

Multilateral Aid Review: United Nations Development Programme (including the Bureau for Crisis Prevention and Recovery)

Summary

Organisation: UNDP (including BCPR) Date: February 2011

Description of Organisation

The United Nations Development Programme (UNDP) works at the heart of the UN development system. It has a leading role in progressing MDG achievement, particularly in fragile and conflict-affected countries. Its mandate is outlined within its Strategic Plan 2008-2013 and covers poverty reduction and achieving the MDGs, democratic governance, crisis prevention and recovery, environment and sustainable development as well as cross cutting themes such as women's empowerment and capacity building. UNDP also incorporates UN Volunteers and the United Nations Capital Development Fund (UNCDF). UNDP spends over \$5 billion a year (\$1.1 billion in core and \$3.9 billion in non-core funding) through 5 regional and 166 country offices.

As well as delivering development programmes UNDP has a critical role in supporting the UN development system's collective impact. It funds and manages the UN's Resident Co-ordinators that lead the UN's effort in more than 130 countries. It administers many of the UN's Multi-Donor Trust Funds (MDTFs) and it often provides a platform for other UN agencies in country. The UNDP Administrator chairs the UN Development Group (UNDG), which seeks to improve the coherence, effectiveness and efficiency of the UN's development effort.

This review also includes explicit consideration of the UNDP Bureau for Crisis Prevention and Recovery (BCPR). BCPR is responsible for supporting UNDP's work on prevention of and recovery from conflict and natural disasters. It operates through some 100 UNDP country offices with a focus on fragile and conflict/crisis affected contexts. It receives 7.2% of UNDP core funds and direct funding from donors, including DFID, which is pooled in its Thematic Trust Fund.

In 2008/09 DFID provided a total of £264m of development assistance through UNDP. This comprised £55m in core funding, £86m via Multi Donor Trust Funds, £98m in direct support of projects at country level and £25m via system-wide funds and thematic funds. Since 2008 DFID's core funding has been linked to a Performance Framework. Earmarked financial support for BCPR of £17.5m over 2009-11 was agreed in 2009.

UNDP is governed by an Executive Board of 36 UN member states serving on a rotational three-year basis. Board meetings are held three times a year. The Administrator, Helen Clark, is an Under Secretary General (USG) reporting to the UN Secretary General. UNDP's Associate Administrator, Rebeca Grynspan, is also an Under Secretary General.

UNDP's response:

UNDP considers efficiency, effectiveness, accountability and transparency as key for trusted development partnerships. Governments rightly emphasize their responsibility to make sure that the money of tax payers is

well spent, adds real value and contributes to tangible results. As the largest UN development organization and funded entirely from voluntary contributions, UNDP has made itself available to outside scrutiny both using its own instruments and through the assessment tools of its partners. Assessments such as DFID's Multilateral Aid Review provide UNDP and its management with important opportunities for reflection and learning. They are instrumental in helping the organization to build on its strengths and to improve in areas where it is perceived to fall short of the expectations of its partners.

Examples of the many assessments of multilateral organizations conducted in the recent past include the UK's Overseas Development Institute (ODI) 2007 survey of the effectiveness of multilateral organizations. Respondents from the ODI survey ranked UNDP as first preference for disbursing additional aid. Most of the surveys, studies and reports commissioned by donor governments, donor networks, think tanks and academics in this regard are publicly available.

The United Kingdom is a critically important development partner for UNDP and the international development community in general. UNDP has welcomed this Multilateral Aid Review and has supported it throughout. UNDP's written comments and contributions during this process are available from UNDP for the interested reader.

