

## Chapter 2

# THE UNITED NATIONS, UNDP AND THE NCCs OF THE ARAB REGION

## 2.1 UNITED NATIONS AND UNDP PRESENCE IN THE ARAB REGION NCCs

### 2.1.1 ENGAGEMENT WITH THE UN

All five NCCs of the Arab region are long-standing members of the United Nations: Saudi Arabia was a founding member, and the other four countries joined when they became independent. All have engaged with the United Nations and have been members of UN bodies, including the Security Council and, with the exception of Saudi Arabia, the Economic and

Social Council and other UN entities. In Libya, the UN mission was among the first field missions, dating back to the 1950s, with a major impact on the country's development. It should also be noted that the president of the 61st session of the General Assembly (2006) came from Bahrain.

A key feature of Arab region NCCs is the limited UN agency presence compared to most other UNDP programme countries. Moreover, many of the agencies that are present in these countries

**Table 3. UN Agency Presence in the Arab Region NCCs**

Country	Organizations dedicated solely to the country	Organizations with regional responsibilities, including host-country activities where applicable
Bahrain	UNDP	UN Environment Programme (UNEP), UN Information Centre (UNIC), World Meteorological Organization (WMO), UN Industrial Development Organization (UNIDO)
Kuwait	UNDP, UNHCR, International Labour Organization (ILO), International Organization for Migration (IOM)	
Libya	UNDP, Food and Agriculture Organization of the UN (FAO) (projects), UNHCR, World Health Organization (WHO)*	African Centre for Applied Research and Training in Social Development
Saudi Arabia	UNDP, FAO, WHO, World Bank	UNHCR, UN Children's Fund (UNICEF)
United Arab Emirates	UNDP, FAO, UN Office on Drugs and Crime (UNODC) (project), UN Development Fund for Women (UNIFEM) (project)	UNDSS, UNHCR, UNICEF, OCHA, Integrated Regional Information Networks (IRIN)/OCHA, UNOPS, UN University (UNU), World Food Programme (WFP)

\*The Resident Coordinator in Libya exercises responsibility for both UNICEF and the UNIC.

**Table 4. Countries/Territories in UNDP's Arab States Region by Income and Status**

	NCCs	Crisis countries/territories	Other countries
Low-income		Somalia, Sudan	Yemen
Lower middle-income		Iraq, Occupied Palestinian Territories	Algeria, Djibouti, Egypt, Jordan, Morocco, Syria, Tunisia
Upper middle-income	Libya	Lebanon	
High-income	Bahrain, Kuwait, Saudi Arabia, United Arab Emirates		

Source: Income levels – World Bank, *World Development Report 2007* (income classification for fiscal year 2007). Categories: RBAS.

have regional responsibilities. With the exception of UNDP, few are dedicated solely to the country in which they are based (see Table 3). The United Arab Emirates is a special case. There, many of the agencies with regional responsibilities have no activities oriented towards the country itself, but are based in Dubai solely for the purpose of easy access to other parts of the region. In the UAE, UNDP lends official legitimacy (through its Standard Basic Agreement) and extends major logistical support to many of those agencies, including the Office for the Coordination of Humanitarian Affairs (OCHA), the UN Department of Safety and Security (UNDSS), the Office of the UN High Commissioner for Refugees (UNHCR), the UN Office for Project Services (UNOPS), and others. The UNDP country office also handles the increasing activities of UNDP in Qatar.

### 2.1.2 THE UNDP REGIONAL BUREAU FOR ARAB STATES

UNDP's Regional Bureau for Arab States (RBAS) serves as the headquarters for UNDP offices in 17 countries, with the 18th located in the Occupied Palestinian Territories. Table 4 shows that the majority of the countries and territories in the region (11) are classified as middle-income, with only three countries classified as low-income. In addition, five of the countries and territories are in crisis.

UNDP country offices receive policy and administrative support from the RBAS Country Operations Division, which ensures quality programming, results-based management applications and effective resource mobilization strategies. In each country office, the UNDP Resident Representative normally also serves as the Resident Coordinator of development activities for the United Nations system and is the designated official for security.

The Regional Programme Division supports the development and implementation of the RBAS regional programmes, the largest of which are the:<sup>8</sup>

- *Arab Human Development Reports*
- Centre for Arab Women Training and Research
- Programme on Governance in the Arab Region
- Information and Communications Technology for Development in the Arab Region
- HIV/AIDS Regional Programme in the Arab States.

