

# Global partnership for development



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## **UNDP at a glance**

UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them to strengthen their capacities and create their own solutions to global and national development challenges.

40 years of development experience

Programmes in 166 countries

135 offices around the world

# A trusted partner in development

Since its creation in 1966, UNDP has been at the centre of the United Nations' operational development system, working both at the grassroots level to help build national capacities for sustainable development, and as a leader in development thinking, as demonstrated by its flagship Human Development Reports and its contributions to critical issues such as global public goods and

In October 2005, for his first visit to Africa as UNDP Administrator, Mr. Derviş travelled to Niger, a country that has been facing a serious food crisis. Beyond pressing humanitarian needs, Mr. Derviş stressed that in order for such recurring crises to be overcome, long-term development challenges need to be addressed.



democratic governance. In many ways, it is this important nexus—connecting countries to knowledge and ideas and working with them to strengthen the capacity needed to tackle development challenges—that is UNDP's hallmark.

With the advent of the Millennium Development Goals (MDGs), the last few years have seen UNDP scale up its activities in a major way. UNDP is working at the conceptual level with a wide range of partners to advocate for the policy and institutional changes needed to fight poverty more effectively and achieve the MDGs. From elections support in Liberia and Haiti, to recovery efforts after decades of conflict in the Democratic Republic of Congo (DRC), to helping countries deliver services to their citizens in countries with much stronger economies but huge social challenges such as Brazil and Indonesia, UNDP also works with countries in a very practical way to help build the institutional capacity needed to promote, support and accelerate human development and sustainable growth.

Recent years have seen a significant increase in the volume of resources given to support UNDP's work. The greatest amount has come from a rise in country level non-core co-financing, an important affirmation of the confidence partners have in UNDP's role and

performance. But we face the challenge of a ratio of un-earmarked regular resources to earmarked resources that is too low to support the unity of strategic management and the flexibility required to respond to the challenges and opportunities UNDP faces. Public finance theory, as well as lessons learned around the world, are clear on the need to protect public expenditure and the budgetary process from excessive earmarking; indeed, it is something international development organizations and experts always warn developing countries against. I, therefore, hope that UNDP can have the support of donors in our efforts to strengthen the integrity of our resource base.

Despite these constraints, UNDP continues to make an important contribution to achieving the MDGs, working increasingly closely with our sister organizations in the UN system. Such cooperation should not mean a lack of competition in ideas or methods, but it should mean that there is a synergy in our actions which allows each organization to take advantage of its comparative strengths, pool resources when needed, and work in partnerships, which enable developing countries to steer their own development.

2005 was an important year for the development agenda, with the international community reaffirming its commitment to the MDGs. In 2007, we will be mid-way towards the 2015 deadline. UNDP remains committed to doing its part to translate the ambitious new partnership for development launched in 2000 into better policies, stronger institutions and greater resources more effectively deployed, all with the aim of achieving concrete improvements in the lives of those who need and deserve our strong support.

**Kemal Derviş**  
UNDP Administrator

# The UN's global development network

**W**orking at the heart of the UN system, and on the ground in 166 countries around the world, UNDP plays a unique role in global development. At the country level, we are often the “partner of choice” for governments grappling with national and global development challenges. This is because UNDP does not represent any one approach to development; rather, our commitment is to assist partner governments in finding their own approaches, according to their own unique national circumstances. It is also because UNDP, with a long-term presence in almost all developing countries, and extensive networks at the national, regional and global levels, is by its very nature an impartial broker, convenor and facilitator. In particular, we often play a pivotal role in helping countries to access development assistance and

Resident Representative is at the same time the UN Resident Coordinator, with responsibility for promoting coherence among the various parts of the UN development system operating in any given country. This is a difficult task, especially in countries with large or complex UN programmes and given the essential autonomy of UN funds and programmes as well as specialized agencies. In 2005, the importance of this challenge came to the fore in the aftermath of the devastating earthquake that hit South Asia in early October, in planning for the recovery phase in tsunami-affected countries, and in coping with the spread of avian flu. At present, UNDP is leading efforts to create joint UN offices, to strengthen the role of the Resident Coordinator, to bring more overall coherence to the work of country teams, and to promote knowledge networking within the wider UN system. All these issues are being addressed by the High-Level Panel on UN System-Wide Coherence, of which the UNDP Administrator is an *ex-officio* member.

Hand in hand with its brokering and coordinating functions—within the UN system, on behalf of partner governments—is UNDP’s advocacy for the Millennium Development Goals (MDGs), the concept of human development, the need to empower women, the critical role of the private sector and civil society, and other important development issues. UNDP advocates for equitable growth and sustainability at the global, regional and national levels, including through its series of global, regional and country-focused Human Development Reports.

At the same time, UNDP is also the UN development system’s largest operational agency, focused on strengthening the capacities of its national partners. Development requires

“UNDP is the driving force behind reforms aimed at enabling the UN to operate as a single team at country level in efforts to help achieve the Millennium Development Goals.”

Agnes van Ardenne-van der Hoeven, Minister for Development Cooperation, The Netherlands

other forms of support, and to form strategic linkages, including, for example, with the global private sector.

UNDP also has a special set of responsibilities within the UN family, where it is charged with a coordinating role in the wider group of UN entities involved in development, via the UN Development Group (UNDG). At the country level, this means that the UNDP

both “hardware”—the ports, roads, irrigation systems and production facilities that are essential to economic growth and development—as well as “software”—trained civil servants, effective electoral processes and parliaments, appropriate environmental and energy policies and other elements of national capacity that are financed and supported by UNDP and others. UNDP understands that

It is the bringing together under the same roof of these various roles—broker, coordinator and advocate, as well as on-the-ground efforts to strengthen institutions and capacities, that make UNDP such an effective partner for developing countries. In the area of trade, for example, UNDP works in global fora towards an open and development-friendly multilateral trading system, and at the country

In the run-up to the February 2006 elections in Haiti, United Nations Volunteer (UNV) Alejandro Phillion of Mexico distributed pamphlets on voter registration to help ensure that eligible voters in rural communities were included on the electoral roll.



level, to help our national partners overcome institutional bottlenecks and build capacity to negotiate trade agreements. Another example is our work on the MDGs: we have been a leading advocate for the MDGs, through our support of the Millennium Project and the Millennium Campaign, as well as a host of MDG reports at the global, regional and national levels. At

countries must guide their own development, which is why developing national capacity is at the heart of our mission and the unifying thread that runs through everything we do.

UNDP’s commitment to developing national capacity finds expression in its interconnected development practices: democratic governance, poverty reduction, crisis prevention and recovery, energy and environment, and HIV/AIDS. The largest of these is democratic governance, accounting for 47 percent of our operational activities in 2005, followed by poverty reduction (25 percent) and crisis prevention and recovery (12 percent). These practices are not objectives in themselves but rather conduits for UNDP’s work in capacity development. They are, of course, interrelated, which means that UNDP’s support helps developing countries address underlying cross-sectoral capacity constraints. This, in turn, can lead to more effective use of official development assistance and, more broadly, can help accelerate progress towards achieving the MDGs.

the same time, we are working actively to help countries anchor the MDGs in their national development strategies and strengthen capacity to ensure that their policies and budgets match the demands of meeting the goals. The following pages explain in greater detail how UNDP—at the centre of the UN system and as the trusted partner of developing countries—helps to address multi-dimensional development challenges around the world.

# Developing capacity, creating opportunities

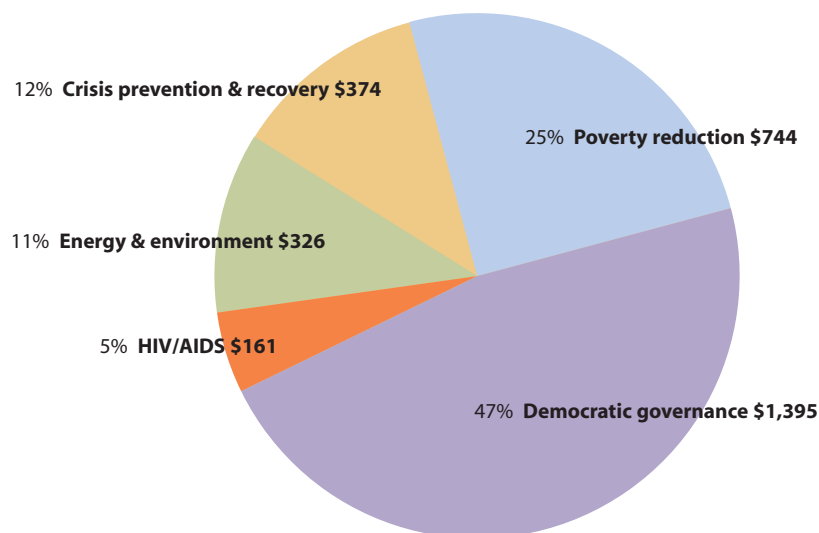
**U** NDP works to strengthen the capacity of national partners to manage their own development effectively. This means empowering people and giving them tools to chart their own course and working to establish the larger institutional frameworks that will help to transform societies. It also means targeting developing countries' abilities to deal with regional and global issues, enabling them, for example, to respond to threats such as avian flu, and to benefit from a more development-oriented world trading system.

UNDP helps strengthen national capacity through its interconnected development practices: democratic governance, poverty reduction, crisis prevention and recovery, energy and environment and HIV/AIDS. Many of our interventions are pilot exercises, designed to increase capacity in ways that may be replicable on a larger scale elsewhere. And all of our capacity strengthening work can draw upon our global development network, where a lesson learned, for example, in Brazil, may be applicable to a development challenge in Mozambique or Bangladesh.

## Investing in capacity

UNDP practice area expenditures 2005

\$US millions



Source: Bureau of Management, UNDP

# Building stronger democracies

Making history:  
In November 2005, Ellen Johnson-Sirleaf won Liberia's presidential elections, becoming Africa's first woman Head of State. She was sworn in on 16 January 2006.

The world has seen an unprecedented expansion of democratic freedoms since the end of the Cold War. As the *2002 Human Development Report* shows, during the 1990s, some 81 countries made significant progress towards democracy. Today, 140 countries in the world hold multiparty elections. Despite these achievements, however, in many countries, democracy is taking root very slowly. Out of

moting peace is, of course, at the heart of the UN's mission.

Over the past six years, UNDP, in collaboration with the UN Department of Political Affairs, has been helping countries develop their capacity to build stronger democracies. We have been working with national partners to implement better electoral and legislative systems, improve access to justice and public administration, and develop greater capacity to deliver basic services to those most in need. In 2005, we helped strengthen democratic governance in over 130 countries and devoted US\$1.4 billion in resources to these efforts. UNDP supports one in three parliaments in the developing world and an election somewhere around the globe every two weeks.

In Liberia, UNDP was on the ground to help the country prepare for the poll that saw the election of Africa's first woman president, Ellen Johnson-Sirleaf, in November 2005. For a country that only recently emerged from 14 years of violent civil war, organizing elections presented major challenges. UNDP teamed up with the UN Mission in Liberia, the United States Agency for International Development and the International Foundation for Electoral Systems to train more than 915 community-based voter educators from 22 civil society organizations. They learned how to conduct workshops and other outreach activities, including those designed for women and special groups, such as the physically challenged, internally displaced persons, ex-combatants, and refugees who had returned to Liberia. The European Commission provided \$3.6 million, including \$500,000 to computerize voter rolls. UNDP managed the contribution to develop the National Elections Commission's capacity to enforce electoral rules and put in place the systems and procedures needed for transparent and democratic elections.

Elections constitute but one step in the process of developing a strongly rooted democratic culture. Legislatures play an important role and UNDP is currently helping countries to strengthen their Parliaments and ensure fair and inclusive democratic participation. Through its Global Programme on Parliamentary Strengthening, UNDP is working to help Arab parliaments develop the capacity,



the 140 countries that hold elections, more than 100 still limit important civil and political freedoms.