Contribution to UK Development Objectives	Score(1-4)
1a. Critical role in meeting International Objectives	Strong (4)
<p>+ UNDP has a direct programmatic role on a number of MDGs and, combined with its role in supporting the international system's understanding of and commitment to them is central to the delivery the MDGs.</p> <p>+ It is at the heart of the UN development system and plays an important co-ordination role. It manages the Resident Co-ordinator system and administers most UN multidonor trust funds. The UNDP Administrator chairs the UN Development Group.</p> <p>+ At a country level UNDP has unique legitimacy with partner governments and so can provide support in difficult or political contexts where other development entities cannot. This is especially the case for democratic governance. In fragile states UNDP may be the only multilateral with the capacity to deliver at scale and in these situations can be the main agency representing the UN or wider multilateral development system.</p>	<p>UNDP's response:</p> <p><i>UNDP welcomes DFID's recognition of UNDP's critical role in meeting internationally agreed development goals including the MDGs. As the main development organization of the UN, UNDP provides substantive support to partner countries and coordinates between them and UN agencies, funds and programmes at the countrylevel. It provides the international community with a cost-effective, universal and legitimate development presence.</i></p> <p><i>UNDP maintains the most extensive field-based operational platform to deliver on the MDGs and internationally agreed development goals, providing a strategic complement to the geographical focus inherent to bilateral cooperation. At the same time, its engagement in the global policy dialogue, including through its acclaimed annual Human Development Report, helps reflect country realities and concerns, deepening the substantive understanding of the Millennium Declaration and MDGs, and human development in general.</i></p> <p><i>To heighten efforts to meet the MDGs by 2015, UNDP is</i></p>

<p>= UNDP is both relevant and critical to the delivery of development and humanitarian objectives.</p>	<p><i>spearheading an innovative approach designed to help countries accelerate progress in eradicating extreme poverty and achieving sustainable development. This new approach focuses on finding and removing bottlenecks to implementation, as major causes of uneven MDG progress across and within countries. It helps address disparities and inequities, customizes responses to the needs of the most vulnerable – the poorest of the poor, women and ethnic minorities – and emphasizes the broad, collaborative nature of efforts needed to accelerate progress on the MDGs.</i></p>
<p>1b. Critical role in meeting UK Aid Objectives</p>	<p>Strong (4)</p>
<p>+ UNDP’s mandate and operations are aligned with DFID’s strategic priorities, most critically in governance and security and delivery of the MDGs.</p> <p>+ Country level feedback showed that UNDP has a critical role, especially in difficult contexts.</p> <p>+ UNDP is important to broader HMG development objectives, notably on stabilisation and post conflict recovery.</p> <p>= UNDP is critical to the delivery and achievement of DFID/HMG development objectives and this is expected to continue.</p>	<p>UNDP’s response:</p> <p><i>UNDP’s Partner Survey – an annual, independent survey commissioned by UNDP to solicit feedback on its work from all its partners internationally – confirms that the alignment between DFID’s and UNDP’s objectives is shared by other donors and by the vast majority of programme countries globally: 82% of UNDP’s partners echo the criticality of UNDP in achieving internationally agreed development goals, including the MDGs.</i></p>
<p>2. Attention to Cross-cutting Issues: 2a. Fragile Contexts</p>	<p>Satisfactory (3)</p>
<p>+ UNDP has significant in-house capacity on working in fragile contexts and has a range of guidance, analytical tools and social safeguards which are improving the consideration of fragility in its programming.</p> <p>+ It has good monitoring and reporting mechanisms which help to strengthen its performance in fragile contexts.</p> <p>- Its performance at a country level is mixed. It has reasonable training but struggles to fill posts.</p>	<p>UNDP’s response:</p> <p><i>UNDP assists countries to prevent and recover from violent conflict and natural disasters. Recovery focuses on restoring the conditions for development – essential services, community infrastructure, livelihoods and governance capacity. In 2009, UNDP expenditures in the area of crisis prevention and recovery amounted to \$610 million.</i></p> <p><i>UNDP continues to strengthen its support to countries coping with fragility and has invested considerable efforts in building its institutional capacity for crisis response. UNDP has developed systems and mechanisms devoted entirely to augmenting strategic, programmatic and operational</i></p>

