Chapter II

Operational activities for development

In 2000, the income of the United Nations Development Programme (UNDP), the central United Nations funding body for technical assistance to developing countries, totalled $2,554 million, as compared to $2,608 million in 1999. The total expenditure for all programme activities plus support costs also decreased, from $2,681 million in 1999 to $2,513 million in 2000.

Within the UN system as a whole, efforts were made by relevant bodies to implement all the elements of the General Assembly's 1998 resolution on a triennial policy review of operational activities for development. In July, the Economic and Social Council noted the progress made in implementing that resolution and requested the Secretary-General, in the context of the next triennial policy review in 2001, to report on, among other things, progress in implementing the multi-year funding framework, as part of efforts to reverse the declining trend in core resources and to establish a mechanism for more predictable funding.

On 11 September, the first Ministerial Meeting on UNDP was held to seek ways to boost recognition and support for it at the country level and in key international forums. Various options were put forward for rebuilding political support for UNDP.

UNDP continued its management and programme reforms in 2000. The reforms focused on performance and results and set a leaner staffing structure in place. In the results-oriented annual report for 2000, the first such report in the formal multi-year funding framework period, the Administrator analysed UNDP performance for each of the six goals—sustainable human development, poverty reduction, the environment, gender equality, special development situations and UNDP support to the United Nations.

The United Nations Volunteers programme, administered by UNDP, grew for the fourth successive year, with some 4,800 volunteers carrying out nearly 5,200 assignments in 140 countries. During the year, the programme was evaluated and recommendations made concerning its future status and relations with UNDP. In November, the Secretary-General officially launched the International Year of Volunteers (2001) aimed at recognizing and promoting volunteerism, and in December the General Assembly called on States, organizations and the private sector to promote volunteer action in their own societies.

United Nations efforts to promote technical cooperation among developing countries (TCDC) were focused in UNDP's Special Unit for TCDC. Total core and non-core resources for TCDC amounted to $29.5 million for 1997-2000, and were allocated to building policy and institutional capacities, nurturing TCDC knowledge-networking, and forging partnerships for sustainable human development.

System-wide activities

Operational activities segment of the Economic and Social Council

The Economic and Social Council, at its 2000 substantive session (New York, 5-28 July, 18 October, 22 November), considered the question of operational activities of the United Nations for international development cooperation at meetings on 13, 14, 17, 18 and 28 July. A high-level meeting on operational activities was held on 17 and 18 July. On 13 July, the Council held an informal dialogue with the UN system country teams from Ghana and Madagascar, and, on 18 July, with the heads of UN funds and programmes. On 14, 17 and 18 July, the Council considered follow-up to policy recommendations of the Assembly and the Council, and the reports of the Executive Boards of UNDP/United Nations Population Fund (UNFPA), the United Nations Children’s Fund (UNICEF) and the World Food Programme (WFP). The Council, on 17 July, held a panel discussion entitled “Celebration of 50 years of United Nations development cooperation”.

Implementation of resolution 53/192

In May (E/2000/46/Add.1), the Secretary-General reported on progress in implementing General Assembly resolution 53/192 [YUN 1998, p. 802] on the triennial policy review of UN operational activities for development in the areas of impact evaluation; strategic frameworks and programming; harmonization of programming cycles; field-level coordination; country-level follow-up to global conferences and operational activities; gender and development; common premises and sharing of administrative services; the regional dimension; South-South cooperation; humanitarian assistance, peace-building and development; monitoring and evaluation; and capacity-building.

The Secretary-General stated that considerable progress had been achieved in implementing resolution 53/192 but more remained to be accomplished. In terms of evaluations of the impact of operational activities for development, out of the 24 planned evaluations under the current series to be completed in time for the 2001 triennial review, 2 had been completed, 4 initiated and activities for another 10 were ready, subject to financing.

Progress also continued in the operationalization of the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF), designed to strengthen UN system coordination mechanisms at the programming level. Some 74 country teams were currently at various stages of the CCA/UNDAF process, based on the status of their harmonized programme cycles. However, while progress with the GCA/UNDAF process achieved so far was modifying the way the UN system collaborated at the country level, several challenges remained, including the substantive focus of the two instruments; the rationalization and simplification of relevant programming procedures; the monitoring of the UNDAF time line and its synchronization with the individual country programmes and projects derived from UNDAF; using CCA, originally conceived as a development tool, in crisis and post-conflict countries; further collaboration with the Bretton Woods institutions (the World Bank Group and the International Monetary Fund (IMF)); and the effective involvement of civil society and the private sector in policy debates generated by the CCA and UNDAF processes.

The harmonization of programming cycles presented several difficulties, since not all UN organizations worked on a country programme basis. A degree of flexibility was needed to harmonize the cycles of organizations that applied a country programme approach and those that followed a different approach. Partial harmonization of programme cycles in countries with a large representation of the UN development system also represented a continuing challenge to collaborative programming. Given the overall difficult progress in the harmonization of cycles, the United Nations Development Group (UNDG) had requested country teams to draw up local action plans with clear time frames. As a result, as at December 1999, 98 per cent of the countries qualifying for harmonization had done so, a 73 per cent increase since 1998, and 95 countries were expected to be harmonized by 2005. UNDG had put in place a monitoring mechanism to ensure that the progress would be maintained. The harmonization of programming cycles with national budgets or planning cycles was more complicated than originally expected.

Successful efforts at collaborative programming among several organizations had further energized field-level coordination. Arrangements to involve national partners were becoming more frequent and joint funding had increased significantly. Progress was also made in the coherence of many country teams and interest was growing among organizations with country representatives to advance both the work of the individual organization and the team effort of the resident coordinator system. However, because of reduced funds to support operational activities, country teams were facing severe cuts in programme activities. Other useful means of field-level coordination were the use of thematic groups and "retreats" to focus on specific concerns and review activities in progress, and expanded access to and use of information technology.

Both UNDAF and CCA had the potential of becoming the main instruments at the country level for a system-wide integrated follow-up to global conferences. Their further application was expected to be strengthened through the CCA indicator framework to reinforce the use and adaptation of conference indicators at the country level and help in the establishment of national data sets relevant to conference follow-up. Despite the progress made, a gap continued between conference outcomes and the objectives and priorities of UN system assistance programmes. Country-specific tools and advice, country-specific frameworks and models and appropriate baseline data needed further development, and, since most decision-making and funding continued on a sectoral basis, stronger linkages were needed between and among government units, civil society and international agencies. Two new major efforts to overcome that problem were the girls' education strategy and the poverty action strategy designed by UNDG and endorsed by the Con-
As part of UN system efforts to support and encourage gender mainstreaming, agencies had intensified efforts to ensure a gender perspective in their management strategies and operational activities. Progress was being made throughout the UN system to implement the critical areas of concern in the Beijing Platform for Action ([UN 1995, p. 1170]). In addition, the UNDG Subgroup on Gender had focused its efforts on the CCA and UNDAF guidelines, assuring a gender perspective in the text and indicators. The UN Department of Economic and Social Affairs, in collaboration with UNDP, carried out a major study assessing gender mainstreaming in governance and poverty eradication programmes in sub-Saharan Africa, and the UNDG Working Group on Girls’ Education developed a comprehensive action strategy on girls’ education, which was launched by the Secretary-General in April.

Several steps were under way to support the planning, implementation and oversight of the “United Nations House” programme. New guidelines on operational management of common services were being developed and additional guidance and support were being provided to the country teams. A consolidated common database and lease management maintenance software (Aperture) were completed to facilitate management of country office premises. The UNDG Management Group on Services and Premises was also developing guidance on common and shared services.

Regarding the involvement of the regional commissions in CCA and UNDAF, the physical distance between the commissions and the majority of the country offices in their respective region prevented the commissions from being actively involved in the CCA and UNDAF participatory working process. Resident coordinators needed to give special attention to involving the regional commissions and non-resident agencies in the preparation and implementation of CCA and UNDAF. The CCPOQ Working Group on the Resident Coordinator System had encouraged all parties to propose ways to improve collaboration.

UN system entities had done much in the past year to alleviate crisis and post-conflict situations. At the Headquarters level, the Inter-Agency Standing Committee (for humanitarian affairs) ([IASC] see p. 846) considered such issues as guidance to humanitarian/resident coordinators on internally displaced persons and linkages among humanitarian, peacekeeping and political components of UN operations, especially in post-conflict situations. IASC also formed a UNDP-led reference group on post-conflict reintegration, which explored gaps and the factors compounding them and recommended several steps for United Nations action. UNDP was also redefining its role in crisis, post-conflict and recovery situations (see p. 823).

Concerning evaluation, there had been positive developments regarding follow-up to the General Assembly and the Economic and Social Council resolutions on the subject. However, the degree of implementation was at times uneven and a hindrance to effectiveness. One impact evaluation revealed that joint programme reviews and evaluations remained a rarity, resulting in programme-wide/country-level issues not being properly examined.

In capacity-building, there had been steady follow-up within the UN system. A guidance note on the subject was approved by CCPOQ in March on behalf of ACC. UNDP and UNICEF had been exploring the concept of capacity-building/capacity-building development, as well as methodologies and mechanisms for its planning and monitoring. However, the UN system, particularly the specialized agencies, continued to have difficulty in drawing lessons learned from their experience. The first impact evaluation suggested that it was important for all relevant UN system entities, as well as Member States, to evaluate their experience and current approaches, with a view to extracting the lessons learned and best practices.

**ECONOMIC AND SOCIAL COUNCIL ACTION**

On 28 July [meeting 44], the Economic and Social Council adopted resolution 2000/20 [draft: E/2000/L.15] without vote [agenda item 3 (a) (iii)].