In many parts of the world, confidence in democracy's power to change lives is also being eroded. The 'dividends of democracy' often seem elusive to those who, having gained the right to vote, still struggle to feed themselves and their families. As UNDP's 2004 *Democracy in Latin America* report shows, more than half of all Latin Americans—54.7 percent—say they would opt for an "authoritarian" regime over democratic government if authoritarianism could "resolve" their economic problems. In many parts of the world, disillusionment is also fuelled by increased cynicism about the political process and the lack of transparency of political institutions.

Reversing this trend is a crucial challenge, not least because strong democracies are key to advancing human development, with its essential component of human empowerment. Democratic governance is also associated with peaceful resolution of disputes; and pro-

## UNV programme: A vital role in fighting poverty

Collective endeavors to advance human development and achieve the MDGs benefit significantly from the efforts of United Nations Volunteers (UNV), a fund administered by UNDP. From helping to rebuild communities shattered by war or natural disasters to assisting in the fight against HIV/AIDS and creating new job opportunities, UNV volunteers make a distinctive contribution to national capacity building.

In 2005, UNV played a vital role in helping to organize national elections. For example, in preparation for the February 2006 elections in Haiti, UNV volunteers were stationed in the country's 10 departments to help register some 3.5 million voters. In a difficult environment marked by violence and rioting, they worked closely with Haiti's Provisional Electoral Commission, setting up counting centres and putting together voting material.

Through its expanding range of activities, UNV also helps ensure that those who are too often seen exclusively as recipients of aid are empowered to contribute to the development of

resources, and independence to carry out their functions effectively. For example, in Algeria, UNDP helped train Members of Parliament from both houses, as well as parliamentary staff, on writing and initiating laws, carrying

their own communities. In Ethiopia, for example, UNV volunteers are supporting communities in their own development planning and implementation as well as the improved monitoring of progress towards the MDGs. In partnership with UNDP and the central government, more than 100 Ethiopian UNV volunteers are working to strengthen the capacities of regional administrations to deliver services and develop infrastructure. They have also designed systems to improve access to information, including the creation of an e-government platform providing key social and economic data, and a web-based network linking 200 high schools in the country to foster interactive communication and learning.

In 2005, more than 8,100 women and men from 168 countries served as UNV volunteers in 144 countries. The majority of UNV volunteers were from developing countries, and nearly 40 percent took up an assignment in their home country—eloquent examples of successful South-South cooperation.

out research and ensuring that new laws adhered to the Constitution. The key skills acquired will allow legislators and staff to improve the effectiveness of Parliament and increase their capacity to support the needs and interests of their constituents.

To build strong and stable democracies, countries must ensure that young people have the opportunity to take part in the democratic process. In Nicaragua, UNDP helped set up a Political Youth Forum, aimed at encouraging young party members to articulate their ideas and vision to political leaders and their fellow citizens. In collaboration with a number of regional and international partners, including the Swedish International Development Cooperation Agency, the United Kingdom Department for International Development and the Netherlands Ministry of Foreign Affairs (Development Cooperation), UNDP helped to develop the political skills of young parliamentarians and strengthen their capacity to influence public debate.

For many citizens living in newly-emerging democracies, casting their vote in an election is still a novel experience. Ahead of the July 2005 presidential elections in Kyrgyzstan,

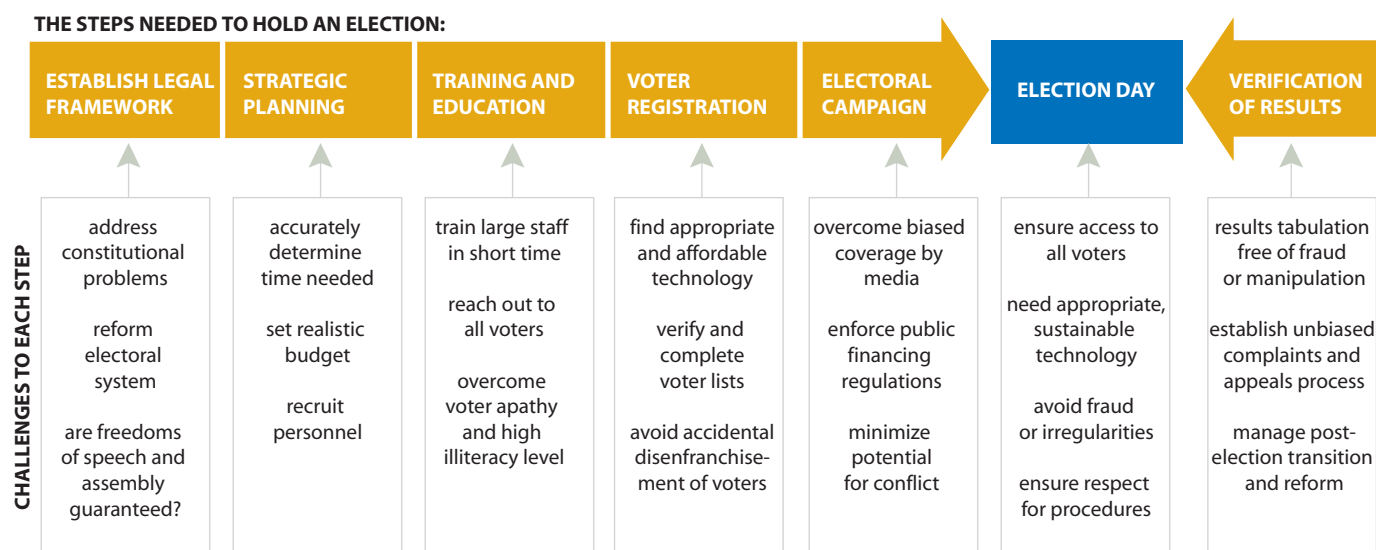
In Kyrgyzstan, a UNDP-supported pre-election newspaper helped ensure that people living in the remotest areas of the country were fully informed ahead of the July 2005 elections.





## The electoral process: getting to an accurate vote

UNDP helps provide the knowledge, infrastructure and logistics needed to hold elections.



Source: Bureau for Development Policy, UNDP

UNDP worked with the country's Electoral Commission to launch a wide-ranging voter education campaign. An eight-page pre-election newspaper was produced, providing information about the six candidates and their electoral programmes. Well over a million copies were printed and distributed to 46 districts across Kyrgyzstan—the largest single printing venture in the country's history.

Electoral broadcasts encouraging voter participation were aired on over 30 national and local stations and reinforced the campaign's unprecedented outreach. UNDP also helped strengthen the Electoral Commission's independence by providing

infrastructure support, including a new media centre and a national computer network, which was used to establish voter lists and transmit results. By highlighting the vital role that access to information can play in developing a strong and vibrant democratic culture, the Kyrgyzstan experience is just one example of a successful model that could be replicated in other emerging democracies.

UNDP is a leading provider of technical advice on the modernization of state institutions. We help countries develop professional

civil services through performance-based management, which, in turn, promotes equal opportunities for women and minority groups. We also help strengthen countries' capacity to develop anti-corruption legislation and codes of conduct, and we train civil servants, particularly in public service delivery to vulnerable citizens. Throughout Africa, international partners continue to support initiatives to clamp down on corruption and strengthen governments' capacity to deliver for the people. One such initiative is the African Peer Review Mechanism developed under the New Partnership for Africa's Development (NEPAD). This programme allows African governments to evaluate their peers in a manner that will collectively raise the bar on governance standards and performance. Some 27 countries have so far agreed to be reviewed and more are expected to join the process. A key partner in this initiative, UNDP has been instrumental in developing the tools to carry out peer reviews in Algeria, Ghana, Kenya, Mauritius, Nigeria and Rwanda. UNDP also manages the African Peer Review Mechanism Trust Fund, to which it has contributed \$2.7 million. In addition, we have been supporting NEPAD through a \$3.5 million project aimed at bolstering countries' capacities to strengthen democratic governance and budgeting for the MDGs, as well as to improve communications.

**"Democracy does not belong to any country or region but is a universal right."**

*from In Larger Freedom: Towards Development, Security and Human Rights for All*

# Generating equitable growth

Ours is a world of extremes. The poorest 40 percent of the world population—the 2.5 billion people who live on less than \$2 a day—account for five percent of global income, while the richest 10 percent account for 54 percent. Never before has the goal of abolishing poverty been within our reach: there are no longer any insurmountable technical, resource or logistical obstacles to achieving it. Yet, more than 800

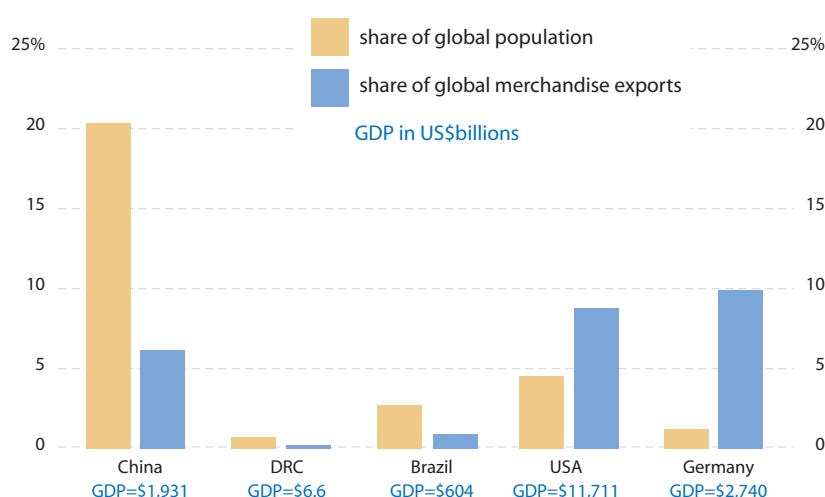
they lack the basic infrastructure and know-how needed to participate in the global economy. Opening up rich countries' markets to poor nations could help lift millions of people out of poverty. But market access is not enough. More must be done to support countries in developing their trade capacity.

UNDP works towards helping countries participate more effectively in the multilateral trading system through the Integrated Framework for Trade-Related Technical Assistance to least developed countries (LDCs). Working alongside other international partners including the UN Conference on Trade and Development, the World Bank and the World Trade Organization, UNDP helps LDCs overcome some of the challenges they face including lack of adequate infrastructure, institutional bottlenecks and burdensome regulations. We also support countries in their ability to negotiate and implement trade agreements that reflect human development concerns. Finally, we back governments' efforts to incorporate pro-poor trade policies in national development strategies.

In 2005, for instance, UNDP teamed up with the Azerbaijan Export and Investment Promotion Foundation in a bid to strengthen the country's capacity for export promotion. Under this partnership, UNDP helped formulate the government's export strategy for the development of the non-oil sector and establish an Export Information Centre to provide advice to potential local exporters. In Yemen, UNDP is backing the government's efforts to promote the country's fruit and fisheries exports. A \$1 million project provides technical advice to fruit and vegetable farmers on the proper use of pesticides as well as on packaging and transportation. It also aims at improving Yemen's competitiveness in the area of fisheries through the establishment of quality control procedures and the training of fishermen.

Much progress can be achieved in alleviating poverty by supporting local entrepreneurship and business initiatives. In Southeastern Anatolia, one of Turkey's most disadvantaged regions, UNDP partnered with the Regional Development Administration to increase the competitiveness of small- and medium-sized

## Contrasting shares of global exports and population, 2004



Source: the World Trade Organization, the World Bank, and the UN Statistics Division

million people suffer from hunger and malnutrition, 1.1 billion people do not have access to clean drinking water and, every hour, 1,200 children die from preventable diseases. Despite a growing world economy and significant advances in medicine and technology, many people in developing countries are not reaping the potential benefits of globalization.

UNDP works with governments in developing countries to design and implement policies and initiatives that address the needs of the poor. We help countries lay the foundations for pro-poor economic growth, and back efforts to develop the skills, knowledge and resources that will lead to sustained progress against poverty.

