856.5 million.

In addition, as has been the case in the past two budgetary periods, the Administrator requests exceptional authority during 2012-2013 to disburse, if needed, up to $15 million in regular resources for security measures, the use of which would be limited to new and emerging security mandates as defined in United Nations Department of Safety and Security directives.

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Contents

ORGANIZATIONAL CHART

Executive Office

	10/11	Change	12/13
ADM/USG	2	-	2
D-2	2	-	2
D-1	2	(1)	1
Other IP	5	2	7
All Other	7	-	7

UNDP, Africa - HQ

	10/11	Change	12/13
ASG	1	-	1
D-2	1	(1)	-
D-1	3	-	3
Other IP	9	1	10
All Other	9	-	9

UNDP, Arab States - HQ

	10/11	Change	12/13
ASG	1	-	1
D-2	1	-	1
D-1	2	-	2
Other IP	2	1	3
All Other	5	-	5

UNDP, Asia and the Pacific - HQ

	10/11	Change	12/13
ASG	1	-	1
D-2	1	-	1
D-1	3	-	3
Other IP	5	1	6
All Other	7	-	7

UNDP, Europe and the CIS - HQ

	10/11	Change	12/13
ASG	1	-	1
D-2	1	-	1
D-1	1	-	1
Other IP	5	1	6
All Other	7	(1)	6

UNDP, Latin America and the Caribbean - HQ

	10/11	Change	12/13
ASG	1	-	1
D-2	1	-	1
D-1	1	-	1
Other IP	3	-	3
All Other	3	-	3

UNDP, Africa - CO

	10/11	Change	12/13
D-2	15	-	15
D-1	42	-	42
Other IP	105	(5)	100
All Other	815	(1)	814

UNDP, Arab States - CO

	10/11	Change	12/13
D-2	7	1	8
D-1	13	1	14
Other IP	24	(2)	22
All Other	192	(4)	188

UNDP, Asia and the Pacific - CO

	10/11	Change	12/13
D-2	11	(1)	10
D-1	23	-	23
Other IP	40	(5)	35
All Other	535	(9)	526

UNDP, Europe and the CIS - CO

	10/11	Change	12/13
D-2	3	(1)	2
D-1	19	1	20
Other IP	28	-	28
All Other	254	(12)	##

UNDP, Latin America and the Caribbean - CO

	10/11	Change	12/13
D-2	7	(1)	6
D-1	22	1	23
Other IP	20	(1)	19
All Other	205	(12)	193

Headquarters Central

	10/11	Change	12/13
D-2	-	-	-
D-1	-	-	-
Other IP	-	-	-
All Other	2	-	2

Country Office Central

	10/11	Change	12/13
D-2	2	1	3
D-1	3	-	3
Other IP	49	(3)	46
All Other	132	27	159

United Nations Capital Development Fund (UNCDF)

	10/11	Change	12/13
D-2	1	-	1
D-1	3	-	3
Other IP	7	-	7
All Other	5	-	5

United Nations Volunteers (UNV)

	10/11	Change	12/13
D-2	1	-	1
D-1	3	-	3
Other IP	20	-	20
All Other	154	(1)	153

Special Unit for South-South Cooperation (SUSSC)

	10/11	Change	12/13
D-2	1	-	1
D-1	1	-	1
Other IP	4	-	4
All Other	3	-	3

Office for Audit and Investigations

	10/11	Change	12/13
D-2	1	-	1
D-1	2	-	2
Other IP	38	-	38
All Other	11	-	11

Evaluation Office

	10/11	Change	12/13
D-2	1	-	1
D-1	1	-	1
Other IP	15	-	15
All Other	6	-	6

Ethics Office

	10/11	Change	12/13
D-2	-	-	-
D-1	1	-	1
Other IP	1	-	1
All Other	1	-	1

United Nations Development Operations Coordination Office

	10/11	Change	12/13
D-2	1	-	1
D-1	1	-	1
Other IP	2	-	2
All Other	7	(1)	6

Human Development Report Office

	10/11	Change	12/13
D-2	Funded from Programme Resources		
D-1			
Other IP			
All Other			

Partnerships Bureau

	10/11	Change	12/13
D-2	3	-	3
D-1	8	-	8
Other IP	31	(1)	30
All Other	32	1	33

Bureau of Management

	10/11	Change	12/13
ASG	1	-	1
D-2	5	-	5
D-1	12	-	12
Other IP	53	10	63
All Other	49	4	53

Bureau for Development Policy

	10/11	Change	12/13
ASG	1	-	1
D-2	6	-	6
D-1	4	-	4
Other IP	15	(2)	13
All Other	11	-	11

Bureau for Crisis Prevention and Recovery

	10/11	Change	12/13
ASG	1	-	1
D-2	1	-	1
D-1	5	-	5
Other IP	16	1	17
All Other	10	-	10

Table 1. Resource plan

(in millions of dollars, nominal)

	2010 (actuals) + 2011 (estimates)							2012-2013 (planned)						
	Regular resources	Regular (Other income utilization) resources a/	Bilateral/ Multilateral resources	subtotal Donor resources	Local resources	Total resources		Regular resources	Regular (Other income utilization) resources a/	Bilateral/ Multilateral resources	subtotal Donor resources	Local resources	Total resources	
1. Resources available														
Opening balance b/	353.5	-	2,782.5	3,136.0	889.0	4,025.0		263.0	-	2,171.0	2,434.0	728.3	3,162.3	
Income and adjustments				-		-								
Contributions	1,967.0	-	6,310.0	8,277.0	1,531.0	9,808.0		2,150.0		5,950.0	8,100.0	1,500.0	9,600.0	
Other c/	(90.5)	73.0	49.5	32.0	22.2	54.2		(72.0)	75.4	49.5	52.9	22.2	75.1	
Reimbursement for services to other United Nations organizations	-	-	50.8	50.8	-	50.8				50.2	50.2	-	50.2	
Total available	**2,230.0**	**73.0**	**9,192.8**	**11,495.8**	**2,442.2**	**13,938.0**		**2,341.0**	**75.4**	**8,220.7**	**10,637.1**	**2,250.5**	**12,887.6**	
2. Use of resources							% of Total							% of Total
Development activities														
A.1 Programmes	1,072.8	-	6,455.6	7,528.4	1,606.8	9,135.2		1,141.4		7,494.4	8,635.8	1,391.5	10,027.3	
A.2 Development effectiveness	186.6	-	86.5	273.1	19.0	292.1		192.2		98.4	290.6	16.2	306.8	
Subtotal development activities (A.1 + A.2)	**1,259.4**	**-**	**6,542.1**	**7,801.5**	**1,625.8**	**9,427.3**	**87.49%**	**1,333.6**	**-**	**7,592.8**	**8,926.4**	**1,407.7**	**10,334.1**	**88.11%**
United Nations development coordination activities														
B.1 Country Offices support	161.5	-	108.9	270.4	11.4	281.8		168.3		80.2	248.5	9.3	257.8	
B.2 Headquarters support (Development Operations Coordination Office)	3.2	0.2	1.2	4.6	-	4.6		3.2	0.3	2.1	5.6	-	5.6	
Subtotal United Nations development coordination activities (B.1 + B.2)	**164.7**	**0.2**	**110.1**	**275.0**	**11.4**	**286.4**	**2.66%**	**171.5**	**0.3**	**82.3**	**254.1**	**9.3**	**263.4**	**2.25%**
Management activities														
C.1 Recurring	484.5	67.6	299.5	851.6	76.0	927.6		529.9	68.4	333.9	932.2	73.8	1,006.0	
C.2 Non-recurring	16.2	-	2.8	19.0	0.7	19.7		10.0		-	10.0	-	10.0	
Subtotal management activities (C.1 + C.2)	**500.7**	**67.6**	**302.3**	**870.6**	**76.7**	**947.3**	**8.79%**	**539.9**	**68.4**	**333.9**	**942.2**	**73.8**	**1,016.0**	**8.66%**
Special purpose activities														
Capital investments														
D.1 Headquarters telephone system replacement	4.0	-	-	4.0	-	4.0		-						
D.2 Atlas human resource module upgrade	1.1	-	-	1.1	-	1.1		-						
Subtotal Capital investments (D.1 + D.2)	5.1	-	-	5.1	-	5.1		-	-	-	-	-	-	
Non-UNDP operations administered by UNDP														
E.1 United Nations Volunteers	29.0	5.0	15.8	49.8	-	49.8		27.7	6.1	23.2	57.0	-	57.0	
E.2 United Nations Capital Development Fund	8.1	0.2	-	8.3	-	8.3		7.9	0.6		8.5	-	8.5	
E.3 Reimbursable services to other United Nations organizations	-	-	51.5	51.5	-	51.5		-		50.2	50.2	-	50.2	
Subtotal non-UNDP operations administered by UNDP (E.1 + E.2 + E.3)	37.1	5.2	67.3	109.6	-	109.6		35.6	6.7	73.4	115.7	-	115.7	
Subtotal special purpose activities (D+E)	**42.2**	**5.2**	**67.3**	**114.7**	**-**	**114.7**	**1.06%**	**35.6**	**6.7**	**73.4**	**115.7**	**-**	**115.7**	**0.98%**
Total use of resources (A+B+C+D+E)	**1,967.0**	**73.0**	**7,021.8**	**9,061.8**	**1,713.9**	**10,775.7**	**100.00%**	**2,080.6**	**75.4**	**8,082.4**	**10,238.4**	**1,490.8**	**11,729.2**	**100.00%**
3. Balance of resources	**263.0**	**-**	**2,171.0**	**2,434.0**	**728.3**	**3,162.3**		**260.4**	**-**	**138.3**	**398.7**	**759.7**	**1,158.4**	

a/ Includes government contributions towards local office costs (GLOC), income the United Nations Volunteers programme derives from providing volunteers to United Nations organizations, and an accounting linkage to offset the cost of reimbursing income taxes paid by United Nations staff on their salaries.

b/ Opening balance for 2010/2011 has been revised to reflect actual amounts recorded in the UNDP 2008-2009 audited financial statements.

c/ Includes interest, miscellaneous income and adjustments related to foreign exchange gains/loss, operating reserve increases/decreases, and miscellaneous expenditures.

I. Strategic context

1. As stated in the "Midterm review of the UNDP strategic plan and annual report of the Administrator" (DP/2011/22): "UNDP's primary contribution to advancing human development is through programming that supports inclusiveness, resilience and sustainability in the face of fast-changing international and national conditions." Furthermore, "UNDP's contribution to human development rests on its cross-cutting development mandate and on its role as an impartial multilateral partner offering universal presence. It contributes in country, regional and global arenas, drawing on both the breadth and the depth of its presence and knowledge to offer policy and programmatic options that are tailored to reflect the needs and priorities of partners."

2. In view of the above, the midterm review of the strategic plan established four over-arching priorities for the next 3-5 years (2011-2016), priorities which cut across UNDP practice areas and which will be subject to annual review and reassessment as preparations commence for the next strategic plan (2014-2017). These priorities are: (i) promoting growth and development which are inclusive, resilient and sustainable through the strengthening of key enabling conditions for accelerating progress towards achievement of the Millennium Development Goals (MDGs); (ii) scaling up and reinforcing governance and crisis support to programme countries; (iii) strengthening knowledge-sharing and strategic programming to support transformational change; and (iv) ensuring a UNDP that is fit for purpose in the twenty-first century, to include enhanced organizational effectiveness and improved overall coordination of the United Nations development system.

3. The midterm review of the strategic plan also emphasized that "UNDP staff are the principal asset and backbone of the organization". It highlights the need to further strengthen strategic human resources management so that skills mix and staff capacity mirror corporate requirements. This is of critical importance to a knowledge-based organization which provides policy advisory services and advocates for human development. UNDP is developing a people capability strategy to identify the size, shape and skills mix of its future workforce. In order to have the right people in the right place at the right time, career paths in policy, programme and corporate services, with the right incentives, will be developed and supported through professional skills development, leadership and mentoring programmes.

4. The UNDP "agenda for organizational change", which the Administrator launched in April 2011, is expected to re-energize the organization to successfully implement the recommendations of the midterm review of the strategic plan. It will do so by further strengthening UNDP in its role as a world class, solutions-oriented and knowledge-based organization which helps developing countries make transformational change and helps channel the strengths of the entire United Nations development system to that end. The change agenda acknowledges that institutional renewal is a high priority for UNDP, especially in view of the rapid and large-scale changes under way in development cooperation, and the questions being posed about the ongoing role of multilateral cooperation in general, and the specific role of UNDP in this regard. It recognizes that UNDP has to be: more focused on what services are most needed and where; more consistent in the quality and effectiveness of its work; and more agile in retaining its lead role in a crowded development space.

5. The change agenda is based on improved functionality and results in three cross-cutting areas: internal governance; organizational effectiveness; and leadership, culture and behavior. More specifically, the expected outcomes of the change agenda are:

(a) A culture of and capability for strategic planning and management that matches resources and action to clear priorities.
(b) A service offering tailored to differentiated country requirements.
(c) A workforce with upgraded skills delivering policy advice comparable to the best peer institutions.

(d) Programme design and management that is transparent and meets standards of design, quality, cost and leadership.

(e) Business and compliance processes that are faster, lower cost and higher quality.

(f) Stronger collaboration with existing partners and a step change in partnership with the global South and other stakeholders.

6. During 2012-2013, the highest priority for UNDP, together with the formulation of the 2014-2017 strategic plan, will be to accelerate implementation of the "Agenda for Organizational Change" as informed by the guidance provided by the Executive Board in decision 2011/14. Accordingly, the 2012-2013 institutional budget estimates and related proposals of the Administrator will directly support strategic plan formulation and the change agenda in three major ways: (i) by delivering strategic institutional results that serve as prerequisites for, and thus underlay and mutually reinforce, the achievement of strategic development results: (ii) by further investing strategically in the organization; and (iii) by identifying increased opportunities for improved operational effectiveness and efficiency. Ultimately, the overall objective is to accelerate the "lifting of UNDP performance from good to great" in order to best help programme countries meet development objectives on the ground.

7. Lifting UNDP performance from good to great is a dynamic process that will never be completely finished. It will require continuous organizational refinement and investment, if UNDP is to be fit for purpose. It will require differentiated, demand-driven services that move away from a one size fits all approach, if UNDP is to effectively respond to increasingly complex demands. It will require differentiated structures and country-level presences that are not formula based, if UNDP is to continue to effectively coordinate development activities on behalf of the United Nations system. It will require predictability and flexibility in the allocation of resources, if UNDP is to rapidly and strategically prioritize and deploy sufficient resources to where they are needed most. In summary, it will require a strategically positioned, adequately funded, and agile UNDP that can, in coordination with diverse development partners, effectively help a broad spectrum of programme countries arrive at viable policy options and concrete plans to anticipate and act on the multitude of complex challenges confronting human development.

8. The 2012-2013 institutional budget forms an integral part of the strategic plan. The revised, strategic institutional results framework approved therein reflects the harmonized cost classifications approved in decision 2010/32 and presents planned management, United Nations development coordination, development effectiveness and special purpose results and indicators in line with decision 2011/10. This serves as the centrepiece of the 2012-2013 institutional budget with respect to results-based planning and budgeting as elaborated on in paragraphs 23 to 83 and table 2. Similarly, the high-level resource projections for both regular and other resources for 2012-2013 approved in the midterm review of the strategic plan are fully reflected in the 2012-2013 institutional budget. They form the foundation for the budgetary estimates and proposals included in the 2012-2013 resource plan presented in table 1 and elaborated on in paragraphs 10 to 22.

9. The "road map to an integrated budget from 2014 onwards" serves as the guide for achieving overall budgetary transparency and integration, as well as optimal harmonization and comparability with UNICEF and UNFPA. This is accomplished through enhanced approaches in the areas of cost classification, results-based budgeting, cost recovery and the compilation and presentation of budgetary information. UNDP is well on track to present an integrated budget from 2014 onwards as reflected in Executive Board decision 2011/10 and the joint Board informal consultations at which the substance, direction and delivery date of the road map have been discussed. Ultimately, the integrated budget will incorporate into one planning and budgetary framework the planning and resources for the institutional results currently reflected in the institutional budget, and the planning and resources for the development results currently reflected in the programming arrangements.

II. Financial context

Overview

10. The resource plan for 2012-2013 is presented in table 1. In order to provide the most current information available for 2010 and 2011, actual figures for 2010 and revised estimates for 2011 have been combined and reflected therein for comparative purposes. These figures are drawn from summary table 1 which provides, as requested by the Executive Board, a comparison of the resource plan for 2010-2011 approved in decision 2010/1 with 2010 actual and 2011 revised, combined estimates.

11. Table 1 reflects a regular resources contribution estimate of $2.15 billion for 2012-2013 as approved in the midterm review of the strategic plan. This represents a $0.18 billion nominal increase over the most current 2010-2011 income projections of $1.97 billion. However, this also represents a $0.2 billion decrease when compared to initially planned 2010-2011 regular resources contributions of $2.35 billion contained in summary table 1.

12. UNDP needs an adequate, predictable base of regular resources in order to fulfill its mandate and preserve its multilateral, impartial and universal character in supporting programme countries in achieving their development goals. Restoring the growth and enhancing the predictability of the regular funding of United Nations development activities has been discussed widely, including in the context of the most recent triennial comprehensive policy reviews and the corresponding General Assembly resolutions 56/201, 59/250 and 62/208. However, the global economic crisis and the volatile exchange-rate environment continue to pose challenges, especially with respect to the strategic direction and sustainability of the organization. The strategic plan could be at risk if voluntary contribution levels fail to reach the targets established in the revised integrated resources framework presented in DP/2011/22. The consequences of such a shortfall go beyond UNDP, as the shortfall also threatens the ability of the organization to sustain a strong global platform and country presence on behalf of the United Nations system.

13. In light of the above, the Administrator is proposing an unprecedented $120.1 million or 12.3 per cent in volume reductions in comparison to the 2010-2011 gross budget appropriation of $980.9 million approved in decision 2010/1. These reductions offset $31.1 million (3.2 per cent) in non-discretionary cost increases and $40 million (4.1 per cent) in proposed investments, resulting in a net budget reduction of $49.3 million (5.0 per cent). In gross terms a $931.9 million institutional budget is proposed for 2012-2013, against which income offsets of $75.4 million are projected, resulting in a proposed net institutional budget for 2012-2013 of $856.5 million.

14. This proposal highlights the need to exercise budgetary discipline through the containment of management costs and increased efficiency, which in turn should serve to maximize resources available for development activities. Ultimately, this proposal is expected to strike the right balance to ensure maximum accountability for the resources placed at the disposal of UNDP and the results outlined in the extended strategic plan.

15. The $120.1 million in gross volume decreases are the result of an organizational reduction strategy, approved by the Administrator, to arrive at a reasonable and equitably distributed level of volume reductions. Proposed reductions relate to: (i) improved operational effectiveness, including freezing of positions; (ii) the completion of one-time investments financed during 2010-2012; (iii) shifting of costs to extrabudgetary resources to improve burden-sharing as repeatedly called for by the Executive Board in decisions 2005/33, 2006/30, 2007/18, 2008/1 and 2010/1; and (iv) enhanced transparency in the attribution of centrally managed costs. The Administrator has determined that absorption of reductions beyond the proposed level of $120.1 million would have negative implications for UNDP and would jeopardize

success in the implementation of its dual development and coordination mandates through its universal presence.

16. The estimated statutory cost increases of $31.1 million are due primarily to the impact of inflation on post adjustments and other entitlements, as well as normal within-grade salary increments and revisions. These cost increases result from United Nations system-wide standards, directives and calculations that are promulgated through the International Civil Service Commission (ICSC). As such, they are non-discretionary and must be respected.

17. The Administrator has identified several key areas for investment during 2012-2013 in response to organizational priorities and needs as set forth in the strategic plan. These are summarized below and elaborated on in paragraphs 96 to 118:

(a) Implementing the change agenda, with an emphasis on stronger internal strategic planning and management capability, and improved results-based management practices to support formulation of the next strategic plan and results frameworks.

(b) Strengthening strategic human resources management in line with the change agenda, with an emphasis on workforce and job analytics and talent management;

(c) Increasing support to countries undergoing fragile transitions, with an emphasis on Southern Sudan and the Arab States region.

