

## Chapter 2

# THE GCF-III IN UNDP

### 2.1 THE EVOLUTION OF THE GCFs

During the past decade, UNDP has had three GCFs, managed by the BDP. The evolution of the global programmes mirrored the changes in UNDP (Annex D presents the objectives of the three GCFs over the 10-year period 1997 to 2007, demonstrating this evolution in role). Until 1996, the global and interregional programme was used primarily to finance topical corporate-level initiatives and partnerships with major intergovernmental and academic institutions in such areas as international health and agriculture research. The first GCF (1997-2000), was conceived as a mechanism to “contribute to the overall development efforts of UNDP [by furthering] sustainable human development by translating global development aspirations and mandates into innovative and practical development interventions for application by UNDP through regional and country programmes and projects.”<sup>20</sup>

Building on the experiences of the GCF-I, the second GCF (2001-2003, extended to 2004) was designed to provide services in three priority support areas: “(a) global advocacy and analysis to generate knowledge, build alliances, and promote enabling frameworks on key development issues; (b) policy advice, support and alignment across programmes, drawing on the global network of policy specialists; and (c) knowledge-networking and the sharing of best practices, drawing on the SURF system and communities of practice to support country and regional programming efforts.”<sup>21</sup>

#### 2.1.1 LESSONS LEARNED FROM THE EVALUATION OF THE GCF-II

The GCF-III programme document highlighted a number of key conclusions and recommendations contained in the evaluation of the GCF-II and indicated how the GCF-III intended to respond to them.<sup>22</sup>

- The GCF-II made a positive contribution to global policy, advocacy, knowledge generation and sharing, and partnerships. The GCF-III would build on the successes by further strengthening knowledge management.
- The GCF-II effectively supported the development of a global network of policy specialists to support country programmes. The GCF-III would continue funding policy specialists and strengthen their cost-effective and strategic deployment.
- The GCF-II lacked a cohesive framework and needed more focus. The GCF-III would be closely aligned with the MYFF 2004-2007, which provided greater focus. At the country level, the GCF-III would not seek to activate each service line but would respond flexibly to country demands.
- The GCF-II had weak execution, oversight and reporting. The GCF-III would overcome programme management deficiencies, improve financial accountability, and provide oversight through the UNDP Executive Team, consisting of deputy bureau directors and an external advisory committee.

20. UNDP, ‘First Global Country Cooperation Framework, 1997-2000’, DP/GCF/1/Rev.1, 13 August 1997, p. 5, paragraph 13.

21. UNDP, ‘Second Global Cooperation Framework, 2000-2003’, DP/GCF/2, 27 November 2000, p. 9, paragraph 27.

22. UNDP, ‘Management Response to the Evaluation of the Second Global Cooperation Framework’, DP/2004/42, 26 August 2004.

### 2.1.2 DESIGN OF THE GCF-III

As with the two preceding GCFs, the objective of the GCF-III was to support programme countries in achieving the MDGs.<sup>23</sup> To do so, the GCF-III aimed:

- “To help UNDP country offices improve their effectiveness on the ground, in responding to requests from programme countries to plan, manage and deliver resources for development in pursuit of the MDGs,
- To support developing countries, when requested in developing policy frameworks that take advantage of global opportunities and resources under the priority goals of the second MYFF 2004-2007, and
- To enable developing countries to benefit from interregional knowledge exchange and South-based experiences and learning, and ensuring that development assistance, advice, programme design and capacity-building efforts draw on global best practices and expertise.”<sup>24</sup>

The GCF-III programme document identified a four-fold rationale for the global programme: ensure coherence among country, regional and global programmes within the organizing framework of the MYFF and build synergies in project formulation and implementation, sharing interregional good practices and consolidating knowledge into knowledge products; codify the pooled experiences and lessons learned from the UNDP network on the ground in 166 countries and the work of all UN organizations into knowledge products to the benefit of programme countries as well as UNDP, and facilitate the exchange of knowledge through knowledge networks; respond to the demand of programme countries for South-based development solutions through facilitating SSC; and enable strategic partnerships to influence the global agenda.

Three primary modalities were used to implement the GCF-III activities: country-level policy and programme support through a global network of policy specialists; targeted global projects and strategic partnerships addressing key development issues affecting countries in multiple regions; and a system of interregional knowledge creation, transfer and codification.

The work of the GCF-III was based on principles contained in the Triennial Comprehensive Policy Review resolution<sup>25</sup> and the MYFF to ensure national ownership and leadership of the development process, and mainstreaming gender equality and capacity development in each service line.

Under the umbrella of the MYFF 2004-2007, the GCF-III supported activities in four areas: achieving the MDGs and reducing human poverty; fostering democratic governance; managing energy and the environment for sustainable development; and responding to HIV/AIDS.

The MYFF Priority Goal 4 relates to the area of Crisis Prevention and Recovery, which has been managed by the Bureau for Crisis Prevention and Recovery since January 2004. By and large, the activities outlined under each priority goal corresponded with service lines defined under the MYFF and specified the GCF-III contributions to the achievement of the respective priority goals. The linkage between the project-related activities and the delivery of outputs, achievement of outcomes and, ultimately, the MYFF goals, was captured in a results and resources framework.<sup>26</sup> The GCF-III activities relating to other modalities, such as advisory services and the work to be conducted on knowledge management, were not reflected in the results framework. Another point of departure from the GCF-II was the funding for the Human Development Report Office and the Office of Development Studies, which was not covered by the GCF-III.

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23. UNDP, ‘UNDP Global Programme, 2005-2007’, DP/GP/1/Rev.1, 22 April 2005, p. 7.

24. Ibid.

25. United Nations, ‘Resolution Adopted by the General Assembly: Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System’, 59th Session Agenda item 90 (b) 17 December 2004, A/RES/59/250.