UNDP country offices in the Arab States region receive additional technical support and policy assistance from the Subregional Resource

8 More details can be found in the Evaluation Inception Report.

Facility (SURF) for the Arab States, based in Beirut, Lebanon. The Regional Services Centre, based in New York, provides management advisory assistance.

## **2.2 THE UNDP POLICY ENVIRONMENT**

### **2.2.1 PROGRESS IN UN REFORM**

In the last ten years, numerous proposals have been made for UN reform. These have had significant implications for how the organization conducts its work, implements its mandates and manages the funds entrusted to it by Member States. A key element of the broad-reaching reform has been to explore how the United Nations system could work more coherently and effectively across the world in the areas of development, humanitarian assistance and the environment. The outcome document adopted by global leaders at the 2005 World Summit in New York called for much stronger system-wide coherence across the various development-related agencies, funds and programmes of the United Nations. In addition to supporting ongoing reforms aimed at building a more effective, coherent and better-performing UN country presence, it specifically invites the UN Secretary-General to “launch work to further strengthen the management and coordination of United Nations operational activities.” The outcome document also calls for such work to be focused on ensuring that the UN maximizes its contribution to achieving internationally agreed upon development goals, including the Millennium Development Goals, and includes proposals for “more tightly managed entities” in the field of the environment, humanitarian assistance and development.

The United Nations Development Group (UNDG), chaired by the UNDP Administrator, was established in 1997 as a managerial structure to bring together UN entities dealing with development issues. As such, it plays a pivotal role in implementing the reform agenda. Initially composed mainly of the funds and programmes

of the United Nations, UNDG members now number 28, and include some of the specialized agencies of the United Nations system. The Executive Committee of UNDG consists of UNDP, UNICEF, UNFPA and WFP. The UNDG is represented at the country level by the UN Country Team, led by the Resident Coordinator. UNDP is responsible for managing and funding the UN coordination function at the country level through the Resident Coordinator system.<sup>9</sup> The reform process related to the UN development system has increased its pace, especially since the 2006 publication of the *Report of the Secretary-General’s High-Level Panel on UN System-Wide Coherence: ‘Delivering as One’*. The resulting ‘One UN’ pilot initiative will test how the UN family—with its many and diverse agencies—can deliver in a more coordinated way in eight selected countries. UNDP has a special role to play in implementing this reform, especially at the country level.

### **2.2.2 THE UNDP BUSINESS MODEL**

UNDP’s business model is set out in a series of business plans issued by the UNDP Administrator as well as multi-year funding frameworks (MYFFs), which establish the organization’s strategic goals. These are designed to help focus the programme and improve communication with external stakeholders. The first MYFF (2000–2003) was intended to shift UNDP to results-based management and to answer some central questions to help monitor how well the organization is doing. These included: the extent to which UNDP has been successful, at the country level, in moving towards a strategic programme focus and positioning; the effectiveness with which UNDP has used advocacy, policy dialogue and country presence to support national policies; and the effectiveness with which UNDP has used partnerships to further development change. In addition, it set out some core goals that reflect the scope of UNDP’s interventions. Under the second MYFF (2004–2007), the focus areas under the goals were rationalized and simplified.

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<sup>9</sup> Details concerning the work of UNDG and UN coordination can be found at [www.undg.org](http://www.undg.org)

Moreover, the MYFF identified a number of drivers of development effectiveness that were intended to ensure that the programme objectives were those set by countries themselves. Although UNDP's goals and approaches in the two MYFFs have changed in presentation, the underlying areas of work have remained almost the same. Box 2 illustrates the strategic goals and development drivers in the second MYFF.

