

“Within a week’s time, grant money would have run out, but hands-on assistance and capacity building over a longer period was better for us.”

– Rice farmer Sofulala Zega when asked about a UNDP-supported sustainable livelihoods programme in Nias, Indonesia.



UNDP has helped establish uniform business laws in Benin to make it easier for corporations to invest in the country.



UNDP has been supporting the Philippines-based International Rice Research Institute in agricultural research and environmental sustainability for over 30 years.

Improving lives through capacity development

If human development is the *what* of the UNDP mandate, capacity development is the *how*. UNDP defines capacity development as the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives. Working alongside governments, civil society and other partners in 166 countries, UNDP strives to promote human development by helping people to access the knowledge, experience and resources they need to build better lives.

UNDP considers capacity development as its overarching contribution to development. Its main source of guidance for engaging with development partners, the Strategic Plan 2008-2011, stipulates that all of UNDP's 'policy advice, technical support, advocacy, and contributions to strengthening coherence in global development must [aim for] real improvements in people's lives and in the choices and opportunities open to them.'

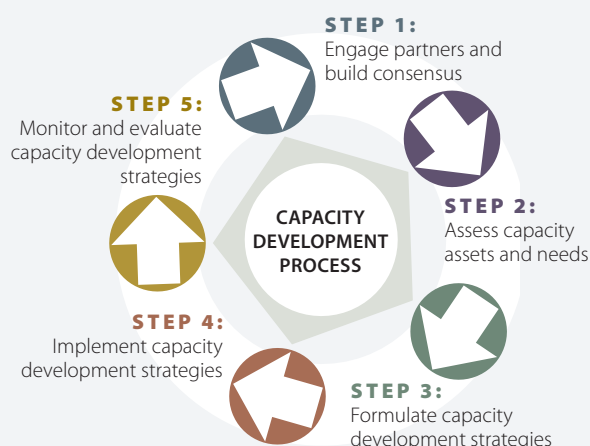
Improvements in lives, choices and opportunities are easier to come by for some than for others. While some developing countries are benefiting from globalization and catching up with the richest countries, hundreds of millions of people remain excluded from the benefits of growth. Entire countries and regions are falling behind, and even within countries with strong economic performance, significant pockets of exclusion can be found.

As the world economy faces a financial sector-induced slowdown, the length of which is uncertain, UNDP's role remains to help accelerate progress in those countries that are catching up quickly to the rich world while helping to catalyze progress in those parts of the world that are lagging behind. One of the ways in which it does this is by helping to build effective institutions that can deliver the benefits of growth and development to all people, particularly the poorest.

With the world halfway to the 2015 target date on achieving the MDGs, the prognosis is far from even. Compared to the year 2000, the number of children that die each year of preventable causes has fallen by some three million, enrolment in primary schools is up worldwide, an additional two million people receive treatment for AIDS, and women now occupy a significantly higher percentage of seats in parliaments. Many countries are demonstrating that rapid and large-scale progress is possible. It takes place where strong government leadership, good policies that support private investment and productivity growth, and sound strategies for scaling up public investments are reinforced by adequate financial and technical support from the international community. In this vein, many countries in Asia have led the way with the fastest reduction in extreme poverty in human history. Despite this progress, many countries remain off-track,

CLOSING THE LOOP: FROM CAPACITY ASSESSMENT TO EVALUATION

UNDP defines capacity development as the process through which individuals, organizations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time.



Source: BDP/UNDP



In Kandahar, Afghanistan, members of a District Development Assembly (DDA) discuss provincial priorities. UNDP is supporting a new model of community-led development in which DDAs are directly involved in infrastructure projects, while guaranteeing the security of project facilitators.

particularly across large parts of Africa and among the least developed countries (LDCs). Even some of the fast-growing countries of South Asia face serious challenges in improving nutrition and achieving certain other Goals. And some of the middle-income countries in Latin America have struggled to wipe out pockets of extreme poverty. Extreme poverty has declined overall, but adjustments in purchasing power estimates are expected to lead to downward revisions in the levels of real income in many countries. The MDGs are within reach, but achieving them requires that existing commitments by developing and developed countries are followed through.