**Progress in the implementation of General Assembly resolution 53/192 on the triennial policy review of operational activities for development of the United Nations system**


1. Takes note of the report of the Secretary-General on operational activities of the United Nations for international development cooperation and of the consolidated list of issues related to the coordination of operational activities;

2. Reiterates that the fundamental characteristics of the operational activities of the United Nations system should be, inter alia, their universal, voluntary and grant nature, their neutrality, impartiality and multilateralism and their ability to respond to the development needs of developing countries in a flexible manner, and that all operational activities must be
country-driven, in response to and in accordance with the national development plans, policies and priorities of the recipient Governments concerned;  
3. Notes the progress achieved in simplification and harmonization of planning cycles and procedures, and calls on the funds and programmes and specialized agencies involved in the coordination efforts in the field to take further steps to enhance and ensure the sustainability of this process, in particular in the area of decentralization and financial management;  
4. Requests the Secretary-General, as part of the preparation of the next triennial policy review of 2001, to assess, in full and close cooperation with programme countries, the extent to which such harmonization and simplification have benefited the programme countries, inter alia, through greater coordination and synergy in programme design and implementation, as well as the obstacles encountered, and to make appropriate recommendations for consideration at the next triennial comprehensive policy review of operational activities for development, utilizing, inter alia, the ongoing management process and an assessment, inter alia, of the joint mid-term review, joint evaluation and joint programme experiences, as appropriate;  
5. Emphasizes that simplification and harmonization of procedures, in the context of decentralization of processes, as adopted by the executive boards of the United Nations funds and programmes, should be responsive to the needs of developing countries, while bearing in mind the impact of these procedures on the capacity of recipient countries to integrate the programmes of the United Nations system into the national development process;  
6. Stresses the importance of ensuring full government participation in the formulation and the implementation of the common country assessment and the United Nations Development Assistance Framework, and urges the funds and programmes, in full and close consultation and cooperation with them, to continue to review these processes at the country level with a view to effecting streamlining and simplification so as to reduce the administrative and financial costs to the recipient Governments as well as to the United Nations system;  
7. Notes the progress and the challenges with regard to the common country assessment and the United Nations Development Assistance Framework, as highlighted in the report of the Secretary-General, and encourages the funds and programmes to ensure that the United Nations Development Assistance Framework promotes a country-driven, collaborative and coherent response by the United Nations system so as to achieve a greater impact at the country level fully consistent with and in support of national priorities;  
8. Also notes that coordination activities, though beneficial, represent transaction costs that are borne by both recipient countries and the organizations of the United Nations system, and emphasizes the need for their continuous evaluation and for an analysis and assessment of costs as compared with the total programme expenditures of operational activities for development, in order to ensure maximum efficiency and feasibility;  
9. Reaffirms the importance of independent, transparent and impartial joint and periodic evaluations of operational activities at the country level, under the leadership of recipient Governments, and with the support of recipient Governments, to enhance their efficiency, effectiveness and impact;  
10. Notes the preparations for the impact evaluation of operational activities, in particular of the United Nations Development Assistance Framework, as mandated in General Assembly resolution 53/192, as part of the preparations for the next triennial policy review;  
11. Invites the funds, programmes and agencies of the United Nations system, with the full involvement of the recipient Government concerned in the process of such evaluation, to participate actively and to support the ongoing study by the Secretariat;  
12. Encourages greater cooperation between the World Bank, the regional banks and all funds and programmes, with a view to achieving increased complementarity and better division of labour, as well as enhanced coherence in their sectoral activities, building on the existing arrangements and fully in accordance with the priorities of the recipient Government, and in this regard emphasizes the importance of ensuring, under the leadership of national Governments, greater consistency between the strategic frameworks developed by the United Nations funds, programmes and agencies and the Bretton Woods institutions;  
13. Notes the ongoing dialogue of members of the United Nations Development Group with the Bretton Woods institutions, and encourages similar consultations with the World Trade Organization, fully recognizing the primary coordinating role of programme country Governments as well as the respective mandates of these institutions, and requests them to report to the Council on this dialogue at its next substantive session, especially in the context of preparations for the triennial policy review;  
14. Requests the United Nations system to take further measures to improve the effective incorporation of technical cooperation among developing countries into their programmes and projects, and to intensify efforts towards mainstreaming the modality of technical cooperation among developing countries, inter alia, through support to the activities of the Special Unit for Technical Cooperation among Developing Countries, and encourages other relevant international institutions to take similar measures;  
15. Notes that country-driven programming offers additional opportunities for greater use of the modalities of technical cooperation among developing countries by programme countries;  
16. Requests the programmes and funds to submit to the Council, through their executive boards, information and analysis in respect of the extent to which cross-cutting themes and goals emerging from global conferences have been integrated into their programme priorities in a coherent manner, as well as in respect of specific steps taken to develop complementary and collaborative approaches with other United Nations organizations in promoting the implementation of global targets, to assist the Secretary-General in the preparation of his report to the General Assembly through the Council on this issue;  
17. Notes the progress of the resident coordinator system in assisting Governments in their efforts towards an integrated and coordinated follow-up to global conferences, and encourages further work by
the country-level theme groups in addressing the areas highlighted by the Council;

18. Encourages the United Nations development system to strengthen efforts towards gender mainstreaming, empowerment of women and gender equality, in particular taking into account the outcomes of the twenty-third special session of the General Assembly, entitled "Women 2000: gender equality, development and peace for the twenty-first century", and the twenty-fourth special session of the Assembly, entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world";

19. Welcomes in this context the ten-year United Nations Girls' Education Initiative launched by the Secretary-General at the World Education Forum, held in Dakar from 26 to 28 April 2000;

20. Notes the lessons learned by the programmes and funds in the implementation of their gender-balance policy, and calls for further efforts to retain women at mid-career and actively to promote their career advancement;

21. Appreciates the progress achieved so far in broadening the pool of resident coordinators and in improving the gender balance of resident coordinators, and invites the funds, programmes and agencies of the United Nations system to make further efforts to increase and monitor their nomination of qualified women candidates for the resident coordinator vacancies;

22. Recommends that the practice of holding joint meetings of the bureaux of the Executive Boards of the United Nations Development Programme/United Nations Population Fund, the United Nations Children's Fund and the World Food Programme be continued, with a view to improving the impact of these meetings, and in this regard requests the funds and programmes to examine the possibility of having joint reports prepared by their secretariats for these meetings, focused on some issues of specific joint interest, so as to ensure an effective follow-up of the resolutions of the Council and the General Assembly concerning the coordination of operational activities for development, and to report thereon to the Council at its substantive session of 2001;

23. Underlines the progress achieved in the coordination of operational activities for development, stresses the importance of continuing efforts for improving coordination based on a system-wide approach, and in this regard welcomes the recent initiatives taken by some specialized agencies to strengthen their participation in the internal coordination mechanisms, such as the United Nations Development Group and the Consultative Committee on Programme and Operational Questions;

24. Requests the Secretary General, in the context of the next triennial policy review, to report to the General Assembly at its fifty-sixth session on the impact of the United Nations Development Assistance Framework and progress in the implementation of the multi-year funding framework, as part of ongoing efforts to reverse the declining trend in core resources, and also on improving the efficiency and effectiveness of operational activities of the United Nations system, including recommendations for enhancing the impact of these processes, as well as for appropriate follow-up.

Coordination of operational activities

The Secretary-General, in response to Economic and Social Council resolution 1998/27 [YUN 1998, p. 811], reported in June on a number of issues related to the coordination of operational activities [E./2000/CRP.1]. He informed the Council that, within his reform programme and the provisions of the triennial comprehensive policy review of operational activities, UNDG, including its subsidiary bodies, had been consolidated. Specific progress had been achieved in the resident coordinator system in such areas as the selection process and the adoption of the ACC guidelines on the functioning of the system, but improving the performance appraisal system and the need to provide government inputs into the work of the thematic groups within the resident coordinator system required further attention. Although steady progress was achieved in the implementation of CCA and UNDAF, faster progress should be encouraged in developing individual UNDAFs to take full advantage of the projected harmonization of programme cycles. Other issues needing attention related to process and content, ensuring a more consistent level of quality in CCAs and UNDAFs and achieving greater involvement of non-resident agencies. As to the harmonization of programming periods and procedures, progress was made in joint mid-term reviews and the harmonization of programming instruments and periods. Further work was needed in country-programme and framework formats, the realignment of monitoring and evaluation stages, more uniform project implementation procedures, compatible information technology and databases on UN activities, common premises guidelines and harmonized security operations. Coordination by national authorities of the preparation processes of the new planning and programme instruments of the United Nations and the Bretton Woods institutions was crucial to avoid duplication of national and international efforts. Addressing the linkages between operational activities for development and special economic, humanitarian and disaster relief assistance was crucial at the intergovernmental and inter-agency levels because of the large number of countries in special circumstances, and all possible synergies between the Council's operational activities and humanitarian segments would be particularly important in that regard.

Simplification and harmonization of programming, operational and administrative procedures

In May [E/2000/46], the Secretary-General reported on the simplification and harmonization
of programming, operational and administrative procedures. He stated that insufficient progress had been achieved because of the structure of the UN system and the creation of autonomous procedures, the diversity of programming procedures as a consequence of the diversity of mandates, institutional autonomy, the different analysis requirements to undertake programming, and different modalities in project execution of each organization. In particular, progress remained difficult at the country level.

Inter-agency initiatives for harmonization, through ACC and UNDG, were limited mostly to agreeing on common guidelines or defining a common understanding on a modality as guidance principles. However, there were problems in the implementation of common understandings on such topics as national execution and the programme approach because of differing modalities from agency to agency. UN country teams were sometimes unaware of the common definitions adopted at the inter-agency level at headquarters. Better results were obtained in implementing system-wide guidelines, but the actual translation of those guidelines and agreed concepts in alleviating the procedural burden was slow. Progress was achieved in harmonizing programme cycles, but consistent monitoring was required to ensure that those results were sustained. The CCA and UNDAF processes were expected to produce some visible benefits in the simplification and harmonization process at the level of individual organizations, but their synchronization with the preparation of individual country programmes required some vigilance. Budgetary, accounting, auditing and general financial practices represented an area where further steps might achieve cost reduction and higher productivity. Initiatives in the simplification and standardization of UN system reporting requirements, both financial and technical, had not been systematic and the results were often contradictory. Some progress was made in decentralization and delegation of authority, although it was uneven and affected decision-making at the country level.

Other areas where there was room for improvement included the development of common formats for project design and project documents, procurement, the development of computerization and the harmonization of management practices.

Funding UN system operational activities

Responding to General Assembly resolution 53/192 [YUN 1998, p. 802], the Secretary-General, in his main report on operational activities [E/2000/46], provided an overview of the financial status of the UN funds and programmes, and assessed the impact of financial trends, as well as relevant decisions of the respective executive boards on funding arrangements.

He stated that combined total resources channelled annually through UN funds and programmes continued to increase and in 1999 stood at $5.13 billion, compared to $3.43 billion in 1990. However, total core resources, excluding WFP, had declined from $1.94 billion in 1994 to $1.56 billion in 1999. In UNDP, provisional data showed that for 1999 core resources amounted to $628 million, some $64 million or 8.5 per cent below the 1998 income figure of $746 million. For UNFPA, core resources declined from $305 million in 1995 to some $250 million in 1999, while contributions to UNICEF’s core resources had stagnated, averaging around $542 million per year. Contributions to WFP had ranged, over the years, between $1 billion in 1990 and $1.56 billion in 1999.

The continuing decline or stagnation in core funds to UN funds and programmes to meet national demands and respond to global trends posed a serious challenge to their ability to undertake mandated tasks. The decline continued even as the funds and programmes had made great strides in structural reforms to address priority development policy issues with a more coordinated and effective approach. The factors cited for the continued decline related to the voluntary nature of core funding, an increased focus on humanitarian assistance, including specifically the need to find resources to sustain the international presence in such situations as in the Kosovo province of the Federal Republic of Yugoslavia (FRY) and East Timor, and the ever-increasing demands for other uses of grant multilateral official development assistance, such as the Heavily Indebted Poor Countries Initiative and the proposal for the establishment of broad-open-ended global trust funds. In addition, the highly competitive international development cooperation environment needed to be changed. Also, the diversity of issues addressed by the UN development system made it difficult to provide crisp statements about achievements.