The recently adopted UNDP Strategic Plan (2008–2011)<sup>10</sup> notes that global development challenges, lessons learned and United Nations reforms directed by the General Assembly all point to the need to strengthen the UNDP business model. The model is built on the three pillars of coordination, advocacy and development services in support of countries' national development strategies. Strengthening UNDP activities in these areas in the NCCs is a special focus of this evaluation. Key features of the strengthened UNDP business model include the following:

- The services of UNDP remaining fully responsive to national priorities, recognizing the responsibility of government to coordinate assistance at the national level.
- Enhanced support for United Nations coordination and the role of the Resident Coordinator in terms of overall responsibility for and coordination of operational activities for development at the country level, and the subsequent recommendations of 59/250 to provide further support to the Resident Coordinator system.
- Use of the extensive partnerships of UNDP to scale up the scope and impact of its work in all areas. In addition to core partnerships with other UN organizations and governments, UNDP will pursue innovative strategic partnerships with civil society organizations and networks, as well as with the private sector. South-South cooperation will be an important element of corporate and country-level partnership strategies.
- Refined internal institutional arrangements of UNDP to bring corporate and regional policy and advisory support closer to where they are needed on the ground and to make those services more responsive to country programme needs. This will entail understanding the different contexts in which UNDP works and tailoring its services (advocacy, policy and advisory services and technical support) to the specific needs of programme countries.
- Effective knowledge management through the use of UNDP's global presence and knowledge and resource management systems. To deliver effectively on the agenda laid out in this plan, UNDP must: 1) further expand and improve its existing knowledge networks, 2) open the networks to other UN staff and help build open UN-wide knowledge networks, and 3) gradually open the networks to allow direct participation by external experts and institutions as well as civil society. Work has already begun in all three areas.

**Box 2. Multi-Year Funding Framework 2004–2007: Strategic Goals and Drivers of Development**

**Strategic goals for MYFF 2004–2007**

- Achieving the MDGs and reducing human poverty
- Fostering democratic governance
- Managing energy and environment for sustainable development
- Supporting crisis prevention and recovery
- Responding to HIV/AIDS

**Drivers of development effectiveness**

- Developing national capacities
- Enhancing national ownership
- Advocating and fostering an enabling policy environment
- Promoting gender equality
- Forging partnerships for results

<sup>10</sup> Approved by the UNDP Executive Board in October 2007.

The strategic plan goes on to ‘chart the course’ for implementing the business model, identifying a number of core elements summarized below:

- In a world of expanding affluence and exploding inequality, ‘inclusive growth’ will serve as the connecting theme for UNDP work over the period 2008–2011.
- A concerted and collective focus on human development and the MDGs is crucial to long-term results.
- Global and collective advocacy efforts can help boost awareness—and indeed progress—in meeting development goals.
- The strategic plan lays out the UNDP shift in approach in its governance efforts, which will now be more aligned to serve the needs of the poor.
- Capacity development, as the overarching UNDP contribution, and the development effectiveness principles of national ownership, effective aid management and South-South cooperation will guide UNDP interventions.
- The promotion of gender equality—including the empowerment of women—is the key integrating dimension of the strategic plan.

### 2.2.3 UNDP’S NCC POLICIES AND PRACTICES

In its approach to and work in the NCCs, UNDP is guided by its general principles and a number of policies and practices specific to the NCCs:

- **UNDP principles:** UNDP operates within the context of a number of principles, two of which are important in its approach to NCCs. First, the principle of universality that applies to the overall UN development system and is meant to ensure that all eligible countries are able to participate in UN development programmes. Second, the principle of progressivity, which promotes greater resource allocation to low-income countries.

- **NCC threshold and no core funds:** All programme countries, including the NCCs, are required to prepare a country programme for approval by the UNDP Executive Board,<sup>11</sup> but NCCs receive no core funds from UNDP.
- **Available programming funds:** Even NCCs are eligible for support and resources beyond core TRAC funds. Such funds could come, for example, from regional programmes run by each UNDP regional bureau as well as Subregional Resource Facilities. Alternatively, all country offices have access to other sources of project funds, such as UNDP Thematic Trust Funds. Allocation of these funds, however, favours low-income countries. Finally, country offices have access to other modest funding sources from UNDP headquarters.
- **Financing the costs of the country office:** The principle of progressivity also applies to the government contribution to local office costs in programme countries. Office costs for NCCs are to be borne by their respective governments, with no contribution from UNDP. In addition to this government contribution, other sources of income support office costs, including 1) the overhead UNDP county offices charge for project management, and 2) country office cost-recovery for the services UNDP provides to other UN agencies.
- **Financing international positions and programme delivery:** The only contribution that UNDP will make to local office costs in an NCC is financing the Resident Representative or Resident Coordinator, and possibly the Deputy Resident Representative (through extra-budgetary resources). Financing the Resident Representative/Coordinator depends on the level of delivery of the country programme, currently set at a threshold of \$10 million per programming cycle or \$2.5 per year within a four-year programming cycle. Up until 2004, UNDP financed a Deputy Resident Representative if

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<sup>11</sup> When circumstances prevent the preparation or approval of a country programme, the UNDP Executive Board may authorize the Administrator to approve projects on a case-by-case basis. Such circumstances are normally a crisis situation.

delivery was more than \$16 million for the programming cycle or \$4 million per year. Since 2004, the decision to finance the Deputy Resident Representative is made at UNDP headquarters, on the basis of need.