26. UNDP, ‘UNDP Global Programme, 2005-2007’, DP/GP/1/Rev.1, 22 April 2005, Annex 2, p. 18.

Most of the cross-cutting areas covered under the GCF-II were expected to be taken forward under the GCF-III, in particular, gender equality and capacity development. While knowledge management constituted an important cross-cutting issue in both the GCF-II and GCF-III, it was never treated as a distinct area. The area of ‘information and communications technology’ was no longer specifically addressed in the GCF-III but was subsumed under the governance and poverty areas. The programme document specified that the issue of gender equality would come under the direct management of the BDP Directorate “in order to strengthen gender mainstreaming and ensure a gender perspective in the MYFF goals.”<sup>27</sup> Similarly, the programme document stated that “BDP manages the UNDP corporate knowledge

management strategy and provides support for its implementation, including networks and knowledge content.” While capacity development was highlighted as a principle, the programme document did not clarify management arrangements regarding this as a cross-cutting area.

## 2.2 PRACTICE AREAS AND CROSS-CUTTING THEMES

BDP implemented the global programme through six groups that correspond to the four practice areas (poverty and MDGs, democratic governance, environment and energy, and HIV/AIDS) and the two cross-cutting themes (gender and capacity development). Table 2

<b>Practice</b>	<b>Service Lines</b>
Poverty Group	<ul style="list-style-type: none"> <li>(i) MDG country reporting and poverty monitoring</li> <li>(ii) Pro-poor policy reform to achieve MDG targets</li> <li>(iii) Local poverty initiatives, including microfinance</li> <li>(iv) Globalization benefiting the poor</li> <li>(v) Private-sector development</li> <li>(vi) Gender mainstreaming</li> <li>(vii) Civil society empowerment</li> <li>(viii) Making ICTD [Information and Communications Technology for Development] work for the poor</li> </ul>
Democratic Governance Group	<ul style="list-style-type: none"> <li>(i) Policy support for democratic governance,</li> <li>(ii) Parliamentary development</li> <li>(iii) Electoral systems and processes</li> <li>(iv) Justice and human rights</li> <li>(v) E-governance and access to information</li> <li>(vi) Decentralization, local governance and urban-rural development</li> <li>(vii) Public administration reform and anti-corruption</li> </ul>
Environment & Energy Group	<ul style="list-style-type: none"> <li>(i) Frameworks and strategies for sustainable development</li> <li>(ii) Effective water governance</li> <li>(iii) Access to sustainable energy services</li> <li>(iv) Sustainable land management to combat desertification and land degradation</li> <li>(v) Conservation and sustainable use of biodiversity</li> <li>(vi) National/sectoral policy and planning to control emissions of ozone-depleting substances and persistent organic pollutants</li> </ul>
HIV/AIDS Group	<ul style="list-style-type: none"> <li>(i) Leadership and capacity development to address HIV/AIDS</li> <li>(ii) Development planning, implementation and HIV/AIDS responses</li> <li>(iii) Advocacy and communication to address HIV/AIDS</li> </ul>

27. Ibid, p. 15, paragraph 49.

**Table 3. Poverty Group Expenditures and Practice-related Statistics**

<b>Practice</b>	
<b>Budget</b>	
GCF project budget allocations	\$8.8 million
GCF project expenditure	\$9.5 million
<b>Staff</b>	
Total staff in practice	64
GCF funded staff	53
Percentage GCF staff of total staff	83%
Percentage expenditure on staff (inclusive of policy specialist costs and salary expenditure of GCF projects)*	75%
<b>Projects</b>	
Total projects in practice	57
GCF funded projects	33
Percentage GCF projects of total projects**	58%
<b>Resource Mobilization</b>	
Total non-core (cost sharing, trust funds and Thematic Trust Funds [TTFs])	\$56.7 million
Percentage TTF of non-core	20%
Percentage of GCF target (\$190 million)	6%

\* This calculation assumes that funds allocated to policy specialist posts were also expended, which would not necessarily always be the case. \*\* This figure may be misleading since the GCF-III projects were typically small, whereas other trust fund or TTF projects may have been significantly larger. A comparison of the funding provided to different types of projects would indicate a relatively lower significance of the GCF-III contribution to the practice group's work.

outlines how the MYFF priority areas and respective service lines were implemented.

### 2.2.1 ACHIEVING THE MDGS AND REDUCING HUMAN POVERTY

The BDP Poverty Group was chiefly responsible for work on the MDGs and reducing human poverty. The group's work was structured around three sub-areas: support to MDG-aligned national development strategies; inclusive globalization with a human development focus on the poorest and most vulnerable; and strategies and policies for poverty reduction.

During the GCF-III, the Poverty Group expanded considerably, particularly after the Millennium Project led by Jeffrey Sachs was integrated with the Poverty Group. As a result, there was a significant increase in staff—22 members of the Poverty Group staff were linked to the MDG Support Project. As seen in Table 3, the vast majority of staff members were funded

by the GCF-III. Of the Poverty Group staff, 25 were the GCF-III-funded policy specialists (6 in New York and 19 in RSCs) and the other 28 were funded by global projects. The Poverty Group had the highest ratio of GCF-funded staff to total staff of all other practice areas. The salaries for the 53 GCF-III-funded staff members made up approximately 75 percent of the GCF-III expenditure in the poverty area.