To restore growth and enhance predictability to the core resource base of UN funds and programmes, the UNDP/UNFPA and UNICEF Executive Boards had developed sustainable funding strategies, including the setting of annual funding targets and the establishment of multi-year funding frameworks for UNDP and UNFPA, and UNICEF’s resource mobilization strategy. While it was too early to assess the full impact of the new funding arrangements, the initial pledges made...
in the first part of 2000 were disappointing in relation to set targets. The tendency for countries that made multi-year pledges in 1999 to use that as a minimal base for a further increase in 2000 was a positive trend and a manifestation of commitment to rebuilding the regular resource base. In reviewing those new funding arrangements, greater attention needed to be paid by the UNDP Executive Board and all Member States to finding ways to facilitate greater political will and commitment so that funding levels could quickly return to a pattern of growth.

Among his recommendations, the Secretary-General proposed that, since funding commitments to UN funds and programmes remained voluntary, Governments should be further encouraged to ensure that funding arrangements became predictable and relied on shared responsibility and inter-donor group pressure to ensure fair burden-sharing.

**ECONOMIC AND SOCIAL COUNCIL ACTION**

On 28 July [meeting 44], the Economic and Social Council adopted resolution 2000/19 [draft: E/2000/L.14] without vote [agenda item 3 (a)].

**Funding operational activities for development of the United Nations system**

The Economic and Social Council,


1. Takes note of the report of the Secretary-General;
2. Reiterates that the fundamental characteristics of the operational activities of the United Nations system should be, inter alia, their universal, voluntary and grant nature, their neutrality, impartiality and multilateralism and their ability to respond to the development needs of developing countries in a flexible manner, and that all operational activities must be country-driven, in response to and in accordance with the national development plans, policies and priorities of the recipient Governments concerned;
3. Stresses the primary responsibility of national Governments for their country’s development, and recognizes the importance of national ownership of development programmes;
4. Recognizes that operational activities are one of the major pillars of the United Nations and play a fundamental role in the creation of a more united, peaceful, and prosperous world;
5. Strongly reaffirms that the impact of operational activities for development of the United Nations system must be enhanced by, inter alia, a substantial increase in their funding on a predictable, continuous and assured basis, commensurate with the increasing needs of developing countries, as well as through the full implementation of General Assembly resolutions 47/199 of 22 December 1992, 48/162 of 20 December 1993, 50/120 of 20 December 1995 and 53/192 and the parts of resolution 52/12 B of 19 December 1997 relevant to operational activities for development;
6. Reaffirms the need for priority allocation of scarce grant resources to programmes and projects in low-income countries, in particular the least developed countries, and in this context expresses concern over any further decline in programme expenditures in those countries, and encourages all efforts to reverse this situation;
7. Stresses the need for a continuous overall improvement, within existing mandates, in the effectiveness, efficiency and impact of the United Nations system in delivering its development assistance, and welcomes the steps that have been taken to that end;
8. Also stresses in this regard the continued need for funds, programmes and agencies of the United Nations development system to continue to report on the overall results achieved to their executive boards or governing bodies and to the Council;
9. Reaffirms that core resources, because they are untied resources, are the bedrock of the operational activities of the United Nations system, and in this regard notes with serious concern the overall decline or stagnation in core resources available to many United Nations funds and programmes, in particular the United Nations Development Programme;
10. Notes the efforts of the Executive Boards and secretariats of the United Nations Development Programme/United Nations Population Fund and of the United Nations Children’s Fund to establish multi-year funding frameworks that integrate programme objectives, resources, budgets and outcomes, with the objective of increasing core resources and enhancing their predictability, and in this regard invites them to continue to develop and refine the frameworks as a strategic resource management tool;
11. Appreciates in this context the efforts of countries, including donor and programme countries, which have increased or maintained their high level of contributions to the core resources of United Nations funds and programmes during 1999 and 2000 and also of those which have made multi-year pledges to core resources;
12. Underlines the need to avoid overdependence on a limited number of donors, emphasizes the importance of shared responsibility, taking into account established official development assistance targets, including targets established at the Second United Nations Conference on the Least Developed Countries, and calls on donors and other countries in a position to do so to increase their contributions to the core/regular resources of United Nations funds and programmes;
13. Notes the increase in and the importance of non-core resources, including cost-sharing, trust funds and non-traditional sources of financing as a mechanism to enhance the capacity and to supplement the means of operational activities for development, contributing to an increase in total resources, even though unsatisfactory because the increase in non-core resources cannot compensate for the decline in the level of core resources;
14. Also notes in this context the contributions by private sources, which can supplement but cannot substitute for contributions by Governments, to finance or extend programmes implemented within existing guidelines of United Nations funds and programmes;
15. Reaffirms that South-South cooperation, including technical and economic cooperation among developing countries, offers viable opportunities for the development of developing countries, and in this context reiterates its request that the executive boards of the funds and programmes review, with a view to considering an increase, the allocation of resources for activities involving technical cooperation among developing countries;

16. Requests the Secretary-General, in the context of the next triennial policy review, to report to the General Assembly at its fifty-sixth session, through the Economic and Social Council, on the progress in the implementation of the multi-year funding frameworks, as part of ongoing efforts to strengthen the strategic resource management in the funds and programmes and to reverse the declining trend in core resources.

**Financing of operational activities in 1999**

Expenditures of the UN system on operational activities, excluding loans and grants through the World Bank Group, reached $6 billion in 1999 [A/56/70/Add.1-E/2001/58/Add.1], the most recent year for which complete figures were available, compared with $5.3 billion in 1998 and $4.8 billion in 1997. Of the total amount, $2,044.1 million was distributed in development grants through UNDP or UNDP-administered funds, $1,429.8 million by WFP, $1,123.3 million by specialized agencies and other organizations from extrabudgetary sources, $817.9 million by UNICEF, $444 million by specialized agencies and other organizations from regular budgets (mainly the World Health Organization) and $187.1 million by UNFPA.

By region, 33.5 per cent of expenditures went to Africa, 27.7 per cent to Asia and the Pacific, 26.2 per cent to Latin America and the Caribbean, 7.1 per cent to Western Asia and 5.5 per cent to Europe.

Contributions from Governments and other sources for operational activities, excluding the International Fund for Agricultural Development (IFAD), totalled $6.9 billion in 1999, compared with $5.7 billion in 1998 and $5.4 billion in 1997.

The 2000 United Nations Pledging Conference for Development Activities (New York, 1-2 November) [A/CONF.193/3] heard the announcement of pledges by Governments to UN programmes and funds concerned with development. It noted that several Governments were not in a position to announce their contributions but proposed communicating the announcement of such contributions to the Secretary-General as soon as they were in a position to do so.

The Secretary-General provided a statement of contributions pledged or paid at the 1999 Pledging Conference, as at 30 June 2000, to 30 funds and programmes [A/CONF.190/2 & Corr.1]. The total amounted to some $1,127 million, with an estimated $536 million for UNDP.

**Technical cooperation through UNDP**

The UNDP Administrator, in his annual report covering 2000 [DP/2001/14 & Add.1-4], said that the year had seen a dramatic change in UNDP on both management and programme fronts, in fulfilment of his vision for the organization and in response to the new challenges and opportunities in global development. It was characterized by the coalescing of the international campaign to eradicate poverty, with a focus on promoting pro-poor growth and more inclusive globalization.

In 2000, the tone for UNDP was set by the ongoing implementation of the Administrator’s Business Plans, 2000-2003 (see p. 831); the global development objectives and targets set by world leaders in the Millennium Declaration (see p. 49); and the outcome of the first Ministerial Meeting on UNDP, which boosted recognition and support for UNDP at the country level and in key international forums (see p. 836). Those events and the growing consensus underpinning them generated a challenging agenda for UNDP. In that context, UNDP was well positioned to play the role of a trusted partner, and much of the institutional change undertaken in 2000 was with that objective in mind.

The results were evidenced in the first results-oriented annual report [YUN 1999, p. 795], which marked a decisive step forward in the adoption of results-based management and led to the refinement of the strategic results framework (SRF), the development of a corporate database and intensive training for country office staff. UNDP continued its strong support to national poverty-reduction strategies, the development and implementation of which, as well as poverty monitoring, were largely successful and revealed the highest levels of outcome and output, particularly in sub-Saharan Africa. It published Overcoming Human Poverty: UNDP Poverty Report 2000. The Human Development Report 2000 [Sales No. E.00.III.B.8] also presented the eradication of poverty not just as a goal but as a challenge for human rights. The year witnessed a dramatic progression in the national human development reports (NHDRs) programme, with the establishment of a support unit at headquarters and the preparation of a UNDP policy on NHDRs.
UNDP made efforts to expand democratic governance both within and between countries, particularly in such key areas as governing institutions, human rights, decentralization, public sector management and gender issues, by providing advice and technical support to authorities, civil society and communities of the poor. The provision of advisory services to legislative, electoral, justice and human rights institutions and processes remained important in 2000. UNDP also sought to build the gender dimension into its policies, programmes and management. It supported many Governments in the preparation of national reports for Beijing +5 (see p. 1082) and helped countries to ensure that the feminization of poverty and women's own coping strategies were taken fully into account in national poverty-reduction strategies.

Efforts to focus and improve UNDP activities in crisis and post-conflict environments were undertaken with renewed vigour in 2000. UNDP expanded activities in reintegration and recovery, peace-building, mine action, natural-disaster mitigation and related areas, and continued to support war-affected populations.

UNDP strengthened HIV/AIDS as one of its critical areas of support to developing countries, providing policy advice to Governments and civil society partners on ways to achieve a nationwide, effective response to the epidemic and assisting countries with capacity-building for planning and implementing those responses.

In partnership with the public and private sectors, UNDP worked on a comprehensive strategy and implementation package to help transform the growing digital divide into a digital opportunity, while addressing basic developmental needs. The Digital Opportunities Task Force, hosted jointly by UNDP and the World Bank, was launched in July. At the country level, UNDP launched the Global Network Readiness and Resource Initiative to assist countries in building national information infrastructure strategies.

Significant achievements were made in 2000 in energy and environment as UNDP played a leading role in coordinating environmental and energy programmes, and in the area of climate change it continued to support capacity-building efforts of developing countries.

To strengthen UNDP's policy capacity, an implementation plan for the new Bureau for Development Policy was approved in May to provide policy support in the field. The Bureau was re-organized through streamlining and rationalizing staff roles and redesigning staff responsibilities. In January, the new Bureau for Resources and Strategic Partnerships was created, bringing together responsibility for relations with the Executive Board, the UN system, civil society and the private sector, along with donor outreach and resource mobilization.