At the same time, the progress that has been achieved towards the MDGs could be compromised in the absence of a comprehensive, coordinated response to climate change. One of this generation's major development challenges, global warming, could bring about serious reversals in poverty reduction, nutrition, health and education. The most immediate and devastating impact would be felt by the world's poorest, those least responsible for the greenhouse gas emissions and high rates of carbon-emitting energy consumption at the root of the problem. The recently agreed Bali Action Plan may lay the groundwork for future negotiations and target-setting on mitigation and adaptation strategies, but political commitment is uneven and the window of opportunity is limited.

Faced with these development challenges, UNDP has scaled up its work in organizational capacity support – strengthening institutions to empower the citizens they serve. It works to support institutions that safeguard political and economic stability, promote the equitable distribution of resources, increase public transparency and accountability, and enhance the conditions for sustainable human development. But it does not provide this support in isolation:

leveraging its comparative advantage as a trusted partner in development, UNDP forges partnerships across diverse spheres of influence, from national, municipal and local governing bodies to non-governmental and civil society organizations (CSOs), including grassroots coalitions, faith-based groups, academia, as well as the private sector and international donors. In each instance, UNDP places a priority on maximizing local resources and fostering collaboration among Southern partners. This includes strong engagement with CSOs, which is critical to national ownership, accountability, good governance, decentralization, democratization of development cooperation, and the quality and relevance of official development programmes. UNDP actively promotes and supports UN Country Team Civil Society Advisory Committees at the country level as mechanisms for policy advocacy and debate, as well as advice on UNDP and UN system policy direction, and a means for UNDP and the UN system to tap into local knowledge and expertise. UNDP has institutionalized external stakeholder involvement in senior management decision-making through the Civil Society Advisory Committee to the Administrator, which includes 15 CSO policy leaders from around the world.

A quick sampling of some of UNDP's work over the past year reveals the breadth of its partnerships and interventions in bolstering organizational capacity around the world. In **Niger**, UNDP helped create a corps of local volunteers in a UNV-supported national volunteerism scheme. Among the first clients of the initial 100 recruits were newly elected administrators in rural areas of Niger, who turned to their compatriots in seeking practical expertise in delivering public services. In **Jordan**, UNDP worked with the Government to devise a sustainable mine action strategy that allowed Jordan to meet its obligations under the international Mine Ban Convention. Among the cleared locations



With support from UNDP, Jordan has been clearing landmines in Wadi Araba to develop the tourism sector, and to make land accessible to the poorest communities in the Jordan Valley.

were the southern area of Wadi Araba, the site of massive foreign investment in the tourism sector, and the Jordan Valley, home to many of Jordan's poorest communities. In Albania, UNDP supported the creation of an online 'brain-gain' database to allow skilled emigrants from the Albanian diaspora to contribute to their country's development in academia, the private sector and other domains.

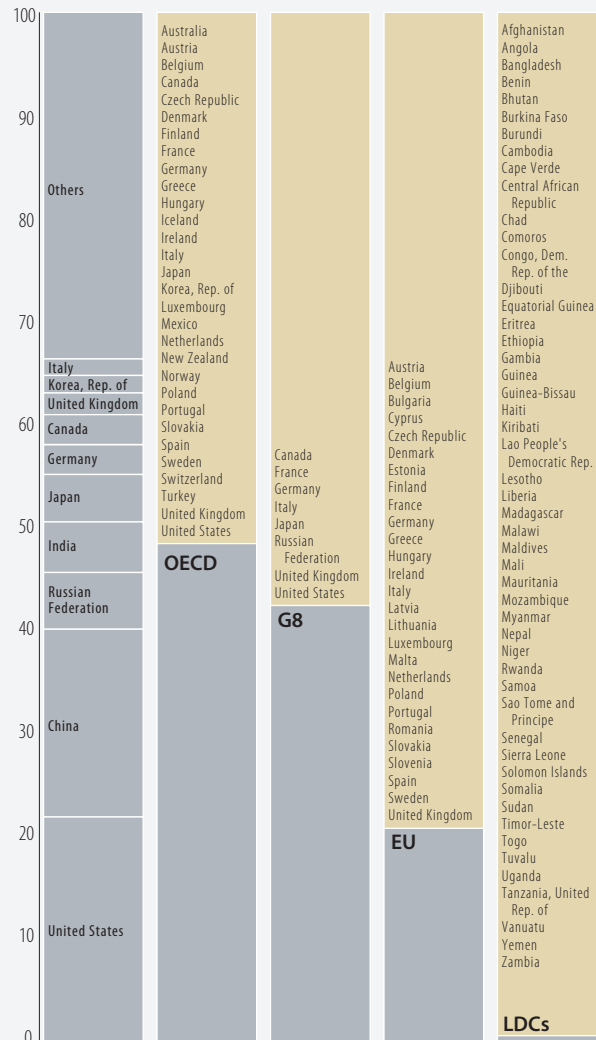
UNDP's standing as a strong partner in development is reflected in its expanding range of partnerships with the private sector. Leading businesses such as Banyan Tree, Cisco, Coca-Cola, Engro, Global Alumina, Google, Kevian, Microsoft, Pao de Azucar, Pfizer, Visa and others are joining governments and UNDP in the push to achieve the MDGs, recognizing that inclusive growth yields long-term benefits for all parties. UNDP remains the lead UN agency in developing countries for promoting the Global Compact, the UN system framework for engaging with the private sector. Currently UNDP manages over 80 Global Compact country and regional networks.