#### International Poverty Centre

The International Poverty Centre was formally established in 2002 as a partnership between UNDP and the Brazilian Institute of Applied Economic Research. UNDP chose the Brazilian Institute of Applied Economic Research because it felt it needed to enter into a collaborative arrangement with a prestigious, established Southern-based research institution. The choice was also made with a view to adding a South-South applied research component to the functions performed by Headquarters and

**Table 4. Democratic Governance Group Expenditures and Practice-related Statistics**

Practice	
<b>Budget</b>	
GCF project budget allocations	\$6.8 million
GCF project expenditure	\$6.4 million
<b>Staff</b>	
Total staff in practice	48
GCF funded staff	35
Percentage GCF staff of total staff	73%
Percentage expenditure on staff (inclusive of policy specialist costs and salary expenditure of GCF projects)*	84%
<b>Projects</b>	
Total projects in practice	74
GCF funded projects	32
Percentage GCF projects of total projects**	43%
<b>Resource Mobilization</b>	
Total non-core (cost sharing, trust funds and TTFs)	\$90.8 million
Percentage TTF of non-core	85%
Percentage of GCF target (\$190 million)	41%

\* This calculation assumes that funds allocated to policy specialist posts were also expended, which would not necessarily always be the case. \*\* This figure may be misleading since the GCF-III projects were typically small, whereas other trust fund or TTF projects may have been significantly larger. A comparison of the funding provided to different types of projects would indicate a relatively lower significance of the GCF-III contribution to the practice group's work.

regional policy specialists. The centre had three initial objectives: training high-level analysts and decision makers in poverty reduction, conducting South-South research on alternative anti-poverty strategies and pro-poor policies, and creating a global database for quantitative policy analysis.

The International Poverty Centre was funded by the global programme and the Brazilian Institute of Applied Economic Research (the latter through in-kind contributions). Funding from the global programme for the period 2005-2007<sup>28</sup> was fundamental for staffing, research directions and resource mobilization and represented 69 percent of the Centre's cash income during the period (50 to 55 percent of

total income taking into account the Brazilian Institute of Applied Economic Research in-kind contribution). The GCF-III funded four international staff members at the International Poverty Centre out of a total of approximately 23 staff.<sup>29</sup>

### 2.2.2 FOSTERING DEMOCRATIC GOVERNANCE

The GCF-III second priority goal was fostering democratic governance with a two-pronged focus: democratic governance as a means to "accelerate human development" and "build governance capacity to achieve the MDGs."<sup>30</sup> The BDP Democratic Governance Group assumed primary responsibility for this area, including all MYFF service lines in its activities, with varying

28. GCF contributions amounted to \$2.745 million during the period under review (\$1 million for each of 2005 and 2006 and \$745,000 for 2007).

29. As of 1 March 2008, following the retirement of International Poverty Centre's acting director, all the international positions remained vacant.

30. UNDP, 'UNDP Global Programme, 2005-2007', DP/GP/1/Rev.1, 22 April 2005, paragraph 24.

levels of support and resource allocation. In its 2007 Annual Report, the Democratic Governance Group estimated that during the 2004-2007 period, three of the seven service lines accounted for nearly 80 percent of all practice-area expenditure: public administration reform and anti-corruption (41 percent), decentralization and local governance (19 percent) and electoral assistance (18 percent).

As of September 2007, the GCF-III-funded staff in the Democratic Governance Group included: 27 policy specialists (8 based at Headquarters and 19 in RSCs and SURFs<sup>31</sup>), 7 project staff members (6 based at the Oslo Governance Centre and 1 based in New York), and 1 post funded from GCF's extra-budgetary income.<sup>32</sup> The GCF-III-funded staff accounted for 73 percent of total BDP staff working in the Democratic Governance Group (a percentage exceeded only by the Poverty Group) and 84 percent of the GCF-III core expenditure in the democratic governance area.

### **Oslo Governance Centre**

The Oslo Governance Centre, which was established in 2002, functioned as a separate entity under the Democratic Governance practice in BDP. The purpose of the Centre was to position UNDP as a champion of democratic governance as an end in itself and as a means to achieve the MDGs; focus on cross-cutting governance issues through innovative research and multi-disciplinary team-work; and network and develop partnerships with leading policy and research institutions, both 'North' and 'South'.

The Oslo Governance Centre was funded by the GCF-III and the Government of Norway, which paid more than half of the costs via its contribution to the Democratic Governance TTF. Initially, the annual budget was approximately \$5 million, but

since 2005 it has been approximately \$3 million (\$1 million from the GCF-III and \$2 million from the Democratic Governance TTF). The centre has a staff of 18 including its director and four policy specialists.

### **2.2.3 MANAGING ENERGY AND THE ENVIRONMENT FOR SUSTAINABLE DEVELOPMENT**

The Environment and Energy Group in BDP, which was formed in 2001, was responsible for the environment and energy activities of the GCF-III, which cover all six MYFF service lines outlined under the environment priority area. Four cross-cutting areas were also identified: poverty-environment, climate change, environmental governance, and community-based initiatives. The Group was also in charge of formulating the UNDP position on global issues pertaining to the environment and energy area. The GCF-III programme document specifies its focus as "...linking local and global actions in the areas of energy and environment to support sustainable development efforts as a follow-up to the World Summit on Sustainable Development, as well as the realization of all the MDGs, with particular emphasis on MDG-7."<sup>33</sup> In practice, however, UNDP (and thus the GCF-III) concentrated on two of the main goals under MDG-7—integrating the principles of sustainable development into country policies and programmes, and reversing the loss of environmental resources and biodiversity by 2010.

In terms of manpower, the Environment and Energy Group was the largest thematic group under BDP. Seventeen percent of staff were funded by the GCF-III: 13 policy specialists (5 in New York and 8 in RSCs and SURFs) and 6 other positions (mainly funded through global projects), representing 76 percent of the GCF-III expenditure in the Environment and Energy Group area.

31. Regional Bureau for Africa (RBA): 6; Regional Bureau for Asia and the Pacific (RBAP): 3; Regional Bureau for Arab States (RBAS): 2; Regional Bureau for Europe and the Commonwealth of Independent States (RBEC): 3, and Regional Bureau for Latin America and the Caribbean (RBLAC): 5. Annex E, Table 14.