(d) Framing the global development agenda, with an emphasis on accelerating the achievement of the MDGs, preparing for the United Nations Conference on Sustainable Development (Rio+20) and implementing the International Aid Transparency Initiative.

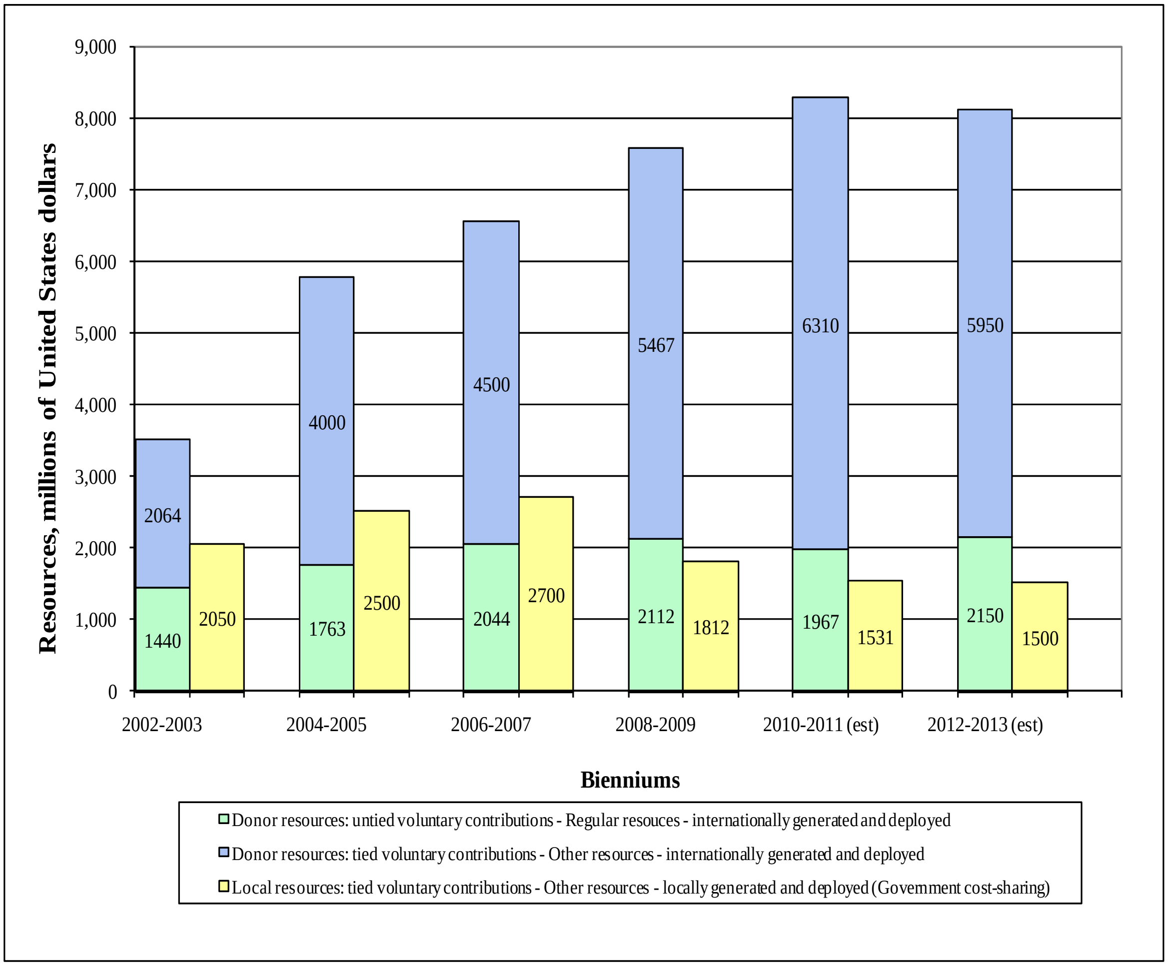
(e) Enhancing corporate value-added services and accountability, with an emphasis on International Public Sector Accounting Standards (IPSAS) implementation, strategic business information, streamlined business processes and strengthened investigative capacity.

Resource projections

18. Figure 1 provides an overview of actual and 2012-2013 estimated contributions, by funding category, over six bienniums. In nominal terms, regular donor resources are projected at $2.15 billion for 2012-2013. Other donor resources, for trust funds and cost sharing, are projected to decrease nominally by about $0.36 billion (6 per cent) from current estimates of $6.3 billion for 2010-2011, to $5.95 billion for 2012-2013. Local resources provided by host governments are also expected to decrease nominally by about $0.03 billion (2 per cent) to $1.5 billion in 2012-2013. Aggregate donor and local contributions for the 2012-2013 biennium are estimated at $9.6 billion, $0.2 billion less than 2010-2011 estimates.

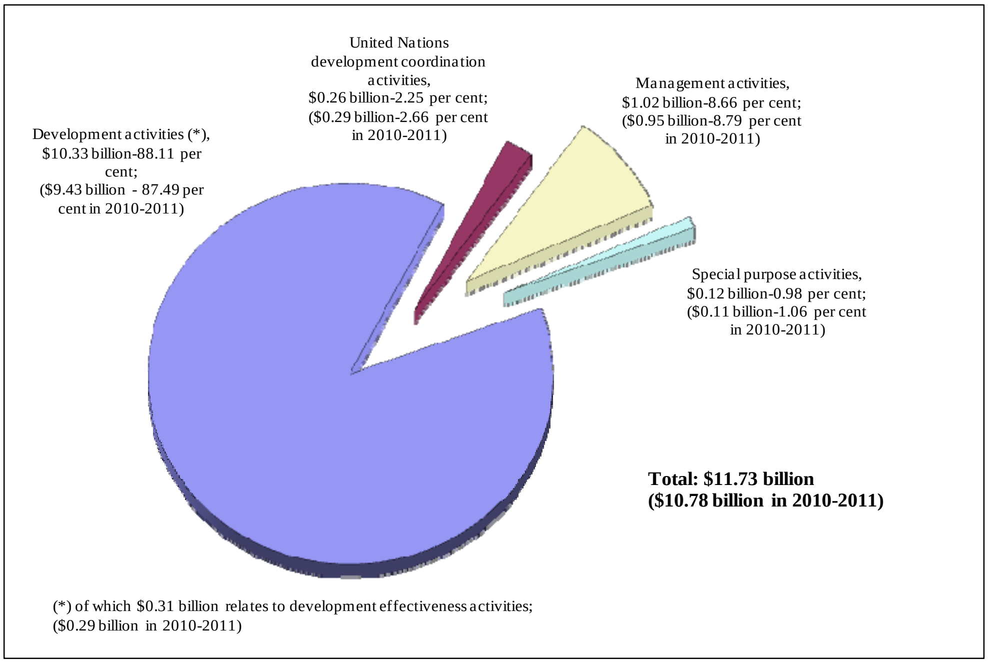
Figure 1. Contributions, by funding category, 2002-2003 to 2012-2013

(in millions of dollars, nominal)



19. Figure 2 provides an overview of the use of total projected resources for 2012-2013 – about $11.73 billion – of which about 88.11 per cent will be spent on development activities, 8.66 per cent on management activities, 2.25 per cent on United Nations development coordination activities, and 0.98 per cent on special purpose activities. Planned development expenditures for 2012-2013 of 88.11 per cent of total planned resources utilization compares favourably to the 87.49 per cent currently estimated for use during 2010-2011. Similarly, planned management expenditures for 2012-2013 of 8.66 per cent of total planned resources utilization compares favourably to the 8.79 per cent currently estimated for use during 2010-2011.

Figure 2. Estimated use of total resources, 2012-2013



20. The UNDP resource plan for 2012-2013 presented in table 1, covering both regular and other resources, outlines the integrated resource planning framework of the organization, classifying activities under the categories approved in decisions 2009/22 and 2010/32. The resource plan has three segments covering donor and local resources that reflect:

(a) $12.89 billion in estimated total resources available, comprising an opening balance of $3.16 billion, contributions of $9.60 billion and other income of $0.13 billion.

(b) $11.73 billion in projected use of resources, comprising development activities of $10.33 billion, United Nations development coordination activities of $0.26 billion, management activities of $1.02 billion, and special purpose activities of $0.12 billion.

(c) A resource balance of approximately $1.16 billion.

21. The resource plan for 2012-2013 is supported by the accompanying tables, figures and text in this document with respect to management activities, development effectiveness activities, United Nations development coordination activities and special purpose activities. Table 2 contains budget estimates for institutional activities to be funded from regular and other resources. In order to "cross-walk" amounts from table 2 to table 1, the following should be noted:

(a) The planned use of resources for development effectiveness activities during 2012-2013 total $306.8 million (table 1). It consists of:

(i) $192.2 million in regular resources: $134.5 million per table 2, plus $57.7 million in regular programme resources not included in table 2.

(ii) $114.6 million – ($98.4 million plus $16.2 million) in other resources: 103.6 million per table 2, plus $11.0 million in other programme resources not included in table 2.

(b) The planned use of resources for United Nations development coordination activities during 2012-2013 total $263.4 million (table 1). It consists of:

(i) $171.5 million in regular resources, plus $0.3 million in regular resources income to the budget: $146.8 million per table 2, plus $25 million in regular programme resources not included in table 2.
(ii) $91.6 million ($82.3 million plus $9.3 million) in other resources: $61.6 million per table 2, plus $30 million in other programme resources not included in table 2.

(c) The planned use of resources for management activities during 2012-2013 totals $1,016.0 million (table 1). It consists of:

(i) $539.9 million in regular resources, plus $68.4 million in regular resources income to the budget: $608.3 million per table 2.
(ii) $407.7 million: $333.9 million plus $73.8 million in other resources per table 2.

(d) The planned use of resources for special purpose activities during 2012-2013 totals $115.7 million (table 1). It consists of:

(i) $35.6 million in regular resources, plus $6.7 million in regular resources income to the budget: $42.3 million per table 2.
(ii) $73.4 million in other resources per table 2.

22. Specific proposals and cost implications of the UNDP support budget estimates, and related proposals of the Administrator for 2012-2013, are presented in chapter IV.

III. Strategic institutional results framework

Background

23. The strategic plan constitutes the single, overarching results framework of UNDP. The institutional budget is informed by and fully aligned with the strategic institutional results framework and high-level resource projections for 2012-2013 contained therein. The 2012-2013 institutional budget estimates are presented in table 2 and are directly linked to the planned outputs discussed below. With the adoption of the integrated budget from 2014 onwards, UNDP will have one results and budgetary framework for regular resources covering the institutional results and resources currently included in the institutional budget and the development results and resources currently reflected in the programming arrangements.

24. The 2012-2013 institutional budget has been prepared in joint harmonization with UNFPA and UNICEF, and has benefitted from the continuous guidance of the Executive Board. Accordingly, the 2012-2013 institutional budget lays the foundation for moving to an integrated budget from 2014 onwards in line with the joint informal note of UNDP, UNFPA and UNICEF on “The road map to an integrated budget” as recently discussed and confirmed during a joint informal discussion with the Executive Board.

25. More specifically, the 2012-2013 institutional budget fully incorporates the cost classifications approved in decision 2009/22, as further revised and harmonized in decision 2010/32. It also fully incorporates the harmonized results-based budgeting approach approved in decision 2011/10, including: (i) improved results focus and complete linking with the revised strategic institutional results framework of the extended strategic plan; (ii) improved links between proposed 2012-2013 budgets and corresponding planned strategic institutional results through the use of functional clusters; and (iii) key harmonized budget tables including: the resource plan (table 1); a comparison of 2010-2011 planned and

actual/estimated expenditures (summary table 1); and proposed 2012-2013 budget estimates (table 2) that are fully aligned with the revised strategic institutional results framework elaborated on below.

Results-based budgeting

26. The institutional results framework underpins and directly supports the achievement of the development results contained in the strategic plan. It covers planned strategic institutional activities in the areas of management, United Nations development coordination, special purpose and development effectiveness, all of which form the operational foundation that UNDP leverages to respond to demands from programme countries for development and coordination services. The activities and functions that fall within the institutional results framework are mutually reinforcing. They are also integrally linked to the development results framework in that they directly support the creation of an enabling environment for delivering on demand development services.

27. For example, while human resources-related activities are reflected under management, the Office of Human Resources (OHR) of the Bureau of Management (BoM) devotes a considerable amount of time and resources to ensure the timely assessment, recruitment and placement of qualified resident coordinator candidates whose time is largely reflected under United Nations development coordination. Similarly, the Security Office/BoM, whose costs are reflected under management, devotes a considerable amount of time and resources to assessing and strengthening the overall security environment in which development and coordination activities take place.

28. The institutional results framework consists of a cycle of: (i) planning for strategic institutional results; (ii) selecting relevant indicators, baselines and targets; (iii) appropriating and allocating resources to achieve strategic institutional results; (iv) implementing and monitoring planned activities; and (v) reporting on actual results achieved.

29. In principle, the planning for strategic institutional results, and the selection of indicators, baselines and targets, takes place within the context of the formulation of the strategic plan. For the purposes of the 2012-2013 institutional budget, this occurs within the context of the midterm review of the extended strategic plan, 2008-2013. The appropriation and allocation of resources takes place within the context of the 2012-2013 institutional budget exercise. Implementation and monitoring of planned activities takes place within the context of the annual integrated unit work planning exercise. In this regard, each unit prepares an annual integrated workplan describing results to be achieved and required inputs and resources. This provides managers and staff members with an objective basis for monitoring their activities. The annual integrated workplan is largely derived from the results projected in the strategic plan. Reporting on planned versus achieved results takes place within the context of the annual report of the Administrator on the strategic plan. Reporting on expenditures within the approved cost classification categories takes place in the annual financial statements and “Annual review of the financial situation”.

30. Each strategic institutional result has a lead unit or a lead group of units designated as the corporate sponsor that is responsible for: (i) formulating the result; (ii) defining SMART indicators (specific, measureable, achievable, relevant and timebound); (iii) confirming baselines; (iv) establishing targets; and (v) reporting on results. Accountability for the achievement of strategic institutional results is not limited to the corporate sponsor. It may be shared between several non-sponsoring units or cut across the organization.

31. Functional clusters of activities, organized largely by organizational unit, are assigned to each strategic institutional result. This facilitates and improves the transparent link between planned results and the resources (costs of the organizational units) required to successfully achieve them as presented in table 2 and elaborated on below. The functional clusters for the seven recurring management results are harmonized between UNDP, UNFPA and UNICEF, allowing for reasonable comparability. All other functional clusters are agency specific.

Table 2. Proposed budget estimates by strategic plan institutional output[1]

(in millions of dollars, nominal)

Revised strategic plan output	Functional cluster	Regular resources: 2010-2011 Adjusted approved appropriation a/	2012-2013 proposals: Volume amount	Volume %	Cost	2012-2013 estimates	Other resources: 2010-2011 estimates	Other resources: 2012-2013 estimates	Total resources: 2010-2011 estimates	Total resources: 2012-2013 estimates
A.I. Management Activities - recurring										
1. Effective leadership and direction provided to advance the mandate and mission of UNDP	Corporate leadership and direction	11.4	1.0	8.8%	0.2	12.6	5.8	5.9	17.2	18.5
2. Improved accountability for achieving results at the country office, regional and programme bureaux levels	Country office oversight, management and operations support	335.1	(10.0)	-3.0%	17.0	342.1	247.1	250.5	582.2	592.6
3. UNDP human resources effectively managed to attract, develop and retain a talented and diversified workforce	Corporate human resources management	73.3	(4.4)	-6.0%	3.8	72.7	30.7	41.6	104.0	114.3
4. New and strategic partnerships developed and communications focus enhanced for more strategic positioning of UNDP	Corporate external relations and partnerships, communications and resources mobilization	32.3	1.5	4.6%	1.9	35.7	25.9	27.5	58.2	63.2
5. Programmatic needs supported by effective and efficient financial, ICT, procurement, legal and administrative policies, procedures and systems	Corporate financial, ICT, procurement, legal and administrative management	62.4	(8.6)	-13.8%	1.4	55.2	44.9	47.7	107.3	102.9
6. Security for staff and premises and a safer environment for programme delivery enhanced	Global staff and premises security	47.4	(16.6)	-35.0%	2.1	32.9	16.4	26.6	63.8	59.5
7. Independent corporate oversight and reasonable assurance provided	Corporate oversight and assurance	48.0	(1.5)	-3.1%	0.6	47.1	5.5	7.9	53.5	55.0
subtotal A.I Management Activities - recurring		**609.9**	(38.6)	-6.3%	27.0	**598.3**	**376.3**	**407.7**	**986.2**	**1,006.0**
A.II. Management Activities - non-recurring										
1. Programmatic needs supported by effective and efficient financial, ICT, procurement, legal and administrative policies, procedures and systems	Corporate financial, ICT, procurement, legal and administrative management	16.2	(6.3)	-38.9%	0.1	10.0	-	-	16.2	10.0
subtotal A.II Management Activities - non-recurring		**16.2**	(6.3)	-38.9%	0.1	10.0	-	-	**16.2**	**10.0**
Subtotal A. - Management Activities (recurring + non-recurring)		**626.1**	**(44.9)**	-7.2%	**27.1**	**608.3**	**376.3**	**407.7**	**1,002.4**	**1,016.0**
B. United Nations Development Coordination Activities										
1. UNDP management of the resident coordinator system enhanced 2. Ownership of the resident coordinator system by the United Nations development system strengthened	Country office United Nations development coordination support	147.1	(11.1)	-7.5%	7.3	143.3	56.4	59.5	203.5	202.8
3. Effective coordination and facilitation on programming and common business operations provided to the United Nations country team	Headquarters United Nations development coordination support	3.9	(0.3)	-7.7%	(0.1)	3.5	1.9	2.1	5.8	5.6
Subtotal B. United Nations Development Coordination Activities		**151.0**	**(11.4)**	-7.5%	**7.2**	**146.8**	**58.3**	**61.6**	**209.3**	**208.4**
C. Special Purpose Activities										
1. UNV programmatic needs supported by effective and efficient management	Support to UNV	40.9	(7.2)	-17.6%	0.1	33.8	18.3	23.2	59.2	57.0
2. UNCDF programmatic needs supported by effective and efficient management	Support to UNCDF	9.6	(1.0)	-10.4%	(0.1)	8.5	-	-	9.6	8.5
	Reimbursable services to other United Nations organizations						40.9	50.2	40.9	50.2
	Capital investments	5.1	(5.1)	-100.0%	-	-	-		5.1	-
Subtotal C. Special Purpose Activities		**55.6**	(13.3)	-23.9%	-	**42.3**	**59.2**	**73.4**	**114.8**	**115.7**
D. Development Effectiveness Activities										
1. Quality of country programming increased	Programme development and management support	121.7	(9.3)	-7.6%	(3.7)	108.7	89.1	99.6	210.8	208.3
2. Practice networking and knowledge effectively contributing to development results across regions	Programme policy and knowledge management support	25.0	(1.2)	-4.8%	0.3	24.1	4.5	4.0	29.5	28.1
3. South-South and triangular partnerships fostered to contribute to the achievement of national development goals	South-South programme development and policy support	1.5	-	0.0%	0.2	1.7	-	-	1.5	1.7
Subtotal D. Development Effectiveness Activities		**148.2**	(10.5)	-7.1%	(3.2)	**134.5**	**93.6**	**103.6**	**241.8**	**238.1**
Total gross institutional budget estimates		**980.9**	**(80.1)**	-8.2%	**31.1**	**931.9**	**587.4**	**646.3**	**1,568.3**	**1,578.2**
Estimated income to the institutional budget		(75.1)	(0.3)		-	(75.4)	-	-	(75.1)	(75.4)
Total net institutional budget estimates		**905.8**	**(80.4)**	-8.9%	**31.1**	**856.5**	**587.4**	**646.3**	**1,493.2**	**1,502.8**

a/ Adjusted to reflect the classification of costs and the budgetary presentation per Executive Board decisions 2010/32 and 2011/10

[1] 2012-2013 estimates can be tied into table 1 (Resource plan) per paragraph 21.

