

UNDP Reform: Equipped to Meet Challenges With Results

Today, UNDP has come to the close of the most dramatic four-year internal transformation in our history. We are more capable than ever before of responding to the world's development challenges because our organization is stronger, more focused and better connected. We seek and achieve results, and underscore accountability in all that we do. We look for new and creative opportunities to help people build better lives, through partnerships and the exchange of knowledge, while ensuring that our resources flow steadily behind our mission to reduce poverty.

Change That Supports Global Consensus

At the start of the millennium, as the world's leaders gathered to endorse the MDGs, UNDP embarked on its 2000-2003 Business Plan, aiming to take a fresh and more responsive approach to our mandate. Our first steps brought changes in corporate leadership, streamlining of organizational structures at headquarters, and a new emphasis on teamwork and staff performance. We then introduced these better ways of doing business in country offices across the organization, aligning them with corporate and client priorities. We began measuring the implementation of corporate plans across country offices and headquarters units, and institutionalized detailed annual reports chronicling achievements and results. Critically, these reforms caught the attention of donor governments, who demonstrated their approval by reversing a seven-year downward trend in core resources.

Recognizing the need for a global network to disseminate

knowledge on development, and to strengthen links to work on the ground, we posted 100 policy specialists in nine sub-regional resource facilities (SURFs), based across the world's five regions. Through high-tech networks, the SURFs now thread thousands of participants together and support the quick and easy circulation of best practices and expertise around the world. In response to growing requests for quality technical assistance from programme countries, we sharpened the focus of our policy work by defining six practice areas. These correspond to the most critical development concerns cited by our developing country clients—democratic governance, poverty reduction, crisis prevention and recovery, energy and environment, information and communications technology and HIV/AIDS. Across all of them, we promote human rights and the empowerment of women. We have also stepped into our role as coordinator of UN system work on the MDGs, and expanded our global network through partnerships with civil society organizations, foundations, the private sector and international institutions.

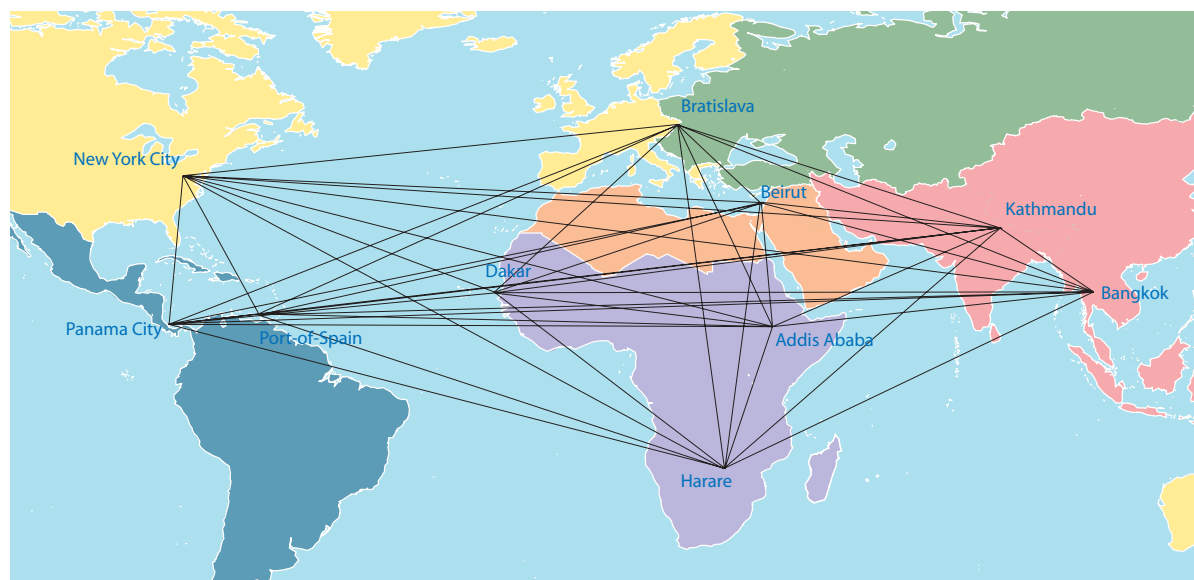
Over the last year, with these fundamental changes in place, our efforts have turned toward fine-tuning in four foundational areas.