32. Annex E, Table 11.

33. UNDP, 'UNDP Global Programme, 2005-2007', DP/GP/1/Rev.1, 22 April 2005, p. 11.

**Table 5. Environment and Energy Group Expenditures and Practice-related Statistics**

Practice	
<b>Budget</b>	
GCF project budget allocations	\$6.3 million
GCF project expenditure	\$6.9 million
<b>Staff</b>	
Total staff in practice	111
GCF funded staff	19
Percentage GCF staff of total staff	17%
Percentage expenditure on staff (inclusive of policy specialist costs and salary expenditure of GCF projects)*	76%
<b>Projects</b>	
Total projects in practice	93
GCF funded projects	18
Percentage GCF projects of total projects**	19%
<b>Resource Mobilization</b>	
Total non-core (cost sharing, trust funds and TTFs)	\$53.1 million
Percentage TTF of non-core	56%
Percentage of GCF target (\$190 million)	16%

\* This calculation assumes that funds allocated to policy specialist posts were also expended, which would not necessarily always be the case. \*\* This figure may be misleading since the GCF-III projects were typically small, whereas other trust fund or TTF projects may have been significantly larger. A comparison of the funding provided to different types of projects would indicate a relatively lower significance of the GCF-III contribution to the practice group's work.

### Drylands Development Centre

The Drylands Development Centre was established in 2002 in Nairobi to lead UNDP work in fighting poverty and supporting long-term development in the drylands. It evolved from the UNDP-managed UN Sudano-Sahelian Office. Since then, the Drylands Development Centre has moved to an integrated, programmatic approach. It established the Integrated Drylands Development Programme, currently active in 19 countries in sub-Saharan Africa and the Arab States. Work in the Integrated Drylands Development Programme was based on three approaches: mainstreaming dryland development issues into national policy and planning frameworks; reducing vulnerability of poor populations to climatic shocks, especially drought; and improving local governance of natural resources management.

### 2.2.4 RESPONDING TO HIV AND AIDS

The GCF-III fourth priority goal was responding to HIV/AIDS with a two-pronged focus: “halting the spread of HIV/AIDS (MDG 6)” and “achieving the goals set during the United Nations General Assembly Special Session on HIV/AIDS.”<sup>34</sup> Additionally, activities in this practice area were intended to “promote gender equality (MDG 3) and support trade and intellectual-property rights regimes that facilitate access to low-cost AIDS drugs (MDG 8).”<sup>35</sup> To a varying degree, the GCF-III supported all three MYFF service lines. The BDP HIV/AIDS Group was responsible for the implementation of this practice area.

As of September 2007, the HIV/AIDS Group was the smallest in terms of staffing of the four practice areas with only four staff members

34. UNDP, 'UNDP Global Programme, 2005-2007', DP/GP/1/Rev.1, 22 April 2005, paragraph 35.

35. Ibid.

**Table 6. HIV/AIDS Group Expenditures and Practice-related Statistics**

<b>Practice</b>	
<b>Budget</b>	
GCF project budget allocations	\$2.7 million
GCF project expenditure	\$2.9 million
<b>Staff</b>	
Total staff in practice	26
GCF funded staff	4
Percentage GCF staff of total staff	15%
Percentage expenditure on staff (inclusive of policy specialist costs and salary expenditure of GCF projects)*	34%
<b>Projects</b>	
Total projects in practice	28
GCF funded projects	5
Percentage GCF projects of total projects**	18%
<b>Resource Mobilization</b>	
Total non-core (cost sharing, trust funds and TTFs)	\$21.8 million
Percentage TTF of non-core	10%
Percentage of GCF target (\$190 million)	1.17%

**Table 7. Gender Group Expenditures and Practice-related Statistics**

<b>Practice</b>	
<b>Budget</b>	
GCF project budget allocations	\$1.1 million
GCF project expenditure	\$1.2 million
<b>Staff</b>	
Total staff in practice	8
GCF funded staff	6
Percentage GCF staff of total staff	75%
Percentage expenditure on staff (inclusive of policy specialist costs and salary expenditure of GCF projects)*	65%
<b>Projects</b>	
Total projects in practice	14
GCF funded projects	7
Percentage GCF projects of total projects**	50%
<b>Resource Mobilization</b>	
Total non-core (cost sharing, trust funds and TTFs)	\$6.6 million
Percentage TTF of non-core	43%
Percentage of GCF target (\$190 million)	1.5%

\* This calculation assumes that funds allocated to policy specialist posts were also expended, which would not necessarily always be the case. \*\* This figure may be misleading since the GCF-III projects were typically small, whereas other trust fund or TTF projects may have been significantly larger. A comparison of the funding provided to different types of projects would indicate a relatively lower significance of the GCF-III contribution to the practice group's work.

funded by the GCF-III: two policy specialists (one at Headquarters and one at the Johannesburg RSC); one senior policy advisor (who also managed the Regional Bureau for Asia and the Pacific [RBAP] Regional Programme on HIV/AIDS) at the Colombo RSC; and one project staff member.<sup>36</sup> The GCF-III-funded staff represented 15 percent of total HIV/AIDS staff and 34 percent of the GCF-III expenditure in the HIV/AIDS area.

### 2.2.5 MAINSTREAMING GENDER

Until mid 2007, the Gender Team, which is based at Headquarters and reports directly to the Director of BDP, consisted of one director, one policy specialist (both of whom were GCF-funded), one trust fund manager and one programme manager. The GCF-III also funded four regional policy specialist positions (one each

in the RSC-Johannesburg, the RSC-Dakar, the Arab States SURF and the RSC-Colombo).