32. The UNDP balanced scorecard system and its SMART performance indicators underpin the performance management system, and are critical for monitoring progress towards achieving strategic institutional results. It is an integral part of the integrated planning process of UNDP. The corporate-level scorecard – known as the “executive balanced scorecard” – consists of strategic results and performance indicators derived from the extended strategic plan. In view of the revision of the strategic institutional results framework, the executive balanced scorecard will be updated to ensure continued alignment. The executive balanced scorecard also serves as the starting point for designing unit-level balanced scorecards for Headquarters units and country-offices through a “cascading” exercise. The balanced scorecard is automated, and data is available in real time.

33. In addition to the balanced scorecard, UNDP relies on specific internal databases and selected results drawn from three key surveys as performance indicators. The surveys are independently conducted on an annual basis. The UNDP partners survey provides feedback from development partners on the role and performance of UNDP. The global staff survey provides feedback from staff on a range of workplace issues. The products and services survey is the means through which country-offices provide feedback on the quality of products and services provided by Headquarters units. The balanced scorecards, surveys, internal databases and unit-level results-based reporting on integrated annual workplans are the basis for reporting on performance towards planned results.

A. Management

Strategic Plan Output: Effective leadership and direction provided to advance the mandate and mission of UNDP (harmonized functional cluster – corporate leadership and direction)

34. The provision of effective leadership and direction is critical for ensuring that the mandate, vision and strategic results of the organization, as contained in the extended strategic plan, are organized, delivered and reported on in an efficient, timely and transparent manner. More specifically, the leadership of the organization is accountable for sharpening the focus and enhancing the impact of the development and United Nations development coordination activities of UNDP. It is also accountable for improving organizational effectiveness by continuously streamlining and improving the management activities, and related structures and capacities, that underlie and are inextricably linked to the successful achievement of development and coordination results. Formulation and approval of the strategic plan, 2014-2017 and results framework, and implementation of the agenda for organizational change, are two key strategic initiatives planned for 2012-2013 that will impact the achievement of this result.

35. The output indicators for this result are derived from both internal and external sources. Three output indicators will be used to measure overall performance. They are drawn from: (i) the annual report of the Administrator on the strategic plan, using the overall achievement of institutional results reported therein; (ii) the Partnership Survey, using the overall programme and donor-country partner feedback reported therein on the quality and effectiveness of UNDP contributions in the four focus areas; and (iii) the executive balanced scorecard, using overall management efficiency as calculated by the ratio measuring total management costs as a function of total organizational costs.

36. Accountability for the results of this output rests with the Executive Office, including the Directorate, the Operations Support Group (OSG) and the Ethics Office. The Executive Office is also the corporate sponsor of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of the Executive Office): $11.4 million in 2010-2011 and $12.6 million in 2012-2013. These figures

incorporate volume decreases of $0.5 million due to efficiency gains, shifts and reductions, offset by cost increases of $0.2 million, and volume increases of $1.5 million, representing new investments. These investments support the implementation of the change agenda through the establishment of one international professional (IP) position in the Executive Office to strengthen strategic planning and management ($0.5 million). They also provide support to improve all aspects of results-based management across the organization in preparation for the next strategic plan and results frameworks ($1.0 million). Table 2 also reflects estimated extrabudgetary funding levels of $5.9 million for 2012-2013, as compared to $5.8 million for 2010-2011.

Indicator of performance	Baseline	Target 2012	Target 2013
Degree to which strategic plan institutional results are achieved *Source: Annual report of the Administrator on the strategic plan*	40% of the strategic plan institutional results achieved 40% partially achieved 4% not achieved	70% Achieved 20% Partially achieved	85% Achieved 10% Partially achieved
Percentage of partners perceiving UNDP as an effective contributor to the focus areas MDGs, Poverty, Energy and Sustainable Development, Democratic Governance, Crisis Prevention and Recovery *Source: Partners Survey*	-MDGs: 72% -Poverty: 53% -Energy & Environment (EE): 59% -Democratic Governance: 60% -Crisis Prevention & Recovery: 50% (2009)	-MDGs: 75% -Poverty: 60% -EE: 60% -Democratic Governance: 65% -Crisis Prevention & Recovery: 60%	MDGs: 75% -Poverty: 60% -EE: 60% -Democratic Governance: 65% -Crisis Prevention & Recovery: 60%
Management efficiency ratio *Source: Executive balanced scorecard*	8.8%	8.7%	8.7%

Strategic Plan Output: Improved accountability for achieving results at the country-office, regional and corporate levels (harmonized functional cluster – country-office oversight, management and operations support)

37. Strong corporate programme guidance and oversight, and well-functioning managerial and operational support at the country-office, regional and Headquarters programme bureaux (regional bureaux/Bureau for Development Policy/Bureau for Crisis Prevention and Recovery) levels, are critical to ensure consistently high levels of accountability for the achievement of planned development and institutional results across the organization. This includes corporate support provided during the formulation, approval and implementation of UNDP programmes, and the daily management and operational support provided at the country, regional and global levels. The strengthening of strategic planning and management capacity and oversight of programme delivery, both at the Regional Bureau level, are two key strategic initiatives planned for 2012-2013 that will impact the achievement of this result.

38. Four output indicators will be used to measure overall performance. They are drawn from: (i) regional bureaux balanced scorecards, using the percentage of country-office performance indicators that are satisfactory as representative of overall effective country-office performance; (ii) the executive balance scorecard, using the percentage of outcomes that are reported as either on-track or achieved as representative of the effectiveness and application of corporate programme guidance and oversight; (iii) the

executive balanced scorecard, using the percentage of evaluations with management responses as representative of awareness by country-office management, and their accountability for, lessons learned and identified best practices; and (iv) the Office of Audit and Investigations (OAI) database, using the percentage of risk-based audit reports issued with unsatisfactory ratings as representative of the need for significantly improved accountability, operational effectiveness and risk management.

39. Accountability for the results of this output is shared. It rests with regional bureaux, the Bureau for Development Policy (BDP), the Bureau for Crisis Prevention and Recovery (BCPR) and the Special Unit for South-South Cooperation for providing strategic planning, guidance, corporate oversight and operational support, and with country offices, for formulating and implementing programmes and managing effective operations. Regional bureaux are the corporate sponsors of this result. Table 2 reflects proposed core funding levels to be allocated to this result (the cost of regional bureaux, plus the managerial and operational costs of country offices, BDP, BCPR and South-South). These levels are: $335.1 million in 2010-2011 and $342.1 million in 2012-2013. The figures incorporate: volume decreases of $17.7 million due to efficiency gains, shifts and reductions, offset by cost increases of $17.0 million, and volume increases of $7.7 million representing new investments. These investments support the implementation of the change agenda through the establishment of seven international professional positions in regional bureaux, BCPR and BDP to strengthen strategic planning and management capability ($3.5 million). They also provide increased support to countries in fragile transitions through the establishment of: a D2 senior country director and six local positions in Southern Sudan; a D2 senior country director in Yemen; and a D1 transition team leader in the Arab States region ($4.2 million). Table 2 also reflects estimated extrabudgetary funding levels of $250.5 million for 2012-2013, as compared to $247.1 million for 2010-2011.

Indicator of performance	**Baseline**	**Target 2012**	**Target 2013**
Percentage of country offices' performance indicators that are satisfactory *Source: regional bureaux balanced scorecard*	Overall weighted average: 38% achieved 38% partially achieved	45 % (achieved)	55 % (achieved)
Percentage of outcomes that are reported as either on track or achieved *Source: Executive balanced scorecard*	72.9 %	80 %	90 %
Percentage of evaluations with management responses *Source: Executive balanced scorecard*	84.1%	90%	95%
Percentage of risk-based audit reports issued with unsatisfactory ratings *Source: OAI database*	12%	Less than 15%	Less than 15%

Strategic Plan Output: UNDP human resources effectively managed to attract, develop and retain a talented and diversified workforce (harmonized functional cluster – corporate human resources management)

40. A competent and strategically managed workforce is a prerequisite for achieving the development and institutional results contained in the extended strategic plan. Skills mix and staff capacities must mirror organizational requirements. Proactive workforce planning through improved recruitment policies and succession management is expected to result in an optimally staffed and gender-balanced organization. Enhanced talent management through strengthened learning in leadership, management and substantive programmatic areas, coupled with professional certification programmes, is expected to result in improved career opportunities and development, and in increased staff satisfaction. Improved performance assessments and workforce analytics are also key. During 2012-2013 these initiatives are expected to enhance the profile of UNDP and the quality of services provided to programme countries through improved recruitment, development and retention of highly competent and experienced professionals.

41. Four output indicators will be used to measure overall performance. They are drawn from: (i) the Global Staff Survey on overall staff feedback reported therein on staff satisfaction with the work environment; (ii) the executive balanced scorecard and OHR database on the percentage of female staff at the international professional level and the senior management level (D1 and above); (iii) the Products and Services Survey on overall staff satisfaction with the quality and scope of available learning and staff development opportunities; (iv) and the database of the OHR on the average time taken to fill vacant fixed-term appointments, including those from candidate pools for country directors, deputy resident representatives, deputy country directors and operations managers.

42. Accountability for the results of this output is shared. It rests with the line managers of UNDP for implementing and managing staff within the context of human resources initiatives, and with OHR for formulating, advising and monitoring the requisite policies, programmes, procedures and workforce analytics. OHR is also the corporate sponsor of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of OHR; the share of the cost of ICSC and Administration of Justice services; centrally managed staff and learning costs; and the cost of associated reimbursable services provided by the United Nations. The totals are: $73.3 million in 2010-2011 and $72.7 million in 2012-2013. These figures incorporate volume decreases of $8.4 million due to efficiency gains, shifts and reductions, offset by cost increases of $3.8 million, and volume increases of $4.0 million, representing new investments. These investments support the strengthening of strategic human resources management in such areas as workforce and job analytics, talent and succession management, recruitment, career development, streamlining of processes and the additional workload and associated risks attributable to contractual reform, including the establishment of six international professional and 8 local positions. Table 2 also reflects estimated extrabudgetary funding levels of $41.6 million for 2012-2013, as compared to $30.7 million for 2010-2011.

Indicator of performance	Baseline	Target 2012	Target 2013
Staff satisfaction with work environment *Source: Executive balanced scorecard/Global Staff Survey*	66 % (2009)	75 %	75 %
Gender balance All levels D1 and above *Source: Executive balanced scorecard/OHR database*	**All levels (International Professionals)** Female: 45% **D1 & Above** Female: 39%	**All levels (International Professionals)** Female: 48% **D1 & Above** Female: 42%	**All levels (International Professionals)** Female: 50% **D1 & Above** Female: 45%
Client satisfaction with the quality of learning and staff development products and services. *Source: Products and Services Survey*	60% (2009)	70%	70%
Average time taken to fill eligible vacancies (candidate pools and other IPs) *Source: OHR database*	18.5 weeks for fixed-term appointment (FTA) posts. NA for candidate pools/new indicator	12 weeks for FTA posts and 60 days for staff members in candidate pools	12 weeks for FTA posts and 60 days for staff members in candidate pools

Strategic Plan Output: New and strategic partnerships developed and communications focus enhanced for more strategic positioning of UNDP (harmonized functional cluster – corporate external relations and partnerships, communications and resources mobilization)

43. The strategic positioning of the organization is highly dependent on the degree to which UNDP can broaden the scope and increase the number of development and coordination partners. This in turn is expected to further empower UNDP to help programme countries expand and strengthen existing partnerships with the South, the United Nations system, civil society, non-governmental organizations (NGOs) and the private sector. The strategic positioning of UNDP is also highly dependent on the successful communication of its mandate and achievements, leading to increased global awareness and understanding of its development and coordination activities and management goals. A more strategic approach to external communications and partnerships, and the development of an integrated resources mobilization strategy, are two key strategic initiatives planned for 2012-2013 that will impact the achievement of this result.

44. Three output indicators will be used to measure overall performance. They are drawn from: (i) the new strategic partnerships progress tracker, using the number of new and strategic partnership agreements, plans and/or modalities launched with emerging global powers as representative of management's successful efforts to continuously expand the potential role and impact of South-South partnerships in helping to find innovative development solutions; (ii) Partnerships Bureau (PB) balanced scorecard, similarly using the number of new strategic platforms or alliances launched with foundations, private sector, civil society organizations and other partners as representative of management's successful efforts to continuously expand the potential role and impact of these type of partnering arrangements in helping to find innovative development solutions; and (iii) the Executive and Partnerships Bureau balanced scorecards, using the percentage of country-office websites compliant with corporate standards as representative of the global range and quality that UNDP is able

to achieve in communicating its objectives, activities and contributions at the country level in a transparent manner.

45. Accountability for the results of this output rests with the Partnerships Bureau, which is also the corporate sponsor of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of PB including Liaison Offices): $32.3 million in 2010-2011 and $35.7 million in 2012-2013. These figures incorporate volume decreases of $1.0 million due to efficiency gains, shifts and reductions, offset by cost increases of $1.9 million, and volume increases of $2.5 million, representing new investments. These investments support the implementation of the change agenda through the establishment of one international professional position in PB to strengthen strategic planning and management ($0.5 million). They also support the framing of the global development agenda, to include preparations for Rio+20 ($1.0 million) and the introduction of transparency standards adopted by the International Aid Transparency Initiative (IATI) ($1.0 million). Table 2 also reflects estimated extrabudgetary funding levels of $27.5 million for 2012-2013, as compared to $25.9 million for 2010-2011.

Indicator of performance	**Baseline**	**Target 2012**	**Target 2013**
Number of new and strategic partnership agreements, plans and/or modalities launched with emerging global powers. *Source: New strategic partnerships progress tracker*	NA/new indicator	5	**11**
Number of new strategic platforms and/or alliances launched with foundations, private sector, civil society organizations and other partners. *Source: PB balanced scorecard*	10	10	11
Percentage of country-office websites compliant with corporate standards *Source: Executive/PB balanced scorecard*	71% (2009)	82%	93%

Strategic Plan Output: Programmatic needs supported by effective and efficient financial, ICT, procurement, legal and administrative policies, procedures and systems (harmonized functional cluster – corporate financial, ICT, procurement, legal and administrative management)

46. The enabling environment for the timely and transparent delivery of development and institutional results is highly dependent on and intimately linked to critical, underlying corporate management activities in the areas of finance and budget, information and communications technology, procurement, legal and general administration. This calls for rigorous and prudent stewardship of the resources of the organization – human, financial, capital and information. Given the cross-cutting importance of the corporate management activities falling within these areas, it remains imperative that all related policies, procedures and systems are representative of organizational best practices in order to effectively manage corporate risks, improve accountability and strengthen decision-making. IPSAS implementation, formulation of an integrated budget and the strengthening of strategic enterprise resources planning (ERP)

system functionalities are key strategic initiatives planned for 2012-2013 that will impact the achievement of this result.

47. Five outputs indicators will be used to measure overall performance. They are drawn from: (i) the BoM balanced scorecard, using the percentage of indicators with satisfactory ratings as representative of overall corporate performance in these areas; (ii) the financial data quality dashboard, using the percentage of operating units meeting UNDP internal financial data quality standards as representative of compliance with corporate standards for financial management; (iii) the Executive and BoM balanced scorecards, using the percentage of internal audit and United Nations Board of Auditors (BOA) audit recommendations implemented by target completion date as representative of responsiveness to guidance provided by oversight bodies; (iv) the BoM balanced scorecard, using the percentage of users satisfied with information and communications technology (ICT) services and tools as representative of the quality, accessibility and usefulness of information systems and communications tools; and (v) the Advisory Committee on Procurement (ACP) database, using the percentage of ACP and Regional Advisory Committee on Procurement submissions approved on a first-time basis as representative of the successful application of procurement policies and guidelines to non-routine procurement activities.

48. Accountability for the results of this output rests with the Bureau of Management, including the Directorate, Office of Finance and Administration, Office of Planning and Budgeting, Office of Information Systems and Technology, Procurement Support Office, Advisory Committee on Procurement and Legal Support Office. The Bureau of Management is also the corporate sponsor of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of BoM, excluding OHR and the Security Office; the share of the cost of United Nations Chief Executives Board services; centrally managed ICT costs; and the cost of associated reimbursable services provided by the United Nations). In the category “A.I management activities – recurring” this includes $62.4 million in 2010-2011 and $55.2 million in 2012-201. These figures incorporate volume decreases of $19.2 million due to efficiency gains, shifts and reductions, offset by cost increases of $1.4 million, and volume increases of $10.6 million, representing new investments. These investments support the implementation of the change agenda through the establishment of one international professional position in BoM to strengthen strategic planning and management. They also support the enhancement of value-added corporate services and accountability with respect to IPSAS implementation activities ($6.2 million) and critical information and communications technology activities ($3.9 million). Table 2 also reflects estimated extrabudgetary funding levels of $47.7 million for 2012-2013, as compared to $44.9 million for 2010-2011. In the category “A.II management activities – non-recurring” this includes $16.2 million in 2010-2011 and $10.0 million in 2012-2013. These figures incorporate volume decreases of $16.2 million due to efficiency gains, shifts and reductions, offset by cost increases of $0.1 million, and volume increases of $9.9 million, representing new investments. These investments support the enhancement of value-added corporate services and accountability with respect to IPSAS implementation activities ($3.8 million) and critical information and communications technology activities ($6.1 million).

Indicator of performance	Baseline	Target 2012	Target 2013
Percentage of BoM balanced scorecard indicators with satisfactory ratings *Source: BoM balanced scorecard*	32% achieved 57% partially achieved (2009)	50% (full achievement)	60% (full achievement)
Percentage of operating units meeting financial data quality standards, including compliance with IPSAS *Source: Financial Data Quality Dashboard*	85%	90%	90%
Percentage of internal audit and BOA audit recommendations implemented by target completion date *Source: Executive/BoM balanced scorecard*	OAI: 75.7% BOA: 90%	OAI:90% BOA:90%	OAI:90% BOA:90%
Percentage of users satisfied with ICT services and tools *Source: BoM balanced scorecard*	58% (2009)	65%	70%
Percentage of ACP and RACP procurement cases approved upon first submissions. *Source: ACP database*	70%	75%	75%

Strategic Plan Output: Security for staff and premises and a safer environment for programme delivery enhanced (harmonized functional cluster – global staff and premises security)

49. A safe, secure environment for UNDP personnel and facilities is another critical prerequisite for achieving the development, United Nations development coordination and management results contained in the extended strategic plan. This requires comprehensive and cost-effective global security provisions, including establishing, maintaining and implementing policies and systems for security management and accountability. UNDP will continue to participate in the United Nations Department of Safety and Security (DSS) field security programme, improve compliance with minimum operating security standards (MOSS), and to maintain up-to-date, unit-level business continuity plans. Increased awareness of road-safety precautions and improved emergency communications capacity between programme country capitals and outlying project and sub-office locations are two key initiatives planned for 2012-2013 that will impact the achievement of this result.

50. Two output indicators will be used to measure overall performance. They are drawn from: (i) the Executive and BoM balanced scorecards, using the percentage of country offices that have complied with the requirements of MOSS as representative of the implementation of an acceptable level of security measures within which staff can safely function; and (ii) the Executive and BoM balanced scorecards, using the percentage of country offices that have met business continuity plan requirements in terms of both formulation and actual testing of these plans as representative of an adequate level of advanced preparation in response to sudden or unforeseen security threats, whether natural or human-made.

51. To prepare for the possibility of needing additional funding in order to meet General Assembly-mandated security costs connected to participating in the DSS field security programme, or to improve MOSS compliance during 2012-2013, the Administrator exceptionally requests approval, similar to that granted for 2008-2009 and 2010-2011, to expend up to an additional $15.0 million of proposed regular resources, earmarked for that purpose. To date this exceptional authority has never been used.

52. Accountability for the results of this output is shared. It rests: with the Security Office/BoM for establishing, communicating and advising on approved policies and procedures; with regional bureaux for providing adequate oversight; and with country offices for fully implementing and adhering to approved policies and procedures. The Security Office/BoM is the corporate sponsor of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of the Security Office and the cost of complying with United Nations-mandated security activities): $47.4 million in 2010-2011 and $32.9 million in 2012-2013. These figures incorporate volume decreases of $16.6 million due to efficiency gains, shifts and reductions, offset by cost increases of $2.1 million. Table 2 also reflects estimated extrabudgetary funding levels of $26.6 million for 2012-2013, as compared to $16.4 million for 2010-2011.