A Valued Source of Policy Expertise

In 2000, we set out to become a decentralized, networked organization that gives policy expertise and practical solutions where they are needed most: in programme countries. We are coming close to that goal. To enhance the practices in 2002, we assigned new leadership respon-

KNOWLEDGE SHARED AROUND THE WORLD

UNDP's SURF networks bring thousands of people together to exchange experiences and replicate successes.



sibilities to senior managers and launched a set of thematic trust funds financed by special donor contributions. The funds help align projects in specific countries with UNDP's overarching corporate strategies.

By the close of the year, almost 2,500 UNDP staff had joined knowledge networks affiliated with the practices, building their professional skills and broadening communication on these issues across the organization. Additional networks formed around cross-cutting topics such as gender, management practices, South-South cooperation and the MDGs, while the SURFs fielded thousands of requests for policy support services from governments. Global thematic facilities to research and provide policy advisory services on democratic governance and poverty reduction opened in Oslo and Rio de Janeiro, respectively, and the Drylands Development Centre in Nairobi began offering world-class expertise on the distinct challenges of drylands.

A new corporate brand was launched, drawing on extensive research to craft a clear statement on UNDP's unique role as the UN's global development network. The brand does much more than simply informing all communication materials—it now frames the way that we set our organizational priorities.

Soon after opening our fully fledged Bureau for Crisis Prevention and Recovery in late 2001, UNDP assumed an unprecedented role in Afghanistan. Through the coordination of relief and reconstruction efforts, we helped to harness the energies of the entire UN system around a single coherent strategy for rebuilding this shattered country, in line with the vision of the Afghan people, the Secretary-General and UN Member States.

A Strong and Trusted Partner

The 2000-2003 Business Plan called for UNDP to grow into an organization that leverages its strengths through partnerships, actively searching for innovative ways to work with other key institutions on devising and sharing solutions. In 2002, the international community, through both the International Conference on Financing for Development and the World Summit for Sustainable Development, affirmed this approach, stressing that the problems of the world are too large for any one organization or even category of institutions to go it alone. The circle of partners has grown beyond governments and international institutions and must continue to spiral outward, encompassing the dynamism of civil society, the resources and technology of the private sector, and the knowledge and expertise of foundations and universities.

Strong collaboration among all of these parties will be particularly essential as the world strives to achieve the MDGs, and UNDP bears a particular responsibility as the UN's coordinator of the goals. In 2002, we took a major step forward by bringing together all the agencies of the UN to commit to a common MDG strategy. Our in-house

MDG Support Programme was established to carry out activities such as the Millennium Project. Ten bilateral donors and two foundations back the Programme; assistance is channeled through the Millennium Trust Fund, which serves as a funding mechanism. We also struck partnerships with the Bill and Melinda Gates Foundation and the Bank of Sweden Tercentenary Foundation to raise global awareness on the goals.

Relationships with key international financial institutions continued to strengthen, including through formal partnerships with the African Development Bank, the Asian Development Bank and the Inter-American Development Bank. UNDP and the World Bank jointly assessed

The Impact of Advocacy: Reports That Change Lives

Time magazine called the 2002 *Arab Human Development Report* "the most important publication" of the year. Sponsored by UNDP and the Arab Fund for Economic and Social Development, the preparation of the report brought together scholars and policy specialists from across the region. Together, they debated and published their findings on deprivation in the Arab world, linking it to three inter-related deficits: freedom, women's empowerment and knowledge. So striking were the report's recommendations that it is now being used in a number of countries to focus policy attention on these issues; the King of Jordan called it a blueprint for development.

The *Arab Human Development Report*—which will be followed by a second version in 2003 that looks more closely at knowledge deficits—is just one of a series of highly successful publications. Starting with the internationally renowned Human Development Report, they present often provocative analysis and data that prompts debate and new policymaking, and energizes advocacy efforts. In recent years, as part of our movement to firmly ground our work in programme countries, UNDP has placed a growing emphasis on the preparation of high quality national and regional human development reports that target compelling issues—from HIV/AIDS in Botswana to the substandard living conditions of the Roma in Europe. A global network brings together people working on these publications to share ideas and experiences.