Trade can be one of the most effective engines of economic growth. Many producers in poor countries remain, however, cut off from international markets because they cannot compete with heavily subsidized goods produced in the developed world or because

## UNIFEM: Strengthening women's economic security

The majority of women in developing countries are in informal employment. In developed countries, part-time work and self-employment are a more important source of income for women than for men. Moreover, women generally earn less than men, have less access to quality jobs, and fewer opportunities for the education that could help them find better, safer means of income. These are some of the findings of *Progress of the World's Women 2005: Women, Work and Poverty*, published by the UN Development Fund for Women (UNIFEM). The report makes the case for an increased focus on women's economic security and argues that more should be done to achieve appropriate legal and social protection for women in the informal economy and ensure that their work is valued and supported in policy-making.

UNIFEM promotes women's empowerment and gender equality through a network of 15 sub-regional and two national offices. During 2005, UNIFEM, which is administered by UNDP, continued its efforts to strengthen women's economic security. Through its initiative in

enterprises (SMEs). We opened Business Development Centres in four cities (Adiyaman, Diyarbakir, Mardin and Sanliurfa) to help SMEs improve their managerial, operational

support of women migrant workers in the Arab States and Asia, for example, the Ministry of Labour in Jordan is now evaluating its internal regulations and investigating violations against women migrant workers, monitoring labour recruitment offices and working closely with the Ministry of the Interior and the Police Department. In Indonesia, a local law on the protection of migrant workers is awaiting passage in Blitar; similarly, in Nepal, a Foreign Employment Bill has been drafted.

UNIFEM's efforts to promote budget analyses that look into how the allocation of public resources benefit women and men also showed new and promising results in 2005. In Morocco, the national budget for 2006 included, for the first time, a special annex on how gender equality priorities will be addressed. In India's state of Karnataka, elected local women leaders used training on gender-responsive budgeting to advocate successfully for a doubling of resources to reintroduce a women's health insurance scheme in the city of Mysore.

and administrative capacities. We also advised and trained budding entrepreneurs, who often lack the skills, knowledge and networks to get their ideas off the ground. Efforts to reduce economic disparities in Southeastern Anatolia have also targeted young people. UNDP supported the launch of a National Apprenticeship Programme, which provides young people from the region with internship opportunities in a number of companies nationwide. The professional experience gained in accounting, sales and marketing will help bring much needed skills and knowledge to the region. And elements of the overall initiative can serve as models for replication by other regional administrations, in Turkey and elsewhere.

In Moldova, UNDP is helping to empower communities economically through its Local Agenda 21 initiative. By involving citizens in local-level decision making and promoting partnerships between the public and private sectors, this effort aims at integrating sustainable development principles into local authorities' policies. UNDP helped develop an economic free zone in Moldova's region of

Many countries in Asia, including the Philippines, have made steady progress in reducing poverty rates. But growth in urban poverty threatens to reverse some of these achievements.



These Palestinian women have used small loans to jump-start their food business and turn it into a profit-making venture.



Ungheni, a former industrial area. The new zone now hosts 33 businesses from several countries. It has helped develop new enterprises in the region, such as plastic container manufacturers, luxury furniture businesses, as well as fruit and vegetable juice producers. In addition to generating \$15.8 million worth of investments, the Ungheni Business zone

Programme (UNEP) and the World Bank, women in Gaza have been able to acquire solar-powered machines to dry fruits and herbs more quickly and efficiently. This environmentally-friendly initiative has enabled women in Gaza to expand their businesses and sell their produce in local Gazan markets. This is just one of many projects funded through GEF that help improve the livelihoods of the poor while contributing to the protection of the environment.

**“Massive poverty and obscene inequality are such terrible scourges of our times... that they have to rank alongside slavery and apartheid as social evils.”**

*Nelson Mandela, former President of South Africa*

has created 1,250 jobs and increased the level of exports from the region.

Some small-scale projects can deliver big results. In Gaza, UNDP helped women fruit producers secure small grants to boost their production. Traditionally, women have dried fruits and herbs in the sun, but this process can affect the quality and freshness of the products. From grants obtained through the Global Environment Facility (GEF), which is run jointly by UNDP, the UN Environment

# Preventing conflict and supporting long-term recovery

Armed conflicts and natural disasters can have a crippling effect on a country's progress towards human development. The human cost is enormous—in the 1990s, 3.6 million people died in violent conflicts, while in 2005 natural disasters caused 91,900 deaths in different parts of the world. Moreover, the impact on the development and growth prospects of a country can be devastating. A civil war can

Developing national capacities to prevent conflicts and achieve sustainable peace is one of UNDP's highest priorities. With a long-term presence in almost all developing countries, we are on the ground before, during and after conflicts occur. We provide significant support, especially through our Bureau for Crisis Prevention and Recovery, to strengthen the capacities of governments, civil society and other actors to resolve disputes constructively. In 2005, as in previous years, we were called upon to assist countries in post-conflict situations by supporting early efforts to consolidate peace, reintegrate combatants, jump-start economic recovery and re-establish the rule of law. UNDP also works to develop long-term national capacities to sustain peace, including through the strengthening of economic and political governance.

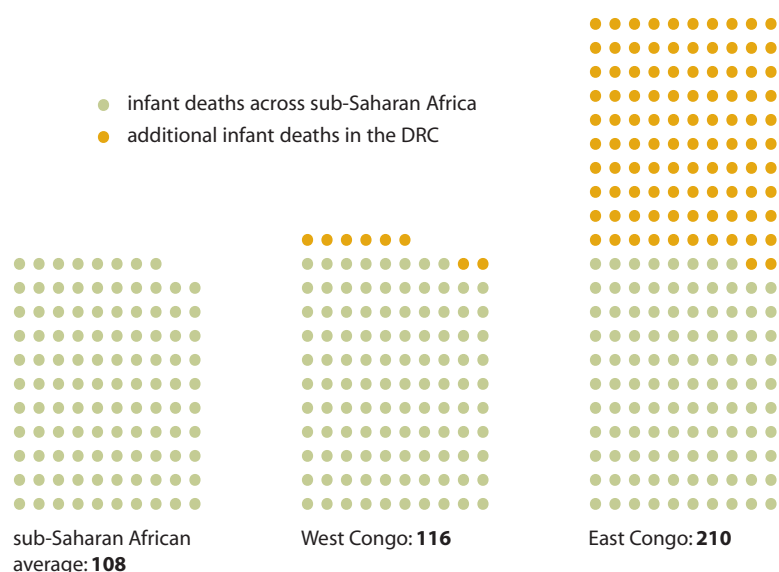
Increasingly, UNDP's work focuses on prevention. We help countries address the root causes of conflict, such as inequality, injustice and discrimination, and we strive to strengthen institutions and mechanisms that can help defuse tensions before they degenerate into full-blown conflicts. We also help secure the foundations of justice and provide employment to ex-combatants to ensure that countries that have just emerged from conflict do not descend back into civil strife.

In Somaliland, an area recovering from decades of conflict, a groundbreaking UNDP initiative, the Rule of Law and Security Programme (ROLS), offers a path for significant reform. In addition to supporting disarmament, demobilization and the removal of landmines, this programme has helped create a more reliable form of governance by training legal professionals and providing free legal aid to vulnerable groups including women and children. Another achievement is the Mendera Police Academy, which is the linchpin of the administration's efforts to establish a professional community police force aware of human rights standards. ROLS supports the academy's training programme, as well as its operating costs and upkeep, while the government covers the staff's salaries. The success of this initiative provides valuable lessons that could help design future crisis and recovery programmes in the areas of justice

## When there is war, infants are more likely to die

In 2002, as conflict was raging in the eastern provinces of the DRC, the destruction of infrastructure and lack of services drove the infant mortality rate up to nearly double the sub-Saharan African average.

deaths per 1,000 live births



Source: 2004 Human Development Report; International Rescue Committee, DRC Mortality Survey 2004

erase decades of development. In a single hour, a hurricane or an earthquake can wipe out entire communities and further entrench poverty and inequality.

As the 2005 Human Development Report shows, of the 32 countries at the bottom of the Human Development Index (HDI), 22 have experienced conflict at some point in time since 1990; and of the 52 countries in which child mortality statistics are stagnant or even going in the wrong direction, 30 have experienced conflict since 1990. Failure to break the vicious circle of poverty and conflict can have regional and global consequences. As recent history has shown, the destructive impact of civil wars often crosses national boundaries and can have ripple effects on the lives of people around the world.

## Tackling small arms in FYR Macedonia

The existence of small arms and light weapons not only represents a threat to countries that are emerging from conflict; it can also continue to blight the lives of people long after the crisis has subsided. Four years after the end of a conflict that brought it close to civil war in 2001, the Former Yugoslav Republic of Macedonia is struggling with armed crime, a depressed economy, and ethnic tensions between Albanians and Macedonians. Approximately 170,000 illegal small arms are thought to remain within FYR Macedonia's borders. UNDP has been supporting national and local authorities in reducing

the supply of illegal small arms, improving security and fostering national reconciliation. More than 13,000 weapons have been collected and destroyed by authorities, thanks in part to a UNDP-supported awareness-raising campaign. Security has improved considerably in Macedonian cities. In Tearce and Vratnica, there have been no murders since the initiative began and no armed incidents in 2005. Moreover, the government adopted a new weapons law and national action strategy to further advance the disarmament process.

and security. Based on the model in Somaliland, UNDP also trains police officers in the federal state of Puntland in northeast Somalia. In April 2006, 151 officers, 19 of whom are female, graduated from the recently-established Armo Police Academy, following a challenging training course covering law enforcement, international standards of human rights, community policing and disarmament.

Natural disasters threaten human development prospects in many parts of the world. Today, 85 percent of the people exposed to natural disasters live in countries with medium or low levels of human development. UNDP

helps disaster-affected countries by coordinating donor assistance, as it did in the aftermath of the earthquake that hit South Asia on 8 October 2005. One of the main challenges in dealing with natural disasters is to put the affected region back on a development track as quickly as possible and in a manner which reduces future risk. UNDP is ideally placed to manage the transition between early recovery and long-term development. In Pakistan, one month after the earthquake, UNDP spearheaded the preparation of a Strategic Framework for Early Recovery in collaboration with the wider UN System, civil society and the

At the Maputo Police Academy in Mozambique, UNDP provides training to young officers as part of a broader effort to secure stability and human development in the country.



Government of Pakistan. A UN Early Recovery Plan for Pakistan was launched in May 2006, laying out programmes in priority sectors such as education, health, water and sanitation, housing, shelter and camp management, as well as disaster risk reduction. In order to ensure a safer future for the residents of the devastated areas, UNDP worked with Nepal's National Society for Earthquake Technology to

opening up new opportunities for local workers. UNDP helped set up an employment services network and is providing vocational and technical training. To date, more than 40,000 job seekers have joined the network and more than 7,000 have found employment. UNDP is also working with Austcare, a refugee agency, to introduce easy-to-use brick machines in order to increase brick makers'

In the earthquake-hit regions of Pakistan, UNDP helps people move quickly from the immediate recovery phase to long-term development planning.



output and improve the quality of construction materials.

In Sri Lanka, efforts to support long-term development following the 2004 tsunami have focused on developing the capacity of public administration, local government, civil society and the private sector. With \$4.6 million funding from the German and Norwegian governments, UNDP launched an initiative aimed at enhancing the capacity of local authorities

raise awareness and build local national capacity for earthquake-resistant construction.

In the tsunami-hit region of Aceh, in Indonesia, UNDP has teamed up with the International Labour Organization to help train the workers needed to meet increased demand in the construction industry. Construction spending in Aceh and Nias jumped from \$50 million to nearly \$2 billion a year,

to improve the sourcing of infrastructure and services for recovery and reconstruction. In particular, we will provide specialized training to programme coordinators and selected government employees to strengthen skills in planning, managing and delivering recovery and reconstruction services.