Indicator of performance	Baseline	Target 2012	Target 2013
Percentage of country offices meeting minimum operating security standards (MOSS) *Source: Executive/BoM balanced scorecard*	63%	75%	80%
Percentage of country offices meeting business continuity plan requirements *Source: Executive/BoM balanced scorecard*	79.6%	90%	95%

Strategic Plan Output: Independent corporate oversight and reasonable assurance provided on the adequacy of internal controls of UNDP resources and on the effectiveness and efficiency of UNDP contributions in support of the achievement of development results (harmonized functional cluster – corporate oversight and assurance)

53. The accountability and oversight system adopted by UNDP, as endorsed by the Executive Board in decision 2008/37, is key to ensuring that adequate corporate oversight policies and procedures, including a comprehensive and well-functioning internal control system, are in place and operating effectively in order to improve operational effectiveness, safeguard organizational assets and manage risks. It also serves to provide a satisfactory level of assurance that lessons learned and best practices are continuously incorporated in the development, United Nations development coordination and management activities that underscore the results contained in the extended strategic plan.

54. Four output indicators will be used to measure overall performance. They are drawn from the:

(a) OAI database, using the number of risk-based audit reports of country offices, programmes, projects and other business units and functions issued per year as representative of the satisfactory functioning and implementation of the accountability and oversight system.
(b) OAI database, using the percentage of timely reviews of NGO/NIM (national implementation) audit reports and issuance of review letters as representative of adequate management and oversight of external audit work performed in relation to NGO/NIM programmes and projects.
(c) Executive Board website, using the percentage of timely completion of programme evaluations for UNDP management and Executive Board consideration prior to approval of new country programmes as representative of the timeliness and impact of programme evaluations on accountability, managing for results and knowledge management.
(d) Evaluation Resource Centre, using the percentage of completed and uploaded decentralized evaluation reports for which quality ratings have been issued as

representative of the efforts of the organization to strategically plan and effectively use decentralized evaluations to improve development results.

55. Accountability for the results of this output rests with the Office of Audit and Investigations and the Evaluation Office, which are also the corporate sponsors of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of OAI and Evaluation Office and the share of costs of Joint Inspection Unit and Board of Auditors services). The totals are: $48.0 million in 2010-2011 and $47.1 million in 2012-2013. These figures incorporate volume decreases of $2.5 million due to efficiency gains, shifts and reductions. These are offset by cost increases of $0.6 million and by volume increases of $1.0 million, representing new investments. These investments support the enhancement of value-added corporate services and accountability through the establishment of two international professional positions in the Investigations Unit ($1.0 million). This reflects resources in 2012-2013 of $26.9 million for audit and investigation activities, and $20.2 million for evaluation activities. Table 2 also reflects estimated extrabudgetary funding levels of $7.9 million for 2012-2013, as compared to $5.5 million for 2010-2011. This reflects estimated extrabudgetary funding levels in 2012-2013 of $5.5 million for audit and investigation activities, and $2.4 million for evaluation activities.

Indicator of performance	**Baseline**	**Target 2012**	**Target 2013**
Number of risk-based audit reports of country offices, programmes, projects and other business units and functions issued per year *Source: OAI database*	69	74	74
Timely review of NGO/NIM audit reports and issuance of review letters *Source: OAI database*	70% (2009)	75%	75%
Timely completion of programme evaluations (Assessments of Development Results: regional, global, South-South) for management and Executive Board consideration before approval of the new programme *Source: Executive Board website*	100%	100%	100%
Percentage of completed decentralized evaluation reports uploaded to the Evaluation Resource Centre for which quality ratings have been issued by the Evaluation Office *Source: Evaluation Resource Centre*	NA/new indicator	100%	100%

B. United Nations Development Coordination

56. In resolution 62/208 on the triennial comprehensive policy review, the General Assembly reconfirmed UNDP as the manager of the resident coordinator system and reaffirmed that the resident coordinator system, within the framework of national ownership, has a key role to play in the effective and efficient functioning of the United Nations system at the country level. Accordingly, those activities and associated costs – performed by UNDP at the country level, and by the United Nations Development Operations Coordination Office (DOCO) at the Headquarters and country-office levels – to support the coordination of development activities of the United Nations system, are

classified in line with decisions by the Executive Board as United Nations development coordination costs.

57. UNDP activities at the country level fall under two broad categories. The first category relates to United Nations system coordination and representation activities that are usually undertaken by the resident coordinator, as supported by the staff of the resident coordinator office and UNDP. These cover: (i) coordination of United Nations system operational activities, including common security functions and support to the Regional Director teams; (ii) representation and advocacy on behalf of the United Nations system covering both resident and non-resident agencies, including resource mobilization; and (iii) coordination of emergency, humanitarian and relief activities.

58. The second category relates to services and operational support to United Nations system coordination that are usually undertaken by staff of the resident coordinator office and UNDP. These cover: (i) administrative support to the office of the Resident Coordinator; and (ii) administrative support to the United Nations country team, including managing common premises and coordinating shared services such as communications, finance and information technology. It also covers activities in response to special requests from the Secretary-General and senior United Nations officials.

59. DOCO provides technical support to the United Nations Development Group (UNDG) for decision making on system-wide issues and policies. In so doing, DOCO helps UNDG formulate and introduce simplified and harmonized policies and procedures for use by country offices in such important areas as: United Nations Development Assistance Frameworks (UNDAFs) and joint programmes, communications, information technology (IT), human resources, procurement, financial rules and regulations, standardized auditing and financial reporting, and cost recovery. They also support the overall strengthening of the resident coordinator system through funding, policy guidance and training, and provide targeted support to resident coordinators and United Nations country teams in crisis and post-conflict countries.

60. The midterm review of the strategic plan lists three strategic outputs under United Nations development coordination, together with corresponding performance indicators, baselines and targets, as stated below. The first output, “UNDP management of the resident coordinator system enhanced”, uses one output indicator to measure performance. It is drawn from the Partnerships Bureau balanced scorecard, using percentage of completed UNDP actions in response to the Management and Accountability System Report and Implementation Plan as representative of the transparent accountabilities within UNDG and the successful role UNDP plays therein for ensuring an effective, inclusive and accountable resident coordinator system.

61. The second output, “Ownership of the resident coordinator system by the United Nations development system strengthened” also uses one output indicator to measure performance. It is drawn from the Partnerships Bureau balanced scorecard, using percentage of United Nations system partners satisfied with UNDP management of the resident coordinator system as representative of overall partner feedback on the effectiveness of the role played by UNDP as custodian and steward of the resident coordinator system.

62. The third output, “effective coordination and facilitation on programming and common business operations provided to the United Nations country team”, also uses one output indicator to measure performance. It is drawn from the UNDG workplan. using percentage of DOCO outputs achieved as representative of the positive impact and contributions of planned DOCO activities to the operations of United Nations country teams.

63. Accountability for the results of all three outputs is shared. It rests with the Executive Office, Partnerships Bureau, regional bureaux and DOCO in terms of providing strategic guidance and corporate oversight, and with resident coordinators and UNDP country offices in terms of providing hands-on representation, coordination and operational support to United Nations country teams. The Partnerships Bureau is the corporate sponsor of the first two results, and DOCO is the corporate sponsor for the third result.

64. As in previous bienniums, UNDP conducted a workload study to review time and costs associated with UNDP country-office support to United Nations development coordination activities. More than 3,000 staff in 84 country offices participated, a broad representational sample from which estimates could be drawn. Results from data analysis once again confirmed the inextricable link between United Nations development coordination and UNDP activities in the UNDP country-office structure. For example, material amounts of staff time reported under UNDP unit activities were actually spent providing support to resident-coordinator and United Nations country-team initiatives. Thus costs attributed to the resident coordinator unit in supporting these initiatives should continue to be apportioned across the entire UNDP country-office structure.

65. Twenty-two per cent of costs at the country-office level, including those that are centrally managed by Headquarters (such as for security and ICT), are attributed to supporting United Nations development coordination activities during 2012-2013, a decrease of 5 per cent from the 27 per cent rate applicable to 2010-2011. This is due to further harmonization with partner organizations, resulting in the reclassification from United Nations development coordination to management of all country-office costs related to the participation of UNDP staff in the United Nations country team.

66. Table 2 reflects a proposed combined core funding level for allocation to the first two results (22 per cent of costs at the country-office level): $147.1 million in 2010-2011 and $143.3 million in 2012-2013. These figures incorporate volume decreases of $11.1 million due to efficiency gains, shifts and reductions, offset by cost increases of $7.3 million. Table 2 also reflects estimated extrabudgetary funding levels of $59.5 million for 2012-2013, as compared to $56.4 million for 2010-2011.

67. Table 2 also reflects proposed core funding levels for allocation to the third result (the cost of DOCO to UNDP): $3.9 million in 2010-2011 and $3.5 million in 2012-2013. These figures incorporate volume decreases of $0.3 million due to efficiency gains, shifts and reductions, and cost decreases of $0.1 million. Table 2 also reflects estimated extrabudgetary funding levels of $2.1 million for 2012-2013, as compared to $1.9 million for 2010-2011.

Strategic Plan Output: UNDP management of the resident coordinator system enhanced (functional cluster – country office United Nations coordination support)

Indicator of performance	**Baseline**	**Target 2012**	**Target 2013**
Percentage of completed UNDP actions in response to the management and accountability system report and implementation plan *Source: PB balanced scorecard*	80%	90%	100%

Strategic Plan Output: Ownership of the resident coordinator system by the United Nations development system strengthened (functional cluster – country office United Nations coordination support)**.**

Indicator of performance	Baseline	Target 2012	Target 2013
Percentage of United Nations system partners satisfied with UNDP management of the resident coordinator system *Source: PB balanced scorecard*	69% (2009)	72%	75%

Strategic Plan Output: Effective coordination and facilitation of programming and common business operations provided to the United Nations country team (functional cluster – Headquarters United Nations coordination support)

Indicator of performance	Baseline	Target 2012	Target 2013
Percentage of DOCO outputs achieved in the UNDG workplan *Source: UNDG workplan*	90% (2009)	95%	100%

C. Special Purpose

Strategic Plan Output: UNV programmatic needs supported by effective and efficient management (functional cluster – support to UNV)

68. UNV is a programme established by the General Assembly and administered by UNDP. It mobilizes volunteers on behalf of the United Nations system. The work of these volunteers continues to have significant impact on United Nations system-wide efforts to achieve peace and development, and, within UNDP, on poverty reduction strategies and achievement of the MDGs.

69. One output indicator will be used to measure overall performance. It is drawn from the UNV database and uses the percentage increase in the number of United Nations volunteers mobilized for MDG, humanitarian, post-crisis and peacebuilding activities. This is considered representative of successful UNV responsiveness to increasing demands for the recruitment and placement of United Nations volunteers globally. This responsiveness involves the underlying UNV programme and management activities, especially in the areas of programme development and cooperation, volunteer recruitment and management, partnership building, and finance and administration.

70. Accountability for the results of this output rests with the United Nations Volunteer Programme which is also the corporate sponsor of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of UNV to UNDP): $40.9 million in 2010-2011 and $33.8 million in 2012-2013. These figures incorporate volume decreases of $7.2 million due to efficiency gains, shifts and reductions, offset by cost increases of $0.1 million. Table 2 also reflects estimated extrabudgetary funding levels of $23.2million for 2012-2013, as compared to $18.3 million for 2010-2011.

Indicator of performance	Baseline	Target 2012	Target 2013
Percentage increase in the number of United Nations volunteers and other volunteers associated with UNV mobilized for MDGs, humanitarian, post-crisis and peacebuilding activities *Source: UNV database*	7,960 United Nations Volunteer assignments and 15,109 online volunteer assignments	5% increase	5% increase

Strategic Plan Output: UNCDF programmatic needs supported by effective and efficient management (functional cluster – support to UNCDF)

71. The United Nations Capital Development Fund (UNCDF) is a voluntarily funded organization established by the General Assembly and administered by UNDP. It supports poverty reduction through microfinance and community-level capital investment. Joint programmes at the country level form the primary modality for cooperation between UNDP and UNCDF in these areas.

72. One output indicator will be used to measure overall performance. It is drawn from the UNCDF scorecard, using the percentage of least developed countries in which UNCDF is active, and where contributions are integrated in the United Nations country-level programming framework, as representative of the ability of underlying UNCDF management activities in the areas of human resources, finance, ICT and procurement to successfully respond to demands for UNCDF development services.

73. Accountability for the results of this output rests with UNCDF, which is also the corporate sponsor of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of UNCDF to UNDP): $9.6 million in 2010-2011 and $8.5 million in 2012-2013. These figures incorporate volume decreases of $1.0 million due to efficiency gains, shifts and reductions, and cost decreases of $0.1 million.

Indicator of performance	Baseline	Target 2012	Target 2013
Percentage of least developed countries where UNCDF is active in which contributions are integrated in the United Nations country-level programming framework *Source: UNCDF scorecard*	70%	80%	85%

D. Development Effectiveness

74. Development effectiveness represents those UNDP outputs that support the effective achievement of development results at the country level. For the purposes of the institutional budget exercise, they cover those areas not specifically included in programme or project budgets that are integral to the successful delivery of development results. Three of the five development effectiveness outputs included in the strategic plan receive institutional budget funding and are elaborated on below.

Strategic Plan Output: Quality of country programming increased (functional cluster – programme development and management support)

75. Qualitative country programming is a prerequisite for the successful achievement of planned development results. To increase the quality of country programming, and as

recommended in the midterm review of the strategic plan, the indicators have been designed to track progress in improving programming focus and quality while reducing the transactional burden at the country level.

76. More specifically, four components of a composite output indicator will be used to measure performance. They are drawn from:

(a) the Evaluation Resource Centre, using compliance rates with country programme document evaluation plans, including decentralized evaluation quality ratings and implementation of management responses, as representative of learning to improve the overall quality of country programming and compliance with established policies and standards.
(b) country-office balanced scorecards, using a new indicator to be developed by the OSG, as representative of the overall quality of country-office reporting on results.
(c) Board of Auditors observations on the country programme document results frameworks as representative of their overall quality.
(d) the Atlas system and the UNDP repository of prescriptive content, which will be used to determine the project load and a percentage change in the transactional-programming requirements as representative of increased efficiency and effectiveness of programming instruments.

77. Accountability for results of this output rests with regional bureaux for providing and applying corporate programme development and management guidance covering the broad spectrum of the programming cycle. Regional bureaux are the corporate sponsors of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of country-office and regional-centre staff with primarily programme-related responsibilities, including deputy resident representatives and deputy country directors, and programme and communications specialists, advisors, associates and assistants): $121.7 million in 2010-2011 and $108.7 million in 2012-2013. These figures incorporate volume decreases of $9.3 million due to efficiency gains, shifts and reductions, and cost decreases of $3.7 million. Table 2 also reflects estimated extrabudgetary funding levels of $99.6 million for 2012-2013, as compared to $89.1 million for 2010-2011.

Indicator of performance	**Baseline**	**Target 2012**	**Target 2013**
Compliance with evaluation policy and corporate quality standards *Source: ERC: compliance rate with country programme document (CPD) evaluation plans; decentralized evaluation quality ratings; implementation rates of management responses*	CPD: 28%; Decentral.:21% Mgmt. response: 61% completed/ongoing over past 4 years	CPD: 50% Decentral.: 35% Mgmt. response: 70%	CPD: 60% Decentral.: 50% Mgmt. response: 75%
Country office results-oriented annual reports (ROARs) quality rating *Source: new balanced scorecard indicator rated by OSG*	81 ROARS meet or exceed 2010 standards	20% increase	20% increase
Observations of improved CPD results frameworks (SMART indicators) *Source: BOA*	Report on 2008-09 biennium in DP/2011/14	BOA observes positive progress	BOA observes positive progress
<u>Programme instruments are fit for purpose:</u> Project load and % change in transactional programming requirements *Source: Atlas & POPP*	TBD	10% decrease	10% decrease

Strategic Plan Output: Practice networking and knowledge effectively contributing to development results across regions (functional cluster – programme policy and knowledge-management support)

78. UNDP is a knowledge-based organization. Accordingly, capturing, codifying and sharing development information is at the centre of how UNDP operates. The platform for capturing and disseminating knowledge has been enhanced through the introduction and implementation of a new corporate knowledge strategy and systems during 2010-2011. This has provided UNDP with a strengthened knowledge-management base through the leveraged use of improved intranet, Internet and extranet capacities. This in turn is expected to improve cross-practice integration and increase the sharing of lessons learned during 2012-2013.

79. Three output indicators will be used to measure performance. They are drawn from: (i) the Products and Services Survey, using the percentage of users satisfied with the relevance of practice leadership and policy guidance provided by Headquarters; (ii) the Products and Services Survey, using the percentage of users satisfied with the relevance of programme and project formulation and implementation support; and (iii) Teamworks, using the number of monthly users, including discussions, uploads, recommendations and views as representative of the accessibility, usefulness and utilization of this key knowledge-management tool.

80. Accountability for the results of this output is shared. It rests with BDP and BCPR for developing and disseminating information and services related to practice knowledge, and for creating the enabling environment for doing so. It also rests with country offices, regional centres and regional bureaux to effectively access and successfully apply available knowledge. BDP and BCPR are the corporate sponsors of this result. Table 2 reflects proposed core funding levels for allocation to this result (the cost of BDP and BCPR practice teams): $25.0 million in 2010-2011 and $24.1 million in 2012-2013. These figures incorporate volume decreases of $4.0 million due to efficiency gains, shifts and reductions, offset by cost increases of $0.3 million, and volume increases of $2.8 million, representing new investments. These investments support the implementation of the change agenda through the establishment of one D2-level and one local position in BDP to increase the focus on policy leadership and policy integration ($0.8 million). They also support the framing of the global development agenda through the preparation of MDG Acceleration Framework Action Plans in 12 programme countries ($2.0 million). Table 2 also reflects estimated extrabudgetary funding levels of $4.0 million for 2012-2013, as compared to $4.5 million for 2010-2011.

Indicator of performance	Baseline	Target 2012	Target 2013
Percentage of users satisfied with relevant practice leadership and policy guidance *Source: Products and Services Survey*	58%	65%	70%
Percentage of users satisfied with relevance of programme/project formulation and implementation support *Source: Products and Services Survey*	54%	60%	65%
Teamworks usage indicators: exchanges, discussions, uploads, recommendations and views *Source: Teamworks*	500 unique users per month, with visits from all UNDP regions	1000 unique users/month, with regional coverage	2000 unique users/month, with regional coverage

Strategic Plan Output: South-South and triangular partnerships fostered to contribute to the achievement of national development goals (functional cluster – South-South programme development and policy support)

81. South-South cooperation and triangular partnerships are successful and cost-effective modalities for sharing development expertise and knowledge among developing countries. UNDP works with partners in the South to support the sharing of development experiences and knowledge. It also encourages country offices to support such activities within the context of country programme documents.

82. Two output indicators will be used to measure performance. They are drawn from: (i) the review of ROARs, using the percentage of country offices reporting results to which South-South cooperation activities contributed as representative of the scope and magnitude of their contribution to results; and (ii) the Partnership Survey, using percentage of partners rating UNDP interventions as effective in contributing to South-South cooperation as representative of feedback on the overall satisfaction of country-office partners with these interventions.

83. Accountability for the results of this output is shared. It rests with BDP and the Partnerships Bureau to establish policies and procedures and to provide guidance and policy advice to facilitate interactions. It also rests with country offices to access and utilize guidance and policy advice, and to allocate sufficient resources for South-South activities. BDP and the Partnerships Bureau are the corporate sponsors of this result. Table 2 reflects proposed core funding levels for allocation to this result: i.e., the costs of South-South Unit staff at the Headquarters and regional-centre levels: $1.5 million in 2010-2011 and $1.7 million in 2012-2013. These figures incorporate cost increases of $0.2 million.