So far, more than 450 reports have become a basis for dialogue between governments and donors, as well as important tools for civil society, academics and the media. Increasingly, they also contribute to measuring progress toward the MDGs. To honour particularly outstanding examples, the United Nations Foundation now underwrites a biennial awards programme. And in 2002, the newly created Mahbub ul Haq Award went for the first time to Brazil's President Fernando Henrique Cardoso, for using both global and national human development reports to make sure national anti-poverty programmes reach deep into his country's poorest communities.

the development needs of several countries, including Afghanistan. In over 60 developing countries, UNDP and the UNDG have agreed to work with the Bank on ways to infuse and measure national poverty reduction strategies with the MDGs. A joint UNDP-World Bank initiative is the new International Development Evaluation Association, based in South Africa, which will advocate the essential role of evaluation in transparency and good governance.

Within UNDP, a major initiative to advance cooperation between country offices and civil society, the private sector and Bretton Woods institutions took shape in the form of the Partnership Facility. In its first year of operation, it funded projects in 17 countries. And UNDP continues to routinely search for points of cooperation, where mutually beneficial opportunities arise. In 2002, we partnered with the American Bar Association to support the International Legal Resource Center. Along with other groups and at the request of the government, it assessed Viet Nam's draft bankruptcy law. For the International Conference on Financing for Development, UNDP, the United Nations Development Fund for Women (UNIFEM) and the Women's Environment and Development Organization jointly published a manual explaining how to analyze macroeconomic policies and budgets from the perspective of gender.

Commitment to Our People

From the beginning of the business plan, we realized our most important resource is our people, so we turned our attention to attracting energetic new staff, both women and men, while retaining the best of our already rich existing talent pool. A new succession planning initiative, the



UNDP's central coordination role in Afghanistan harnessed the energies of the UN system, helping Afghans celebrate the opening of their Emergency Loya Jirga.

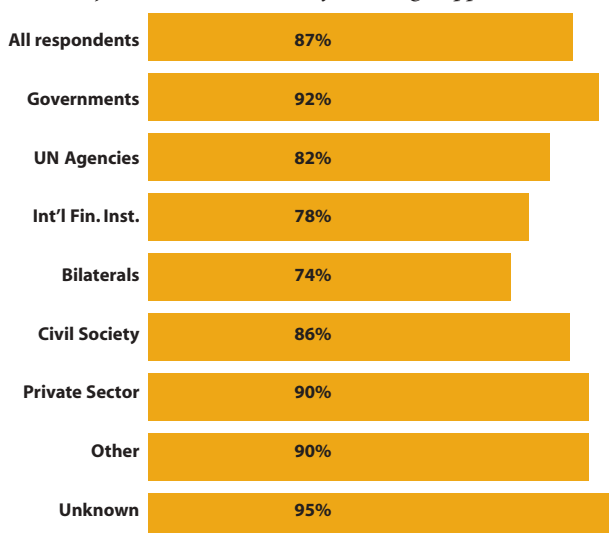
Leadership Development programme, attracts and grooms young managers. In general, staff commitment to working at UNDP has shot steadily upward during the reforms, as measured by annual global staff surveys. Today, 74 percent of UNDP staff say they are optimistic about our future, compared to 57 percent only two years ago.

The staff surveys, along with yearly country office polls of headquarters products and services, are comprehensive measurement tools that provide insight on our strengths and weaknesses, opening avenues for better performance and greater accountability. They have underscored, for example, the critical importance of improving people's basic skills and matching staff more closely with their jobs. Last year, for the first time ever, we brought together all Deputy Resident Representatives for training in Bangkok, Thailand to enhance their capabilities as managers. A Resident Coordinator assessment centre evaluated 89 existing and newly appointed Resident Coordinators and Representatives. Another 87 staff members graduated from the first class of the Virtual Development Academy, which offers one-year online courses. An additional 130 staff enrolled in the 2003 course, shaped around the six practices.