<p>= UNDP has capacity and systems in place but performance at a country level in fragile states needs to be much more consistent.</p>	<p><i>capacities to respond fast and effectively to crisis situations. These investments will help UNDP to improve further its support to countries in fragile contexts.</i></p> <p><i>A 2010 study on Engagement in Fragile and Post Conflict States commissioned by the Danish Ministry of Foreign Affairs confirms that UNDP plays a key role in fragile and post conflict states, and that the organization should further consolidate and scale up its capacities in these states.</i></p> <p><i>A recent independent evaluation of UNDP's contribution to disaster prevention and recovery recognizes the highly flexible support UNDP provided in responding to all large-scale disasters as well as to recurrent disasters in more than 30 countries. From 2004 to 2009, UNDP devoted more than \$866 million to disaster risk reduction and related recovery in 121 countries.</i></p>
<p>2b. Gender Equality</p>	<p>Satisfactory (3)</p>
<p>+ Starting from a low base UNDP has made significant progress in improving its gender equality policy framework.</p> <p>+ UNDP has strong leadership and incentive mechanisms on gender.</p> <p>+ UNDP has good partnerships and a range of mechanisms for generating research and evidence to inform policy choices.</p> <p>- Successful delivery depends on building capacity across the organisation.</p> <p>- We could find limited evidence of the progress on leadership, incentives, partnerships and knowledge having an impact. This partly reflects the fact that many changes are recent.</p> <p>= UNDP cannot to date demonstrate a track record of gender impact, but it has good policies and systems in place and there is a clear upward trajectory on its gender work.</p>	<p><i>UNDP's response:</i></p> <p><i>UNDP has put in place targeted policies and measures to ensure that gender mainstreaming takes place in all its areas of work and, more importantly, so that real progress is made in supporting countries reduce gender inequalities and improve the lives of women.</i></p> <p><i>In 2009, an internal assessment of UNDP's gender equality impact showed that 36 percent of UNDP's expenditure is reported as making a significant contribution to gender equality.</i></p>

<p>2c. Climate Change and Environmental Sustainability</p>	<p>Weak (2)</p>
<p>+ UNDP has a Climate Change Strategy and other relevant policies to guide staff on climate change issues.</p> <p>+ UNDP is bringing in mechanisms to ensure climate change and disaster risk reduction (DRR) is considered in country programming.</p> <p>- We could find no evidence to suggest that climate change and environmental measures are routinely measured across UNDP's results frameworks.</p> <p>- We could find no evidence of the Climate Strategy directly guiding resource allocation decisions.</p> <p>= There is inadequate evidence of environmental safeguards and impact measurement.</p>	<p>UNDP's response:</p> <p><i>Managing the environment and energy for sustainable development is an integral part of UNDP's Strategic Plan, and almost all UNDP country programmes include this as a main programme area. In 2009, UNDP supported 3,296 projects in this area and disbursed more than \$500 million, equal to about 13% of UNDP's total programme disbursements.</i></p> <p><i>More generally, UNDP applies specific guidance to help ensure that country programmes support low-carbon, climate-resilient and environmentally-sustainable approaches to development. This is part of a broader UN effort receiving significant UNDP support.</i></p> <p><i>As one of the main implementing agencies of the Global Environment Facility and the Multilateral Fund to Implement the Montreal Protocol, UNDP closely monitors key environmental impacts and indicators. For example, UNDP helped countries establish 112 new protected areas covering 8.6 million hectares; avoid 24.5 Mt of greenhouse gas emissions; better manage water ecosystems in 93 countries; and dispose of or safeguard more than 1,500 Mt of persistent organic pollutants.</i></p> <p><i>UNDP's Climate Change Strategy has measurably influenced resource allocation decisions. Between 2007 and 2010, UNDP's spending on climate change increased by more than 50 per cent. In 2010, UNDP's Executive Board also approved a strategic initiative on climate change that is placing National Officers in 26 UNDP Country Offices in Least Developed Countries and 4 international Climate Change Policy Advisors in UNDP regional centres.</i></p> <p><i>UNDP developed environmental safeguard policies and procedures during 2008-2010, which are being tested and finalized in 2011.</i></p>