Indicator of performance	Baseline	Target 2012	Target 2013
Percentage of country offices that in ROAR report results to which South-South cooperation contributed *Source: Regional bureaux/OSG review of ROARS*	TBD	15% increase	15% increase
Percentage of partners rating UNDP interventions as effective in contributing to South-South cooperation *Source: Partnership Survey*	53%	60%	65%

IV. Proposals for the 2012-2013 institutional budget

A. Summary of proposals

Background

84. The Administrators is proposing an institutional budget for UNDP that reflects an unprecedented level of $120.1 million or 12.3 per cent in volume reductions in comparison to the 2010-2011 gross budget of $980.9 million approved in decision 2010/1. These reductions offset $31.1 million (3.2 per cent) in non-discretionary cost increases and $40 million (4.1 per cent) in proposed investments as described below. These proposals result in a net budget reduction of $49.3 million or 5.0 per cent. As such, an institutional budget in gross terms for

2012-2013 of $931.9 million is proposed, against which income offsets of $75.4 million are projected, resulting in an institutional budget for 2012-2013 in net terms of $856.5 million. The details are outlined in table 3 and discussed in the following paragraphs.

Cost increases

85. The net cost increase of $31.1 million proposed in table 3 represents a 3.2 per cent increase over the 2010-2011 approved gross appropriation and is indicative of the non-discretionary nominal cost increases required to finance UNDP organizational structures, functions and activities during 2012-2013. It is significantly less than the cost increase of $91.5 million during 2010-2011, which represented a 10.7 per cent increase. It also compares favorably with the cost increases during 2008-2009 (15.1 per cent) and 2006-2007 (13.5 per cent).

86. Key factors concerning the relevant cost adjustments are:

(a) Net increase of $17.4 million resulting from the effect of inflation on: post adjustment and other entitlements of international and Headquarters local staff; entitlements of national officers and country-office local staff; and operating costs.
(b) Net increase of $12.0 million resulting from salary entitlements due to within-grade salary increments of international and Headquarters local staff, and United Nations-mandated salary revision surveys for national officers and country-office local staff.
(c) Net increase of $1.5 million resulting from currency adjustments due to the aggregate impact of exchange-rate fluctuations in comparison to the dollar.
(d) Net increase of $0.2 million resulting from proposed post reclassifications.

87. The full effect of inflation for 2012-2013 is estimated at 2.5 per cent per year, reflecting the combined impact of a 1.2 per cent annual inflation rate at Headquarters, and a 3.9 per cent annual inflation rate for country offices. This is in comparison to an estimated inflation rate of 3.3 per cent per year (1.8 per cent at Headquarters and 4.5 per cent for country offices) during 2010-2011, and 4.1 per cent (3.2 per cent at Headquarters and 4.7 per cent for country offices) during 2008-2009. The inflation rates are derived from the United Nations Secretariat for New York and Geneva, and from the website of the Economist Intelligence Unit for all other locations.

Table 3. Summary of main areas of increase/decrease for regular resources[2]

(in millions of dollars, nominal)

		Total	% of 2010-2011 approved gross appropriation (**$980.9 million**)
I.	**2010-2011 net approved appropriations**	**905.8**	
II.	**Cost increases (non-discretionary)**		
	Inflation on staff entitlements and operating costs	17.4	
	Increase of United Nations common system salary scale revisions	12.0	
	Impact of currency adjustments	1.5	
	Impact of proposed reclassifications	0.2	
	Total cost increases	**31.1**	**3.2%**
III.	**a. Exercising budgetary discipline (volume decreases)**		
	Reductions due to operational effectiveness	(30.6)	-3.1%
	Reductions due to improved attribution of centrally managed costs	(55.2)	-5.7%
	Reductions due to shifting of costs to other resources	(13.0)	-1.3%
	Reductions due to completion of one-time investments	(21.3)	-2.2%
	Total volume decreases	**(120.1)**	**-12.3%**
	b. Investing in the organization (volume increases)		
	Management activities - recurring		
	Implementing the change agenda	6.0	
	Strengthening strategic human resources management	4.0	
	Increasing support to countries in fragile transitions	4.2	
	Framing the global development agenda	2.0	
	Enhancing corporate value-added services and accountability	11.1	
	subtotal	**27.3**	**2.8%**
	Management activities - non-recurring		
	Enhancing corporate value-added services and accountability	9.9	
	subtotal	**9.9**	**1.0%**
	Development effectiveness activities		
	Implementing the change agenda	0.8	
	Framing the global development agenda	2.0	
	subtotal	**2.8**	**0.3%**
	Total volume increases	**40.0**	**4.1%**
	Net volume decreases (III.a + III.b)	**(80.1)**	**-8.2%**
IV.	**Net institutional budget reductions (II + III)**	**(49.0)**	**-5.0%**
V.	Net changes in estimated income		
	(Increase)/decrease in tax reimbursement offset	(0.3)	
	Total changes in estimated income	**(0.3)**	**0.0%**
VI.	**Total institutional budget reductions (II + III + V)**	**(49.3)**	**-5.0%**
VII.	**2012-2013 net appropriation estimates (I + IV + V)**	**856.5**	
VIII.	**Estimated income to the institutional budget**	**75.4**	
IX.	**2012-2013 gross appropriation estimates (VII. + VIII.)**	**931.9**	

[2] Net and gross appropriations for 2010-2011 and 2012-2013 tie into table 2.

Exercising budgetary discipline (volume decreases)

88. In response to concerns expressed by Executive Board members, and in the context of the ongoing global economic crisis, the Administrator continues to assign a high priority to the need for exercising budgetary discipline through the further containment and better alignment of institutional costs. A threefold approach was taken to arrive at $120.1 million in real volume decreases, representing a 12.3 per cent decrease in volume from the approved gross budget appropriation for 2010-2011. First, organizational units were challenged to improve overall operational effectiveness by eliminating redundant and non-essential services and activities, and by identifying lower priority functions that could be reduced, including the freezing of posts ($30.6 million). Secondly, opportunities for improved alignment of costs were identified at the corporate level with respect to the attribution of centrally managed costs ($55.2 million), and at the unit level with respect to improved burden-sharing between regular and extrabudgetary resources ($13.0 million). Finally, all costs associated with the completion of capital investments and other investments were eliminated ($21.3 million).

89. In view of the above, reductions to non-staff expenses of $96.0 million are proposed. These have been achieved through a combination of: improved operational effectiveness ($12.4 million); improved cost alignment with respect to the attribution of centrally managed costs ($55.2 million) and shifts to extrabudgetary resources ($7.1 million); and completion of capital and other investments ($21.3 million).

90. Reductions in staff costs of $24.1 million are also proposed. These reductions involve 88 posts: 33 international professional and 55 local. Those reductions were achieved through a combination of: increased operational effectiveness, including the freezing or abolishment of posts ($18.2 million), and shifts to extrabudgetary resources ($5.9 million). Reductions in the numbers of posts were achieved as follows:

(a) Posts frozen: 20 international professionals and 23 local posts.
(b) Posts abolished: 4 international professional and 14 local posts.
(c) Posts shifted to extrabudgetary resources: 9 international professional and 18 local posts.

91. More effective delivery of policy and corporate services is a top priority during 2012-2013, with increased focus being placed on faster, cheaper and better business processes leading to significant reductions in turnaround times and costs associated with mission-critical functions, most notably recruitment and procurement. A series of concrete measures will be introduced to address the lengthy and often inflexible programme and project process that has often impeded operational effectiveness at the country-office level. A mix of flexible programming tools better suited to nationally owned development agendas will be developed as an important first step in streamlining office operations and reducing burdensome bureaucratic procedures that add little value.

92. Travel, consultancy and communications costs will be further contained. Consideration will also be given to the feasibility of clustering routine operational activities and transactions performed across the organization in service hubs or global centres having access to competent, available pools of human resources and suitable physical and ICT facilities. Lessons learned from the establishment of the Global Shared Service Centre that will support IPSAS implementation will provide guidance. Outsourcing alternatives will also be explored. The ICT architecture will be further leveraged and internal staff capacities strengthened in strategic and value-added areas. Ultimately, these and other initiatives under consideration should lead to improved organizational effectiveness and the ability to do more with less.

93. Historically the majority of managed UNDP costs associated with services provided by the United Nations Secretariat, jointly financed United Nations system activities, After-Service Health Insurance (ASHI), security, information and communication technology and learning activities were funded from regular resources, since this was the source of funding for the majority of UNDP staff. However, as other resources from cost sharing and trust funds have grown, so too have the number of UNDP staff funded from other resources and the costs of managing them, both centrally and locally.

94. In view of the above and in order to achieve improved budgetary transparency and cost attribution, a corporate initiative was launched to enhance the apportionment of these types of centrally managed costs to their corresponding sources of funding based on staff numbers and total costs. This was successfully accomplished in large part because of the continuous investments in and successive upgrades to the UNDP Atlas ERP system, enabling better utilization and management of personnel data. The analysis conducted for IPSAS implementation was also a contributing factor. As a result, $55.2 million in improved cost attributions have been identified with respect to: services provided by the United Nations Secretariat and the costs of participating in United Nations system jointly financed activities ($9.9 million); ASHI ($9.0 million); security ($25.7 million); and information and communications technology, learning and end of service costs ($10.6 million).

95. In addition, UNDP has made a number of investments that have benefited the organization and led to value for money. Funding to meet certain of the costs associated with some of these investments, both capital and non-recurring, is no longer needed. Accordingly, a total of $21.3 million in reductions has been identified with respect to: General Assembly-mandated activities relating to human resources contractual reform and IPSAS preparatory activities ($9.5 million); investments in knowledge management ($6.7 million) and capital investments in Atlas software upgrades and a new Headquarters telephone system ($5.1 million).

Investing in the organization (volume increases)

96. A total of $40 million in volume increases are proposed in five strategic areas to include both recurring and non-recurring investments of $30.1 million and $9.9 million, respectively. This represents a 4.1 per cent increase over the approved gross appropriation for 2010-2011. A total of 77 new positions are proposed, 32 international professional and 45 local positions. All proposed investments are specifically identified and included in their corresponding planned strategic output as discussed in chapter 3 on the strategic institutional results framework. A brief description of the proposed investments in line with the five strategic areas outlined in paragraph 17 follows.

Implementing the change agenda

97. Stronger strategic planning and management capability within regional and central bureaux is a critical prerequisite for successful implementation of the change agenda. More specifically, the change agenda identifies clear accountabilities for bureaux, including: (i) implementing corporate decisions regionally and integrating them across all bureaux; (ii) delivering programmes effectively; (iii) allocating resources in line with organizational priorities; (iv) overseeing programme quality, reporting on results and complying with corporate requirements; and (v) regional and global outreach.

98. Strategic planning and management will focus on becoming more forward looking. Systematic monitoring of regional and global developments should better position the organization by supporting the formulation of high-quality country, regional and global programmes in which the strategic priorities of UNDP are fully integrated. Regular analyses of programme portfolios should identify strengths and weaknesses as well as emerging

opportunities, and serve as the basis for monitoring planned results, in order to allocate resources to support effective programme delivery and to proactively address unsatisfactory performance. Ultimately these activities should result in a strengthened ability to systematically plan, deliver and monitor timely support to country offices, including assessing demands for policy and corporate services from central bureaux.

99. In parallel, UNDP focus on policy leadership will be strengthened through the establishment of a small strategic policy team in BDP, headed by a chief economist, which will provide integrated advice on global policy issues and emerging trends, and their implications for country and regional programmes. This team will also be responsible for establishing and coordinating an integrated UNDP policy strategy in line with organizational priorities.

100. In following up on decision 2011/14 on the midterm review of the strategic plan, it is critical for UNDP to strengthen approaches to results-based management in all aspects of its work, and to adjust the strategic plan results framework and internal data-collection system to incorporate more systematic and comparable results data across countries and programmes. In parallel, UNDP needs to develop a new, robust results framework to underpin the next strategic plan period (covering 2014-2017), building on international best practices in the construction of results chains. This work will require extensive statistical research and analysis in order to address issues relating to value for money, organizational effectiveness and linkages between results and resources.

101. In view of the above, the Administrator proposes an investment of $6.8 million from regular resources to support the implementation of the change agenda, of which: (i) $5.0 million will directly support stronger strategic planning and management capability through the establishment of 10 international professional positions; (ii) $0.8 million will directly support policy leadership through the establishment of a chief economist at the D2 level and one support staff member; and (iii) $1.0 million will provide critical support to improving all aspects of results-based management across the organization in preparation for the next strategic plan and results frameworks.

Strengthening strategic human resources management

102. People management is a cornerstone of the change agenda which envisages a step change in the organizational culture: building a strategically fit-for-purpose and adaptive organization with staff engagement, high performance, and shared principles and values. Enhanced talent management and workforce planning tools and systems are needed to: develop a people capability strategy, determine the specialized skills that will be needed by the different types of offices, and improve business processes.

103. General Assembly resolution 63/250 mandated the implementation of new human resources contractual arrangements under one set of staff regulations. As a result of contractual reform implementation, 1,200 additional international professional staff are now administered by UNDP. The number of corresponding permanent and fixed-term appointments has increased, as has the number of separations and new appointments. This situation has created an additional workload that cannot be readily absorbed at existing staff levels. It also precludes a decentralized approach until existing work backlogs have been satisfactorily addressed centrally, and staff capacities at the unit level sufficiently strengthened.

104. In view of the above, the Administrator proposes an investment of $4.0 million from regular resources. These resources will be used to:

(a) establish four international professional positions specializing in streamlining processes, workforce and job analytics, systems design, career development, and mediation and facilitation.

(b) prioritize business process re-engineering to allow human resources management staff more time for discharging strategic functions, including talent and succession management and speeding up recruitment.
(c) establish two international professional and eight local positions to meet the additional workload attributed to contractual reform and to effectively manage associated risks.

Increasing support to countries in fragile transitions

105. The overriding objective of the UNDP crisis prevention and recovery practice continues to be strengthening national capacities to prevent, or mitigate, risks associated with crises, while supporting rapid recovery efforts that promote sustainable national development. In the 2012-2013 period, UNDP support will be called upon in a number of critical contexts: including in Southern Sudan and the Arab States region.

106. Following its secession, planned for 9 July 2011, Southern Sudan will be challenged with the task of nation-building, requiring a refocusing of the UNDP programme on (i) good governance and state-building; (ii) crisis prevention and recovery; and (iii) inclusive growth and economic development. The existing sub-office in Juba will be converted into a full country-office presence. It will include adequate managerial, programmatic and operational capacities for delivering a complex, multi-dimensional programme.

107. Similarly, the ongoing transitions in the Arab States region require renewed and refocused UNDP support. For these transitions to respond fully to the aspirations of the citizens, the emerging political models need to promote economic, social and political inclusion. The unpredictability of the current political context, coupled with the sudden decrease of state functions in the region, requires a rapid response to the immediate needs of the population, while paving the way for a long-term political transition. Accordingly, country programmes will require adjustment to meet transition needs, and the capacity of country offices will require strengthening to ensure responsive management, programme implementation support and advisory services.

108. In view of the above, the Administrator proposes an investment of $4.2 million from regular resources to support countries in fragile transitions through the establishment of the following positions: (i) a D2 Senior Country Director and six national officer and local posts in Southern Sudan; (ii) a D2 Senior Country Director in Yemen; and (iii) a D1 Transition Team Leader in the Arab States region to coordinate support, in view of the multiple and simultaneous crises taking place across the region. Support will also be provided for a phased relocation of the Iraq country office from Amman to Baghdad.

Framing the global development agenda

109. In January 2011, UNDP introduced an MDG Breakthrough Strategy, including the establishment of an MDG Acceleration Framework (MAF). The MAF serves as the UNDP framework to accelerate achievement of the MDGs in countries where progress is significantly lagging. It has been piloted in 10 countries, in which it has led to high-quality MAF Action Plans. This approach was subsequently endorsed by the UNDG. In addition, the MDG Summit has brought a level of international agreement on the need to further accelerate progress on the Goals, in part through more explicit alignment between government and development partners on planned activities within the context of MAF country action plans. These plans focus on key policy, investment and capacity bottlenecks that are impeding the acceleration of progress, especially on the elimination of major gender, income and geographic disparities. UNDP proposes to support the formulation of 12 additional MAF country action plans during 2012-2013.

110. Given the unique and global mandate of UNDP, it has been tasked to play a proactive role in the preparations leading up to the Conference on Sustainable Development (Rio+20) where the most important question for the post-MDG period will be addressed: How to design a global blueprint for future sustainable growth while safeguarding progress already achieved in the areas of poverty, climate change and other critical sectors. In close consultation with United Nations system partners, UNDP will gather, analyze and synthesize multiple, complex streams of substantive information. These activities are expected to make an important contribution to the formulation of a dynamic global institutional framework for development.

111. UNDP is a member of the IATI, which is a voluntary, multi-stakeholder initiative that seeks to make information about aid spending easier to find, use and compare. It brings together donor and developing countries, non-governmental organizations and experts on aid information. UNDP has committed to implement the transparency standards adopted by IATI internally in a phased and cost-effective manner in order to provide better quality information to partners and the public. This will require reporting and systems changes, and data reconfiguration and reconciliation.

112. In view of the above, the Administrator proposes an investment of $4.0 million from regular resources, of which: (i) $2.0 million will support the expansion of the preparation of high-quality MDG Acceleration Framework Action Plans in 12 programme countries; (ii) $1.0 million will support the preparation for Rio+20 of an issues paper clarifying how the green economy can contribute to the implementation of the sustainable development agenda; and (iii) $1.0 million will support the upgrading of existing data, reporting and systems capabilities in order to successfully introduce the transparency standards adopted by IATI.

Enhancing value-added corporate services and accountability

113. General Assembly resolution 60/283 approved the United Nations system-wide adoption of IPSAS to replace the United Nations System Accounting Standards. IPSAS is considered a best practice by public and not-for-profit organizations. IPSAS implementation is expected to result in a higher level of transparency and accountability by providing a consistent, comparable and harmonized platform for United Nations system financial reporting and disclosure. It will also facilitate greater harmonization in financial regulations and rules, business practices, and policies and procedures. UNDP is well on track to implement IPSAS beginning in January 2012, and has already made considerable progress during the current preparatory phase. However, non-recurring investments during 2012, the first year of implementation, are still required in order to: stabilize business processes and workflows; support ongoing verification of opening balances; conduct an actuarial valuation of employee benefit liabilities; further define reports and interpret policies; and provide trouble shooting support to country offices in order to mitigate implementation risks.

114. A global shared-service centre will be established to provide recurring advisory services and support primarily to country offices in order to deal with complex IPSAS transactions. The centre is expected to provide opportunities for economies of scale and the sharing of knowledge and best practices. It will be located in a low-cost location with access to competent, available labour. It is expected to provide important input to discussions on alternative approaches for achieving faster, cheaper and better business processes across the organization.

115. In the area of information and communications technology, a road map has been finalized for 2012-2013. It addresses the important role ICT plays in providing strategic advisory and value-added corporate services, and in improving reporting, compliance and risk management. Non-recurring investments during 2012-2013 are required to make critical enhancements to the ERP system to strengthen corporate services in the areas of Atlas security, human resources management, IPSAS and programme management, as well as to

improve Internet capabilities. To improve overall reporting, compliance and risk management, non-recurring investments in the areas of results-based management, strategic reporting and data archiving are needed.

116. Recurring investments in ICT during 2012-2013 are also required to consolidate and leverage the strategic investments made during 2010-2011 in the intranet, Internet and extranet, investments that have increased knowledge-management and sharing capabilities throughout the organization. The UNDP intranet has been redesigned and consolidated to increase internal efficiencies and to support integration and harmonization with internal results and information-management tools. The Internet is now managed through a content management system that allows site owners, with minimal technical knowledge, to modify the content, graphics and structure of individual websites. The extranet provides UNDP with the institutional platform to support collaboration, knowledge sharing, communication and networking with external development partners.

117. The Investigations Unit in OAI has experienced a significant increase in the number and complexity of complaints and requests for investigations. Of particular concern is the rise in the proportion of alleged irregularities related to fraud and other financial activities. These situations and the required follow-up work, if not addressed and carried out quickly, can serve to distract staff from routine tasks and detract from the quality and added value of strategic undertakings. Increased investment in the capacity of the Investigations Unit is therefore considered important.