An additional core allocation after mid 2007 made it possible to recruit new staff. However, the new organigram of the Gender Team was not finalized at the time of writing this report. The GCF-III-funded staff represented 75 percent of the BDP staff in this area and 65 percent of the GCF-III expenditure in the Gender area.<sup>37</sup>

### 2.2.6 MAINSTREAMING CAPACITY DEVELOPMENT

The GCF-III document stated that the "...global programme will support the capacities needed to respond to growing demands for generating and implementing MDG-focused national development strategies and pro-poor policies."<sup>38</sup> Capacity

**Table 8. Capacity Development Group Expenditures and Practice-related Statistics**

Practice	
<b>Budget</b>	
GCF project budget allocations	\$2.2 million
GCF project expenditure	\$2.1 million
<b>Staff</b>	
Total staff in practice	25
GCF funded staff	8
Percentage GCF staff of total staff	32%
Percentage expenditure on staff (inclusive of policy specialist costs and salary expenditure of GCF projects)*	65%
<b>Projects</b>	
Total projects in practice	30
GCF funded projects	10
Percentage GCF projects of total projects**	33%
<b>Resource Mobilization</b>	
Total non-core (cost sharing, trust funds and TTFs)	\$7.1 million
Percentage TTF of non-core	0%
Percentage of GCF target (\$190 million)	0%

\* This calculation assumes that funds allocated to policy specialist posts were also expended, which would not necessarily always be the case. \*\* This figure may be misleading since the GCF-III projects were typically small, whereas other trust fund or TTF projects may have been significantly larger. A comparison of the funding provided to different types of projects would indicate a relatively lower significance of the GCF-III contribution to the practice group's work.

36. Annex E, Table 13.

37. Including policy advisor budgeted costs and global project expenditures. However, this may not include the cost of the director.

38. UNDP, 'UNDP Global Programme, 2005-2007', DP/GP/1/Rev.1, 22 April 2005, paragraph 7(c), p. 5.

development, along with gender, was also stated as a MYFF development driver.<sup>39</sup>

The GCF-III funded eight posts in the Capacity Development Group: two policy specialists and six posts funded from the targeted global projects representing 32 percent of staff and 65 percent of the GCF-III expenditure in the capacity development area.

## 2.3 IMPLEMENTATION STRATEGY

The organizational structure through which BDP implemented activities funded through the GCF-III core resources was also responsible for the implementation of activities funded through non-core resources. The GCF-III was primarily implemented through BDP's Poverty Group, Democratic Governance Group, Environment and Energy Group, HIV/AIDS Group, Capacity Development Group, and Gender Team.

The implementation modalities used by each practice group included policy advisory services, targeted projects (also referred to as global projects), and knowledge management. While resource allocation in the GCF-III programme document was based primarily on the four MYFF goals, in implementation, resources were reallocated across the six practice groups in accordance with supply and demand. The implementation modalities were intended to be complementary and to reinforce each other in the delivery of the GCF-III activities.

### 2.3.1 POLICY ADVISORY SUPPORT SERVICES

The allocation of policy specialist posts took place in line with the programme document and

covered the 24 service lines of the MYFF within the scope of the global programme. Accordingly, 25 of the 75 policy specialists (spread across the different practice areas) were based at Headquarters, and 50 were based in the RSCs and SURFs. The policy specialists were expected to provide country-level policy and programme support and to function "akin to a consultancy in that UNDP's 'client'—a programme country government—can access [their] services through requests to country offices." The policy specialists delivered their services through advisory missions, technical backstopping and facilitating access to the best comparative global experience.<sup>40</sup>

### 2.3.2 GLOBAL PROJECTS

The GCF-III-funded targeted projects (commonly referred to as global projects) were the main mechanism through which BDP/UNDP developed and financed projects that addressed global or multi-regional development issues.<sup>41</sup> With a budget of \$22.56 million,<sup>42</sup> approximately one fourth of the total global programme budget was allocated to global projects.

The GCF-III global projects were only a small part of BDP's broader project landscape, with which they were often intricately linked. The GCF-III was also expected to contribute to leveraging additional non-core resources of \$190 million in TTF resources, as stipulated in the programme document.<sup>43</sup> In 2005-2007, according to BDP, an additional \$1.2 billion was generated through cost-sharing arrangements, trust funds (including the Montreal Protocol and Global Environmental Facility [GEF] resources) and TTFs.<sup>44</sup>

Both the GCF-III global projects and BDP non-core projects covered the same set of service lines

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39. Ibid, paragraph 19, p. 8.

40. UNDP, 'UNDP Global Programme, 2005-2007', DP/GP/1/Rev.1, 22 April 2005.

41. Formally, all the GCF-III funds, including those for policy advisory services, knowledge management and the thematic centres, were disbursed through projects. However, these projects were not classified as targeted projects and were not discussed in this section.

42. See Table 10.

43. UNDP, 'UNDP Global Programme, 2005-2007', DP/GP/1/Rev.1, 22 April 2005, p.1.

44. Annex E, Table 6.

and priority goals defined under the MYFF 2004-2007.<sup>45</sup> However, while most of BDP non-core funding was disbursed directly at the country level, the GCF-III global projects supported the development of programme countries more indirectly by focusing on broader cross-cutting issues of global or inter-regional concern, corporate themes in support of UNDP-wide practice alignment and coherence, and knowledge creation and sharing that could be applied by country offices throughout the world.

The GCF-III was mandated to work on a range of subjects as specified in the service lines relating to the different MYFF goals. In practice, this meant that the GCF-III global project resources were distributed relatively evenly across practice and cross-practice areas as well as across service lines within the four practice areas. Targeted projects were used by the practice groups for a range of different purposes within their areas, such as piloting new approaches, developing knowledge tools, supporting knowledge networking, building capacity at the country level and leveraging additional non-core resources. Some projects also supported cross-practice initiatives. During the GCF-III period, targeted projects financed 69 posts, which supported the implementation of the projects.

Global projects also provided the funding mechanism through which the GCF-III financed the three thematic centres under the practice areas of poverty (International Poverty Centre, Brasilia), governance (Oslo Governance Centre) and environment and energy (Drylands Development Centre, Nairobi). They emphasized applied research, policy or practice-related advice, and operational support to programme countries in line with the respective practice area.

### 2.3.3 KNOWLEDGE MANAGEMENT

Knowledge management had considerable prominence in the GCF-III programme document. The exchange and management of knowledge was one of the three main objectives of the GCF-III, linked to one of the four rationales and one of the three implementation modalities;<sup>46</sup> one of the main activities of the policy specialists; and one of the main considerations in most of the global projects (in terms of the production of knowledge products).