<p>3. Focus on Poor Countries</p>	<p>Satisfactory (3)</p>
<p>+ UNDP spends 54% of its resources in the countries that are in the top quartile of an index that compares each multilateral's country by country spend with an index that scores developing countries based on their poverty need and effectiveness (the strength of the country's institutions)</p> <p>+ This includes significant resources to some of the large developing countries such as Ethiopia, the DRC and Bangladesh at the top of the index.</p> <p>= The proportion of UNDP's resources going to the highest quartile is much lower than other top performing multilaterals – this is largely because the UNDP is spread (albeit thinly) across a number of middle-income countries (including upper middle income countries).</p>	<p>UNDP's response:</p> <p><i>UNDP is pleased to note that DFID's assessment is partly based on UNDP's globally recognised Human Development Index (HDI).</i></p> <p><i>As mandated by its Executive Board, of which the UK is an active member, the greater share of UNDP's programme resource allocation is prioritized to Least-Developed Countries (LDCs) and Low-Income Countries (LICs). Currently, at least 60% of regular programme resources are allocated to LDCs and between 85% and 91% to LICs.</i></p> <p><i>While UNDP spends only a minor share of its regular programme resources in Middle-Income Countries (MICs), targeted policy support to the MICs has remained critical for the majority of partner countries where UNDP has a programmatic presence. MICs are home to half of the world's people living with less than \$ 1 per day, and to 70% of those living with less than \$ 2 per day, in spite of the significant development progress MICs have achieved during the last 15 years. In view of significant disparity and equity challenges, many MICs are not on target to achieve the MDGs by 2015.</i></p> <p><i>UNDP's universal presence, focusing on the specific needs and development path of each partner country, is critical in enabling the organization to share development best practices and development solutions among countries globally. Especially at a time when many bilateral donors are narrowing their country presence, this global multilateral presence represents a strategic complement to bilateral cooperation.</i></p>
<p>4. Contribution to Results</p>	<p>Weak (2)</p>
<p>+ UNDP can demonstrate some good examples of country level results.</p> <p>+ It has developed a system for monitoring portfolio quality.</p>	<p>UNDP's response:</p> <p><i>UNDP continues to work intensively to improve its planning, monitoring, evaluating, and reporting on results through a range of efforts reported regularly to its Executive Board.</i></p>

<ul style="list-style-type: none"> - Country visits and other evidence were highly critical of UNDP's ability to deliver results at a country level. - It often has too broad a portfolio, weakening its impact. - Its delivery can be undermined by staffing issues and bureaucratic processes. - Organisational level results are not clearly reported. <p>= UNDP can demonstrate some contribution to development, but country delivery is often weak.</p>	<p><i>UNDP shares the sense of urgency to advance in this area and stands ready to adopt best practices of its partners wherever possible.</i></p> <p><i>Recurring independent evaluation findings confirm that UNDP is contributing effectively to results at global, regional and country level. They also highlight shortcomings including in the areas of staffing and administrative burden, which UNDP is addressing through its ongoing change and reform initiatives.</i></p>
<p>Organisational Strengths</p>	<p>Score (1-4)</p>
<p>5. Strategic & Performance Management</p>	<p>Weak (2)</p>
<ul style="list-style-type: none"> + UNDP's leadership has put in place a Business Action Plan' to improve its organisational effectiveness and better systems to track performance. + The Board holds management to account. - UNDP's near universal mandate means its technical resources are spread very thinly. - The Board does not provide strategic direction. - It has a weak results chain. - HR management is also weak. <p>= UNDP's results framework, HR and prioritisation on areas where it can add most value are all weak and reduce its impact.</p>	<p><i>UNDP's response:</i></p> <p><i>The focus areas in which UNDP contributes to nationally owned results at country level are captured in a single corporate development results framework, as approved by the UNDP Executive Board. Significant effort is being deployed to strengthen results frameworks at country level to improve focus and results based management.</i></p> <p><i>As an organization entirely dependent on voluntary funding, UNDP works closely with its member states and partners to enhance the volume and predictability of its regular resource base and to reduce the impact of funding limitations on its technical resources.</i></p> <p><i>UNDP recognizes the need for the human resources function at UNDP to keep pace with institutional demands to improve human resources policies and practices so as to support the goal of making the United Nations system more accountable, effective and cohesive at the country level.</i></p>
<p>6. Financial Resources Management</p>	<p><i>Satisfactory (3)</i></p>