118. In view of the above, the Administrator proposes an investment of $21.0 million from regular resources to support enhanced value-added corporate services and accountability. Of this total, $10.0 million will directly support IPSAS implementation through a non-recurring investment of $3.8 million, and recurring investments of $6.2 million to fund the global shared services centre, including the establishment of 10 international professional and 30 local positions. Another $10.0 million will support information and communications technology-related activities, of which $6.1 million represents non-recurring investments and $3.9 million represents recurring investments. In addition, $1.0 million in recurring investments in the Investigations Unit are proposed through the establishment of two international professional positions.

Estimated income to the budget

119. The total estimated income of the institutional budget for 2012-2013 is $75.4 million, representing an increase of $0.3 million over 2010-2011. This income comes from three sources: government contributions towards local office costs (GLOC); income the United Nations Volunteers (UNV) programme derives from providing volunteers to United Nations organizations; and an accounting linkage to voluntary contributions to offset the cost of reimbursing income taxes paid by United Nations staff on their salaries.

120. Host government obligations towards GLOC are estimated at $52.6 million, the same amount as during 2010-2011. Income relating to UNV is also projected to remain at the 2010-2011 level ($5.0 million). The offset amount for tax reimbursements is projected to increase by $0.3 million, bringing the total amount recovered through the accounting linkage to $17.8 million.

Government contributions towards local office costs (GLOC)

121. Table 4 shows 2010 GLOC from direct cash payments, accounting linkage with voluntary contributions and in-kind contributions, broken down by the income category of programme countries. Against a total obligation of $62.9 million, contributions in 2010 amounted to $47.3 million. This was made up of $34.9 million in direct cash payments and the accounting linkage with voluntary contributions, and $12.4 million in in-kind contributions. This represents a 1 percentage point improvement from 74 per cent ($49.3 million against a $66.4 million target in 2008) to 75 per cent ($47.3 million against a $62.9 million target in 2010).

122. The Administrator appreciates improvements made by many programme countries aimed at meeting their GLOC obligations. Middle-income country compliance, however, remains at a less-than-desirable level. For 2012-2013, UNDP will maintain the option of withholding a portion of institutional budget resources from countries with significant GLOC deficits.

Table 4: Government contributions to local office costs income, by category of countries, 2010
(in millions of dollars)

Income Category	GLOC obligations including in-kind contributions	Income Received			Percentage received against obligation
		Cash and accounting linkage	In-kind contributions	Total income received	
Low-income countries	16.8	6.5	4.9	11.4	68%
Middle-income countries	35.4	19.2	6.1	25.3	71%
Net contributor countries	10.6	9.2	1.4	10.6	100%
Total	62.9	34.9	12.4	47.3	75%

Post changes

123. Table 5 summarizes regular resources posts, by location, while summary table 5 contains total resources posts, by location, including those funded from other resources. Summary table 3 contains proposed changes in senior posts funded from regular resources.

124. UNDP is proposing that total positions funded from regular resources decrease by a net 11 posts: from 3,217 during 2010-2011, to 3,206 during 2012-2013. This has the following implications:

(a) For management activities, this incorporates a net reduction of 3 D2-level positions and a net increase of 1 D1-level position, as well as a net increase of 16 international professional positions and a net reduction of 4 local positions.
(b) For development effectiveness activities, this incorporates an increase of 1 D2-level position and 1 D1-level position, as well as the net reduction of 18 international professional and three local positions.
(c) For United Nations development coordination activities, this incorporates the reduction of 1 local position.
(d) For special purpose activities, this incorporates the reduction of 1 local position.

125. Total proposed posts at the country-office and regional level for 2012-2013 are 2,684. This is 83.7 per cent of the total posts and includes 114 country-office-based UNV posts. The

remaining 522 posts are located at Headquarters, including 10 posts for DOCO, net 63 posts for UNV, 16 posts for UNCDF, and 433 posts for all other UNDP units.

126. Proposed post changes during 2012-2013 are influenced by two major factors: (i) the volume reductions tabled in this budget, and (ii) proposed investments. The effects of the proposed post changes due to volume reductions and investments are discussed in paragraph 90 and paragraphs 96 to 118.

Table 5. Regular resources posts, by location
(in millions of dollars, nominal)

	2010-2011 approved posts							*Changes (increase / decrease)*						*2012-2013 proposed posts*						
	ADM/ USG/ ASG	*D2*	*D1*	*Other International Professional*	*All other*	*Total*	*% of total*	*ADM/ USG/ ASG*	*D2*	*D1*	*Other International Professional*	*All other*	*Total*	*ADM/ USG/ ASG*	*D2*	*D1*	*Other International Professional*	*All other*	*Total*	*% of total*
I. Management																				
Country and regional offices	-	44	120	216	1,517	1,897	59.0%	-	(2)	2	(2)	(8)	(10)	-	42	122	214	1,509	1,887	58.9%
Headquarters	10	19	37	158	146	370	11.5%	-	(1)	(1)	18	4	20	10	18	36	176	150	390	12.2%
subtotal	10	63	157	374	1,663	2,267	70.5%	-	(3)	1	16	(4)	10	10	60	158	390	1,659	2,277	71.1%
II. Development effectiveness																				
Country and regional offices	-	1	2	76	621	700	21.8%	-	1	1	(16)	(3)	(17)	-	2	3	60	618	683	21.3%
Headquarters	-	6	9	18	12	45	1.4%	-	-	-	(2)	-	(2)	-	6	9	16	12	43	1.3%
subtotal	-	7	11	94	633	745	23.2%	-	1	1	(18)	(3)	(19)	-	8	12	76	630	726	22.6%
III. United Nations development coordination																				
Country offices[1]						-							-						-	
United Nations Development Operations Coordination Office	-	1	1	2	7	11		-	-	-	-	(1)	(1)	-	1	1	2	6	10	
subtotal	-	1	1	2	7	11	0.3%	-	-	-	-	(1)	(1)	-	1	1	2	6	10	0.3%
IV. Special purpose																				
United Nations Volunteers[2]	-	1	3	20	154	178	5.5%	-	-	-	-	(1)	(1)	-	1	3	20	153	177	5.5%
United Nations Capital Development Fund	-	1	3	7	5	16	0.5%	-	-	-	-	-	-	-	1	3	7	5	16	0.5%
subtotal	-	2	6	27	159	194	6.0%	-	-	-	-	(1)	(1)	-	2	6	27	158	193	6.0%
Grand total	10	73	175	497	2,462	3,217	100.0%	-	(2)	2	(2)	(9)	(11)	10	71	177	495	2,453	3,206	100.0%

[1] All staff resources assigned to country offices are shown under the "country and regional offices" categories under the cost classifications "I.Management" and "II.Development effectiveness", respectively.
[2] Of the 153 other staff, 114 are located at the country-office level.

127. The establishment of new posts, or reclassification of existing posts, at the D2 and D1 levels, should be in line with broader and more complex levels of responsibility, especially at the country-office level. The proposals for those senior positions have been assessed using the ICSC post review classification process. Its master standard for job classifications equates director posts with institutional leadership functions. This is especially relevant for resident coordinator posts that lead the United Nations system at the country level, promoting and advancing the agenda of the United Nations in the context of the host government, and for senior country director posts that play a critical leadership and management role in the most complex of crisis countries, including representation of UNDP in United Nations country teams.

128. In an effort to contain costs, and in consideration of previous guidance from the Executive Board and the Advisory Committee on Administrative and Budgetary Questions, UNDP proposes to limit the net change in senior posts funded from regular resources for

2012-2013 to zero. This reflects a net reduction of two D2 posts offset by a net increase of two D1 posts. Full disclosure of all proposed changes in senior posts is contained in summary table 3.

129. At the D2 level, proposed changes involve the freezing of three D2 posts and the downward classification of three posts from the D2 to D1 level. It is also proposed that three new D2 posts be established for the position of senior corporate economist and senior country director positions in Southern Sudan and Yemen. In addition, it is proposed that the D1 resident coordinator post in Yemen be reclassified to the D2 level in view of the special political, developmental, representational and operational circumstances.

130. One new D1 post is proposed to be established for the position of transition team leader in the Arab States region. The incumbent would be located in Cairo and would manage and coordinate new and emerging activities emanating from recent and ongoing political, economic and social turmoil in the region. This post is offset by the abolishment of a D1 post in the Executive Office.

131. In the 2006-2007 budget, eight country director posts were established through temporary conversions of resident coordinator posts, in lieu of the newly established Deputy Special Representative of the Secretary-General posts cost-shared between UNDP and the United Nations Department of Peacekeeping Operations, as established within the United Nations post structure. The temporary conversion of eight existing resident coordinator posts to country director posts was considered a prudent use of available resources. It was also considered a practical interim response to the triennial comprehensive policy review recommendation that UNDP strengthen its country-office capacities in complex emergency situations. Upon cessation of individual Deputy Special Representative of the Secretary-General arrangements, the temporary country director posts should revert to their resident coordinator status, and a more permanent solution for establishing country director positions should be sought.

B. Other resources

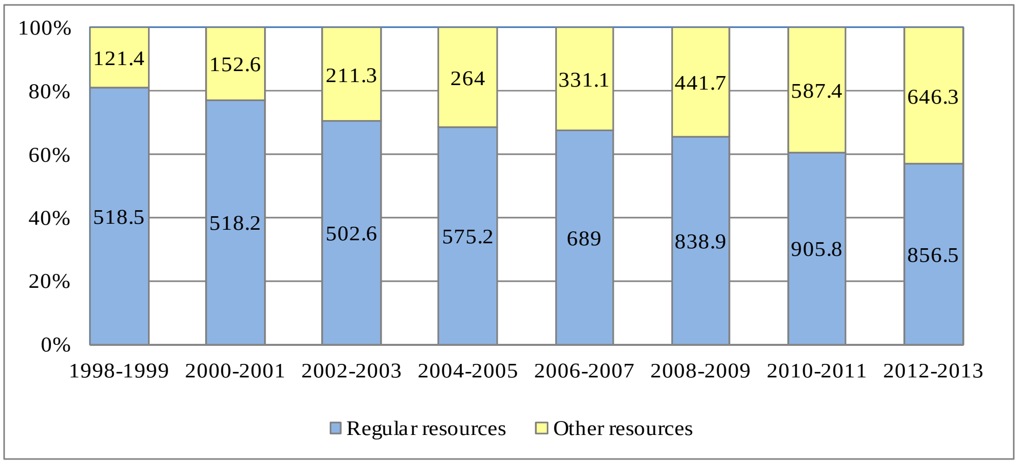
Projections

132. Figure 3 presents planned expenditures for the budget. The 2012-2013 net institutional budget estimates funded from regular resources of $856.5 million ($905.8 million in 2010-2011), as well as the estimates funded from other resources of $646.3 million ($587.4 million in 2010-2011), are presented in table 2. Planned expenditures funded from other resources as a function of total planned expenditures (regular and other) continue to show a positive trend. During 1998-1999, planned expenditures funded from other resources were estimated at $121 million or 19 per cent of total planned expenditures. During 2010-2011, this increased to $587 million or 39 per cent. During 2012-2013 it is expected to further increase to $646 million or 43 per cent, a $59 million or 10 per cent increase over 2010-2011.

Figure 3. Planned expenditures for the institutional budget*

Relative shares of regular resources and other resources

(in millions of dollars, nominal)



* For comparability purposes, resources are presented in line with the classification of costs per Executive Board decision 2010/32.

133. Current estimates for cost-recovery income in 2012-2013 are $592 million, compared to $568 million for 2010-2011, as presented in table 6, section I. This represents an estimated increase of $24 million, or 4 per cent. The 2012-2013 cost-recovery estimates of $592 million may be elaborated as follows:

(a) General management services (GMS) income estimate from donor co-financing of $418 million ($384 million in 2010-2011) represents 6.25 per cent (6 per cent in 2010-2011) of $6.7 billion ($6.4 billion in 2010-2011). This is the mid-point of $7,494 million in estimated programme expenditures and $5,950 million in estimated contributions funded from bilateral/multilateral resources. The GMS income figures from donor co-financing are included in table 1 as part of resources available, contributions: bilateral/multilateral resources.

(b) General management services income estimate from programme country cost-sharing of $49 million ($60 million in 2010-2011) represents 3.5 per cent (3.7 per cent in 2010-2011) of $1,392 million in estimated programme expenditures funded from local resources. The GMS income figures from programme country cost sharing are included in table 1 as part of resources available, contributions: other local resources.

(c) United Nations organization services cost-recovery income estimate at the Headquarters level of $50 million ($51 million in 2010-2011) is presented in table 1 under resources available, reimbursement for services to other United Nations organizations.

(d) United Nations organization services cost-recovery income estimate at the country-office level of $22 million ($21 million in 2010-2011) is presented in table 1 under resources available, contributions: bilateral/multilateral and other local resources.

(e) Other cost-recovery income estimates of $53 million ($52 million in 2010-2011) are presented in table 1 under resources available, contributions: bilateral/multilateral and other local resources.

134. Current estimates for related other resources in 2012-2013 are $136 million, compared to $80 million for 2010-2011, as presented in table 6, section II. This

represents an estimated increase of $56 million, or 80 per cent. These amounts are presented in table 1 as a part of resources available, income and adjustment: bilateral/multilateral and other local resources. They represent: interest income; the attribution of project costs that are locally managed and flow through country-office extrabudgetary accounts (formerly implementation support services); and the attribution of project costs that are centrally managed and flow through corporate extrabudgetary accounts (see paragraphs 93 to 94).

Table 6. Cost recovery and related other resources – estimates for 2010-2011 and 2012-2013[3]

(in millions of dollars, nominal)

	2010-2011 estimates	2012-2013 estimates
I. Cost recovery		
General management services cost recovery income		
Income from donor cofinancing	384	418
Income from programme-country cost sharing	60	49
Subtotal general management services cost recovery income	**444**	**467**
United Nations organization services cost recovery income		
Income from services at Headquarters	51	50
Income from services at country-office level	21	22
Subtotal income from United Nations organization services	**72**	**72**
Other cost recovery income		
Administrative agent fees	12	13
Other*	40	40
Subtotal other cost recovery income	**52**	**53**
I. Total: Cost recovery	**568**	**592**
II. Related other resources		
Interest income	12	10
Attribution of locally managed costs**	39	40
Attribution of centrally managed costs**	29	86
II. Total: Related other resources	**80**	**136**

* Relates to reimbursable net contributing country contributions, ad hoc services and miscellaneous income at country-office level.

** Relates to attribution of certain project costs that flow through the extrabudgetary account.

Challenges

135. Historically, the identification of activities and costs and their attribution to regular and other resources followed a relatively simple and unambiguous approach. The activities and costs of staff located in government ministries and project sites were considered programme related and thus chargeable in whole to the concerned regular- or other resources-funded programme or project. In contrast, the activities and costs of staff located in UNDP country offices were considered management related and thus

[3] 2010-2011 and 2012-2013 estimates are included in table 1 “resources available” section, see paragraphs 133 to 134.

chargeable in whole to regular or other resources funding from the institutional budget or extrabudgetary account. This is clearly no longer the case due to the dynamic mandate, multi-funded nature and evolving implementation arrangements of UNDP, including increased focus on advocacy and policy advice.

136. In principle, all project activities and their associated costs, as defined in the Country Programme Action Plan, annual project workplans and project documents are incurred by government counterpart agencies. This is the national execution/national implementation modality (NEX/NIM) and assumes that programme countries carry out all project implementation activities and translate all project inputs into concrete development results and outputs. This also implies that 93 per cent of donor-provided cost sharing and trust fund resources under the NEX/NIM modality (97 per cent for programme-country cost sharing) are spent directly on project activities by government ministries, institutions and agencies. This also implies that all related institutional costs are fully recovered by UNDP as extrabudgetary resources through the application of the 7 per cent cost-recovery policy with respect to general management services approved by the Executive Board in decision 2007/18.

137. Furthermore, in accordance with the NEX/NIM accountability framework that describes the roles of programme country governments and UNDP, all oversight and related activities of UNDP (i.e., general management services) should be funded from the institutional budget or extrabudgetary account. In addition, in accordance with the policies and procedures of UNDP, all implementation-related activities undertaken by UNDP should be directly charged to the concerned project or programme. This applies equally to the NEX/NIM modality when the Government is the implementing partner and UNDP is the responsible party, and to the direct implementation (DIM) modality when UNDP is the implementing partner.

138. UNDP currently faces three interrelated and mutually dependent challenges with respect to further defining the role played by other resources in contributing to the institutional and development results and overall funding of the organization. The first challenge relates to issues highlighted in the change agenda with respect to different country requirements which preclude one-size-fits-all approaches, service-driven menus and formula-based presence. This challenge is largely being addressed within the change agenda and related initiatives on country-office typologies, modalities of project implementation and the programming arrangements.

139. The second challenge relates to arriving at more transparent and optimal ways of attributing costs, and their sources of funding, to either development or institutional activities. The enhanced attributing of centrally managed costs (discussed in paragraphs 93 to 94) and the improved application and monitoring of activities under the NEX/NIM accountability framework (discussed above) should largely address this challenge.

140. The third challenge relates to improved alignment between the resources that flow into the extrabudgetary account and the funding of the institutional activities that underpin development activities funded from other resources. Extrabudgetary resources are largely generated through the application of the cost-recovery policy. This policy calls for the recovery of a minimum of 7 per cent on all third-party cost sharing and trust fund contributions[4], and a minimum of 3 per cent on all government cost-sharing contributions, in order to fund related institutional activities (i.e., general

[4] Two waivers were granted in 2010: (i) nil fee for a contribution to the Office of the United Nations Special Envoy for Haiti, and (ii) reduced fee of 4 per cent for a contribution to the Regional Multi-Donor Trust Fund for Tsunami, Disaster and Climate Preparedness administered by the Economic and Social Commission for Asia and the Pacific (Asia-Pacific Regional Centre).

management services). Institutional activities funded from regular resources should not unduly support (subsidize) activities attributed to other resources. Similarly, cost-recovery generated resources in the extrabudgetary account should not be used to fund project implementation activities carried out by UNDP. Improved extrabudgetary account management and strengthened monitoring should satisfactorily address this issue.

141. In previous budgets, the calculation of the UNDP variable indirect recovery rate for bilateral and multilateral donor resources was based on the concept of the base structure, defined in DP/2010/3 as the minimum capacity that the organization needs in order to carry out its core mandate. This is presented in the following paragraphs for 2012-2013, in line with the cost-recovery methodology reflected in the report on UNDP strategic cost management and implications for cost recovery (DP/2004/35) and the report on the assessment of the cost-recovery policy (DP/2007/36). For comparability, figures are presented using the classification of costs in effect for previous bienniums.

(a) Total biennial cost of the UNDP structure: $1,169 million.[5]
(b) (Minus) base structure: -$538 million.[6]
(c) Variable indirect costs: $631 million.

142. The objective is to fund variable indirect costs of $631 million proportionally between regular (20.5 per cent) and bilateral/multilateral donor resources (79.5 per cent)[7], which are attributed as follows:

(a) To regular resources: $129 million. (20.5 per cent times $631 million.)
(b) To bilateral/multilateral donor resources: $502 million. (79.5 per cent times $631 million.)
(c) Total variable indirect costs: $631 million.

143. In principle, the indirect cost-recovery rate for bilateral and multilateral donor resources is arrived by (i) taking the $502 million of variable indirect costs attributed to these donor resources, and (ii) dividing this figure by the corresponding amount of planned bilateral/multilateral donor programme expenditures of $7,494 million (table 1, section 2 A.1, “Programmes”). This results in an indirect cost-recovery rate of 6.70 per cent ($502 million / $7,494 million = 0.0670).

144. Within the context of evolving differentiation in services and presence, the above approach, which was originally approved in the 2004-2005 budget, may no longer be applicable for the purpose of determining an equitable burden-sharing of institutional costs between regular and other resources. The base structure and related cost-recovery policy will therefore be revisited in an inter-agency context as part of the joint road map to an integrated budget from 2014 onwards.