UNDP continued to cooperate with the UN system, especially at the country level, through its network of country offices and through the United Nations Volunteers programme, the World Bank, IMF, regional development banks, civil society and the private sector. The Division for Business Partnerships was created, as part of the Bureau for Resources and Strategic Partnerships, to develop UNDP strategy and guidelines for working with the business sector and support partnerships at the country, regional and global levels. A draft set of new corporate policies and guidelines was prepared during the year. UNDP also developed an aid coordination policy, ensuring that external resources were aligned with national priorities, and strengthened or created aid coordination mechanisms.

UNDP continued efforts to engender a new culture of performance in the organization. The Bureau of Management was created, bringing together the former Bureaux for Planning and Resources Management and for Finance and Administrative Services and including new divisions that better reflected its needs for improved cost efficiency, client service and accountability.

**UNDP/UNFPA Executive Board**

In 2000, the UNDP/UNFPA Executive Board held three regular sessions (New York, 24-28 and 31 January; 3-7 April and 25-29 September) and an annual session (Geneva, 13-23 June) [E/2000/35].

At the first regular session, the Board adopted six decisions, including one that gave an overview of the Board's action taken at the session [E/2000/35 (dec. 2000/6)]. Other decisions dealt with UNDP Business Plans for 2000-2003 (see p. 831); assistance to East Timor (see p. 836); UNDP regular funding and cash-flow management (see p. 835); and revision of the UNDP financial regulations and rules (see p. 838).

The Executive Board, at its second regular session, adopted four decisions, including an overview decision summarizing action it had taken at the session [dec. 2000/10]. In other decisions, the Board took action on UNFPA and the United Nations Development Fund for Women (see PART THREE, Chapters VIII and X, respectively).

At the annual session, the Board adopted seven decisions, including an overview decision [dec. 2000/17]. The others concerned UNFPA programmes, the United Nations Volunteers (see p. 843), the Administrator's 1999 report (see be-
At the third regular session, the Board adopted seven decisions. One decision gave an overview of action taken at the session [dec. 2000/24]. By another, the Board encouraged UNDP to assist affected developing countries to implement the United Nations Convention to combat desertification at the national, subregional and regional levels (see p. 976). The others concerned UNFPA and UNOPS.

The Economic and Social Council, by decision 2000/242 of 28 July, took note of the Board’s report on its first regular session of 2000 [DP/2000/9], the decisions it adopted at its second regular session [DP/2000/19] and those adopted at its annual session [DP/2000/28].

**UNDP/UNFPA reports**

**Annual reports**

The Executive Board, on 23 June [dec. 2000/15], took note of the 1999 annual report of the Administrator [DP/2000/23 & Add.1-3].

By decision 2000/242 of 28 July, the Economic and Social Council took note of the annual reports of the UNDP Administrator and the UNFPA Executive Director to the Council [E/2000/20].

**Results-oriented annual report**

The Administrator submitted the results-oriented annual report (ROAR) for 2000 [DP/2001/14/Add.1], the first within the formal multi-year funding framework period. It maintained the orientation of management for results, indicating the main features of performance (progress towards outcomes and the extent to which targets set for outputs were achieved), and pointed to issues requiring attention. The evolving methodology applied for 2000 enhanced transparency, accuracy and overall credibility of the analysis. It used an overall assessment of performance and in-depth analysis, with a parallel effort to corroborate the data reported in the ROAR with information available from independent sources.

As to the distribution of outcomes and outputs generated by the organization in 2000, the overall, strategy-setting and policy options, followed by capacity development, remained the main focus. The data also confirmed a strong UNDP presence at the level of strategy-setting and policy options, although they did not permit definitive conclusions about the pace and scale at which they might be changing.

Among its general findings, the report said that the ROAR data strongly suggested that there was considerable potential for UNDP to exercise leadership in key development processes and there had been notable advances in performance. NHDRs were completed or under way in 56 countries and were beginning to influence development policies and programmes. Assessment of the impact of liberalization and globalization on developing countries was expanded. Human rights had emerged, including political, social and economic dimensions, as a key focus in governance, with almost 40 per cent of country offices providing assistance for advocacy, awareness-raising, action planning and development of the underlying institutional framework. Poverty-reduction strategies had increased from 32 in 1999 to 55 in 2000, with good practices in advocacy, impact assessment and capacity development being pursued, particularly in Africa, Europe and the Commonwealth of Independent States (CIS). Advances were made to integrate environmentally sustainable development and the goals of the global conventions in planning. Progress was made in gender mainstreaming within governance, poverty reduction and HIV/AIDS interventions and through capacity development. In collaboration with other UN organizations, common country assessments (CCAs) were completed or drafted in 66 programme countries. United Nations Development Assistance Frameworks (UNDAFs) in 24 countries and joint programmes in 36 countries, and greater use was made of thematic groups.

In terms of the strategic results framework goals, in the area of governance, the policy and conceptual framework for mainstreaming human rights allowed UNDP to confront successfully the challenge of implementing a rights-based approach to programming and to adapt the focus of public sector management to meet capacity development needs. Good practices acquired through NHDRs provided a solid basis for linking analysis to action, and the strong demand for support in participatory governance indicated the potential for cross-cutting linkages with poverty reduction. That called for much higher levels of resource allocation than were currently available. In poverty reduction, opportunities increased at the policy level for dealing with pro-poor macroeconomic frameworks, target-setting, benchmarking and monitoring in relation to the poverty goal endorsed by the Millennium Declaration (see p. 49). Good practices in meeting the challenge HIV/AIDS posed to governance and poverty reduction should be synthesized to assist
other regions and country offices to raise performance and become a key test of UNDP’s ability to provide knowledge-driven advisory services in priority areas of country demand. An evaluation of the orientation and sustainability of UNDP activities addressing the asset base of the poor was timely. Poorly performing and increasingly marginal areas of work might have to be dropped and others developed.

Promoting environmentally sustainable development was one of UNDP’s key strengths, allowing environmental concerns to be incorporated into poverty-reduction strategies. There was considerable scope for UNDP to address cross-border concerns, the follow-up to global commitments and the use, by programme countries, of the new mechanisms in such areas as climate change.

The expansion of UNDP’s role in gender mainstreaming called for a reinforcement of its capacity in that area, as well as a major effort to bring together and share experiences and develop methods and tools for improved monitoring of performance. More effective partnerships with other UN partners were needed to build on the potential of complementary competencies.

In terms of support for the United Nations, support to programme countries with respect to the Millennium Declaration goals demanded a new impetus to UN reform, especially the resident coordinator system. A key task would be to employ CCA and UNDAF more systematically for integrated follow-up to conferences, definition of local targets linked to the Declaration’s development goals and improvements in the benchmarking and monitoring of progress. The refocusing of thematic groups could be built upon to expand and accelerate collaborative action around the overall priority of poverty reduction. New tools, principally CCA and UNDAF and joint programming, would realize their full potential and take root in policy and practice only if they were made an integral part of the operations of UN specialized agencies, funds and programmes and were accompanied by a radical reduction in the complexity and duplication of operating policies and procedures across the UN system.

**UNDP operational activities**

**Country programmes**

The UNDP/UNFPA Executive Board, at its first regular session in January [dec. 2000/6], approved the first country cooperation framework (CCF) for Liberia and took note of the first extension of 26 CCFs and of one regional cooperation framework (Europe and CIS), as well as the first country review reports for Bangladesh, Botswana, China, Kazakhstan, Kyrgyzstan and Viet Nam.

At its second regular session in April, the Board, on the recommendation of the Administrator [DP/2000/12, DP/2000/16], authorized him to approve assistance to the Congo on a project-by-project basis for 2000-2001, and to Afghanistan on the same basis for 2000-2003 [dec. 2000/10]. It also approved second CCFs for Kazakhstan, Kyrgyzstan and Zimbabwe, took note of the first extension of CCFs for eight countries or territories, the first extension of the cooperation framework for technical cooperation among developing countries and the first regional cooperation framework for Latin America, and took note of the first country review reports for Cambodia, Uzbekistan and Zimbabwe.

In June, at its annual session [dec. 2000/17], the Board approved second CCFs for Azerbaijan, Iran, Romania and Turkmenistan and the extension of the first CCF for Brazil, and took note of the first extension of CCFs for Argentina, Chile and Uruguay.

The Board, at its third regular session in September [dec. 2000/24], approved second CCFs for Armenia, the Czech Republic, Hungary, Maldives, Poland, Slovakia, Slovenia, Uzbekistan and Viet Nam. It approved the second extension of the first CCF for Bulgaria and two-year extensions of first CCFs for El Salvador and Venezuela, and took note of first extensions for six other countries. The Board also took note of country review reports for Algeria, Guatemala, Poland and Uganda, and of reviews of regional cooperation frameworks for Africa, Asia and the Pacific, Europe and CIS, and Latin America and the Caribbean. The review of the first global cooperation framework was also noted. On the recommendation of the Administrator [DP/2000/40], the Board authorized him to approve projects for East Timor on a case-by-case basis for 2000-2002.

**UNDP performance analysis by goal**

The Administrator reported in his ROAR for 2000 [DP/2001/14/Add.1] on UNDP’s performance in relation to its six goals: creating an enabling environment for sustainable human development (SHD); reduction of poverty; protection of the environment and use of natural resources; gender equality and the advancement of women; providing support to countries in special development situations; and providing support to UN activities.

Creating an enabling environment for SHD

The data in ROAR 2000, as in 1999, confirmed the importance of UNDP’s work in advocacy for SHD, public sector management and support to governance institutions, as well as a growing em-
phasis on human rights. They also revealed increased evidence of the incorporation of SHD issues within governance initiatives and expanded support for local governance across all regions.

SHD received 42 per cent of programme resources ($684 million), both regular and other resources, representing the greatest share of total available resources.

Overall, 133 country offices (98 per cent of the total) reported under that goal. With regard to performance, positive change was reported for 54 per cent of outcomes, while annual targets were either fully or partially achieved for 92 per cent of outputs (73 per cent fully and 19 per cent partially). Performance in achieving output targets was higher than progress towards outcomes for all regions. Overall performance did not vary significantly across regions.

The results were mostly of an upstream nature, with 50 per cent of outcomes influencing strategy-setting and policy options, and an additional 38 per cent targeting capacity development. The report found substantial ongoing investment in promoting awareness of and policy dialogue on SHD, representing the second most reported strategic area of support in the SRF, across all regions, mainly by NHDRs. Human rights emerged as a key area of UNDP support to governance institutions. Decentralization was a stronger area of focus also, with 39 per cent of all country offices undertaking programmes to strengthen subnational capacity for participatory development planning and resource management. UNDP involvement in public sector management was extensive, focusing mainly on civil service reform. There was continued effort to incorporate poverty reduction, gender issues and participatory methods into governance programmes.

The spread and application of information and communication technology (ICT) were growing in all regions, mainly in strengthening capacity in governing institutions to use ICT for more effective delivery of public services.