## 2.3 UNDP COUNTRY PROGRAMMES IN THE ARAB REGION NCCs

### 2.3.1 GOALS

Table 5 summarizes the major goals of the first and second programming cycles of the five NCCs. Typically, each country programme had three broad goals with overlapping definitions. The picture that emerges is the importance of human resource development in all countries in both programming cycles, while differences remain with respect to the other goal. Various aspects of governance and globalization are prominent in the second programming cycle, reflecting the evolution of UNDP's mandate in these areas in 2004–2007. Environment, a continuing concern and area of emphasis for UNDP, is present as a major goal in three of the NCCs for each country programme. Neither combating HIV/AIDS—one of the five practice areas of the MYFF 2004–

2007—nor promoting gender equality, one of its cross-cutting themes, were included as goals in any of the country programmes of Arab region NCCs.

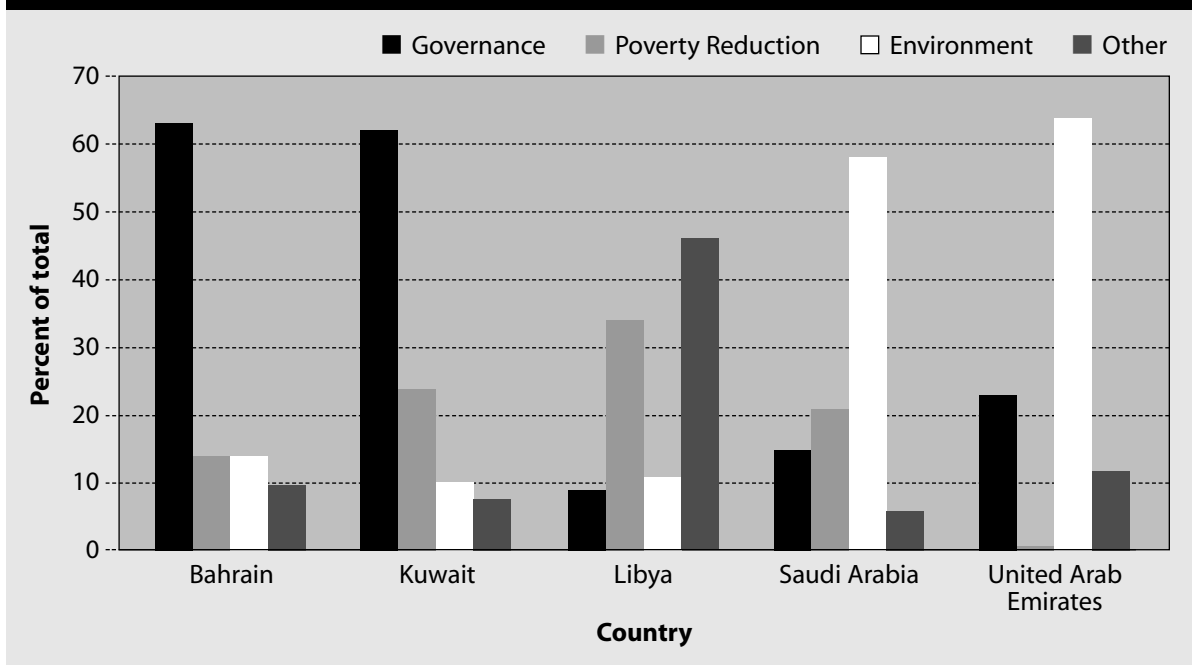
### 2.3.2 THEMATIC ALLOCATIONS

How were the broad goals outlined in Table 5 translated into budget allocations? Figure 1, compiled on the basis of the thematic classification of practice areas in MYFF 2004–2007, provides some answers. Many projects classified under poverty did not focus on poverty reduction in the traditional sense, but more on human development in a broader sense, covering, as many did, information and communications technologies for development, private sector development, education as well as gender mainstreaming. Governance includes both projects that foster democracy (parliamentary support, electoral systems, justice and human rights, for example) and other areas less directly linked to that goal (public administration reform and e-governance, for instance). The latter are more prominent in the country programmes of NCCs. Gender and democratic governance will be reviewed separately in the next two chapters, since these are so central to UNDP's mandate.