# Protecting our planet to benefit the poor

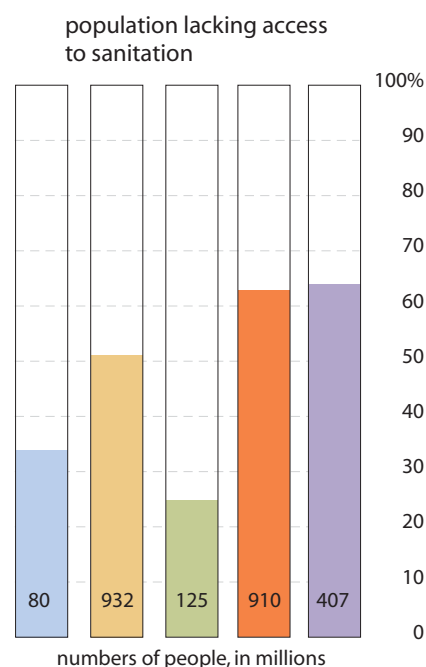
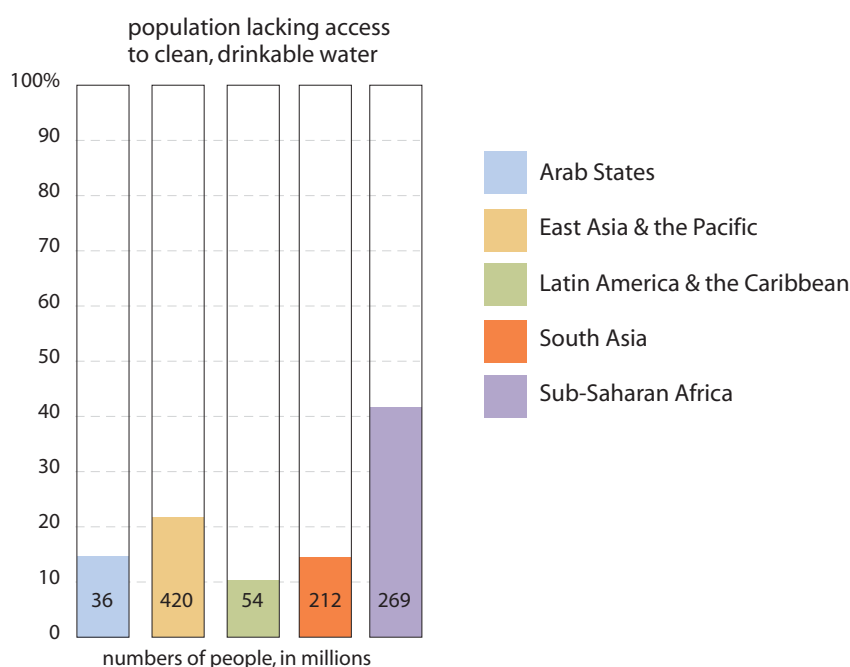
Many environmental challenges can only be tackled through international cooperation. Climate change, access to sustainable sources of energy, the need to safeguard rivers, lakes and coasts from various forms of pollution are all challenges that call for effective multilateral approaches.

UNDP supports countries' efforts to protect the environment and manage their resources efficiently, and promotes cooperation among countries in tackling common environmental challenges. One of UNDP's core objectives is to help countries design environment and energy policies that address the needs of the poor. Inadequate and unequal management of natural resources is a major impediment to the transformation of communities in the developing world. When natural resources are depleted, when pollution threatens the well-being of a country's population, the most vulnerable tend to be among the hardest hit. Poor households often depend on access to a diversity of natural resources for their livelihoods; they are often the most adversely affected by exposure to unsafe water, indoor air pollution, toxic chemicals and other health hazards.

Among natural resources, water plays a pivotal role for human development. Today,

over 1 billion people lack access to clean water and 2.4 billion do not have basic sanitation. The use and abuse of increasingly precious water resources have intensified dramatically over the past decades, reaching a point where water shortages, water quality degradation and aquatic ecosystem destruction are threatening prospects for human development and political stability. As water resources become scarce, new forms of tension can arise between countries sharing the same rivers and lakes. In order to transform the risks of conflict into opportunities for cooperation, UNDP established the Transboundary River Basin Initiative, a platform for dialogue and consensus building for countries that share the same water resources. Through this initiative, we support 36 countries in their efforts to reach agreements on the management of shared waters, in partnership with regional and national organizations, including the Mekong River Commission, the Nile Basin Initiative and the Niger Basin Authority. Building on this success, UNDP is now expanding its shared waters initiative to the Central Asian Region, where, in collaboration with other UN agencies, it is leading a process that would enable governments to work together on the management of the region's shared waters.

## Populations not receiving clean drinking water or sanitation, by region



Source: Human Development Reports (2004, 2005)



Sound and equitable management of natural resources is critical to sustained poverty reduction and to the achievement of the MDGs. One of the most efficient ways of ensuring that the poor's environmental concerns are not ignored is to incorporate these concerns in national policies. Yet, in most countries, integrating 'pro-poor' perspectives on the environment into national development

cost of energy translates into increased production costs, affecting the competitiveness of Kenyan goods in local and international markets. To help tackle this problem, UNDP has been assisting small- and medium-sized enterprises to reduce production costs through increased energy efficiency. In particular, UNDP trained managers and engineers on the use of energy-efficient manufacturing

In a village in Thailand, families are benefiting from a UNCDF solar power pumping station. The money it generates is used to send their children to school, pay for food and make essential repairs to their houses.



strategies remains a major challenge. UNDP, in partnership with UNEP, is supporting environment-based policies in Cambodia, Kenya, Nicaragua, Rwanda, Tanzania and Viet Nam. Through this Poverty and Environment Initiative, we helped the Tanzanian government integrate environment into the poverty reduction strategy process. The programme supported dialogue among policy-makers, NGOs and community groups on poverty-environment linkages and the use of environment indicators in local and national level planning. As a result, Tanzania's new poverty reduction strategy includes actions on using natural resources management to alleviate poverty, empower women and improve government accountability.

Access to affordable sources of energy is key to poverty alleviation. In Kenya, the high

techniques. As a result, many local companies were able to make significant savings on fuel costs. This initiative also helps increase access to financing for profitable projects and presents significant potential for other countries in Eastern Africa.

In India, UNDP is supporting government efforts to empower poor and disadvantaged communities and strengthen their livelihoods by improving the management of natural resources. In collaboration with the Indian Government and the state governments of Jharkhand, Orissa and Rajasthan, the project aims at encouraging effective participation of the poor—especially women—in the management and development of natural resources. Working with around 5,000 women's groups and 17 civil society partners, the project helps disadvantaged women join forces to develop

“The planet does not belong to those in power. We ought to embrace the Kyoto Protocol in our own little way. It’s the little things that we can do that are important.”

Wangari Maathai, 2004 Nobel Peace Prize laureate

sustainable farming practices, run conservation projects and promote the regeneration of pastures and wastelands. These networks also link women with financial institutions and provide them with the strength and influence they need to negotiate effectively with local government officials.

Many of the environment issues the world is facing today, from climate change to ozone depletion, are global in nature. With funding from the GEF, UNDP supports international cooperation to promote sustainable development. The GEF is a financial mechanism that supports action to address critical threats to the global environment, including biodiversity loss, degradation of land and international waters and persistent organic pollutants. UNDP is one of the implementing agencies of the GEF, along with UNEP and the World

Bank. UNDP-GEF has 1,750 projects on the ground in more than 155 developing countries. In 2005, in support of these projects, UNDP secured \$284.5 million from GEF and attracted \$1.02 billion in co-financing from governments and donors.

Through GEF, UNDP helps countries use energy more efficiently and reduce greenhouse gas emissions. In Viet Nam, where the use of electricity is increasing dramatically as a result of growing urban populations, UNDP launched a \$15 million programme in Ho Chi Minh City and in Quy Nhon, in the Binh Dinh Province to promote the use of energy-efficient street lighting. Run in partnership with the Vietnamese Academy of Science and Technology, the project is expected to result in energy savings of 310 gigawatt hours and greenhouse gas reductions equivalent to 133 kilotons of carbon dioxide over the next five years.

Access to sustainable energy is key to lifting people out of poverty. Thanks to the installation of a hydroelectric micro-central in the Tirua VIII region of Chile, the indigenous community of Lafquenche de Pallaco is able to use electricity for the first time.



# Halting the spread of HIV/AIDS

HIV/AIDS has a devastating impact on those who live with the virus as well as their families. The pandemic also has wide-ranging repercussions on all sectors of society and can damage the fabric of entire communities. When teachers die from HIV/AIDS, the children they used to educate lose out; when doctors and nurses fall ill, hospitals struggle to provide patients with the care they need;

rights of people living with HIV/AIDS.

In sub-Saharan Africa, where the pandemic has taken its worst toll, HIV is claiming the lives of society's most productive members—farmers, doctors, teachers, civil servants, scientists and agriculture workers. A strategy developed by UNDP—the Southern Africa Capacity Initiative (SACI)—aims to help Southern African countries address the impact of capacity erosion in key sectors, including public services, agriculture, health, education and the private sector. This \$42 million initiative helps governments to develop policies that respond effectively to the unique challenges of providing services in the HIV/AIDS era—developing leadership capacity and skills, and empowering institutions to continue functioning and delivering services. We also help countries cope with the loss of skilled public sector workers by expanding training opportunities and laying the foundations for long-term human resources strategies.

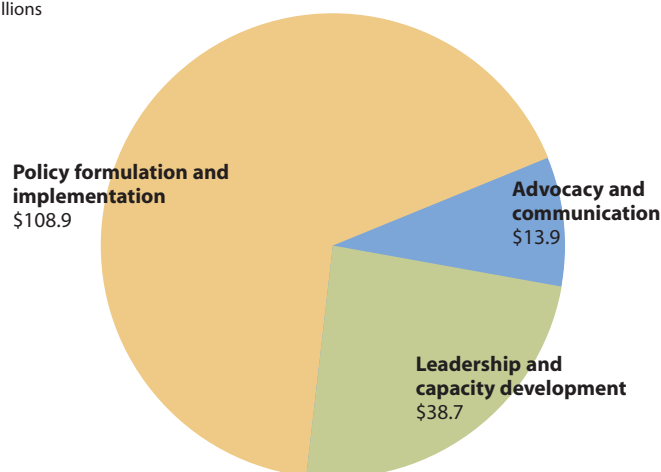
In Botswana, SACI helped the Directorate of Public Service Management improve the efficiency of human resources management by cutting red tape and simplifying lines of reporting. A similar approach was adopted in South Africa to identify bottlenecks and take remedial action in the KwaZulu Natal and Limpopo health sectors. Increased efficiency in record-keeping and scheduling led to significant reductions of hospital waiting times. In Lesotho, Malawi and Zambia, SACI helped governments seize information and communication technology opportunities and assessed the challenges presented by e-governance to improve service delivery in the public sector. SACI is also benefiting from UNDP's corporate partnership with Microsoft through the recently established Shared Solution Network portal, which facilitates knowledge sharing among various key stakeholders. The SACI framework has been adopted by the UN Regional Team as a key capacity development tool that could be used by several UN agencies. Other African countries are now looking to join this initiative.

In Asia—where the number of people living with HIV/AIDS rose from 7.1 million in 2003 to 8.3 million in 2005—a flagship UNDP capacity development programme, Leadership

## UNDP is helping to tackle HIV/AIDS on all fronts

2005 expenditures go into building leadership, advocating for change and shaping policies.

\$US millions



Source: Office of Finance, UNDP

when parents die, their children are often left to fend for themselves and become vulnerable to exploitation and abuse.

The scale of the crisis points to a major development challenge. The number of people living with HIV globally has now reached an estimated 40.3 million. In 2005, 3.1 million people died of AIDS-related illnesses; of these, more than 500,000 were children. Even though there is evidence that rates of infection have decreased in certain countries (including Kenya, Zimbabwe, and some countries in the Caribbean), overall trends in HIV transmission are still increasing. As a trusted development partner, and co-sponsor of UNAIDS, the Joint UN Programme on HIV/AIDS, UNDP works to prevent the spread of the virus and reduce its impact. We help countries put HIV/AIDS at the centre of national poverty reduction strategies, we promote coordinated and effective responses to the pandemic and we help countries develop the capacity to protect the

In November 2005, UNDP trained 30 leaders of HIV/AIDS groups in the Dominican Republic to help strengthen their skills in promoting greater tolerance towards people living with HIV within their communities.



for Results, has made a measurable impact on the fight against HIV/AIDS. In China, the programme helped transform institutional structures by giving officials the tools to coordinate HIV/AIDS policy more effectively among different government departments. The programme supported efforts to promote greater openness about HIV/AIDS, more widespread education about the epidemic,

based EPIN Technologies, a leading player in the country's new media industry, contributed to raising awareness about HIV/AIDS by showing education clips onboard trains in China. By using EPIN's plasma advertisement outlets, this campaign will reach millions of passengers, highlighting the basic facts about HIV and the need to treat those living with the virus with respect and tolerance.