[5] Adjusted in line with the cost classifications used during previous bienniums. Calculated as $1,502.8 million (total resources per table 2); minus $109.0 million representing the costs of non-UNDP operations administered by UNDP ($35.6 million plus $73.4 million per table 1); minus $99.3 million representing the use of local resources attributed to: development effectiveness activities, United Nations development coordination activities and management activities ($16.2 million plus $9.3 million plus $73.8 million per table 1); minus $126 million representing direct income and costs related to the attribution of locally and centrally managed costs ($40 million plus $86 million per table 6).

[6] Per the cost of the base structure as estimated in DP/2010/3.

[7] The relative share of the estimated total use of regular resources ($2,081 million or 20.5 per cent) and bilateral/multilateral resources ($8,082 million or 79.5 per cent) as reflected in table 1.

Summary table 1. Comparison of 2010-2011 resource plan with actuals/estimates[8]

(in millions of dollars, nominal)

	2010-2011 (planned)						2010 (actuals) + 2011 (estimates)					
	Regular resources	Regular (Other income utilization) resources a/	Bilateral/ Multilateral resources	subtotal Donor resources	Local resources	Total resources	Regular resources	Regular (Other income utilization) resources a/	Bilateral/ Multilateral resources	subtotal Donor resources	Local resources	Total resources
1. Resources available												
Opening balance b/	353.5	-	2,782.5	3,136.0	889.0	4,025.0	353.5	-	2,782.5	3,136.0	889.0	4,025.0
Income				-		-						
Contributions	2,350.0	-	4,955.9	7,305.9	2,216.7	9,522.6	1,967.0	-	6,310.0	8,277.0	1,531.0	9,808.0
Other c/	-	75.1	49.5	124.6	22.2	146.8	(90.5)	73.0	49.5	32.0	22.2	54.2
Reimbursement for services to other United Nations organizations	-	-	40.9	40.9		40.9	-	-	50.8	50.8	-	50.8
Total available	**2,703.5**	**75.1**	**7,828.8**	**10,607.4**	**3,127.9**	**13,735.3**	**2,230.0**	**73.0**	**9,192.8**	**11,495.8**	**2,442.2**	**13,938.0**
2. Use of resources												
Development activities												
A.1 Programmes	1,518.2	-	5,947.2	7,465.4	2,413.1	9,878.5	1,072.8	-	6,455.6	7,528.4	1,606.8	9,135.2
A.2 Development effectiveness	191.1	-	100.5	291.6	18.8	310.4	149.2	-	120.2	269.4	27.2	296.6
Subtotal development activities (A.1 + A.2)	**1,709.3**	**-**	**6,047.7**	**7,757.0**	**2,431.9**	**10,188.9**	**1,222.0**	**-**	**6,575.8**	**7,797.8**	**1,634.0**	**9,431.8**
United Nations development coordination activities												
B.1 United Nations development coordination	194.9	-	94.2	289.1	12.0	301.1	182.9	-	120.5	303.4	14.3	317.7
B.2 United Nations Development Operations Coordination Office	3.6	0.3	1.9	5.8	-	5.8	3.2	0.2	1.2	4.6	-	4.6
Subtotal United Nations development coordination activities (B.1 + B.2)	**198.5**	**0.3**	**96.1**	**294.9**	**12.0**	**306.9**	**186.1**	**0.2**	**121.7**	**308.0**	**14.3**	**322.3**
Management activities												
C.1 Harmonized management activties (functions 1 - 16)	498.8	68.1	254.6	821.5	47.6	869.1	455.6	67.6	236.8	760.0	57.3	817.3
Subtotal management activities (C.1)	**498.8**	**68.1**	**254.6**	**821.5**	**47.6**	**869.1**	**455.6**	**67.6**	**236.8**	**760.0**	**57.3**	**817.3**
Special purpose activities												
Non-UNDP operations administered by UNDP												
D.1 United Nations Volunteers	34.8	6.1	18.3	59.2	-	59.2	29.0	5.0	15.8	49.8	-	49.8
D.2 United Nations Capital Development Fund	8.9	0.6	-	9.5	-	9.5	8.1	0.2	-	8.3	-	8.3
D.3 Reimbursable services to other United Nations organizations	-	-	40.9	40.9	-	40.9	-	-	51.5	51.5	-	51.5
Subtotal non-UNDP operations administered by UNDP (D.1 + D.2 + D.3	43.7	6.7	59.2	109.6	-	109.6	37.1	5.2	67.3	109.6	-	109.6
General Assembly mandated costs												
E.1 United Nations mandated security costs	58.0	-	16.7	74.7	8.3	83.0	46.7	-	16.7	63.4	8.3	71.7
E.2 International Public Sector Accounting Standards (IPSAS)	9.5	-	3.5	13.0	-	13.0	9.5	-	3.5	13.0	-	13.0
E.3 United Nations human resources contractual reform	2.2	-	-	2.2	-	2.2	2.2	-	-	2.2	-	2.2
E.4 United Nations system for Administration of Justice	2.7	-	-	2.7	-	2.7	2.7	-	-	2.7	-	2.7
Subtotal General Assembly mandated costs (E.1 + E.2 + E.3 + E.4)	72.4	-	20.2	92.6	8.3	100.9	61.1	-	20.2	81.3	8.3	89.6
Capital investments												
F.1 Headquarters telephone system replacement	4.0	-	-	4.0	-	4.0	4.0	-	-	4.0	-	4.0
F.2 Atlas Human Resource module upgrade	1.1	-	-	1.1	-	1.1	1.1	-	-	1.1	-	1.1
Subtotal Capital investments (F.1 + F.2)	5.1	-	-	5.1	-	5.1	5.1	-	-	5.1	-	5.1
Subtotal special purpose activities (D + E + F)	**121.2**	**6.7**	**79.4**	**207.3**	**8.3**	**215.6**	**103.3**	**5.2**	**87.5**	**196.0**	**8.3**	**204.3**
Total use of resources (A+B+C+D+E+F)	**2,527.8**	**75.1**	**6,477.8**	**9,080.7**	**2,499.8**	**11,580.5**	**1,967.0**	**73.0**	**7,021.8**	**9,061.8**	**1,713.9**	**10,775.7**
3. Balance of resources	**175.7**	**-**	**1,351.0**	**1,526.7**	**628.1**	**2,154.8**	**263.0**	**-**	**2,171.0**	**2,434.0**	**728.3**	**3,162.3**

a/ Includes government contributions towards local office costs (GLOC), income the United Nations Volunteers programme derives from providing volunteers to United Nations organizations; and an accounting linkage to offset the cost of reimbursing income taxes paid by United Nations staff on their salaries

b/ Opening balance for 2010/2011 has been revised to reflect actual amounts recorded in the UNDP 2008-2009 audited financial statements

c/ Includes interest, miscellaneous income and adjustments related to foreign exchange gains/loss, operating reserve increases/decreases, and miscellaneous expenditure

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[8] Costs classified per Executive Board decision 2009/22.

Summary table 2. Regional resource plan[9]

(in millions of dollars, nominal)

Use of resources	2010 (actuals) + 2011 (estimates)									2012-2013 (planned)								
	Regular resources	Regular resources income utilization _a	Bilateral/ Multilateral other resources	Subtotal donor resources		Local resources		Total resources		Regular resources	Regular resources income utilization _a	Bilateral/ Multilateral other resources	Subtotal donor resources		Local resources		Total resources	
	$	$	$	$	%	$	%	$	%	$	$	$	$	%	$	%	$	%
AFRICA b/																		
A1. Programmes (development activities)	496.9		1,688.8	2,185.7		169.7		2,355.4		533.9		1,949.2	2,483.1		147.0		2,630.1	
A2. Development effectiveness (development activities)	67.1		21.2	88.3		1.0		89.3		69.0		24.2	93.2		0.9		94.1	
B. Management activities	100.5	15.1	43.3	158.9		3.0		161.9		119.9	15.4	49.4	184.7		2.8		187.5	
Total Africa	664.5	15.1	1,753.3	2,432.9	26.8	173.7	10.1	2,606.6	24.2	722.8	15.4	2,022.8	2,761.0	27.0	150.7	10.1	2,911.7	24.9
ARAB STATES b/																		
A1. Programmes (development activities)	68.7		890.8	959.5		80.9		1,040.4		69.0		999.6	1,068.6		70.1		1,138.7	
A2. Development effectiveness (development activities)	17.9		13.4	31.3		0.8		32.1		18.4		15.3	33.7		0.7		34.4	
B. Management activities	22.4	11.5	33.8	67.7		2.3		70.0		21.6	11.7	28.7	62.0		2.2		64.2	
Total Arab States	109.0	11.5	938.0	1,058.5	11.7	84.0	4.9	1,142.5	10.6	109.0	11.7	1,043.6	1,164.3	11.4	73.0	4.9	1,237.3	10.5
ASIA AND THE PACIFIC																		
A1. Programmes (development activities)	330.7		2,118.5	2,449.2		28.0		2,477.2		352.4		2,607.3	2,959.7		24.3		2,984.0	
A2. Development effectiveness (development activities)	30.9		20.0	50.9		0.2		51.1		31.7		22.8	54.5		0.2		54.7	
B. Management activities	47.2	9.6	48.9	105.7		0.5		106.2		54.3	9.8	49.5	113.6		0.4		114.0	
Total Asia and the Pacific	408.8	9.6	2,187.4	2,605.8	28.7	28.7	1.7	2,634.5	24.4	438.4	9.8	2,679.6	3,127.8	30.5	24.9	1.7	3,152.7	26.9
LATIN AMERICA AND THE CARIBBEAN																		
A1. Programmes (development activities)	47.2		628.0	675.2		1,260.3		1,935.5		50.3		669.1	719.4		1,091.3		1,810.7	
A2. Development effectiveness (development activities)	20.0		12.2	32.2		16.0		48.2		20.5		14.0	34.5		13.6		48.1	
B. Management activities	23.8	14.4	30.6	68.8		44.6		113.4		27.3	14.5	31.0	72.8		43.0		115.8	
Total Latin America and the Caribbean	91.0	14.4	670.8	776.2	8.6	1,320.9	77.1	2,097.1	19.6	98.1	14.5	714.1	826.7	8.1	1,147.9	77.0	1,974.6	16.8
EUROPE AND THE COMMONWEALTH OF INDEPENDENT STATES																		
A1. Programmes (development activities)	69.7		722.2	791.9		67.9		859.8		74.3		844.1	918.4		58.8		977.2	
A2. Development effectiveness (development activities)	18.2		15.8	34.0		1.0		35.0		18.7		18.0	36.7		0.9		37.6	
B. Management activities	35.4	7.2	40.1	82.7		2.8		85.5		40.7	7.2	40.6	88.5		2.7		91.2	
Total Europe and the Commonwealth of Independent States	123.3	7.2	778.1	908.6	10.0	71.7	4.2	980.3	9.1	133.7	7.2	902.7	1,043.6	10.2	62.4	4.2	1,106.0	9.4
INTERCOUNTRY, GLOBAL AND OTHERS																		
A1. Programmes (development activities)	59.6		407.2	466.8				466.8		61.7		425.3	487.0				487.0	
A2. Development effectiveness (development activities)	32.5		3.9	36.4		-		36.4		33.8		4.0	37.8		-		37.8	
B. Management activities	16.5	1.2	11.2	28.9		-		28.9		18.4	1.2	13.1	32.7		-		32.7	
Total intercountry, global and others	108.6	1.2	422.3	532.1	5.9	-	-	532.1	4.9	113.9	1.2	442.4	557.5	5.4	-	-	557.5	4.8
CENTRALLY MANAGED SUPPORT																		
B. Management activities	254.9	8.6	94.5	358.0	4.0	23.5	1.4	381.5	3.5	257.6	8.6	121.5	387.7	3.8	22.6	1.5	410.3	3.5
TOTAL UNDP																		
A1. Programmes (development activities)	1,072.8	-	6,455.6	7,528.4	83.1	1,606.8	93.8	9,135.2	84.8	1,141.4	-	7,494.4	8,635.8	84.4	1,391.5	93.3	10,027.3	85.5
A2. Development effectiveness (development activities)	186.6	-	86.5	273.1	3.0	19.0	1.1	292.1	2.7	192.2	-	98.4	290.6	2.8	16.2	1.1	306.8	2.6
B. Management activities	500.7	67.6	302.3	870.6	9.6	76.7	4.5	947.3	8.8	539.9	68.4	333.9	942.2	9.2	73.8	5.0	1,016.0	8.7
C. United Nations development coordination activities	164.7	0.2	110.1	275.0	3.0	11.4	0.6	286.4	2.7	171.5	0.3	82.3	254.1	2.5	9.3	0.6	263.4	2.2
D. Special purpose activities	42.2	5.2	67.3	114.7	1.3	-	-	114.7	1.0	35.6	6.7	73.4	115.7	1.1	-	-	115.7	1.0
GRAND TOTAL	**1,967.0**	**73.0**	**7,021.8**	**9,061.8**	**100.0**	**1,713.9**	**100.0**	**10,775.7**	**100.0**	**2,080.6**	**75.4**	**8,082.4**	**10,238.4**	**100.0**	**1,490.8**	**100.0**	**11,729.2**	**100.0**

a/ Includes government contributions towards local office costs (GLOC), income the United Nations Volunteers programme derives from providing volunteers to United Nations organizations, and an accounting linkage to offset the cost of reimbursing income taxes paid by United Nations staff on their salaries.

b/ From mid-2011 onwards resources related to Southern Sudan are presented in Africa.

[9] Ties into table 1 (Resource plan).

Summary table 3. Proposed changes in senior posts

	ASG and above	D2	D1	Total
2010-2011 APPROVED POSTS (A)	**10**	**73**	**175**	**258**
B. Increases/decreases				
Decreases in context of budget reductions				
Deputy Regional Director, RBAP/Bangkok		(1)		(1)
Deputy Regional Director, RBA/Johannesburg		(1)		(1)
Deputy Regional Director, RBA/Dakar		(1)		(1)
Policy specialist, Executive Office			(1)	(1)
Increases in context of organizational investments				
Senior Country Director, Southern Sudan		1		1
Senior Country Director, Yemen		1		1
RBAS transition team leader, Egypt			1	1
Chief Economist, Bureau for Development Policy		1		1
Subtotal proposed increases /decreases (B)	-	-	-	-
C. Reclassifications				
Country offices				
Deputy Regional Director, RBLAC/Panama		(1)	1	-
Deputy Regional Director, RBAS/Cairo		(1)	1	-
Deputy Regional Director, RBEC/Bratislava		(1)	1	-
Resident Coordinator, Yemen		1	(1)	-
Subtotal reclassifications (C)	-	**(2)**	**2**	-
Subtotal changes - net (=B+C)	-	**(2)**	**2**	-
2012-2013 PROPOSED POSTS (D = A + B + C)	**10**	**71**	**177**	**258**

Summary table 4. Budget estimates, by expense category, for regular resources
(in millions of dollars, nominal)

	2010-2011 estimates	Volume $	Volume %	Cost	2012-2013 estimates
Posts	651.8	(2.0)	-0.3%	22.7	672.5
Other staff costs	2.5	(0.2)	-8.0%	0.2	2.5
Consultants	15.1	(0.3)	-2.0%	0.2	15.0
Travel	31.1	(2.1)	-6.8%	0.4	29.4
Operating expenses	163.2	(21.9)	-13.4%	4.4	145.7
Furniture/ equipment	47.2	(16.6)	-35.2%	1.6	32.2
Reimbursements/ contributions	70.0	(37.0)	-52.8%	1.6	34.6
Gross total	980.9	(80.1)	-8.2%	31.1	931.9
Income to the institutional budget	(75.1)	(0.3)	0.4%	-	(75.4)
Net total	905.8	(80.4)	-8.9%	31.1	856.5

Summary table 5. Posts by location – total resources

Source of funds/ Organizational unit	International Professional category and above: USG ASG	D2	D1	Other IP	Total	All Other	Grand Total
I. Management							
1. Country offices							
Africa							
2010-2011							
Regular resources	0	15	41	70	126	550	676
Other resources related to programme	0	0	0	2	2	253	255
Total	0	15	41	72	128	803	931
2012-2013							
Regular resources	0	15	41	66	122	543	665
Other resources related to programme	0	0	1	1	2	253	255
Total	0	15	42	67	124	796	920
Arab States							
2010-2011							
Regular resources	0	7	13	20	40	136	176
Other resources related to programme	0	0	0	9	9	129	138
Total	0	7	13	29	49	265	314
2012-2013							
Regular resources	0	8	13	20	41	133	174
Other resources related to programme	0	0	1	8	9	129	138
Total	0	8	14	28	50	262	312
Asia and the Pacific							
2010-2011							
Regular resources	0	11	23	32	66	381	447
Other resources related to programme	0	1	0	18	19	273	292
Total	0	12	23	50	85	654	739
2012-2013							
Regular resources	0	10	23	30	63	373	436
Other resources related to programme	0	1	0	20	21	273	294
Total	0	11	23	50	84	646	730
Latin America and the Caribbean							
2010-2011							
Regular resources	0	7	22	17	46	127	173
Other resources related to programme	0	0	1	7	8	258	266
Total	0	7	23	24	54	385	439
2012-2013							
Regular resources	0	6	23	16	45	120	165
Other resources related to programme	0	0	1	7	8	265	273
Total	0	6	24	23	53	385	438
Europe and the Commonwealth of Independent States							
2010-2011							
Regular resources	0	2	18	26	46	192	238
Other resources related to programme	0	0	0	12	12	192	204
Total	0	2	18	38	58	384	442
2012-2013							
Regular resources	0	1	19	26	46	182	228
Other resources related to programme	0	0	0	12	12	193	205
Total	0	1	19	38	58	375	433
Country offices - Central							
2010-2011							
Regular resources	0	2	3	25	30	126	156
Other resources related to programme	0	0	0	1	1	48	49
Total	0	2	3	26	31	174	205
2012-2013							
Regular resources	0	2	3	32	37	153	190
Other resources related to programme	0	0	0	1	1	48	49
Total	0	2	3	33	38	201	239
Total: I.1 Management - Country offices							
2010-2011							
Regular resources	0	44	120	190	354	1 512	1 866
Other resources related to programme	0	1	1	49	51	1 153	1 204
Total - I.1	0	45	121	239	405	2 665	3 070
2012-2013							
Regular resources	0	42	122	190	354	1 504	1 858
Other resources related to programme	0	1	3	49	53	1 161	1 214
Total - I.1	0	43	125	239	407	2 665	3 072

Summary table 5. Posts by location – total resources, continued

Source of funds/ Organizational unit	International Professional category and above USG ASG	D2	D1	Other IP	Total	All Other	Grand Total
2. Headquarters							
Executive Office							
2010-2011							
Regular resources	2	2	2	5	11	7	18
Other resources related to programme	0	1	1	7	9	5	14
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	2	3	3	12	20	12	32
2012-2013							
Regular resources	2	2	1	7	12	7	19
Other resources related to programme	0	1	1	7	9	5	14
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	2	3	2	14	21	12	33
Bureau for Crisis Prevention and Recovery							
2010-2011							
Regular resources	1	0	0	8	9	5	14
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	0	0	8	9	5	14
2012-2013							
Regular resources	1	0	0	9	10	5	15
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	0	0	9	10	5	15
Special Unit for South-South Cooperation							
2010-2011							
Regular resources	0	1	1	4	6	3	9
Other resources related to programme	0	0	0	1	1	0	1
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	1	5	7	3	10
2012-2013							
Regular resources	0	1	1	4	6	3	9
Other resources related to programme	0	0	0	1	1	0	1
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	1	5	7	3	10
Regional Bureau for Africa							
2010-2011							
Regular resources	1	1	3	9	14	9	23
Other resources related to programme	0	0	1	7	8	23	31
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	4	16	22	32	54
2012-2013							
Regular resources	1	0	3	10	14	9	23
Other resources related to programme	0	0	1	7	8	23	31
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	0	4	17	22	32	54
Regional Bureau for Arab States							
2010-2011							
Regular resources	1	1	2	2	6	5	11
Other resources related to programme	0	0	1	6	7	3	10
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	3	8	13	8	21
2012-2013							
Regular resources	1	1	2	3	7	5	12
Other resources related to programme	0	0	1	6	7	3	10
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	3	9	14	8	22
Regional Bureau for Asia and the Pacific							
2010-2011							
Regular resources	1	1	3	5	10	7	17
Other resources related to programme	0	0	0	4	4	16	20
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	3	9	14	23	37
2012-2013							
Regular resources	1	1	3	6	11	7	18
Other resources related to programme	0	0	0	4	4	16	20
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	3	10	15	23	38