**Table 5. Goals Examined in the First and Second Programming Cycles**

Goals	First programming cycle	Second programming cycle
Human resource development	Bahrain, Kuwait, Libya, Saudi Arabia, United Arab Emirates	Bahrain, Kuwait, Libya, Saudi Arabia, United Arab Emirates
Environment	Bahrain, Libya, Saudi Arabia	Bahrain, Saudi Arabia, United Arab Emirates
Public sector performance	Saudi Arabia	Saudi Arabia
Governance	United Arab Emirates	Bahrain, Kuwait, United Arab Emirates
Decentralization and local governance		Libya
Globalization and economic efficiency		Kuwait, Saudi Arabia, United Arab Emirates
Economic management and diversification	Bahrain, Libya	Libya, Saudi Arabia

**Figure 1. Thematic Allocations in First and Second Programming Cycles in Arab Region NCCs (US\$ Millions)**



Note: Figures for Saudi Arabia and the UAE represent only the last completed cycle.

Figure 1 invites several observations: First, governance is seen to account for high shares of the country programmes in both Bahrain and Kuwait, but relatively lower shares in the UAE, Saudi Arabia and, especially, in Libya. Second, and not surprisingly, the share of country programmes devoted to poverty reduction is low in all NCCs except Libya, where it includes large sector programmes in education, agriculture and industry, and in Kuwait, where it reflects globalization.

The category of ‘Other’ in Figure 1 refers to projects that are tangential to UNDP’s mandate and do not fit into the practice areas of the MYFF as assessed by the country offices and/or the evaluation team. These projects are typically few in number but large in amount. They can account for a sizable share of the budgets of country programmes: in Libya, for example, they accounted for 45-55 percent of the first programming cycle budget.

### 2.3.3 PROGRAMME LEVELS AND SOURCES OF FUNDS

Delivery in country programmes in Arab region NCCs ranged from \$1.5 million per year in Bahrain to over \$10 million in Saudi Arabia during the second programming cycle. The average level of \$4.3 million was considerably below the global average (of almost \$25 million) and the average for all countries in UNDP’s Regional Bureau for Arab States (\$19 million). As shown in Table 6, extra-budgetary resources from UNDP used to finance projects in the Arab region NCCs were significant. In 2005 and 2006, they averaged 9 percent of delivery in these countries, ranging from 2 percent for Kuwait to 12-13 percent for Bahrain and Saudi Arabia. Almost three quarters of these resources come from trust funds, with most of the balance accounted for by Resident Coordinator funds. The interest on unspent balances<sup>12</sup> provides another potential source of extra-budgetary resources in NCCs not reflected

<sup>12</sup> In Saudi Arabia, the interest on unspent balances held by UNDP accrue to the government, which, until recently, had not used this resource. These funds continued to grow, reaching more than \$3 million in 2007. That year, the Government of Saudi Arabia (Ministry of Foreign Affairs) used some of the money to finance a \$1.3 million junior professional officer (JPO) programme.

**Table 6. Extra-Budgetary Resources (Total 2004–2006, US\$ Thousands)**

	<b>Bahrain</b>	<b>Kuwait</b>	<b>Libya</b>	<b>Saudi Arabia</b>	<b>United Arab Emirates</b>	<b>Total NCCs</b>
Extra-budgetary resources	569	228	509	3,973	500	5,779
Delivery 2004-2006	4,497	12,015	7,760	31,985	7,852	64,109
Total as percent of delivery	13%	2%	7%	12%	6%	9%

Source: UNDP ATLAS

in Table 6. Programme budgets, delivery and sources of funds are reviewed in detail in Chapter Five.

It should also be noted that, in terms of both delivery and staffing of country offices, Arab

region NCCs are lower than global and regional averages. Delivery in these countries amounted to only 20-25 percent of regional and global averages, and staffing represented only 30-35 percent of regional and global averages.