**The number of people living with HIV globally has now reached an estimated 40.3 million. In 2005, 3.1 million people died of AIDS-related illnesses; of these, more than 500,000 were children.**

and increased tolerance for people living with the virus. In the city of Xintai, in the Shandong province, a successful initiative was developed to spread awareness about the pandemic, reach out to vulnerable groups and provide support for HIV-positive individuals. These efforts are all the more important given that knowledge about HIV/AIDS and the way it is transmitted remains limited in China, particularly among the rural population and migrant workers. A joint initiative between UNDP and the China-

One of the main hurdles in the fight against HIV/AIDS is the stigma and discrimination suffered by those who live with HIV. Fear of rejection often prevents people from seeking medical help and support services. Moreover, the threat of stigmatization stops people at risk from getting tested, thus hampering efforts to halt the spread of the virus. In Latin America and the Caribbean, UNDP used its Leadership for Results programme to launch a number of sensitization initiatives. In the Dominican Republic, for instance, our efforts focused on helping to tackle the spread of HIV/AIDS among the armed forces—a highly vulnerable group. We supported the establishment of a Network of Military Educators, the first of its kind, to help promote understanding and tolerance for those who live with HIV/AIDS among officials and recruits. Building on this success, UNDP also worked with a large group of people living with the virus to improve their leadership

capacities and help them negotiate effectively with government officials and service providers. The training we provided gave them the tools and skills needed to have a significant impact within their communities and help bring about a change in attitudes towards the epidemic.

In the Arab region, UNDP has been working closely with governments, civil society and religious groups to increase awareness about HIV/AIDS and build leadership to break the stigma associated with the virus. In collaboration with UNAIDS, UNDP mobilized religious leaders from the Arab region to speak out about HIV/AIDS. As a result, in December 2004, more than 80 key religious figures from 18 Arab countries signed the 'Cairo Declaration' calling for solidarity with those who live with HIV. Since then, five sub-regional workshops have been held to help religious leaders gain a better understanding of the reality of HIV/AIDS in the region and its impact on communities. According to Sheikh Tuhamy Ragy, senior Muslim religious leader in Morocco, "After my participation, I immediately started to contact *Imams* and *Ullama* and formed 'rings' to train them on HIV/AIDS work. Each ring has 10 major leaders. Tens of thousands listen to the messages of these leaders each week. We faced difficulties; leaders

were hesitant to speak about these issues... but we used references from the Koran and gradually the silence is breaking down and the leaders are catching the vision."

The HIV/AIDS pandemic represents a significant threat to development, stability and growth prospects in many countries. The level of funding mobilized to meet this challenge must therefore be proportionate to the magnitude of the crisis. One of the principal resources for large-scale HIV/AIDS programmes on prevention, treatment and care is the Global Fund to Fight AIDS, Tuberculosis and Malaria. Using its broad-ranging experience in fund management and procurement, UNDP is responsible for the implementation of projects financed by the Global Fund in 26 countries around the world. In Belarus, for instance, we helped secure a \$6.8 million grant from the Global Fund to support prevention initiatives among drug users, commercial sex workers and prisoners. In 2005, UNDP began training over 500 outreach workers and specialists, who will, for the first time, provide advice and support to thousands of young people whose lives have been shattered by the use of drugs. UNDP is also addressing the issue of HIV/AIDS in prisons through the training of 1,800 medical personnel and volunteers who offer counseling, care and support to prisoners. This is one of many large-scale projects financed by the Global Fund in which UNDP has been working closely with governments to develop national capacities to halt the spread of HIV/AIDS.

Journalists can play an important role in counter-acting AIDS-related stigma and discrimination. In Cairo, UNDP supported a training programme to sensitize media professionals who report on HIV/AIDS.



# Empowering women to transform societies

Empowering women is critical to advancing human development and achieving progress towards the MDGs. Gender equality is and will always remain an end in itself. But we must also recognize that when women suffer abuse and discrimination, when they do not play an active role in shaping the world around them, everyone in society loses out. Making headway in alleviating poverty and promoting equitable

of Africa's first woman President in Liberia, Ellen Johnson-Sirleaf, and Chile's first woman President, Michelle Bachelet. There are now 11 women Heads of State or Government, in countries on every continent. But despite these achievements, progress towards gender equality remains painfully slow. Seventy percent of the 130 million children who are out of school are girls. Women account for two-thirds of the 960 million adults in the world who cannot read. Of the world's one billion poorest people, three-fifths are women and girls. With notable exceptions, such as Rwanda and the Nordic countries, women are conspicuously absent from parliaments, making up, on average, only 16 percent of parliamentarians worldwide.

**Women's empowerment helps raise economic productivity and reduce infant mortality. It contributes to improved health and nutrition. It increases the chances of education for the next generation.**

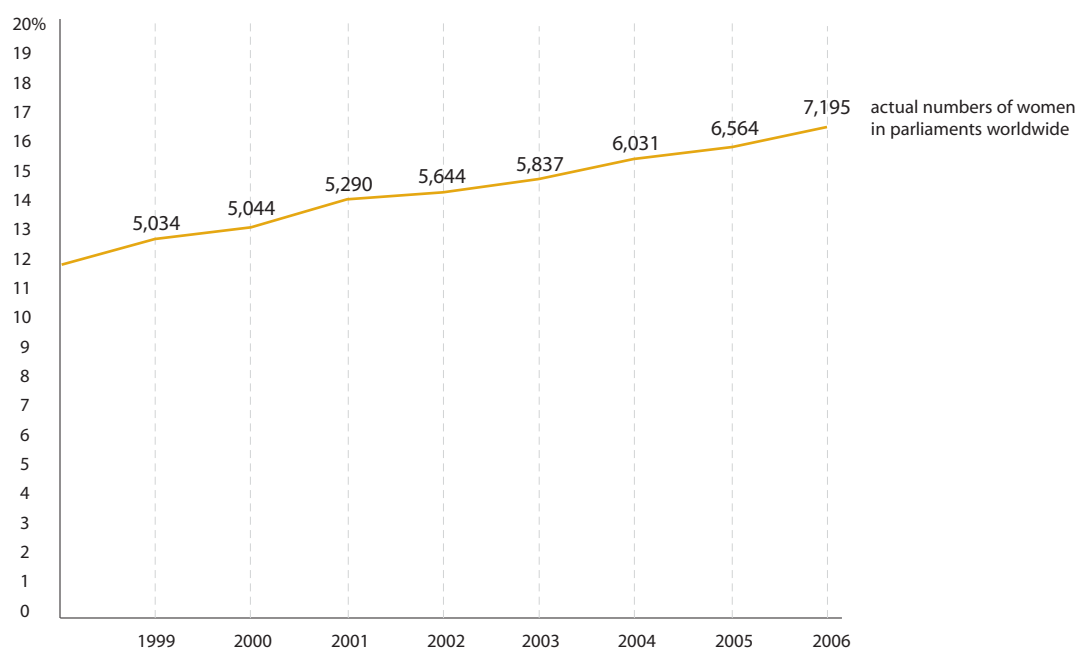
growth is inextricably linked to improving women's lives and increasing their participation in decision-making. Women's empowerment helps raise economic productivity and reduce infant mortality. It contributes to improved health and nutrition. It increases the chances of education for the next generation.

The past 12 months have seen significant changes on the political front, with the election

Taking women's empowerment seriously means putting gender equality at the centre of the human development equation. In Ukraine, through UNDP's Equal Opportunities Programme, state officials and parliamentarians learned how to design programmes and budgets that help empower women, and representatives of law enforcement agencies were sensitized to violence against women. As a result of these and other initiatives, the importance of women's empowerment is now being recognized in the Ukrainian government. In

## Women in politics: progress, but slowly

Women as percent of total parliamentarians worldwide, 1999-2006



Source: Inter-Parliamentary Union

In December 2005, UNDP, UNIFEM and the UN Mission in DRC provided technical and financial support to the national Independent Electoral Commission to ensure women's participation in the country's constitutional referendum. As a result of these efforts, over 50 percent of all voters were women.



2005, the *Verkhovna Rada* (Ukraine's Parliament) adopted the "Law on equal rights and opportunities for women and men" and three women have since been appointed heads of regional administrations. UNDP is working on similar projects with other parliamentarians and government officials in the region to support women's political participation.

Gender inequality is a major obstacle to ending poverty and meeting the MDG targets. An effective way of tackling this gender gap is by helping governments develop budgets that reflect the specific needs and interests of women. Analyzing national budgets from the perspective of their impact on women and men, boys and girls, promotes equity across the development spectrum by identifying who is allocated what in diverse development fields, including education, health and employment—areas that are crucial to empowering people

and reducing poverty. Through a partnership with the Japan Women-in-Development Fund, UNDP sponsored the training of development practitioners, economists and representatives from ministries of finance from more than 50 countries in gender budgeting. Today, an international pool of over 90 specialists are engaged with their own countries in spreading the knowledge they have gained and providing technical support to carry out gender budget audits.

# Brokering partnerships for development

Human development is a complex process that requires the participation of many different players. No organization can do it alone. Strengthening countries' capacities to develop strong and prosperous societies requires cooperation among a large network of partners, including donor countries, the private sector, civil society, international financial institutions and regional bodies. As a natural and impartial

**As a natural and impartial broker and catalyst, UNDP brings people and organizations together in ways that advance human development.**

broker and catalyst, UNDP brings people and organizations together in ways that advance human development.

UNDP is expanding its partnerships with civil society organizations (CSOs) as they are playing a prominent role both in helping to shape poverty reduction policies and in delivering projects on the ground. Dialogue and cooperation have been enhanced through the CSO Advisory Committee, which provides

UNDP with strategic advice on a range of human development issues. In 2005, CSOs' significant contribution to policy dialogues has been enhanced by a number of UNDP-sponsored activities, including the Community Commons Dialogue held at Fordham University in New York. In April 2006, the CSO Advisory Committee met with UNDP's senior management to discuss a range of issues including the UN reform process, trade capacity development and conflict prevention. Under a \$2 million programme funded by the SNV Netherlands Development Organisation, local civil society groups in 15 countries received funding to enhance their participation in the development of MDG-based poverty reduction strategies. In addition, a small grants programme to help community-based organizations support crisis prevention and recovery activities was successfully piloted in Colombia, Liberia and Sri Lanka.

UNDP also capitalizes on the strengths of the private sector by helping to broker partnerships among large corporations, governments, NGOs and local entrepreneurs. Through its innovative Growing Sustainable Business (GSB) initiative, for example, UNDP works with the private sector to identify and develop concrete business investments that meet local

## The new voice of Iraqi journalists

Until recently, most Iraqis relied on foreign media for news on their own country. Now, thanks to Voices of Iraq, a recently-established online news agency, they have access to up-to-date, professional reporting produced by Iraqis for Iraqis. In 2004, UNDP teamed up with the Reuters Foundation, a charitable trust specializing in journalism training, to set up an online 'news-exchange' platform to allow Iraqi reporters to share their stories. With additional funding from the Spanish Agency for International Cooperation, this network has now become a fully-fledged news agency, which provides breaking news to local, regional and international media. Staffed and run by local journalists reporting on their own people and government, this news

agency, the first of its kind in Iraq, constitutes an important step towards the development of a free, open and transparent democratic debate. Voices of Iraq ([www.aswataliraq.info](http://www.aswataliraq.info)) publishes over 600 news items a month, providing a full picture of developments affecting local communities countrywide. The reports, published in Arabic, English and Kurdish, are drawn from a network of independent reporters and a group of contributing media organizations, including three of Iraq's key independent newspapers. In addition, last year, training courses were offered to 51 reporters, 18 of them women, looking to hone their journalistic skills.



demands, stimulate local entrepreneurship and help reduce poverty. The aim is to encourage businesses that target developing countries' markets and improve links between big companies and small local enterprises. By seeking innovative public-private solutions that use the resources large companies already have in their arsenal, the initiative helps match company interests with country priorities and

of sectors, ranging from rural telecommunications to agriculture supply chains and small- and medium enterprise financing. Launched in 2002, the programme secured the participation of an array of companies, including Ericsson, Société Générale, Total and Unilever. With a portfolio of investments ranging from \$200,000 to \$23 million in size, the initiative has been introduced in El Salvador, Ethiopia,

UNDP supports training programmes to help Afghans seize new opportunities presented by information and communication technology. Until four years ago, the internet was banned in Afghanistan.



appropriate development partners.