<p>+ UNDP has a clear and transparent resource allocation system.</p> <p>+ UNDP's financial systems allow it to make longer term commitments.</p> <p>+ UNDP has a strong accountability framework in place that conforms to international good practice.</p> <p>- UNDP has systems to identify poorly performing projects, but country level evidence does not suggest that poor performing projects are being managed proactively.</p> <p>= Although UNDP is above average, some key areas remain weak.</p>	<p>UNDP's response:</p> <p><i>UNDP recognizes that its country offices operate in increasingly volatile and high-risk environments, often with limited national capacities. Building these capacities is at the heart of UNDP's mandate. UNDP agrees that jointly with its national partners, more proactive approaches to manage poorly performing projects need to be identified and implemented.</i></p> <p><i>UNDP is among the few international organizations to have received an unqualified ('clean') audit opinion from the United Nations Board of Auditors for the periods of 2006-2007 and 2008-2009.</i></p>
<p>7. Cost and Value Consciousness</p>	<p>Weak (2)</p>
<p>+ There is evidence of UNDP working with development partners to help them think about value for money.</p> <p>+ UNDP can demonstrate progress in reducing budgeted administrative costs. It is also striving to make further progress through its Business Action Plan.</p> <p>- While UNDP has sound procurement policies, little evidence was available of the extent to which they are used to drive the achievement of value for money.</p> <p>- There is limited evidence of active senior management consideration of cost control.</p> <p>- Country evidence points to mixed progress on achieving value for money.</p> <p>= We could not find sufficient evidence that UNDP is driving forward cost control across its programmes and administration.</p>	<p>UNDP's response:</p> <p><i>UNDP's global management expenditure ratio, a key indicator of value for money, for the biennium 2008-2009 averaged at 10%, a highly competitive ratio by national and international standards. UNDP will continue to seek improvements in its delivery of value for money, not only through cost control but also the achievement of greater results for the scarce resources allocated to it by donors.</i></p> <p><i>UNDP is also very cognisant of the financial crisis and its impact on the governments and citizens of key donor countries. In response, UNDP has curtailed programme and management expenditure, by reprioritizing programme activities in consultation with its stakeholders.</i></p> <p><i>UNDP has introduced further expenditure control mechanisms to contain and further reduce expenditure. Overseen by the Associate Administrator, such mechanisms are designed to pursue economy and ensure that UNDP's operational balances stay within set margins.</i></p>
<p>8. Partnership Behaviour</p>	<p>Satisfactory (3)</p>