In terms of GCF-III support to knowledge management in UNDP, the GCF-III implementation modality focused on the development of a “knowledge management system of interregional knowledge creation, transfer and codification.” The designers of the GCF-III continued the thrust of GCF-II, which sought to transform UNDP into a professional, knowledge-based organization. This was to be done through knowledge creation, primarily through policy specialists; knowledge transfer/sharing, through the knowledge networks that support the UNDP communities of practice; and knowledge codification of guidance tools for the country offices, practice notes, websites and workspaces.<sup>47</sup>

Knowledge management was financed, in particular, through the GCF-III-funded BDP Knowledge Services Project (#11408) with 2005-2007 core funding in the amount of \$4 million. Its main objective was to support “...the achievement of the MDGs through the promotion, development and implementation of innovative approaches to knowledge management at global and regional levels. It makes use of the global team of knowledge network facilitators and research analysts and the SURFs and RSCs as its outreach mechanism.”<sup>48</sup> The main outputs were the

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45. UNDP, ‘Second Multi-year Funding Framework 2004-2007’, DP/2003/32, 13 August 2003, Executive Board Decision 2003/24, 12 September 2003.

46. UNDP work on knowledge management began in the mid to late 1990s when the SURFs, community of practices and Global Networks were established by BDP. Their role was to provide policy advisory support to the country offices and was part of an overall restructuring of the BDP aimed at bringing policy and practice closer together.

47. UNDP, ‘UNDP Global Programme, 2005-2007’, DP/GP/1/Rev.1, 22 April 2005, paragraph 18.

48. UNDP, ‘Project 11408 Annual Project Review’, UNDP BDP, December 2006.

establishment of six permanent Knowledge Management Facilitation Teams for each of the main practices and cross-cutting areas (these are comprised of Knowledge Network Facilitators and Research Analysts); a knowledge sharing and network approach for the UN system;<sup>49</sup> and catalytic funding support to a number of knowledge management initiatives at the global and regional levels, including cross-practice queries and e-discussions, and training and support to the development of a regional ‘community of practice’ in the RBAP.

The primary means for implementing the knowledge management modality was through the knowledge networks<sup>50</sup> that were supported directly by the GCF-III as noted in Table 9.

With respect to the networks, the GCF-III was designed to stimulate interaction among the

communities of practices in order to develop and make available the best knowledge and expertise to support UNDP work with national partners.

## 2.4 MANAGEMENT ARRANGEMENTS

Unlike most UNDP programmes, the management of the GCF-III was based on a complex mosaic of institutional structures, delivery modalities and management arrangements. The GCF-III was delivered vertically across UNDP as a three-tiered organization (corporate or global, regional and country level) and each institutional structure had varying mechanisms for management, oversight and reporting. The GCF-III was implemented by BDP, which was responsible for all aspects of its management and was accountable for the use of resources and the achievement of results. In addition to BDP, the institutional machinery comprised:

<b>Global Network Title</b>	<b>Membership</b>
Democratic Governance Practice Network	2,289
Poverty Reduction Practice Network	1,581
HIV/AIDS Practice Network	1,429
Energy and Environment Practice Network	1,250
Capacity Development Network	865
Millennium Development Goals ( <i>partially funded</i> )	3,653
<b>Total</b>	<b>11,067</b>

Note: There are other networks (both global and regional), not listed here, that received indirect support from GCF-III through the facilitation by policy specialists or other GCF-III-funded staff.

Source: BDP

49. The development of knowledge sharing partnerships is an ongoing process, and was initiated during the second global programme.

50. The networks listed in Table 2 were supported by the GCF-III. In addition, there are several other major networks in UNDP, and (with memberships) these include, Crisis Prevention and Recovery (1,912), MDG-net (3,736), HuriTALK (1,095), HDR-net (964), Management Practices (3,621) and EVAL-net (1083). There are also several other networks of a more specialized nature in UNDP (e.g. finance, procurement, human resources, project management). The total membership of the major global networks as of end 2007 in UNDP is 21,262. Membership in the global networks has tripled over the period 2003–2007.

- Practice groups within BDP—The responsibility for four of the MYFF priority areas was organized into distinct practice groups in BDP.<sup>51</sup>
- The network of GCF-III funded policy specialists—Provided a range of policy advisory and programme support services at the Headquarter, regional and country levels.
- Thematic centres—Varied operational and funding arrangements were made with the Oslo Governance Centre, the International Poverty Centre in Brasilia and the Drylands Development Centre in Nairobi.
- RSCs and SURFs—Signed as joint ventures between the regional bureaux and BDP through matrix management of BDP policy specialists.
- Implementing partners and agencies—Implementation of some components of the GCF-III was carried out by a range of partners including UN specialized agencies, funds and programmes (such as the UN Office for Project Services and United Nations Development Fund for Women [UNIFEM].)

In addition, BDP managed the communities of practice, global knowledge networks, six TTFs, other trust funds, and hundreds of global projects and programmes of which 121 were funded in whole or in part by the GCF-III and directly executed by BDP (see Annex G).

#### 2.4.1 RSCS, SURFS AND REGIONALIZATION

The country-level policy advisory and programme support services described in this report were delivered primarily through the RSC and SURF structures. The decision to integrate the pre-existing network of BDP-managed SURFs with the emerging RSCs was made in mid 2003.<sup>52</sup> Recommendations for formalizing the regionalization process were made in the Management Review II of early 2007. BDP examined how the Management Review's recommendations could be applied to BDP and how the RSCs and SURFs could be further reformed in light of BDP experiences at the regional and country level. More specific proposals for regionalization were developed and approved in late 2007, and in early 2008, UNDP senior management formally approved the Functional Alignment of and Implementation Arrangements for RSCs.