The link between global, regional and country programmes remained weak, except in the area of local governance. In addition, regional cooperation received scant reporting at both outcome and output levels.

At the sub-goal level, there was support for policy-making and strategy-setting at the outcome and output levels, particularly in the use of NHDRs for promoting SHD. Support for analysis in globalization went beyond macrolevel considerations to examining the consequences for the poor. Emphasis was also placed on the impact of liberalization on society and the integration of pro-poor measures in national plans and policies.

An expanded number of initiatives supported private sector development.

Human rights activities were under way in some 50 country offices. The key features of work in that area included development of national human rights action plans by country offices in every region and providing assistance to human rights initiatives involving civic education, awareness-raising campaigns, strengthening or creation of ombudsman offices and extension of human rights institutions. Support was provided to parliaments and justice systems, including training parliamentary members and increasing parliaments’ constituency relations and public accountability. Assistance would be provided from the global programme, which launched a $6 million programme in 2000 to strengthen parliaments. In the area of justice, mechanisms were established to increase access to legal services by the poor. Assistance was provided for the reform of justice systems, to improve court administration and case-flow management, computerization of caseloads, the training of judicial personnel and capacity development. A notable development was the establishment of a network of 350 civil society organizations working in the area of judicial reform. In terms of electoral assistance, support was aimed at ensuring transparency of electoral processes and their independent management.

Decentralization and empowerment of local organizations and the poor received great attention, with a wide variety of initiatives across all regions. UNDP assisted subnational authorities in formulating strategies and plans, and building capacities in resource mobilization, planning and service delivery, to empower communities for active participation in local-level decision-making. Support for public sector management resulted in positive change for 58 per cent of outcomes and annual targets achieved for 83 per cent of outputs. UNDP support focused on civil service reforms, including capacity development and initiatives to combat corruption, promote transparency and enhance public sector integrity, including the adoption of anti-corruption legislation. On a more limited scale, UNDP engaged in other areas, such as public sector financial management and aid coordination to strengthen nationally led mechanisms.

The ROAR indicated that, although there was a unique window for UNDP to support programme countries to manage national development and meet the challenge of globalization, there were areas of untapped potential. Those included further development of the NHDR; capacity development of partners to facilitate the integration of human rights within efforts to support SHD; fo-
cused assistance to build social capital, by improving the ability of governance structures to mobilize the participation of stakeholders and build consensus among them on major development issues; expanded effort to exploit links between assistance for local governance and poverty reduction; support for public sector management to handle the challenges of globalization, such as effective regulation in a liberalized economic environment; and formulation and application of a clear strategy for e-governance that harnessed the potential of ICT.

Reduction of poverty
Support for poverty-reduction strategies and the monitoring of poverty were the main thrust of UNDP’s efforts and produced the greatest changes in outcomes. Expenditure on poverty reduction accounted for 31 per cent of total resources ($512 million). Ninety per cent of UNDP country offices, 123 in all, reported on the goal of poverty reduction. Positive change was achieved for 60 per cent of outcomes but with significant regional variation. Over half of all outcomes supported by UNDP related to strategy-setting and policy options (53 per cent) and a further quarter addressed capacity development of institutions. Annual targets were either fully or partially achieved for 68 per cent of outputs. There was a greater cross-fertilization between governance and poverty programmes. The development of HIV/AIDS strategies received far greater priority in 2000, with 32 in 1999. UNDP’s efforts were concentrated in the Africa region, as well as Europe and CIS. UNDP work on the asset base of the poor (such as that in microfinance, employment promotion and access to basic social services) was characterized by a range of interventions with varying prospects for generating significant results in poverty reduction, especially in terms of linkage to upstream policy change. In ICT, a new field for UNDP, the majority of results were still downstream in nature and did not capture a clear organizational niche. Progress was being made through public-private partnerships to increase access by the poor to ICT, but much remained to be done.

At the level of sub-goals, UNDP was concentrating its efforts on preparing and implementing poverty-reduction strategies by, among other things, making use of the Poverty Strategies Initiative within the global programme. It supported poverty-reduction strategies through advisory services, sectoral and thematic analyses, strengthening of monitoring capacity and playing a coordinating role in aligning donor resources more effectively. In Africa, its country offices focused on national, as opposed to regional or sectoral, strategies, including Poverty-Reduction Strategy Papers (PRSPs). The country office focus was also at the national level in Latin America and the Caribbean, with activities concentrated on advocacy, preparing sectoral or thematic studies, monitoring, systematization of household surveys, analysis of the determinants of poverty and support to PRSP development. In Asia and the Pacific, greater emphasis was placed on monitoring poverty, while in the Arab States region, assistance focused on providing training, developing local and sectoral strategies or monitoring national strategies. In Europe and CIS, the focus was also on national-level strategies but at the initial stages of development.

In terms of HIV/AIDS, positive change reported for outcomes was relatively modest at 59 per cent, reflecting the difficulties of mobilizing an urgent, countrywide response to HIV/AIDS. There was a discernible upstream shift, focusing on the governance challenge, with a large increase in UNDP interventions assisting Governments in formulating national HIV/AIDS strategies, building national capacity to coordinate effective, multisectoral strategies, and supporting the creation of decentralized structures to manage local action plans. UNDP worked with the United Nations Volunteers (UNV) programme to combat the epidemic, particularly in Central and Southern Africa.

UNDP worked to support the access of the poor to productive assets, basic social services and technology, with positive change reported for close to 60 per cent of outcomes and annual targets achieving 70 per cent of outputs. Microfinance remained a major area of activity, with significant success in promoting policy, regulatory and institutional changes. Reporting by country offices on universal access to basic social services declined sharply (from 49 to 28). ICT was a new area reported on in 2000. Performance was encouraging, with positive change reported for 63 per cent of outcomes in the 24 countries reporting. Many of the results were, however, of a downstream nature.

Environmentally sustainable development
Under the goal of environmentally sustainable development, UNDP’s cooperation was aimed at developing national strategic, policy, legal and regulatory frameworks; capacity development and the promotion of participatory processes; and follow-up and integration of global environmental issues into national development plans, policies and strategies. Expenditure on environmentally sustainable development accounted for 14 per cent ($251 million) of total resources. It re-
mained the third most important goal for UNDP as a whole and for each of the five regions, with 119 country offices (87 per cent) reporting. Positive change was reported for 64 per cent of outcomes, while annual targets were either fully or partially achieved for 81 per cent of outputs (a figure that dropped to 64 per cent after adjusting for weak targets).

The findings under the goal suggested strong links between policy changes and capacity development for policy management. There was considerable investment in upstream results. The next step was for greater integration of environmental objectives into anti-poverty and development policies and programmes. Similarly, UNDP support to follow up global commitments indicated substantial scope for exploiting interlinkages or synergies between conventions. The data confirmed the importance of the Global Environment Facility (GEF) (see p. 970) in providing direction and resources for important components of the UNDP portfolio. In all regions, GEF-oriented programme development was critical in mobilizing significant non-core funding.

At the level of sub-goals, 42 country offices reported concerted efforts to incorporate the concept of environmentally sustainable development into national planning, with progress for almost two thirds of outcomes. Twenty-one reported a reinvigorated national commitment to Agenda 21 [YUN 1992, p. 672], including the implementation of national strategies by 2005. Progress was reported in drafting or amending national environmental action plans, in environmental management, energy, water and solid waste, and in the preparation of local action plans. Of some concern was the diminished emphasis during 2000 on the mobilization of domestic funding for environmental development activities. Building capacities of national as well as local institutions in sustainable environmental and energy management continued to be of major importance, with reporting by 37 country offices, especially in Africa and Asia and the Pacific, where three quarters of them reported progress in implementing capacity development programmes. UNDP cooperation was also focused on strengthening the capacities of newly established environmental ministries, agencies, coordinating bodies and environmental funds, such as those in Georgia, Guatemala, Haiti, Lebanon, Nepal, Paraguay and the Sudan.

At the downstream level, the sustainable management of natural resources and energy was primarily addressed through small-scale pilot activities, linked in many instances to public-private partnerships, mostly in Latin America and the Caribbean and in Asia and the Pacific. The UNDP/GEF Small Grants Programme proved to be an effective promoter of local-level income-generating opportunities linked with biodiversity and climate change and helped to establish community or non-governmental organization (NGO) networks on environmental issues. There was growing support of UNDP to programme countries on the follow-up and internalization of the goals of global environmental conventions through national action plans, strategies and programmes, particularly in biodiversity and climate change. Substantial progress was made in tackling the problem of ozone-layer depletion with the UNDP Montreal Protocol programme active in 73 countries. Country offices reported progress on the sensitization of national authorities to global environmental conventions through training programmes or the establishment of inter-ministerial groups, coordinating bodies and environmental units.

Gender equality and advancement of women

In 2000, UNDP efforts towards gender mainstreaming continued to focus on policy and planning, as well as capacity development. The delivery of programme resources under the goal was 1 per cent of total resources ($22 million). A total of 105 country offices (77 per cent) reported on the goal, with positive change for 77 per cent of outcomes, a relatively high rate compared to other goals. Those outcomes were mainly related to advocacy, networking and partnerships, capacity development of institutions, and strategy-setting and policy options. Annual targets were either fully or partially achieved for 74 per cent of outputs.

The data suggested progress in gender mainstreaming in UNDP cooperation, reflected by an increased demand for it in key areas of governance, poverty reduction and HIV/AIDS, capacity development across ministries, linking gender with other SRF goals and increased interventions in countries in special development situations, especially in post-conflict environments. Linkage and coherence in country-level activities improved and, in a substantial number of interventions, national action and implementation of international commitments were linked. Progress was also made in building linkages between country, regional and global programmes in the main strategic areas of the goal. The global gender programme focused on reinforcing corporate commitments and developed tools and methodologies to build capacities of country offices, strengthen the gender focal point network and develop a broad-based network of experts in the field through a consultative process involving 110 countries.
At the level of sub-goals, an increased number of countries reported on UNDP’s role as a facilitator of participatory policy-formulation processes, as a source of support for national capacity development and as a promoter of advocacy work within civil society on a variety of gender-equality issues. In terms of tracking and measuring changes in the condition of women, the number of countries reporting decreased from 24 in 1999 to 12 in 2000. Work was concentrated mainly on preparing NHDRs and the training of staff in national statistical offices. Country offices and regional programmes supported government and NGO preparations for the twenty-third special session of the General Assembly on women (see PART THREE, Chapter X), through policy advice and technical cooperation and facilitating the participation of Governments and civil society in the session.

Special development situations

Under the special development situations (SDS) goal, UNDP assistance was most notable in natural-disaster mitigation, mine action and community-based recovery work. Country offices supported community-based activities in post-conflict situations, particularly in revitalizing local economies, rebuilding infrastructure and reintegrating war-affected populations. In terms of coverage, 54 country offices (40 per cent of the total) reported under the goal. As for performance, positive change was reported for 53 per cent of outcomes, with annual targets either fully or partially achieved for 89 per cent of outputs (or 69 per cent after adjusting for weak targets). Ten per cent, or $194 million, of total programme resources was devoted to the goal.