In line with the Global Compact, a pioneering international initiative of the UN Secretary-General to fight corruption, promote human rights and support labour and environmental protection, the GSB is founded on the understanding that economic development of the poorest countries is of fundamental long-term interest to the global community. It also assumes that businesses should be encouraged to participate in pro-poor development by the prospect of long-term expansion of markets. Finally, the GSB initiative recognizes the urgent need to attract more investments and business to the world's LDCs, a group of countries that represents 12.5 percent of the developing world's population, but only 1.5 percent of gross foreign direct investment flows. GSB's investment projects span a broad range

Kenya, Madagascar, Serbia and Montenegro, Tanzania and Zambia. In Tanzania, for example, Unilever is working with the World Conservation Union, the SNV Netherlands Development Organisation and the World Agroforestry Centre to encourage local communities and small businesses to cultivate the seeds from the Allanblackia tree—commonly found in parts of west, central and east Africa—for the manufacture of products such as soap and margarine. The aim is to generate income for local farmers, while benefiting the company in the long run, as the market for Allanblackia oil develops. Building on these achievements, the GSB can open significant growth opportunities for developing countries, as more companies put their weight behind the initiative.

The ever closer integration of the global economy has opened up new opportunities for

## Lighting up Madagascar



Looking at a satellite picture of the Earth at night provides a startling illustration of our planet's development inequalities: while much of the industrial world is awash with bright artificial light, most developing countries, particularly in Africa, are drowned in darkness. Without access to electricity, businesses cannot grow, hospitals cannot run, schools are paralyzed and the huge potential offered by information and communication technology cannot be seized. Yet, in the areas of the world where the need for development is most urgent, electricity supply is often very poor. In Madagascar, less than three percent of people living in rural areas have access to electricity. The island's region of Sava is renowned for its vanilla production, but the potential benefits are far from fully reaped due to chronic

cooperation among developing countries. In the area of trade, over 40 percent of all developing country exports go to other developing countries and South-South trade is increasing at an annual rate of 11 percent—nearly twice as fast as total world trade. Stronger collaboration among developing countries can also help accelerate progress towards the MDGs: from HIV/AIDS health care provision to world-class research centres, developing countries harbour significant pools of knowledge and excellence that can be tapped to support human development efforts. That is why, through its Special Unit for South-South Cooperation, UNDP helps developing countries work together to formulate policies, share information, and

energy shortages. In order to tackle this problem, UNDP, through its GSB initiative, helped forge a partnership among three large electricity producing companies (France's EDF, Germany's RWE and Canada's Hydro-Québec) to provide affordable electricity to Madagascar's vanilla-producing area, as well as surrounding villages. With a total investment of \$19 million, the participating companies will use new technology and distinct pricing structures for small- and medium-sized enterprises, government and villages, generating a return of 17 percent. In addition to injecting new energy into one of the most profitable sectors in Madagascar, the project will increase access to education, health, water and sanitation for rural populations and will reduce reliance on diesel and forest wood.

agree on common priorities to create their own solutions to the problems they face. For example, we helped civil society organizations in Sri Lanka benefit from India's experience in developing institutional capacity among NGOs. We have also been fostering South-South initiatives aimed at tackling the spread of HIV/AIDS. Under a UNDP-sponsored project, Thailand is donating 50,000 condoms to seven African countries. The project is being funded by the Thai government with UNDP facilitating the shipping and distribution to Burkina Faso, Gabon, Ghana, Kenya, Mali, Nigeria and Uganda.

# Strengthening national strategies to achieve the MDGs

The year 2005 saw renewed global support for the fight against poverty and the achievement of the MDGs. G8 leaders, meeting in Gleneagles, Scotland, in July agreed to write off the debt owed by some of the poorest countries. Fifteen European Union countries committed themselves to increasing aid levels to 0.7 percent of Gross National Income by 2015 and the United Kingdom-sponsored Commission for Africa helped secure further support for development on the continent. The widespread *Make Poverty History* campaign and the overwhelmingly generous public response to the Indian Ocean tsunami also pointed to a growing sense of solidarity among people around the world. The 2005 World Summit, held at the UN in New York in September, produced the “strong and unambiguous commitment by all gov-

ernments, in donor and developing nations alike, to achieve the Millennium Development Goals by 2015.”

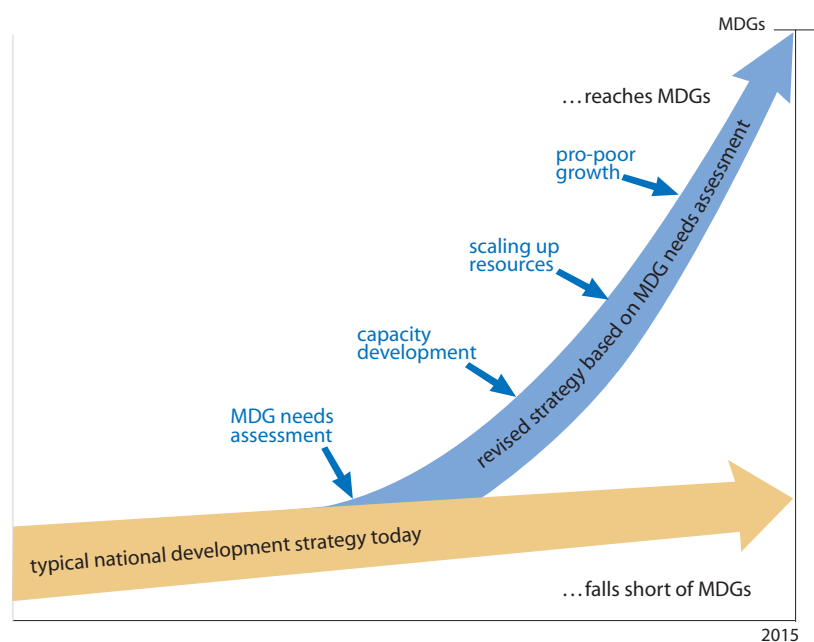
Meeting the MDGs presents a significant challenge to developing countries and the international community—but not an insurmountable one. The world has the financial, technical and economic means to achieve the MDGs, and national efforts to meet them are being supported by a global coalition of development partners—including bilateral donors, UN agencies, regional development banks and the Bretton Woods Institutions.

Progress now depends on operationalizing the MDGs at the country level—translating the goals into national policies, incorporating them into key economic decisions and national development strategies. The need to focus national development policies more strongly on the MDGs within a flexible framework, allowing for national priorities and specificities, was one of the central recommendations of the UN Millennium Project Report *Investing in Development: A Practical Plan to Achieve the Millennium Development Goals*, published in January 2005. Headed by Jeffrey Sachs and supported by UNDP, the Millennium Project is an independent advisory body charged with putting forward the best strategies for achieving the MDGs. Its Report stresses the primary importance of individual developing countries adopting strategies ambitious enough to meet the MDGs at the national level.

The Millennium Project has supported several developing country governments in their efforts to prepare MDG-based poverty reduction strategies. The lessons learned formed the basis for a handbook on *Preparing National Strategies to Achieve the Millennium Development Goals*, published in 2005.

## Achieving the MDGs requires bold and long-term strategies

Building the MDGs into national development makes success more likely.



Adapted from *Preparing National Strategies to Achieve the Millennium Development Goals: A Handbook*, UN Millennium Project, 2005

Working backward from the MDG targets to define the policies and investments needed between 2005 and 2015, the handbook puts forward strategies to align existing planning processes with the MDGs.

These efforts are now being complemented by an Integrated Package of Services, developed by the Millennium Project and UNDP, and aimed at helping governments translate

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## The world has the financial, technical and economic means to achieve the MDGs, and national efforts to meet them are being supported by a global coalition of development partners.

the MDGs into reality. The integrated package constitutes a 'one-stop-shop' that provides governments with a range of capacity development services. It is based on a three-pronged approach: First, it is designed to help countries broadly assess what technical and financial resources are needed to achieve the MDGs over the long term. Using its experience in supporting country-level MDG Reports,

UNDP facilitates the translation of the MDGs into national policy frameworks by helping collect and analyze data on poverty, examining options for expanding the public revenue base and assessing a country's capabilities for planning, resource management and policy-making. Second, UNDP helps countries identify and develop the policy frameworks needed to promote long-term human development. It advises on formulating policies, developing knowledge and skills and building learning networks to support national strategies targeted towards the poor. Third, once MDG-based policies have been developed, the challenge is to implement them. UNDP helps governments strengthen their capacity to deliver by supporting, for example, public administration reforms, enhanced accountability mechanisms and a stronger role for the domestic private sector.

The integrated package of services also helps pull together the UN's efforts to achieve progress on the MDGs and incorporate them into a unified development agenda. It provides a framework for UN Country Teams to capitalize on their expertise and harmonize their development work while offering opportunities of closer collaboration with the Bretton Woods Institutions.

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### UNCDF: Small investments deliver big returns for the LDCs

Through local development and microfinance programmes, the UN Capital Development Fund (UNCDF) helps reduce poverty in the least developed countries (LDCs).

UNCDF, in partnership with UNDP, helps develop the capacity of local governments to invest in infrastructure and services for the poor. In 2005, UNCDF supported Local Development Programmes and Local Development Funds in 23 LDCs. In collaboration with local governments and communities, nearly 3,000 investment projects (including markets, roads, health clinics, schools, wells and small-scale irrigation) were carried out, benefiting around 4 million people. In 18 LDCs, women's groups and associations received funds for implementing projects focusing on income-generating activities.

In 2005, UNCDF strengthened its focus on building financial sectors that include microfi-

nance and ensure that the poor have sustainable access to financial services. Two new inclusive finance programmes were launched, with six countries now applying UNCDF's financial sector development approach. Microfinance institutions currently supported by UNCDF provided financial services to more than 400,000 clients, almost half of them women. Moreover, UNCDF coordinated the programme of activities for the 2005 International Year of Microcredit in close collaboration with the UN Department of Economic and Social Affairs and UNDP. This initiative helped raise public awareness about microfinance and promote innovative partnerships among governments, donors, the private sector, NGOs and microfinance clients.

## Millennium Development Goals

The eight Millennium Development Goals (MDGs), a set of time-bound goals designed to respond to the world's main development challenges, are drawn from the Millennium Declaration that was adopted unanimously by world leaders at the UN Millennium Summit in September 2000.



Source: UNDP Brazil

The rollout of this new set of services started in January 2006. In Niamey, Niger and Dar-Es-Salaam, Tanzania, UNDP brought together senior government officials, policy specialists, UN economists, academics, civil society leaders and representatives of international financial institutions to work towards effective planning and implementation of MDG-based development strategies. Other training programmes have been held in Mongolia and Pakistan where governments are now working on MDG-based national strategies, and more will take place in other regions, based on country demand.

Finally, support for the MDG effort is being sustained around the world by the Millennium Campaign and its partners. An initiative of the UN, the Campaign brings

together civil society groups, youth organizations, parliamentarians, trade unions and the wider public who use their commitment and creativity to encourage governments to keep their promises to achieve the MDGs. Since it was created in 2002, the Campaign, which is financed by a trust fund administered by UNDP, has generated over 40 national MDG campaigns. In 2005, it stepped up its action by launching a toolkit to assist individuals and civil society groups in campaigning for the MDGs. In addition to building advocacy skills and providing practical tips, the manual offers ways of achieving enhanced results by linking groups together nationally and globally.