Responsibility for the management of the regionalization process was vested with the Operations Group within UNDP, but the main parties to the agreements were BDP, the regional bureaux, the Bureau for Crisis Prevention and Recovery and the Bureau of Management. Primary responsibility for the management of the RSCs belonged to the regional bureaux. The deployment and management of the GCF-III-funded policy specialists was secured through initial service agreements between BDP and each regional bureau and are currently being renegotiated through new long-term agreements.<sup>53</sup>

51. "Each of the MYFF priority areas and respective service lines will be the responsibility of a practice group within BDP. The work of practice groups is supported by units working with them on cross-practice areas such as gender mainstreaming, South-South cooperation, knowledge management and capacity development." (Ibid, paragraph 43).

52. The institution of the SURFs was a result of the UNDP '2001 Change Process', introduced in 1997, which was intended to decentralize much of the Headquarters services and operations. By December 2003, at the end of the original GCF-II period, nine SURFs had been established: three in Africa (Addis Ababa, Dakar and Pretoria), two in Asia (Bangkok and Kathmandu), two in the RBLAC region (Panama and Port of Spain), and one each in the Arab States (Beirut) and Europe (Bratislava). Each of the SURFs had its own history, its specific type of clients with a wide range of different needs and demands, and different work capacities. By the commencement of GCF-III, the SURFs and RSCs had been integrated in RBEC and the two SURFs in Asia had been restructured into a new RSC based in Bangkok with some of the operation located in Colombo. By end-2007, the SURFs in Addis Ababa and Pretoria had been merged with the new RSC in Johannesburg.

53. These were arranged in 2002 along standard terms and conditions covering the commitments of the signing parties, the nature of services provided, how performance was to be measured, and the setup of joint SURF Boards to provide oversight.

## 2.5 FINANCIAL OVERVIEW OF THE GCF-III

The programme document proposed a “core resource envelope of US\$ 84.7 million over the three-year period, which [was] expected to leverage non-core resources of US\$ 190 million through the UNDP thematic trust funds (TTFs).”<sup>54</sup> This section provides a financial overview of the core resources allocated to the GCF-III, the non-core resources secured by BDP during the period 2005-2007, and a snapshot of the GCF-III expenditure patterns.

### 2.5.1 CORE RESOURCE ALLOCATION

Annex 1 of the programme document illustrates how the core resources were to be distributed across different priority goals and implementation modalities.<sup>55</sup> The proposed distribution is reflected in Table 10.<sup>56</sup> The distribution of the policy advisory services “was made on the basis of demand from programme countries.”<sup>55</sup> The areas of poverty and democratic governance received the greatest allocation of funding for policy advisory services, with 29 and 26 policy specialists respectively, while HIV/AIDS and capacity development received the lowest number of policy specialists, with three and two respectively.

The allocation of funding for targeted projects “was made on the basis of expressed needs, capacity to deliver and potential for non-core resource mobilization.”<sup>58</sup> During the GCF-III period, approximately \$4.5 million was allocated to each of the areas of poverty, democratic governance and energy and environment, and \$3 million was allocated to each of the thematic centres. HIV/AIDS received \$3.5 million while cross-practice initiatives received \$6 million. At the time the GCF-III was approved, there was no explicit

funding for targeted projects in the cross-cutting areas of gender (which was subsumed under poverty) and capacity development. However, in 2005, some funding was allocated for targeted projects in the area of capacity development, and in 2006 and 2007, both capacity development and gender received dedicated GCF-III funding for targeted projects.

These allocations to cross-cutting areas implied a reduced allocation to the four primary practice areas. Another \$6 million was allocated to ‘interregional knowledge transfer, learning and codification’. While the knowledge services project was managed centrally by the BDP Directorate, the resources were distributed across the practice and cross-cutting areas to fund practice knowledge network facilitators and to produce practice-specific knowledge products.

The GCF-III also contained a one-time allocation of \$5.14 million in un-programmed resources for the ‘strategic reserve’. This amount accounted for 6 percent of the \$84.7 in core resources allocated to the GCF-III. It did not support the work carried out under the GCF-III and did not contribute to the achievement of its results. These funds were not managed by BDP but were allotted to the Office of the Administrator to be deployed for strategic purposes at the discretion of the Administrator.

### 2.5.2 CORE AND NON-CORE RESOURCE MOBILIZATION AND EXPENDITURE

As indicated earlier, the GCF-III was projected to leverage non-core resources of \$190 million through the UNDP TTFs and targeted projects. Table 11 provides an overview of the GCF-III expenditures over the period 2005-2007 (\$87.1

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54. UNDP, ‘UNDP Global Programme, 2005-2007’, DP/GP/1/Rev.1, 22 April 2005, p.1.

55. See the budgetary allocation contained in the Work Plan of the programme document (Ibid, Annex 1, p. 17). Annex E, Table 1 of this report represents a summary table of the budgetary allocation contained in Annex 1.

56. Table 10, based on data provided by BDP, contains more detailed information regarding the proposed allocation of resources to different areas/items (representing organizational units)—in particular the provision to the thematic centres and cross-practice initiatives—than is contained in Annex 1 of the programme document. Overall figures tally with the breakdown by priority goal, as contained in the programme document. See Annex E of this report.