Growing Sustainable Business (GSB), an initiative that grew out of the Global Compact, is a platform for companies to engage in pro-poor business activities in developing countries with a challenging business environment. Looking beyond social investments and philanthropy, the GSB mechanism offers national and international companies a way to develop commercially viable business projects with a view to increasing profitability and/or engaging in new markets. To date, GSB has worked with more than 75 companies – from northern multinationals to local small- and medium-sized enterprises – supporting investments of between US\$10,000 and \$4 million.

As UNDP continues to provide support to these and other capacity development efforts, a few encouraging trends are emerging. One is a decisive shift toward strengthening

GLOBAL CO₂ EMISSIONS ARE HIGHLY CONCENTRATED

The global carbon account: Those that emit the least are also the poorest and most vulnerable.



CO₂ emissions, 2004 (% of total)

Source: UNDP Human Development Report 2007/2008



UNDP is helping Albania to equip high schools with computer labs benefitting some 140,000 students.

national implementation capacities in the management of programmes, projects, finances, procurement and human resources, following the guidance of the Strategic Plan and reflecting the enhanced capacities of those best placed to deliver on the ground. Another represents an evolution in civil service reform, from skills-building towards more qualitative leadership competencies, incentive systems, and mechanisms for reinforcing ethical standards and anti-corruption measures. A third is a renewed focus on continued learning and on tertiary education which, coupled with innovative responses to brain drain in critical sectors, aims to tap into the benefits of an increasingly mobile global labour market, turning potential hazards into opportunities.

As countries advance towards achieving their development goals, their partnership with UNDP enables them to play a larger role in the shared responsibility for global development. Twelve new members of the European Union, including 'graduated' former programme countries such as **Estonia** and **Latvia**, recently gathered to discuss their role in providing development assistance.

Flexibility and adaptability are essential components of UNDP's work as countries' capacities improve. This is significant in the context of UNDP's work with middle-income countries. A diverse group that is home to half the world's population, middle-income countries are often challenged to make optimal use of their human and financial capital, and to distribute their resources efficiently through sound planning. While many have transitioned beyond direct programme assistance to become net contributors to UNDP core resources, they continue to benefit from access to UNDP's global network in brokering development partnerships that focus on improving their institutional and policy-making capacities. UNDP continues to engage with middle-income countries by supporting capacity develop-

ment at sub-national levels, working with municipal bodies and district administrations on improving integrated planning, managing development finance and boosting implementation capacities for local service delivery. UNDP also supports policy makers in strengthening responses to climate change, promoting gender equality, supporting marginalized populations and strengthening state institutions.

As the ground beneath the standard aid architecture shifts, the capacities to access, negotiate and deliver on new modalities of development have emerged as a growing need. National aid coordination and management mechanisms have had to respond rapidly to the rising pressure to expand and deliver. UNDP's approach to capacity development continually evolves to meet these challenges, looking beyond individual project delivery to address the institutional drivers of a country's capacity quotient. Working with its development partners to make organizations and institutions deliver for all, UNDP is contributing to the global push to transform people's lives for the better.



The UNDP-supported low-cost multifunctional platform is helping women in Burkina Faso, Mali and Senegal boost productivity and incomes. The Bill and Melinda Gates Foundation recently awarded \$19 million to the project.