## Promoting human development

Over the past decade, the world economy has experienced high levels of growth. During that period, expansion in world merchandise trade has been nearly twice as high as world output growth. In 2005, the value of world merchandise exports reached the \$10 trillion mark for the first time. Not everyone, however, has benefited from this progress. Inequality, both globally and within countries, is rising. In many developing countries where the economy has been growing steadily, income gaps have widened. In South Africa, for instance, which has enjoyed an average growth rate of 3.9 percent over the past three years, the poorest 10 percent of the population account for 1.4 percent of national income, and the richest 10 percent for 44 percent. While economic growth is an important driver of development, high rates of Gross Domestic Product (GDP) growth, budget surpluses and foreign exchange reserves are of limited value if they are not accompanied by a more equitable distribution of resources, improved access to healthcare and education, and sound environment policies. This human development approach has been at the core of UNDP's work for over 15 years. By putting people at the centre of the development process, UNDP helps countries draft policies that address the needs of the poor.

UNDP also promotes people-centered development through the production of Human Development Reports (HDRs). Since its launch in 1990, the HDR has become one of the most respected and authoritative sources of knowledge and insight about global development issues, as well as a valued tool for influencing policy. Commissioned by UNDP, the HDR is independently produced by a select team of leading scholars and development practitioners. Each Report focuses on a highly topical theme in the current development debate, providing ground-breaking analysis and policy recommendations. The HDR series advocates a shift in the development debate away from a sole concern with economic growth toward a balanced concern for equity, sustainability, productivity and empowerment. The Report's signature trademark, the Human Development Index, serves as a successful alternative to GDP as a measure of development.

In addition to the global HDR, UNDP supports the publication of regional reports—which promote partnerships and region-specific human development strategies—and national reports, which provide platforms for national policy debates and tools for measuring progress. To date, more than

In Brazil, as in other parts of the developing world, access to clean, drinkable water is an everyday challenge. Focusing on the growing crisis surrounding access to water, the *2006 Human Development Report* will put forward solutions to ensure that the interests of the poor are at the centre of water management.



550 national and sub-national HDRs have been produced by 135 countries, in addition to 30 regional reports.

Global, national and regional HDRs are much more than just publications. They are dynamic advocacy tools created through a process of broad participation and active engagement within countries—with governments, academics, civil society organizations

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and other partners—and across regions.

Because they offer flexibility, and because they are grounded in national and regional perspectives, the HDRs are ideally placed to make an impact on policies and practices. Non-governmental groups turn to the reports to monitor progress and hold governments accountable, while journalists use them as a reporting resource. Over the years, the HDRs have resulted in the formation of vibrant national and international communities with a growing commitment to human development.

*Here are a few concrete examples of the impact of HDRs:*

**2005 HDR: International cooperation at a crossroads**

Launched in the run-up to the 2005 World Summit, this HDR took stock of human development globally. It examined progress towards the MDGs, highlighting the human cost of missed targets and identifying inequality as a major barrier to human development. It was a call for action to the world's governments who signed the Millennium Declaration. For example, the government of India decided to revise public expenditure in health in order to tackle the persistently high under-five mortality rate, which was emphasized in the 2005 HDR.

**Arab states: The power of knowledge**

The 2003 edition of the Arab HDR looked at how knowledge deficits hinder human development in Arab countries. It laid out a vision of a future knowledge society built on political freedoms, high-quality education and innovation. Among the results of the Report, a number of Arab countries are upgrading the technology skills of primary school teachers in mathematics and science, and assessing gaps between higher education and labour market demands. New regional initiatives include the launch of an Arab Higher Education Quality Assurance Agency and the establishment of the first Arab Regional E-Government Institute, headquartered in Amman, Jordan, as well as the development of partnerships to strengthen social science research and science policy in the region.

**Kosovo: Mapping participation by the numbers**

Produced in an election year, the 2004 Kosovo HDR identified wide variations in human development across different communities. It advocated steps to deepen democracy and improve living standards, including governance reforms, the closure of growing gaps between social groups and the mobilization of civil society. Following the publication of the Report, a new law was passed to carry out a population and housing census. The Report also helped prompt the adoption of a new law on decentralization. In addition, the Prime Minister's office has created the Office for Public Safety to move towards democratic oversight of the security sector.

# Supporting the UN agenda for reform

**M**any of the challenges the world faces cannot be effectively addressed at the level of individual nations. From environmental degradation to global health crises, from nuclear proliferation to financial volatility, concerted action at a global level is clearly needed. That is why the UN, as a truly global organization, has such a crucial role to play. But if it is to address today's urgent challenges effectively, the UN must undertake a process of reform and renewal—as was recognized at the 2000 Millennium Summit and again at the 2005 World Summit. Achieving greater UN coherence is also the objective of a new high-level panel established by the Secretary-General early in 2006. UNDP, at the heart of the UN development system, has a key role to play in supporting this overall agenda for change.

UNDP is also the funder and manager of the UN Resident Coordinator (RC) system, and promotes greater synergy in UN operational activities in developing countries. UNDP has been working to enhance its ability to fulfil its mission for the UN development system, both at the country and headquarters levels.

UNDP is currently taking the lead in strengthening the role of the RC. In particular, it is spearheading efforts to put in place a new appraisal system, which is aimed at giving the RC increased authority to speak as the voice of the UN, to promote new development strategies and to create partnerships that heighten the impact of programmes on the ground.

With increased functions and responsibilities, there is an urgent need to provide greater support to the RC, especially in countries with large UN Country Teams, and those with complex UNDP programmes. UNDP has already begun appointing Country Directors to run UNDP's day-to-day operations in some of these countries. It has identified funding for 15 such positions and is mobilizing resources to fund another 24. In addition, we are working to strengthen UNDG leadership at the regional level and moving towards the establishment of integrated UN Country Teams under the concept of 'One UN Programme', which will help rationalize UN activities at the country level.

In response to a call in the 2005 UN World Summit Outcome Document for more effective coordination of UN activities, the Secretary-General established the High-level Panel on UN System-Wide Coherence in the Areas of Development, Humanitarian Assistance and the Environment, of which the UNDP Administrator is an *ex-officio* member. UNDP is supporting the work of this group, which will explore a range of options on how best to

**“We need to ensure greater coherence, both among the various United Nations representatives and activities in each country and in the wider United Nations system, particularly in the economic and social fields.”**

*from In Larger Freedom: Towards Development, Security and Human Rights for All*

## **Shaping tomorrow's UN: UNDP's role**

UNDP is a leading member of the UN Development Group (UNDG), the coordinating umbrella for all UN funds, programmes and departments working on development issues, which is chaired by the UNDP Administrator.



## Sharing knowledge to improve media reporting in Guyana

In Guyana, ethnic tensions during election periods present serious challenges to objective reporting for the local media. Prior to the 2006 elections, UNDP was approached by the Government and the private media to help create a more constructive media environment in the run-up to the polls. Chris Spies, Peace and Development Advisor and Mike James, programme Officer at UNDP Guyana placed a query through the knowledge networks and received 22 responses that highlighted experiences from a number of countries, including Cambodia, Indonesia, Iraq,

Kosovo, Mozambique and Pakistan. One of the most useful responses came from Trinidad and Tobago, where a code of conduct on the behaviour of the media during election time proved of particular interest. “I found that consulting the global knowledge network provided a good balance and gave a broad perspective” said Mr. James. According to Mr. Spies, “the network gave us a stronger sense of community as we were able to feel that you can receive information from the network and feel a sense of solidarity.”

strengthen the coordination of UN activities worldwide.

Greater cohesion is also needed to deliver development outcomes in countries that have experienced conflict. The creation of the new Peacebuilding Commission—a key outcome of the 2005 World Summit—will help the UN and its agencies move towards a more integrated approach to post-conflict recovery. UNDP has been working to support the Peacebuilding Commission, and will act as the fund manager for an associated peacebuilding fund. UNDP is also actively engaged with the UN Department of Peacekeeping Operations and other parties in improving

the planning process for UN integrated missions and in ensuring a smooth transition from humanitarian to recovery efforts, in collaboration with UNDG and the UN Office for the Coordination of Humanitarian Affairs.

One of the key challenges UNDP faces is helping developing countries address underlying cross-sectoral capacity constraints. In 2005, UNDP’s Executive Board agreed to dedicate core programme resources for UNDP’s efforts in leading the UN system towards strengthening such national capacities. For the period 2006–2007, an estimated \$210 million will be available for such UNDP-led capacity development initiatives that are expected to support the activities of the wider UN system and other development partners in their respective sectoral areas. More broadly, the initiatives should support the work of the international development community, helping to ensure that official development assistance is used wisely, effectively and efficiently—and, as a result, helping to support developing countries in their efforts to achieve the MDGs.

The mechanisms UNDP has developed to facilitate the sharing of information and knowledge among its staff can also benefit the UN system as it moves to transform itself into a knowledge-based organization. A decade ago, UNDP began to create knowledge networks that connect staff around common professional interests. Today, there are 22 knowledge communities—including three knowledge networks open to other UN agencies and external partners. With over 14,000 participants in total, these are vibrant

On 19 January 2005, UN Secretary-General Kofi Annan and Nigeria’s President Olusegun Obasanjo inaugurated the UN House in Abuja. UNDP is leading efforts to create joint UN Offices in order to bring greater coherence to the work of UN Country Teams.



## The UN under one roof: the Cape Verde experience

In 2005, the first joint UN country programme was developed in Cape Verde. For the first time, the UN team in that country agreed on a common programme document and a single action plan reflecting the priorities and objectives of UNDP, the UN Population Fund (UNFPA), the UN Children's Fund (UNICEF), and the World Food Programme (WFP). Bringing UN programmes under one banner not only helps harmonize budgets and activities, it also strengthens

the UN's support to Cape Verde by avoiding the duplication of projects and identifying new areas for complementary interventions on the ground. This new model is also expected to lead to a reduction in transaction costs both for the UN joint office and for its national partners. This unified approach constitutes an important step towards a more integrated and coherent UN system. Twenty joint offices are being planned in other countries.

communities of expertise that operate around the clock. Our ability to provide countries with practical knowledge is enhanced by our network of policy centres—the International Poverty Centre, based in Brasilia, the Nairobi Drylands Development Centre and the Oslo Governance Centre. These hubs of knowledge help improve the impact of our activities on the ground by providing our country offices with the most up-to-date ideas about a wide range of development issues.

UNDP's own successful experience in knowledge networking means it is now in a lead position to support new knowledge-sharing mechanisms within the UN and stimulate closer cooperation among UN agencies. UNDP's pioneering knowledge communities

model is already being used in the UN system in a number of areas, including human rights, debt management and crisis prevention. There are now over 10 UN agencies collaborating with UNDP on different approaches to knowledge management. Under the auspices of UNDG, we are leading the work of a new Policy Network, which provides technical support to 18 UN Country Teams.

### The relevance of UNDP's reform experience

UNDP can help provide useful templates for managing change based on its own management reform experience. Over the last six years, UNDP has undertaken a programme of radical transformation, leading to widely-recognized gains in institutional coherence and unprecedented growth in the scale of its activities. The organization has markedly improved its ability to deliver development results, including through a clearer strategic vision, stronger programme focus and more effective UN coordination. The lessons learned from that experience can help enhance the UN organizational reform agenda as outlined in the Secretary-General's *Investing in the United Nations: for a stronger organization worldwide*, and facilitate its implementation.

UNDP's reforms have made it more accountable and transparent. In 1999, it introduced a Multi-Year Funding Framework (MYFF) as a pledging mechanism under which donors could link their financial contributions to results, programme performance and aid effectiveness. The Framework brings together programme objectives, resources and outcomes within a single strategy document. In addition

Mr. Derviş meets with high school students during a visit to Albania in April 2006. The students are taking part in a UNDP-supported initiative aimed at increasing cooperation between local communities and the police. They discussed with the Administrator what they had learned, about the dangers of human trafficking, drugs and alcohol abuse.