57. Ibid, Annex 1, p. 17.

58. UNDP, ‘UNDP Global Programme, 2005-2007’, DP/GP/1/Rev.1, 22 April 2005.

**Table 10. GCF-III Core Resource Allocations 2005-2007 (\$ million)**

Implementation Modality	Policy Advisory Services		Targeted Projects		Interregional Knowledge Transfer, Learning and Codification	Total (Excluding Number of Posts)
	Area/Item	Number of Posts	Cost of Posts <sup>i</sup>	Practice Area		
Poverty reduction & International Poverty Centre	29	16.24	4.01	3.00		<b>23.25</b>
Democratic governance & Oslo Governance Centre	26	14.56	4.75	3.00		<b>22.31</b>
Energy and environment & Drylands Development Centre	11	6.16	4.32	3.00		<b>13.48</b>
HIV/AIDS	3	1.68	3.48			<b>5.16</b>
Knowledge management					6.00 <sup>iv</sup>	<b>6.00</b>
Gender	4	2.24				<b>2.24</b>
Capacity development	2	1.12				<b>1.12</b>
Cross practice			6.00 <sup>iii</sup>			<b>6.00</b>
<b>Subtotal A</b>	<b>75</b>	<b>42.00</b>	<b>22.56</b>	<b>9.00</b>	<b>6.00</b>	
<b>Subtotal B (excluding number of posts)</b>		<b>42.00</b>		<b>31.56</b>	<b>6.00</b>	<b>79.56</b>
<b>Strategic reserve</b>						<b>5.14</b>
<b>Total</b>						<b>84.70</b>

Notes: (i) The funding earmarked for policy advisory work was not, in fact, allotted to the administrative units managing the work conducted under the different areas (e.g. poverty, governance, gender, etc.), but was managed centrally under one policy advisory project. (ii) Annex 1 of the programme document does not specify an allocation to thematic centres. (iii) In Annex 1 of the programme document, funding allocated to "knowledge products, services and systems" with a total value of \$6 million is distributed across the four priority goals as follows: Poverty Reduction—\$1.25 million; Gender—\$0.25 million; Democratic Governance—\$1.5 million; Energy and Environment—\$1.5 million; and HIV/AIDS—\$1.5 million. See also Annex E of this report. (iv) Annex 1 of the programme document does not identify an allocation to cross-practice initiatives. In this presentation provided by BDP, \$1.5 million have been deducted from each of the four priority goals, amounting to a total of \$6 million allotted to cross-practice initiatives. See also Annex E of this report.

million) through which non-core resources could have been leveraged. The table also shows the non-core resources actually mobilized (\$236.13 million) and expended (\$201.25 million) by BDP during the same period. The resources referred to in this table relate to cost-sharing arrangements, trust funds and TTFs, but exclude those generated through the Montreal Protocol

and Global Environment Facility (GEF) trust funds. While these resources were higher than the projected amount of \$190 million, the actual expenditure was slightly lower, reflecting delays in resource mobilization and/or delivery.<sup>59</sup>

If the Montreal Protocol and GEF trust funds are also taken into account, BDP mobilized a

59. Delays were due to TTF management arrangements, including: multi-year funding frameworks that allowed for income raised in one year to be expended in the next; and bottlenecks in the timing of the delivery of resources to the country offices.

<b>Table 11. Core and Non-core Funding and Expenditures (\$ million)</b>					
<b>Department/Practice Area</b>	<b>Core</b>		<b>Non-Core<sup>i</sup></b>		
	<b>Budget</b>	<b>Expenditure</b>	<b>Projected<sup>ii</sup></b>	<b>Income</b>	<b>Expenditure</b>
<b>Policy Support<sup>iii</sup></b>					
Policy advisory services	42	43.49			
Knowledge management	6	4.75			
Practice area			190		
Environment and energy	8.82	6.91		53.12	58.83
Democratic governance	9.25	6.41		90.80	69.29
HIV/AIDS	4.98	2.93		21.83	25.89
Poverty reduction and MDGs	8.51	9.55		56.72	28.01
<b>Cross Cutting</b>					
Gender		1.23		6.58	5.84
Capacity development		2.12		7.08	13.35
Cross practice		4.58			0.04
<b>Subtotal</b>	<b>79.56</b>	<b>81.97</b>	<b>190</b>	<b>236.13</b>	<b>201.25</b>
<b>Strategic Reserve</b>	<b>5.14</b>	<b>5.14</b>			
<b>Total</b>	<b>84.70</b>	<b>87.11</b>	<b>190</b>	<b>236.13</b>	<b>201.25</b>

Notes: (i) Non-core, in this case, includes income received through cost-sharing, trust funds and TTFs. It does not include income received through the Montreal Protocol and the Global Environment Facility. (ii) DP/GP/1/Rev.1, p. 1. (iii) The Policy Support Department was created in ATLAS (the UNDP financial management system) to allow for central management of the policy advisory and knowledge management funds.

total of \$1.2 billion during the period 2005-2007. However, if only resources generated through TTFs are taken into consideration (\$123.12 million<sup>60</sup>)—which strictly speaking, was the only non-core modality indicated in the GCF-III programme document—non-core funds (\$84.30 million<sup>61</sup>) would fall considerably short of the projected \$190 million.<sup>62</sup>

### 2.5.3 FINANCIAL OVERVIEW OF THE GCF-III BY INPUT CATEGORY

The expenditure of the GCF-III funds by main input category for all projects (including the policy advisor and knowledge management projects) during the period 2005 to 2007 is noted in Table 12. The bulk of the GCF-III funds expended on salaries for BDP posts—\$58.5 million or 72.8 percent

60. Annex E, Table 5.

61. Annex E, Table 5.

62. According to BDP, the TTF modality was not always the most appropriate for securing non-core resources. As such, other modalities, such as cost-sharing arrangements and other trust funds, were also used in order to maximize funding opportunities.

of total expenditures. The posts include the 75 policy specialists plus an additional 69 posts that were funded from the global projects. If

service contracts are included, then the total amount spent on BDP staff increases to \$61.6 million or 76.7 percent of total expenditures.

<b>Table 12. GCF-III Expenditures by Main Input, 2005-2007 (\$ million)</b>		
<b>Input Category</b>	<b>Amount</b>	<b>Percentage</b>
Salary	58.50	72.8
Travel	5.72	7.1
Consultant	5.61	6.9
Service Contract	3.11	3.9
Miscellaneous	2.95	3.7
Printing & Publications	2.29	2.9
Rent	1.89	2.4
Equipment	0.27	0.3
<b>Grand Total</b>	<b>80.34</b>	<b>100.0</b>

Source: BDP. Note: figures rounded.