The thrust of UNDP’s work in the area of reducing risk of disaster in programme countries was divided between capacity development to manage and reduce the risk of natural disasters (18 country offices) and policy development and advocacy on risk reduction. The two most common outcomes sought to integrate contemporary issues in disaster reduction in national and international disaster policy, and to expand national and regional access to approaches, methods and techniques for disaster reduction and recovery. Other outcomes focused on the establishment of early warning systems and support to UN system coordination in natural disaster response, recovery and reduction. UN disaster management teams successfully coordinated efforts to assist local authorities in planning responses to crises in the Dominican Republic, El Salvador and Indonesia. UNV made noteworthy contributions in that regard in India, Madagascar and Turkey on emergency preparedness or response, as well as awareness-raising and training on natural-disaster prevention. At the output level, progress was clustered on developing capacity for responding to disaster emergencies through the establishment of a government disaster-management focal point and response training, and data collection on local resources for disaster response and seismic hazards.

Under the sub-goal of conflict prevention, peace-building and recovery, the main area of support dealt with recovery processes at the community level. Particular emphasis was placed on re-establishing governing institutions. Specifically, the rule of law and justice institutions were supported by the majority (61 per cent) of country offices, through activities such as the training of judges and lawyers in substantive and procedural areas of law and the strengthening of democratic institutions, particularly in the Congo, East Timor, Guatemala, Haiti, the Lao People’s Democratic Republic, Rwanda and Somalia.

In terms of coverage, 54 country offices (40 per cent of the total) reported under the SDS category. Positive change was reported for 53 per cent of outcomes, with annual targets either fully or partially achieved for 89 per cent of outputs.

UNDP support to the United Nations

Responding to the request that they all complete goal 6—UNDP support to the United Nations—were 125 country offices (or 92 per cent of the total). Performance was adequate at both outcome and output levels and positive change was reported for 54 per cent of outcomes with annual targets either fully or partially achieved for 57 per cent of outputs.

The key findings for the goal revealed that, in relation to follow-up to global conferences, country-level initiatives were collectively too varied and dispersed to achieve the critical mass necessary for worldwide impact. There was limited cross-regional evidence of either national-level target-setting or systematic monitoring of follow-up. Evidence on integrated follow-up to conferences was sparse and the degree of national ownership did not appear to be high overall.

Progress on UN reforms was mixed. On the one hand, both CCA and UNDAF were contributing to team-building and providing a platform for conference follow-up, while UNDAF in particular was being used as a springboard for joint programming. Data also pointed to increased restructuring, refocusing and utilization of thematic groups. In addition, there was a narrowing in the focus of UN system collaboration towards HIV/AIDS, gender issues and human rights. On the other hand, the uneven quality of CCAs and
UNDAFs was limiting the impact of those instruments, and the inability of UN organizations to tackle the issue was hampered by the lack of progress at headquarters on reducing procedural complexity.

The difference in emphasis between the two sub-goals—progress on the global agenda for development and operational activities for development—was mirrored by a divergence in performance, especially at the level of outcomes. Positive change was reported for less than half (44 per cent) for the first sub-goal, compared to 59 per cent for the second. At the output level, the performance rates dropped considerably (55 per cent and 53 per cent, respectively).

During the year, the most notable development at headquarters on follow-up to global conferences was the preparation by the United Nations Development Group (UNDG) of strategies relating to two critical issues: halving extreme poverty by 2015 and the promotion of girls’ education, to be used in collaborative efforts with the UN system and in dialogue with development partners. Other developments included the adoption of a guidance note on the preparation of joint programmes/projects, elaboration of draft procedures for joint mid-term reviews of country programmes and UNDAFs, and the launch of DevLink, the UNDG web site to support UN country teams. With regard to administrative and management issues, progress was made on common services and premises with the publication of operational guidelines and the creation of a shared database, training for resident coordinators, team-building and preparation of a training module on poverty, continued development of the competency assessment programme, guidelines on gender balance and the system of performance appraisal, the launch of an inter-agency mobility programme and agreement on harmonized administrative procedures for national project personnel hired by various UN organizations.

The most dominant area of support at the country level was the resident coordinator system. Performance at both outcome and output levels was high. Positive change was reported for 64 per cent of all outcomes, while annual targets were either fully or partially achieved for 90 per cent of outputs, adjusted to 55 per cent to account for weak targets. Among the main efforts reported by country offices were mobilization of UN organizations around common positions on development issues as the springboard for advocacy with national and international partners; widespread application of the sequence in programmatic collaboration, starting with CCA and UNDAF and followed by joint programming; continued expansion and restructuring of the resident coordinator system machinery centred on the thematic groups; and adoption of common services, often in tandem with the creation of the United Nations House.

Programme planning and management

Reform measures

The UNDP Administrator, in a report outlining the implementation of the Secretary-General’s reform measures [DP/2001/6], said that a review of ACC had led to the establishment of the High-Level Programme Committee (HLPC), which would have oversight of all programme and operational consultations under the ACC umbrella. However, he stressed that it was important that the inter-agency policy and procedural work on operational activities, which served to convert legislative mandates into actual operational policies, procedures and guidelines, continued while that new area of programme policy was dealt with. HLPC would rely on the Consultative Committee on Programme and Operational Questions (CCPOQ) and its Working Group on the Resident Coordinator System. As the subsidiary bodies of the new HLPC were reviewed and reformed, it was important that the work be given continuity in order for legislative mandates of the General Assembly and the Economic and Social Council on operational activities to be implemented. In addition, it was important that the bridge provided by the current mechanisms between the United Nations and the UN system as a whole be continued, particularly the resident coordinator system.

The Administrator also reported that the experience of UNDG with sunset clauses for its subsidiary bodies had proved positive in terms of simplifying the UNDG work processes and focusing staff time only on items of top priority.

In terms of funding and resources, UNDP made progress in implementing the multi-year funding framework. In particular, the first ROAR was well received by the Executive Board and the first Ministerial Meeting on UNDP was held with the objective of building further political support for UNDP (see p. 836). During 2000, efforts to strengthen the resident coordinator system included increasing the proportion of women and staff of other agencies as resident coordinators; improving the performance appraisal of resident coordinators and the selection process through the inter-agency advisory panel; training first-time resident coordinators and country teams; and improving the competency assessment
model and the annual reporting by resident coordinators.

CCPOQ, at its sixteenth session (Geneva, 29 February-2 March) [ACC/2000/7], adopted, on behalf of ACC, guidelines and information for the resident coordinator system on the UN system and human rights.

**UNDP Business Plans 2000-2003**

In January, the Executive Board considered the UNDP Business Plans for 2000-2003 [YUN 1999, p. 802]. The Administrator, in introducing the Plans, stressed that UNDP was believed to be facing a funding crisis, but in reality it was a development crisis. The continued erosion of UNDP's funding base would greatly affect UN development activities, particularly in Africa, where UNDP would be spending less than 50 per cent of what it had spent five years previously. However, UNDP needed to show that it could perform and have an impact through its programmes, even with reduced resources. Through programme successes, the organization could attract more resources. In the light of the declining core resource base, UNDP had sought to organize and align its services, expertise and operations behind the priorities of programme countries. The organization could deliver advice, particularly in policy dialogue and institutional development. While driving its work upstream in response to programme country demand, UNDP was moving away from a small dispersed project portfolio towards projects that supported strategic advice for change.

In a 28 January decision [E/2000/35 (dec. 2000/1)], the Executive Board welcomed the Administrator's efforts to secure the future of UNDP as a leading UN development programme and affirmed its support for those efforts. It expressed concern at the decline in the level of core resources and called on the Administrator, in the context of the implementation of the Business Plans, to increase efforts to secure predictable funding for UNDP and to reach the agreed annual funding target of $1.1 billion in core resources. The Board noted that the Business Plans emphasized that UNDP operational activities should remain country-driven. Looking forward to the timely implementation of the Business Plans, the Board requested the Administrator to report on the Plans' evolution and implementation as part of the reporting cycle established under the multi-year funding framework.

Also on 28 January [dec. 2000/6], the Board took note of the report on the comprehensive assessment of the UNDP 2001 change management process [YUN 1999, p. 804].

**UNDP role in post-conflict situations**

Building on the UNDP Business Plans 2000-2003, the Administrator submitted a March report entitled "Meeting the challenge: the role of UNDP in crisis, post-conflict and recovery situations, 2000-2003" [DP/2000/18]. According to the Administrator, as the incidence of special development situations increased and the diversity of the underlying causes broadened, pressures had grown on UNDP and the world community to respond in a more effective and sustainable manner. UNDP had made considerable progress in reorganizing and redirecting its efforts and resources to act in those situations, by supporting and coordinating aid, instituting organizational, management and policy changes, and financing its operations in that area, using target for resource assignment from the core (TRAC) line 1.1.3, trust funds, cost-sharing and parallel financing generated within its frameworks or programmes. As at the end of February 2000, a total of $150 million had been assigned to 225 projects in 85 countries under TRAC line 1.1.3, 75 per cent of which ($113 million) was for complex development situations in 41 countries (category I), 9 per cent ($13 million) for immediate response to sudden crises in 68 countries (category II) and 16 per cent ($24 million) to capacity-building and prevention activities in 23 countries (category III). The resources were allocated to governance projects, general reintegration and reconstruction, mine action and demobilization, and the preparation of strategic frameworks.

Despite the steps taken by UNDP to address the underlying causes of special development situations, much still needed to be done. UNDP needed to improve its performance to make it a more predictable partner within the inter-agency framework, and its operations had to be made more coherent with its overall corporate goals. Additional extrabudgetary resources were required to consolidate and expand its programmes.

As a way forward, the Administrator proposed that UNDP focus on strengthening the resident/humanitarian coordinator system, expanding its partnerships with key organizations and agencies, improving preventive activities, consolidating activities both in post-conflict and post-disaster situations under sustainable recovery programmes and strengthening its own response capacities.

Also in March [DP/2000/14], the Administrator submitted an evaluation entitled "Sharing new ground in post-conflict situations: the role of UNDP in support of reintegration programmes". The evaluation team reviewed the adequacy of UNDP interventions and assessed the quality of its response to reintegration programmes in
terms of being proactive or event/donor-driven, staffing and ability to form effective partnerships. The evaluation found many instances of successful programming by UNDP in its areas of intervention. It noted in particular the important role that area-based programmes had played in recovery and the significant technical assistance UNDP had provided to national demining efforts.