A new Management Development Centre is being designed, while a Learning Resources Centre, which includes a network of learning managers, is encouraging staff to spend at least five percent of their time on education that supports their work and the development of their careers. In response to concerns about resolving grievances, we appointed a professional ombudsperson, while the We Care programme to assist staff affected by

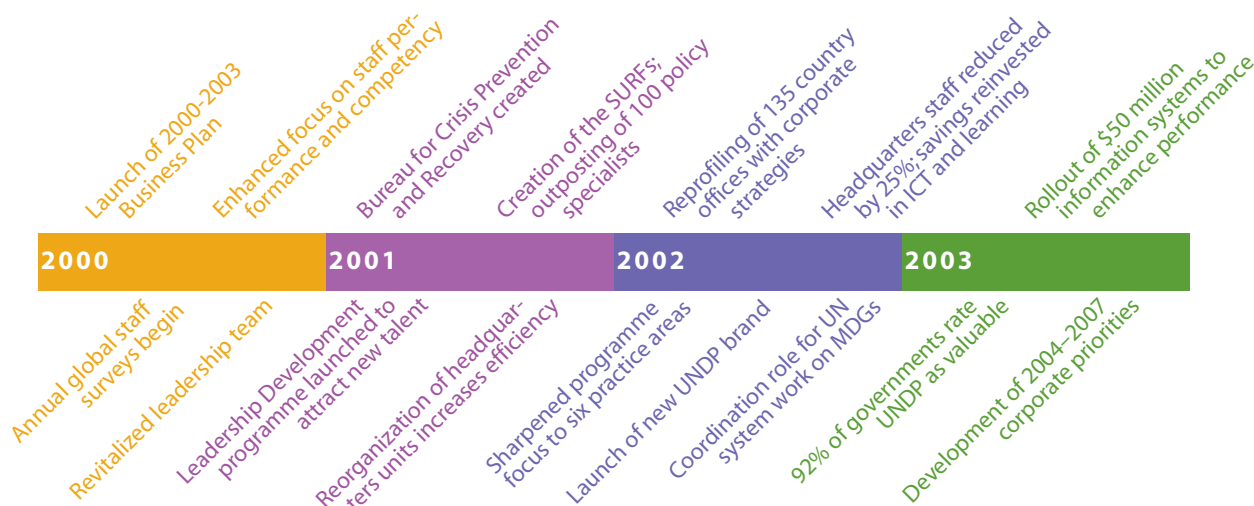
PARTNERS SAY THEY VALUE UNDP

A survey across 118 countries found high approval rates.



Source: UNDP External Partnerships Survey 2002

FOUR YEARS OF THE UNDP BUSINESS PLAN, MILESTONES AND ACHIEVEMENTS



HIV/AIDS started up in 10 countries hardest hit by the epidemic, with expansion to another 10 expected by the close of 2003.

Dedication to Performance and Results

The streamlining of our business operations, the introduction of the practices, and our insistence on monitoring performance and results—along with significant associated cost savings—have prompted the development of a \$50 million information and communications technology (ICT) strategy. All country offices have upgraded their Internet connections, including in the many countries where poor infrastructure means these services are otherwise not available. And we have recently purchased the Enterprise Resource Planning (ERP) system, a single software platform widely used by the private sector that will replace more than a dozen other applications. Beginning in 2004, the ERP will coordinate financial, project and human resources across UNDP, and make reporting results more accurate and efficient.

Looking Ahead

In late 2002, UNDP's Strategic Management Team decided to continue deepening reform in the four areas described above. We will also explore how UNDP can best support the Secretary-General's reform agenda, which will harmonize and simplify operations across the UN system. And while all categories of resources are now rising at UNDP, a renewed emphasis on core funding will ensure we consistently have the financial strength and flexibility to respond to development challenges as they

arise. This will include an exploration of diversifying sources of funds.

As an organization, we have also become increasingly aware of areas where we must—and will—do better. While our 2002 External Partnerships Survey revealed high levels of appreciation for UNDP across the board—92 percent of governments now consider us a valuable partner—a lower 57 percent of respondents felt that UNDP is flexible enough in making midstream changes to development projects. We will begin to address this issue with the ERP system.

Other issues relate to our staff. With conflicts escalating around the world, a growing number of staff may at some point serve in countries at or recovering from war. They must be properly trained and supported by effective security measures, so changes are taking place in the Office of Human Resources to respond to these needs. Efforts are also currently underway to increase the percentage of women in higher ranks, including Resident Coordinator positions. As of November 2002, women filled 28 percent of these jobs.

In the coming year, we will develop corporate priorities for 2004-2007 that will build upon existing reforms and sustain initiatives where we have clearly proven outstanding performance. Yet all of our work will feel the influence of a major push to fully incorporate the MDGs across our programmes. This will include supporting countries to develop strategies to reach the goals, boosting global and national capacities for measurement and analysis, and advocating that the MDG commitments are a tool for use by people at all levels, everywhere.