<p>+ UNDP has a strong array of partnerships, across the UN system and with member states.</p> <p>+ It is well-placed to support partner governments and incorporate beneficiary voice in its programmes.</p> <p>+ It is active in donor co-ordination.</p> <p>+ BCPR plays an important co-ordination role in early recovery situations.</p> <p>- UNDP's performance against Paris criteria is variable. It aligns well with partner country plans and programmes but can be inflexible and doesn't make the best use of national systems.</p> <p>- It can fail to challenge national governments.</p> <p>- UNDP's partnership with the World Bank needs to be more effective, particularly in fragile and crisis-affected countries.</p> <p>= UNDP has a strong commitment to partnership but its aid effectiveness record is variable and its partnership with the World Bank in fragile states could be more effective.</p>	<p>UNDP's response:</p> <p><i>DFID's recognition of UNDP's extensive network of partnerships cutting across its mandates, roles, policies and operational activities is very welcome. In addition to its primary role in working with national governments on their own development agenda as a trusted and constructive partner, UNDP supports governments in aid coordination in nearly 90 countries and leads aid coordination mechanisms in 37 out of 41 countries in Africa.</i></p> <p><i>UNDP has undertaken a complete overhaul of its national execution modality, according priority to national implementation of its interventions, including by NGOs. Many UNDP country offices provide support services to national implementing partners keeping them in the lead in managing interventions and maximizing the development and use of country systems.</i></p> <p><i>UNDP remains committed to further strengthening UN cooperation with the World Bank, particularly in fragile and crisis-affected countries. The UN and the World Bank work closely on the harmonization of approaches to post-crisis recovery and rehabilitation, including at the assessment and planning stage through post-disaster and post-conflict needs assessments.</i></p>
<p>9. Transparency and Accountability</p>	<p>Satisfactory (3)</p>
<p>+ UNDP has an information disclosure policy covering access to information, procurement and internal audit. This includes country programme and project documentation.</p> <p>+ UNDP has signed up to IATI and is committed to meeting phase 1 standards by November 2011.</p> <p>+ There is good representation of member states on the board with a 2:1 ratio of programme country to donor country membership.</p>	<p>UNDP's response:</p> <p><i>The recognition of UNDP's significant achievements in the area of transparency and accountability is welcomed. From its membership of IATI, its Information Disclosure Policy, its Webtransparency Initiative, and its Accountability Framework and Oversight Policy, UNDP is seen by many partners as a best practice leader in this area.</i></p> <p><i>Based on its Information Disclosure Policy, UNDP provides public access to its budgets, programme/project descriptions, evaluations of programme/project results, procurement activities, personnel rule and regulations,</i></p>

<p>- UNDP does not put all its aid on budget and does not routinely publish its project level information.</p> <p>= UNDP has good disclosure practices; it is committed to IATI and has good member state representation. Implementation of IATI may take it to strong overall.</p>	<p><i>financial rules and regulations, administrative policies and Executive Board decisions.</i></p> <p><i>UNDP's Webtransparency Initiative leads the UN in its publication of project level information (data and documents) on UNDP country offices websites, while all evaluations (global, regional, country level) are available on the UNDP Evaluations Resource Centre website.</i></p> <p><i>As part of its development strategy, UNDP is promoting programme-based approaches and putting aid on budget. However, UNDP is not a donor and is not authorized to engage in direct budget support.</i></p>
<p>Likelihood of Positive Change</p>	<p>Score (1-4)</p>
<p>10. Likelihood of Positive Change</p>	<p>Uncertain (2)</p>
<p>+ There is past evidence of progress on reform.</p> <p>+ Helen Clark has articulated a commitment to reform.</p> <p>+ The Business Plan of Action provides a future reform opportunity. The prospects for BCPR reform are also positive.</p> <p>- DFID is active within and outside the governance structure, has strong relationships with likeminded member states, but our overall influence is limited.</p> <p>- The Executive Board is politicised and there is a lack of consensus on the key areas for reform. It is not clear that current plans for change will deliver the required depth and breadth of reform.</p> <p>= The scale of reform required is significant. There is some potential for progress but it is likely to only be incremental.</p>	<p><i>UNDP's response:</i></p> <p><i>Under the leadership of its Administrator, UNDP has embarked in early 2010 on a comprehensive reform agenda to ensure its alignment with the demands and priorities of a fast changing world. As a public, multilateral organization UNDP counts on the support and critical advice of its member states and stakeholders, including the UK, to ensure the effective implementation of its change ambitions.</i></p>