The team recommended that UNDP recognize post-conflict assistance as a major part of its mission and formulate an overall policy statement on its role in that area, and specifically in reintegration programmes; reassess the level of funding for special development situations; turn its Emergency Response Division into a strong technical resource unit and clarify the field backstopping responsibilities of the regional bureaux and the Division; concentrate its support to the reintegration of war-affected populations on restoring social and human capital through area-based approaches at the community level and not at the target-group level; devise a strategy to ensure greater use of NGOs and UNVs during post-conflict situations; and assign staff to country offices early on in complex emergencies to assist in infusing a development perspective into humanitarian assistance strategies and activities. The team also recommended that country offices develop special resource mobilization strategies for use during post-conflict periods, and that UNDP step up to the challenge of serving as manager of technical-level joint programming units.

The Executive Board, in April [dec. 2000/10], took note of the report on the role of UNDP in crisis, post-conflict and recovery situations, 2000-2003, and invited the Administrator to present in 2001 a further elaboration of UNDP’s specific role in special development situations and plans for its further implementation after a full and wide-ranging consultation process. The Board also took note of the executive summary of the evaluation of UNDP’s role in reintegration programmes.

**Communication and advocacy strategy**

During the Executive Board’s June session [E/2000/35], the Director of the UNDP Communications Office gave an oral report on the UNDP communication strategy, aimed at mobilizing political and financial support for the organization. He said that a clear image of UNDP, differentiating it from other UN organizations, needed to be communicated to outside constituents. UNDP benefited from a global network of knowledge grounded in its field experience and access to a wide range of experts. Its mission of reducing poverty would be accomplished through its advice to Governments and institutions on meeting development challenges, working with partners to mobilize talent and resources and playing an advocacy role through the Human Development Report and other mechanisms. The communication strategy would focus on issues related to information technology for development, sustainable trade, conflict prevention, post-crisis recovery, assistance to Governments, HIV/AIDS and UN coordination.

The Communications Office would market the plan. It intended to service UNDP country offices and headquarters through a strengthened media section at headquarters and in select cities in the field; a new Internet section that would tap web sites for media and advocacy outreach; the production of targeted and easy-to-read publications; private sector sponsorship of UNDP special events; and training.

On 23 June [dec. 2000/17], the Executive Board took note of the oral report on the communication and advocacy strategy.

**Evaluation**

The Administrator, in a July report on evaluation, covering the period from January 1999 to June 2000 [DP/2000/34], described evaluation activities that had contributed to increasing UNDP effectiveness.

Four strategic areas were highlighted: aligning monitoring and evaluation instruments with results-based management; strengthening substantive accountability; promoting organizational learning and partnerships; and a macro-level assessment of UNDP performance based on evaluation data. Considerable progress had been made in strengthening methodologies for results-based management and making it operational, managing the design of SRFs, working with country offices and contributing to the preparation of the first ROAR. Methodologies and tools for assessing impact at the country level and an evaluative research programme had been developed to promote stronger substantive accountability. That objective had been furthered by the systematic monitoring of evaluation compliance and by the promotion of evaluation plans as a real-time instrument for country-level substantive accountability.

The Evaluation Office, in overseeing the evaluation function of UNDP, had paid particular attention to assessing the extent to which evaluation recommendations had been followed up, and the mechanisms by which that was achieved. An upward trend was revealed in the achievement of immediate objectives, and the relevance of ownership, measured by the level of government support, in contributing towards that improvement.
The Executive Board, on 29 September [dec. 2000/24], took note of the evaluation report.

**UNDP Funding**

**Multi-year funding framework**

The Director of the Evaluation Office, in an oral report to the Executive Board in April on the emerging results of the multi-year funding framework (MYFF), which was introduced in 1999 [YUN 1999, p. 806], noted that the ROAR would be the next step in the implementation of the MYFF process. Key outcomes and outputs of all six MYFF goals would be included, with a more detailed analysis of the three highlighted sub-goals for 1999: strengthening the capacity of key governance institutions for people-oriented development and fostering social cohesion; promoting poverty-focused development and reduced vulnerability; and providing effective and integrated follow-up to UN global conferences within the context of sustainable human development. Further action would include revising the SRF and employing it as a management tool, using the ROAR analysis as a basis for improving future performance, furthering the ROAR methodology's evolution, sharpening UNDP's comparative advantage and identifying and building on emerging products and services.

On 7 April [dec. 2000/10], the Executive Board took note of the oral report. UNDP, in a July report on an updated resource allocation framework and the revised MYFF [DP/2000/31], focused on the main lessons with regard to the implementation of the MYFF through the SRF and ROAR instruments. The report warned that the current trend for core resources to stagnate risked jeopardizing UNDP's ability to meet fully the results envisaged under the MYFF.

The approval of the four-year MYFF was a cornerstone in consolidating results-based management (RBM) in UNDP as a new approach to managing the delivery of results, and while it was premature to draw decisive lessons from the RBM experience, the formulation of the MYFF and the ROAR had pinpointed both clear successes and issues that required further attention and effort.

The corporate ROAR for 1999 [YUN 1999, p. 795] confirmed that UNDP's programme performance was, to a great extent, consonant with the intended results and outcomes of the MYFF. It did not suggest the need for a substantive revision of MYFF, but highlighted issues that needed to be addressed to place RBM firmly at the heart of UNDP management approaches. A number of those issues concerned aspects of the SRF/ROAR methodology, which required further attention as part of a continuing, systematic effort to improve performance monitoring, and the SRF template needed to be simplified and updated to better reflect UNDP key results areas and policy focus. The information generated by the MYFF and the ROAR needed to be better organized through the integrated data management system. The link between the traditional classification of UNDP expenditures and the new SRF categories should be reviewed to strengthen the MYFF linkage between programme areas, results and financial resources.

At the country office level, there was a continuing need to ensure full alignment with other programme instruments, such as the CCF, the country office management plan and UNDAF, to ensure clarity and coherence of purpose. UNDP was also reviewing links between key aspects in country SRFs and ROARs and performance accountability, particularly in terms of the UNDP resident representative.

At the end of the first year of the MYFF, the goal of increasing voluntary contributions had not been achieved. By contrast, trust funds/third-party cost-sharing and government cost-sharing continued to grow dynamically. The aggregate figures masked the serious financial crisis that UNDP was facing in its regular resource base, which represented only 28 per cent of total UNDP resources for 1999. Other resources could not substitute for a sufficient, predictable and sound base in regular funding. As a result, the Administrator expressed concern that the opportunity presented by RBM through the MYFF and its associated instruments could be undermined.

The Administrator believed that it would be premature to present an updated integrated resource framework (IRF), which linked activities, results and financial allocations, to the Executive Board at its current session, and he proposed to submit a revised IRF in conjunction with his biennial budget proposals in 2001.

In September [dec. 2000/24], the Board took note of the report and agreed to consider in 2001 a revised IRF in conjunction with the 2002-2003 biennial budget.

**Successor programming arrangements**

In February [DP/2000/17], the Administrator, in a report on successor programming arrangements, provided the revised and final TRAC earmarkings for 2001-2003. Final earmarkings were provided for total TRAC resources under lines 1.1.1 and 1.1.2 of the budget for that period, by region and category of country. The total final earmarkings for the period were $1,767.5 mil-
lion, compared to the preliminary figure of $1,738.8 million, based on $3.3 billion in total resources for the period and excluding TRAC earmarkings for new net contributor countries. Of that amount, 88 per cent was allocated to low-income countries with a gross national product (GNP) per capita of $375 or less and 12 per cent for middle-income countries. By region, Africa would receive 48 per cent; Asia and the Pacific, 31 per cent; Arab States, 8 per cent; Europe and CIS, 8 per cent; and Latin America and the Caribbean, 5 per cent. Final earmarkings under line 1.1 were also provided for individual countries, grouped by region, and TRAC-1 earmarkings for new net contributor countries for 2001-2003 and reimbursable TRAC-1 for 2000.

In April [dec. 2000/10], the Executive Board took note of the report.

Financing

In his annual review of the financial situation for 2000 [DP/2001/22 & Add.I], the Administrator presented an overview of UNDP's financial status at the end of the year, as well as comparative figures for 1999.

The regular resources situation continued to present a major challenge for UNDP in meeting its MYFF goals. The continuing shortfall in voluntary contributions compared to the agreed targets led to the erosion of the amount of financial resources that programme countries received from UNDP through the TRAC system. Further, UNDP experienced significant cash-flow problems in terms of regular resources due to the irregular payment of contributions by some donors, necessitating the utilization of the operational reserve in eight months of the year, thus impeding UNDP's ability to manage its financial resources effectively. Third-party co-financing, on the other hand, had increased to 30 per cent of the aggregate income, and programme-country cost-sharing continued to represent a significant portion of the total income received.

Compared to 1999, total regular resources income decreased by 9.8 per cent to $649 million and total expenditure went down by 13.5 per cent to $702 million. Overall, there was a 29 per cent decline in the available resource balance. Voluntary contributions to the regular resources fell by 6.9 per cent, to $634 million. Contributions received from the top 15 non-programme country donors (Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Sweden, Switzerland, United Kingdom, United States) totalled $607 million, or 96 per cent of total resources. As at 31 December 2000, some $25 million remained unpaid for 2000 and prior years.

Total expenditure under regular resources declined to $702 million from $811 million in 1999. Programme expenditures in 2000 fell to $378 million, compared to $490 million in 1999. Regular resources programme expenditure under national execution declined by 10 per cent, from $260 million to $233 million. In terms of percentage share of programme expenditure among regions, delivery dropped in the Africa region from $206 million in 1999 to $143 million, and in Asia and the Pacific, it fell from $145 million to $131 million. Expenditure in Eastern Europe and CIS remained steady at $41 million and in the Arab States it increased slightly from $25 million to $27 million. In Latin America and the Caribbean, regular resources expenditures amounted to $25 million, excluding the top five countries.

Programme support to implementing agents decreased to $42 million, compared to $51 million in 1999, as a result of the decrease in total delivery and the change in execution patterns.

As at 31 December, the balance of unexpended resources for regular resources activities was at its lowest level since 1984 at $76 million, a decline of 29 per cent from the 1999 figure of $107 million. The level of investments for regular resources increased by 58 per cent ($26 million) to $71.9 million, due mainly to the net reduction in advances to Governments.

For the other resource activities, which comprised mainly government and third-party cost-sharing, government cash-counterpart contributions, trust funds, management services agreements and the Junior Professional Officer programme, representing the bulk of all activities managed by UNDP, overall income remained stable at $1.8 billion. However, expenditure decreased by 4 per cent ($66 million). Contributions received totalled $1.69 billion, of which 56 per cent accounted for government cost-sharing. Third-party co-financing registered a marked increase, from $495 million in 1997 to $713 million in 2000.

In September [dec. 2000/24], the Executive Board took note of the UNDP annual review report on the financial situation for 1999 [YUN 1999, p. 809].

UNDP regular funding
and cash-flow management

In January [DP/2000/CRP.3], UNDP submitted a preliminary report on its regular funding and cash-flow management, which examined contributions payment performance and hedging activities in 1999. A more detailed review, covering
contributions from all countries, was to be provided to the Executive Board in connection with the funding session to be held in April.