## UNDP Global Staff Survey, 2005

UNDP launched its first global staff survey in 1999 to enable staff members to give feedback about the organization and its management. This dialogue deepened over six years. In the 2005 survey, a record number of respondents worldwide (over 6,400) declared UNDP as a good place to work despite the stresses of rapid growth in programmes and a smaller overall staff.

Select questions, % of affirmative responses

<b>I am proud to work for UNDP</b>		<b>In UNDP men and women receive equal treatment</b>		<b>Work pressures in my job are at acceptable levels</b>		<b>I would recommend UNDP as a good place to work to my friends and associates</b>	
All UNDP	87	All UNDP	76	All UNDP	54	All UNDP	74
Female	86	Female	74	Female	51	Female	70
Male	88	Male	78	Male	57	Male	77
<b>I am treated with respect at work</b>		<b>My Management Team provides direction and leadership</b>		<b>My Management Team acts with honesty and integrity</b>			
All UNDP	82	All UNDP	69	All UNDP	68		
Female	81	Female	65	Female	65		
Male	84	Male	72	Male	72		

Source: UNDP Global Staff Survey 2005

to being a key instrument for effective internal management, the MYFF also allows donors and stakeholders to monitor the performance of the organization and measure its achievements against human development objectives. The introduction of the MYFF transformed UNDP into a results-based organization. At the same time, the MYFF continues to be enhanced based on lessons learned over the past six years.

UNDP also made significant headway in moving its operations closer to the people it serves. Through its regional offices in Bangkok, Bratislava, Colombo and Johannesburg, UNDP is now able to support country offices more effectively. By creating a critical mass of advisory, programme and operational capacity

at regional level, UNDP is able to achieve economies of scale and pool its resources more effectively.

Improved streamlining of UNDP's work has been enhanced by the creation of a Risk Management Group, which advises the Administrator about making UNDP more adaptable and more responsive to change. A comprehensive accountability framework is in the process of being finalized. A Gender Steering and Implementation Committee, chaired by the Administrator, has been established, which is building on UNDP's gender mainstreaming efforts to make sure that a gender perspective is rooted in all aspects of the organization's work.

# UNDP resources: growing, but fragile and complex

The upward trend in regular (core) resources initiated in 2001 continued in 2005 for the fifth consecutive year. The \$921 million gross regular resource income achieved by UNDP in 2005 represents an increase of \$79 million over the level achieved in 2004 and has allowed UNDP to meet the annual interim target (\$900 million) set by the new Multi-Year Funding Framework (MYFF 2004-2007) for the year 2005. Nevertheless UNDP is still short of its 2007 \$1.1 billion MYFF target and while the achievement of the interim target in the second year of the MYFF is encouraging, continued support will be required in order to meet the overall target. Multi-year funding commitments made by several donor governments have helped to increase the predictability of UNDP's regular funding base, but the regular resource income remains particularly exposed to exchange rate volatility.

The year 2005 saw a very significant increase in other (non-core) contributions to UNDP. Almost all sources of income grew. Virtually all OECD/DAC donors are active in co-financing UNDP programmes in its development practices. Third party co-financing grew to over \$2.5 billion in 2005. Local resources, channelled through UNDP by

programme country governments in support of their own development programmes amounted to \$1.02 billion. As aid mechanisms available at the country level diversify and multiply, UNDP is being called on more and more to support governments to obtain, direct and manage different types of funding in accordance with national priorities.

## Gross income received in 2005 (preliminary)

Ranked by top contributors to regular resources\*  
\$US millions

Donors	Regular resources	Co-financing
The Netherlands	111.88	79.41
Norway	108.91	85.82
United States	105.00	140.76
Sweden	99.40	75.85
Japan	82.43	131.35
United Kingdom	80.74	173.63
Denmark	62.38	24.62
Canada	46.69	77.83
Switzerland	40.31	14.48
Germany	32.05	75.78
France	28.01	12.91
Italy	19.40	41.12
Finland	19.15	14.36
Belgium	18.32	22.37
Ireland	18.30	10.82
Spain	8.15	4.27
Australia	5.30	22.10
Austria	5.14	5.29
New Zealand	4.79	11.42
India	4.42	—
China	3.25	18.00
Cuba	2.71	—
Saudi Arabia	2.00	6.16
Mexico	2.00	2.35
Portugal	1.80	4.37
Luxembourg	1.55	6.45
Republic of Korea	1.00	2.57

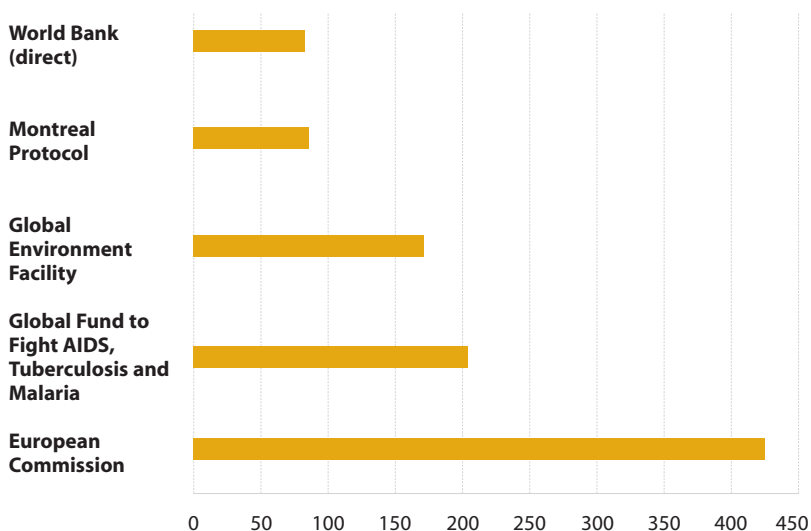
Note: The European Commission is a major source of co-financing for UNDP. In 2005, the EC provided \$426.9 million in "Other" (non-core) resources.

\*All donors to regular resources contributing \$1 million or more.

## UNDP support to aid delivery

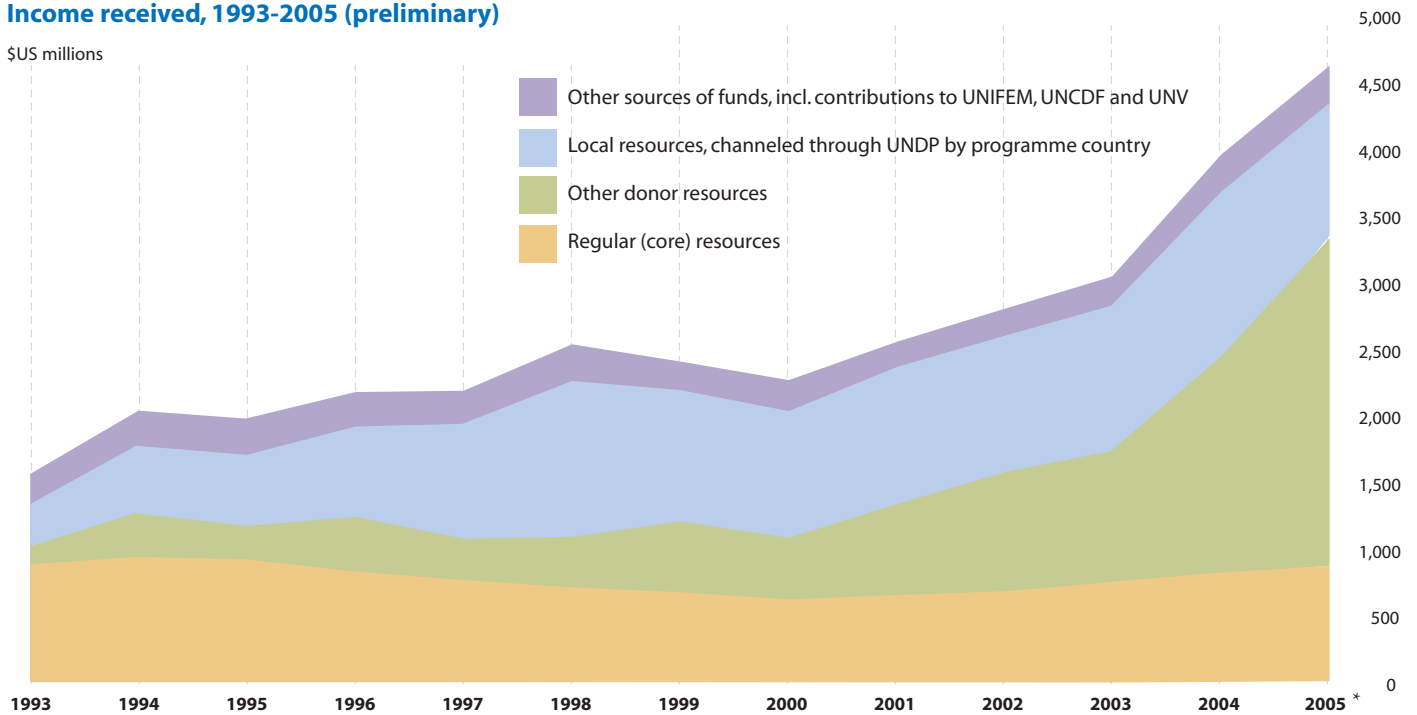
Top 5 non-bilateral funding sources

\$US millions



Source: Division for Resources Mobilization/Bureau for Resources and Strategic Partnerships

## Income received, 1993-2005 (preliminary)



\*Includes income from administered funds, extrabudgetary, miscellaneous and management service agreements.

Donor co-financing and local resources represented an important complement to the regular resource base of UNDP. They have permitted the strengthening of existing programmes and the fostering of partnerships with a range of actors, including the European Commission, regional development banks, the Global Fund for Tuberculosis, AIDS and Malaria, and the World Bank. These 'non-core' resources and regular resources, however, are not interchangeable. UNDP's ability to deliver

effective support for capacity development, including with the help of earmarked funding, critically depends on a level of core funding that allows flexible and integrated management systems focused on long-term effectiveness. Development is a long-term challenge that requires a long-term strategic focus, coupled with tactical flexibility and an ability to respond to both crises and opportunities. This is what UNDP is trying to achieve with support from our partners.

## Acronyms

<b>CSO</b> Civil Society Organization	<b>LDCs</b> Least Developed Countries	<b>RC</b> Resident Coordinator	<b>UNDP</b> United Nations Development Programme
<b>GDP</b> Gross Domestic Product	<b>MDGs</b> Millennium Development Goals	<b>ROLS</b> Rule of Law and Security Programme	<b>UNEP</b> United Nations Environment Programme
<b>GEF</b> Global Environment Facility	<b>MYFF</b> Multi-Year Funding Framework	<b>SACI</b> Southern Africa Capacity Initiative	<b>UNICEF</b> United Nations Children's Fund
<b>GFATM</b> Global Fund to Fight AIDS, Tuberculosis and Malaria	<b>NEPAD</b> New Partnership for Africa's Development	<b>SMEs</b> Small- and medium-sized enterprises	<b>UNIFEM</b> United Nations Development Fund for Women
<b>GSB</b> Growing Sustainable Business	<b>NGO</b> Non-governmental organization	<b>UNAIDS</b> Joint United Nations Programme on HIV/AIDS	<b>UNV</b> United Nations Volunteers
<b>HDI</b> Human Development Index	<b>OECD/DAC</b> Organisation for Economic Co-operation and Development/ Development Assistance Committee	<b>UNCDF</b> United Nations Capital Development Fund	<b>WFP</b> World Food Programme
<b>HDR</b> Human Development Report		<b>UNDG</b> United Nations Development Group	

**Front cover:** A bold step forward: In the DRC, a woman voter is registering in preparation for the country's first election in 46 years. In addition to supporting DRC's electoral process, UNDP is helping the country's transition to long-term development by strengthening national institutions and fostering good governance. Working with international partners, UNDP coordinates disarmament and demobilization efforts and supports the reintegration of women, men and children affected by the conflict.

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