Summary table 5. Posts by location – total resources, continued

Source of funds/ Organizational unit	International Professional category and above USG ASG	D2	D1	Other IP	Total	All Other	Grand Total
Regional Bureau for Latin America and the Caribbean							
2010-2011							
Regular resources	1	1	1	3	6	3	9
Other resources related to programme	0	0	1	8	9	20	29
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	2	11	15	23	38
2012-2013							
Regular resources	1	1	1	3	6	3	9
Other resources related to programme	0	0	1	9	10	20	30
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	2	12	16	23	39
Regional Bureau for Europe and the Commonwealth of Independent States							
2010-2011							
Regular resources	1	1	1	5	8	7	15
Other resources related to programme	0	0	0	4	4	3	7
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	1	9	12	10	22
2012-2013							
Regular resources	1	1	1	6	9	6	15
Other resources related to programme	0	0	0	4	4	4	8
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	1	10	13	10	23
Bureau for Development Policy							
2010-2011							
Regular resources	1	1	0	5	7	4	11
Other resources related to programme	0	0	0	5	5	9	14
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	0	10	12	13	25
2012-2013							
Regular resources	1	1	0	5	7	4	11
Other resources related to programme	0	0	0	5	5	9	14
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	1	1	0	10	12	13	25
Evaluation Office							
2010-2011							
Regular resources	0	1	1	15	17	6	23
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	1	15	17	6	23
2012-2013							
Regular resources	0	1	1	15	17	6	23
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	1	15	17	6	23
Ethics Office							
2010-2011							
Regular resources	0	0	1	1	2	1	3
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	0	1	1	2	1	3
2012-2013							
Regular resources	0	0	1	1	2	1	3
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	0	1	1	2	1	3
Office of Audit and Investigations - Headquarters							
2010-2011							
Regular resources	0	1	2	12	15	6	21
Other resources related to programme	0	0	0	8	8	3	11
Other resources related to reimbursement	0	0	0	1	1	0	1
Total	0	1	2	21	24	9	33
2012-2013							
Regular resources	0	1	2	14	17	6	23
Other resources related to programme	0	0	0	8	8	3	11
Other resources related to reimbursement	0	0	0	1	1	0	1
Total	0	1	2	23	26	9	35

Summary table 5. Posts by location – total resources, continued

Source of funds/ Organizational unit	International Professional category and above: USG ASG	D2	D1	Other IP	Total	All Other	Grand Total
Office of Audit and Investigations - Country offices							
2010-2011							
Regular resources	0	0	0	26	26	5	31
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	0	0	26	26	5	31
2012-2013							
Regular resources	0	0	0	24	24	5	29
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	0	0	24	24	5	29
Partnerships Bureau							
2010-2011							
Regular resources	0	3	8	31	42	32	74
Other resources related to programme	1	0	5	31	37	10	47
Other resources related to reimbursement	0	0	0	1	1	3	4
Total	1	3	13	63	80	45	125
2012-2013							
Regular resources	0	3	8	30	41	33	74
Other resources related to programme	1	0	5	31	37	10	47
Other resources related to reimbursement	0	0	0	1	1	3	4
Total	1	3	13	62	79	46	125
Bureau of Management							
2010-2011							
Regular resources	1	5	12	53	71	49	120
Other resources related to programme	0	0	3	80	83	60	143
Other resources related to reimbursement	0	0	0	64	64	96	160
Total	1	5	15	197	218	205	423
2012-2013							
Regular resources	1	5	12	63	81	53	134
Other resources related to programme	0	0	3	80	83	62	145
Other resources related to reimbursement	0	0	0	64	64	97	161
Total	1	5	15	207	228	212	440
Headquarters - Central							
2010-2011							
Regular resources	0	0	0	0	0	2	2
Other resources related to programme	0	0	0	1	1	0	1
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	0	0	1	1	2	3
2012-2013							
Regular resources	0	0	0	0	0	2	2
Other resources related to programme	0	0	0	1	1	0	1
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	0	0	1	1	2	3
Total: I.2 Management - Headquarters							
2010-2011							
Regular resources	10	19	37	184	250	151	401
Other resources related to programme	1	1	12	162	176	152	328
Other resources related to reimbursement	0	0	0	66	66	99	165
Total - I.2	11	20	49	412	492	402	894
2012-2013							
Regular resources	10	18	36	200	264	155	419
Other resources related to programme	1	1	12	163	177	155	332
Other resources related to reimbursement	0	0	0	66	66	100	166
Total - I.2	11	19	48	429	507	410	917
Total: I. Management							
2010-2011							
Regular resources	10	63	157	374	604	1 663	2 267
Other resources related to programme	1	2	13	211	227	1 305	1 532
Other resources related to reimbursement	0	0	0	66	66	99	165
Total - I.	11	65	170	651	897	3 067	3 964
2012-2013							
Regular resources	10	60	158	390	618	1 659	2 277
Other resources related to programme	1	2	15	212	230	1 316	1 546
Other resources related to reimbursement	0	0	0	66	66	100	166
Total - I.	11	62	173	668	914	3 075	3 989

Summary table 5. Posts by location – total resources, continued

Source of funds/ Organizational unit	International Professional category and above: USG ASG	D2	D1	Other IP	Total	All Other	Grand Total
II. Development Effectiveness							
1. Country offices							
Africa							
2010-2011							
Regular resources	0	0	1	35	36	265	301
Other resources related to programme	0	0	0	1	1	107	108
Total	0	0	1	36	37	372	409
2012-2013							
Regular resources	0	0	1	34	35	271	306
Other resources related to programme	0	0	0	1	1	107	108
Total	0	0	1	35	36	378	414
Arab States							
2010-2011							
Regular resources	0	0	0	4	4	56	60
Other resources related to programme	0	0	0	1	1	51	52
Total	0	0	0	5	5	107	112
2012-2013							
Regular resources	0	0	1	2	3	55	58
Other resources related to programme	0	0	0	1	1	52	53
Total	0	0	1	3	4	107	111
Asia and the Pacific							
2010-2011							
Regular resources	0	0	0	8	8	154	162
Other resources related to programme	0	0	0	5	5	116	121
Total	0	0	0	13	13	270	283
2012-2013							
Regular resources	0	0	0	5	5	153	158
Other resources related to programme	0	0	0	7	7	116	123
Total	0	0	0	12	12	269	281
Latin America and the Caribbean							
2010-2011							
Regular resources	0	0	0	3	3	78	81
Other resources related to programme	0	0	0	3	3	110	113
Total	0	0	0	6	6	188	194
2012-2013							
Regular resources	0	0	0	3	3	73	76
Other resources related to programme	0	0	0	3	3	115	118
Total	0	0	0	6	6	188	194
Europe and the Commonwealth of Independent States							
2010-2011							
Regular resources	0	1	1	2	4	62	66
Other resources related to programme	0	0	0	2	2	86	88
Total	0	1	1	4	6	148	154
2012-2013							
Regular resources	0	1	1	2	4	60	64
Other resources related to programme	0	0	0	2	2	86	88
Total	0	1	1	4	6	146	152
Country offices - Central							
2010-2011							
Regular resources	0	0	0	24	24	6	30
Other resources related to programme	0	0	0	0	0	20	20
Total	0	0	0	24	24	26	50
2012-2013							
Regular resources	0	1	0	14	15	6	21
Other resources related to programme	0	0	0	0	0	20	20
Total	0	1	0	14	15	26	41
Total: II.1 Development Effectiveness - Country offices							
2010-2011							
Regular resources	0	1	2	76	79	621	700
Other resources related to programme	0	0	0	12	12	490	502
Total - II.1	0	1	2	88	91	1 111	1 202
2012-2013							
Regular resources	0	2	3	60	65	618	683
Other resources related to programme	0	0	0	14	14	496	510
Total - II.1	0	2	3	74	79	1 114	1 193

Summary table 5. Posts by location – total resources, continued

Source of funds/ Organizational unit	International Professional category and above: USG ASG	D2	D1	Other IP	Total	All Other	Grand Total
2. Headquarters							
Bureau for Development Policy							
2010-2011							
Regular resources	0	5	4	10	19	7	26
Other resources related to programme	0	0	0	6	6	2	8
Total	0	5	4	16	25	9	34
2012-2013							
Regular resources	0	5	4	8	17	7	24
Other resources related to programme	0	0	0	8	8	2	10
Total	0	5	4	16	25	9	34
Bureau for Crisis Prevention and Recovery							
2010-2011							
Regular resources	0	1	5	8	14	5	19
Other resources related to programme	0	0	0	0	0	0	0
Total	0	1	5	8	14	5	19
2012-2013							
Regular resources	0	1	5	8	14	5	19
Other resources related to programme	0	0	0	0	0	0	0
Total	0	1	5	8	14	5	19
Total: II.2 Development Effectiveness - Headquarters							
2010-2011							
Regular resources	0	6	9	18	33	12	45
Other resources related to programme	0	0	0	6	6	2	8
Total - II.2	0	6	9	24	39	14	53
2012-2013							
Regular resources	0	6	9	16	31	12	43
Other resources related to programme	0	0	0	8	8	2	10
Total - II.2	0	6	9	24	39	14	53
Total: II. Development Effectiveness							
2010-2011							
Regular resources	0	7	11	94	112	633	745
Other resources related to programme	0	0	0	18	18	492	510
Total - II.	0	7	11	112	130	1 125	1 255
2012-2013							
Regular resources	0	8	12	76	96	630	726
Other resources related to programme	0	0	0	22	22	498	520
Total - II.	0	8	12	98	118	1 128	1 246
III. United Nations Development Coordination							
Development Operations Coordination Office							
2010-2011							
Regular resources	0	1	1	2	4	7	11
Other resources related to programme	0	0	0	4	4	1	5
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	1	6	8	8	16
2012-2013							
Regular resources	0	1	1	2	4	6	10
Other resources related to programme	0	0	0	4	4	1	5
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	1	6	8	7	15
Total: III. United Nations Development Coordination							
2010-2011							
Regular resources	0	1	1	2	4	7	11
Other resources related to programme	0	0	0	4	4	1	5
Other resources related to programme	0	0	0	0	0	0	0
Total - III.	0	1	1	6	8	8	16
2012-2013							
Regular resources	0	1	1	2	4	6	10
Other resources related to programme	0	0	0	4	4	1	5
Other resources related to programme	0	0	0	0	0	0	0
Total - III.	0	1	1	6	8	7	15

Summary table 5. Posts by location – total resources, continued

Source of funds/ Organizational unit	International Professional category and above USG ASG	D2	D1	Other IP	Total	All Other	Grand Total
IV. Special Purpose - Non UNDP activities administered by UNDP							
United Nations Volunteers							
2010-2011							
Regular resources	0	1	3	20	24	154	178
Other resources related to programme	0	0	1	19	20	25	45
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	4	39	44	179	223
2012-2013							
Regular resources	0	1	3	20	24	153	177
Other resources related to programme	0	0	1	19	20	25	45
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	4	39	44	178	222
United Nations Capital Development Fund							
2010-2011							
Regular resources	0	1	3	7	11	5	16
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	3	7	11	5	16
2012-2013							
Regular resources	0	1	3	7	11	5	16
Other resources related to programme	0	0	0	0	0	0	0
Other resources related to reimbursement	0	0	0	0	0	0	0
Total	0	1	3	7	11	5	16
Total: IV. Special Purpose - Non UNDP activities administered by UNDP							
2010-2011							
Regular resources	0	2	6	27	35	159	194
Other resources related to programme	0	0	1	19	20	25	45
Other resources related to reimbursement	0	0	0	0	0	0	0
Total - IV.	0	2	7	46	55	184	239
2012-2013							
Regular resources	0	2	6	27	35	158	193
Other resources related to programme	0	0	1	19	20	25	45
Other resources related to reimbursement	0	0	0	0	0	0	0
Total - IV.	0	2	7	46	55	183	238
Grand total							
2010-2011							
Regular resources	10	73	175	497	755	2 462	3 217
Other resources related to programme	1	2	14	252	269	1 823	2 092
Other resources related to reimbursement	0	0	0	66	66	99	165
TOTAL	11	75	189	815	1 090	4 384	5 474
2012-2013							
Regular resources	10	71	177	495	753	2 453	3 206
Other resources related to programme	1	2	16	257	276	1 840	2 116
Other resources related to reimbursement	0	0	0	66	66	100	166
TOTAL	11	73	193	818	1 095	4 393	5 488

Annex 1

Methodology

1. UNDP prepared its institutional budget according to the results-based approach, where resources are requested based on results to be achieved rather than by input category or by broad strategic objective. To start, an institutional result framework was established in context of the midterm review of the strategic plan. Organizational capacity to deliver the results was then assessed, leading to the identification of priority areas that would require additional or new investments, as well as areas where reductions could be realized. The resulting budget was then stated in 2012-2013 terms, incorporating currency and inflationary factors, as well as salary and entitlement-related adjustments.

Establishing institutional results

2. The institutional budget is based on the same institutional results, performance indicators, baselines and targets that were presented in the midterm review of the strategic plan. In order to ensure accountability for the achievement of planned results, units were designated as “corporate sponsors” for each institutional result. Corporate sponsors are responsible for leading the process for defining results – selecting performance indicators and setting baselines and targets – as well as for monitoring, assessing and reporting performance against these results to senior management. Accountability for delivery of planned results accrues to the concerned operational units at both Headquarters and country-office levels.

Assessment of organizational capacities and identification of volume changes

3. The second step in developing the institutional budget was to assess organizational capacity to deliver the management results, leading to the identification of priority areas that would require investment, as well as areas where efficiency gains could be realized. Based on this assessment, and using the existing organizational capacity as a base, the real increases or decreases in requirements were calculated and designated as volume changes. Volume changes, as defined, represent the controllable elements in the estimates, which are subject to the executive head’s assessment of what resources the organization requires to deliver the results to which it has committed. Such volume changes were calculated at the same price levels as the approved appropriations in order to facilitate comparison with the currently approved base.

Various cost adjustments

4. To the approved appropriations and volume changes are added cost increases or decreases attributable to changes in rates or conditions principally tied to salary and related entitlement cost adjustments. These typically reflect known changes that have occurred in the two years since the preparation of the last institutional budget. Such cost factors include, for example, decisions of the ICSC on a variety of staff entitlements (such as dependency allowance, education grant) and changes in the average step of posts by grade level. These adjustments may also include estimates to cover within-grade increments for staff if the experience of the organization so warrants. Normally, but not exclusively, such cost adjustments apply to staff costs. An example of this type of cost adjustment for operating expenses would be a change in rate per square foot due to a relocation of premises.

Currency adjustments

5. Currency adjustments are then calculated, by year, on the total of approved appropriations, volume and various cost adjustments. Currency adjustments represent the difference between the United Nations operational rate of exchange in effect during the time of preparation of the current institutional budget and the rate of exchange in effect

during the preparation of the proposed budget. This factor is of particular importance given the large number of UNDP country offices where operating costs vary greatly with the strength or weakness of the dollar.

Inflation adjustment

6. To complete the picture and develop the final estimate of requirements for the next biennium, the organization must adjust or estimate inflation over a four-year period. These adjustments are calculated, by year, on the total of approved appropriations, volume and various cost adjustments, as adjusted for currency as follows:

(a) *For the first year of the current biennium to the first year of the proposed biennium.* The existing estimates already embody earlier estimates of inflation. The inflation adjustment for this transition therefore includes:

(i) The difference between the application of earlier estimates and the actual inflation for the first year of the current biennium.
(ii) The difference between the application of earlier estimates and the revised inflation projection for the second year of the current biennium.
(iii) The inflation projection for the first year of the proposed biennium.

(b) *For the second year of the current biennium to the second year of the proposed biennium:*

(i) As in (a) above.
(ii) As in (a) above.
(iii) As in (a) above.
(iv) The inflation projection for the second year of the proposed biennium.

7. In order to arrive at these estimates of inflation, four inflation factors for each location are adopted for each year:

(a) The estimated movement of post adjustment for international professional staff.
(b) International travel and common staff costs for international professional staff. (This is the same for all locations.)
(c) Salaries and common staff costs for local staff, i.e., in the national officer, general service and other categories, which may vary significantly from location to location.
(d) All other costs, such as operating expenses.

8. Within this general framework, New York and Geneva are treated separately from field offices. For these locations, the rates used are the same as those used by the United Nations unless specific contractual commitments differ.

9. Apart from a limited number of cost elements, such as international travel and the common staff costs of international staff, the inflation factors for field offices must be location-specific. Estimates are compared with past experience and current global patterns and/or information available, and are published before being applied to the budget estimates.

Annex 2

Terminology

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

Appropriation line (definition similar to those included in the financial regulations of UNDP, UNFPA and UNICEF): A subdivision of the appropriation for which a specific amount is shown in the appropriation decision and within which the executive head of an organization is authorized to make transfers without prior approval.

Base structure: Minimum capacity that the organization needs in order to be able to deliver on its core mandate; represents part of the fixed costs of the organization. The base structure of the organization is always funded from regular resources and was introduced in document DP/2003/28.

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

Cost, mandatory: Cost of a resource input, or any increase thereof during the institutional budget period, mandated by specific decisions, legislated by the United Nations General Assembly and/or the Executive Board.

Development effectiveness activities: Activities of a policy-advisory, technical and implementation nature that are needed for achievement of the objectives of programmes and projects in the focus areas of the organizations. These inputs are essential to the delivery of development results, and are not included in specific programme components or projects in country, regional or global programme documents.

Enterprise resource planning*:* A management information system that integrates and automates business practices associated with the operations of an organization; or multi-module application software that helps an organization to support such systems; or a combination of the above.

Extrabudgetary resources*:* General management services earned from donor co-financing and programme country cost sharing. Also applies to funds recovered for reimbursable services provided to United Nations organizations by UNDP Headquarters units and country offices.

Functional cluster: One or more discrete organizational units within a functional area that directly supports the management of the organization.

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

Institutional budget: The budget of the organization covering a set of functions that support the operational activities of the organization over a two-year period based on a set of defined results derived from the strategic plan.

Local posts: national officer and general service level posts.

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

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

Other resources relating to programmes: Resources of a voluntarily funded organization, other than regular resources, that are received for a specific programme purpose that is consistent with the aims and activities of the organization. These will include voluntary contributions, other governmental or intergovernmental payments, donations from non-governmental sources, miscellaneous income and related interest earnings.

Other resources relating to reimbursements: Resources of a voluntarily funded organization that are received from third parties to cover the cost of providing specific services not related to carrying out programmes entrusted to it for implementation.

Programmes: Activities traced to specific programme components or projects which contribute to the delivery of development results contained in country/regional/global programme documents or other programming arrangements.

Programming arrangements: The legal framework containing the principles and parameters for the distribution of regular resources supporting development activities.

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

Special purpose activities: Special purpose activities include non-UNDP operations administered by UNDP, and capital investments.

Various cost adjustments: Cost increases/decreases attributable to changes in rates or conditions not tied to currency or annual inflation adjustments.

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

Annex 3

Abbreviations and acronyms

BCPR	Bureau for Crisis Prevention and Recovery
BDP	Bureau for Development Policy
BOA	Board of Auditors (United Nations Board of Auditors)
BoM	Bureau of Management
DAC	Development Assistance Committee
DOCO	Development Operations Coordination Office
DSS	United Nations Department of Safety and Security
GLOC	Government contributions to local office costs
ICSC	International Civil Service Commission
IPSAS	International Public Sector Accounting Standards
JIU	Joint Inspection Unit
OAI	Office of Audit and Investigations
OPB	Office of Planning and Budgeting
PAPP	Programme of Assistance to the Palestinian People
POPP	Programme and Operations Policies and Procedures
TRAC	Target for resource assignment from the core
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNICEF	United Nations Children's Fund
UNV	United Nations Volunteers