The Administrator reported that the overall experience in the payment of contributions in 1999 remained suboptimal. Of the 17 major donors that announced specific payment schedules for their 1999 voluntary contributions, with a combined value of $584 million, only 8 fully met the dates they had specified ($332 million), 4 countries ($127 million) effected payments within one month of the original dates, another 4 countries ($110 million) effected payments more than one month later and 1 country ($12 million) did not make any payment in 1999. The cash-flow contributions from major donors in 1999 did not keep pace with those of 1998. In November 1999, $157 million, or 22 per cent of 1999 pledges, remained unpaid, as compared to $18 million, or 2 per cent of 1998 pledges, a year earlier. Preliminary estimates indicated that UNDP had utilized up to $20 million from its operational reserve to meet its cash-flow needs through 30 November 1999. The cash-flow trend was particularly troublesome given the organization's commitment to and success in recent years in reducing its balance of liquid resources to a low level. Moreover, since a significant portion of 1999 pledged contributions was not received in accordance with the payment dates announced by donors, UNDP was only able to engage in hedging to the value of some $160 million in non-dollar denominated contributions. The total amounts hedged were affected by the lack of definitive information concerning amounts and/or payment schedules early in the year for several major contributors. The Administrator requested that all donors provide a set schedule of payments and ensure that it was honoured.

On 26 January [dec. 2000/3], the Executive Board noted the information presented by UNDP, the serious impact of delayed payments on cash-flow management and the importance of officially announcing regular resources contributions for 2000 as early in the year as possible. It supported the Administrator's recommendation for a comprehensive implementation of the elements of the UNDP funding strategy [YUN 1998, p. 825] concerning the announcement of pledges and adherence to a fixed payment schedule.

In March [DP/2000/CRP.6 & DP/2000/CRP.9/Rcv.1], the Administrator reported on regular funding commitments and/or estimates for 2000 and onwards to UNDP and its associated funds and programmes. Estimates for the gross contributions to regular resources for 2000, using the UN official exchange rate as at 1 March 2000, were $682 million. Pledges for 2001 stood at $252 million. For 2000, 12 countries had increased their commitments by 20 per cent or more in the currency in which they pledged, 29 countries had pledged to retain their 1999 contribution levels, and a further nine programme countries had indicated their decision to resume payments to UNDP regular resources in 2000. However, it was of concern that six countries, including three members of the Development Assistance Committee of the Organisation for Economic Co-operation and Development, had announced reduced contributions. The report outlined the specific payment schedules for 2000 contributions provided to the secretariat on or before 28 March.

The Administrator said that, while the total amount of regular resources for 2000 was slightly below the level of the income received in 1999, it was estimated that by the end of the year, the downward trend would have stopped. While several programme countries were not in a position at the time of reporting to confirm their 2000 contributions to regular resources, a number of them had increased their contributions. The reversal of the downward trend by the end of 2000 was urgently required if progress was to be made towards the annual targets established by the MYFF. To rebuild the regular resource base, greater collective political commitment to increasing contributions should be developed. Since the voluntary nature of regular funding to UNDP continued to leave critical UN development activities particularly vulnerable to reductions, greater attention needed to be paid by the Executive Board to the collective MYFF targets agreed so that regular funding levels could quickly return to a pattern of growth. It was also important that in 2001 an even greater number of countries commit to the multi-year pledges. In terms of enhancing predictability, 16 Members had made indicative multi-year pledges. Given the strength of the United States dollar, it was important that those Member States that had not done so provide a schedule of payments at the second funding meeting so that UNDP could take financial decisions to protect the dollar value of the pledge. Given the continued critical situation regarding funding, the Board should review an updated regular resources situation for 2000 at its third regular session, in line with the MYFF discussion and the review of the overall financial situation, and request countries that were in a position to do so to supplement their 2000 contributions to UNDP.

In introducing the item on funding commitments to UNDP before the Executive Board in April, the Administrator pointed to five broad lessons of UNDP's current financial crisis: UNDP
should remain firmly committed to its reform agenda, press ahead with new non-core strategies and partnerships, learn from the positive examples provided by the United Nations Volunteers programme and the United Nations Development Fund for Women, which had recorded increased contributions in 2000, reinforce political support for UNDP and translate political support into practical action. With regard to the last point, the Administrator emphasized the need for a more formalized transparent multi-year commitment from donors, and suggested establishing an International Development Association-like funding arrangement that would provide UNDP with a multi-year commitment that was predictable and ensured fair burden-sharing for donors. As a way forward, he proposed the holding of a ministerial-level meeting with the specific aim of debating and endorsing such a plan around the time of the General Assembly’s Millennium Summit in September (see p. 47).

On 7 April [dec. 2000/10], the Executive Board took note of the report on regular funding commitments to UNDP and its associated programmes for 2000 and onwards. It also noted that the Administrator would consult with all partners to explore their interest in convening a ministerial-level meeting at the earliest appropriate date to address the organization’s funding situation.

Ministerial Meeting on UNDP

The first Ministerial Meeting on UNDP was held in New York on 11 September. The purpose of the meeting was to consult Governments on the direction of the new UNDP and seek ways to boost recognition and support for it at the country level and in key international forums. The meeting, attended by ministers and representatives of 67 programme and donor countries, discussed support for the UN role in development and rebuilding political support for that mission; the new direction and reforms at UNDP; its comparative advantages and partnerships with developing countries; steps taken by UNDP to improve performance and deliver results; and the need to resolve UNDP’s resource situation. It had before it a document entitled "Rebuilding support for United Nations development cooperation", containing a series of background notes on UNDP as the operational arm of the United Nations, building on results, UNDP and universality, UNDP’s financial situation and UNDP’s challenge ahead.

In his address to the meeting, the Secretary-General said that development had been one of the main tasks of the United Nations from the very beginning and UNDP was involved in that day-to-day work in individual countries. Being a universal network made its services uniquely valuable, since it was well placed to tell people what had worked in one country and what did not in another, problems that might arise with a particular policy and how to get around them. Through its country offices, it brought coherence to the work of the United Nations throughout the world and provided leadership to the different agencies; since not all agencies were represented in every country, UNDP’s presence was even more important. UNDP was also best placed to take the lead in post-conflict peace-building, in cooperation with other UN agencies and the World Bank. UNDP was central to the whole UN mission, but it needed support and a sympathetic audience.

The Chairman, in his oral summary of the meeting [DP/2001/CRP.3], noted the endorsement of the Secretary-General’s vision, outlined in his keynote address, of the UN role in development and the essential part played by UNDP, particularly in the light of the Millennium Declaration (see p. 49) and its emphasis on the continuing challenge of poverty eradication; and of the new direction of UNDP, as a poverty agency working in its areas of comparative advantage, including capacity-building in governance and policy, special development situations and new areas, such as information technology and the use of the Internet. He also noted the meeting’s recognition of the value of UNDP’s role as an advocate at global and national levels, including through the Human Development Report and its linkage to UNDP’s universal presence, also serving the rest of the UN system; concerns that, while a universal UNDP was indispensable to the mandate of the United Nations itself, resource constraints presented a significant challenge to geographical coverage by the organization; the importance of UNDP’s coordination role, as well as partnerships beyond the UN family; the importance of preserving the country-driven nature of UNDP programmes and of maintaining its capacity to respond to country priorities; recognition of the Administrator’s commitment to results, internal reform and management performance and excellence at all levels; political and financial support for the reform process; and concern about the resource situation and the importance of rebuilding the core resource base.

The Chairman noted the various options put forward by ministers for rebuilding political support for UNDP, including advocacy for aid to development and to the United Nations, at the national level; options for UNDP to be considered in other international or regional forums; the pro-
posal by a number of ministers to hold annual events similar to the 11 September 2000 meeting; ways for ministers to continue their involvement in the dialogue on UNDP and its future; means by which UNDP could communicate its improved performance from the field; and options for the role of the Executive Board.

The Executive Board, at its third regular session in September, discussed follow-up to the Ministerial Meeting. Suggestions were made that ministerial meetings be held every four years, in conjunction with the start of the new MYFFs, or in the context of UNDG meetings, or that the Bureau of the Board meet annually at the ministerial level until the funding crisis was resolved.

**Audit reports**

In January, the Executive Board considered the Administrator's updated report [DP/2000/6] on implementation of the recommendations of the Board of Auditors for the 1996-1997 biennium [YUN 1998, p. 1288], which provided a tabular summary of recommendations by area of audit, together with the status of follow-up action as at 30 September 1999 and target dates for implementation. The Administrator said that progress had already been made in many areas and efforts were being made to address outstanding issues.

On 28 January [dec. 2000/6], the Board took note of the Administrator's report.

In May [DP/2000/21 & Corr.1], the Administrator submitted a report on UNDP internal audit and oversight activities for 1999 provided by its Office of Audit and Performance Review (OAPR). During that year, OAPR produced 168 audit, investigation and related reports. In addition, 33 control self-assessment workshops were held, the results of 1,231 national execution audit reports were evaluated and feedback was provided to country offices.

OAPR conducted audits/reviews of headquarters units and corporate functions. Six reports were issued, containing 118 recommendations. Of those, 101 (86 per cent) were accepted by the auditees and had been or were being implemented. Two of the six reports included the special audits of change-management and information-systems expenditures prepared at the request of the Advisory Committee on Administrative and Budgetary Questions (ACABQ). Of the remaining four reports, two were audits/reviews of headquarters units and two were audits of corporate functions.

OAPR provided internal audit and related services to 64 of the 134 country offices. A total of 64 internal audit reports were issued, containing 2,297 recommendations. Of those, 88 per cent were accepted by auditees and the remaining 12 per cent were being pursued. As required under UNDP financial regulations, Governments submitted audited financial reports for nationally executed projects and programmes. In 1999, 1,352 reports were received from 108 countries, of which 1,231 were evaluated (from 104 countries), and the findings were reported to the country offices concerned. Significant improvement was noted in the number, timeliness and quality of audit reports received from country offices, as compared with the year before. However, a number of concerns remained, related to internal controls, project-management structure, financial monitoring, and procurement and equipment. The Office had 56 special audit and investigation cases active during the year, an increase of 6 per cent over 1998, 33 of which were still active at the end of 1999. The issues ranged from allegations of fraud and serious misconduct to inadequate performance and potential conflict of interest. Several cases were being dealt with in cooperation with the Office of Internal Oversight Services, including that of the Reserve for Field Accommodation, a case that involved legal action against two individuals.

On 23 June [dec. 2000/17], the Board took note of the Administrator's report.

**2000-2001 budget update**

In September, the Administrator, in an oral update on the budget for the 2000-2001 biennium, reported that total income for regular resources in 2000 was likely to amount to only $666 million, down from $681 million the previous year, due to a strong United States dollar. Cash-flow problems had necessitated a drawdown of close to $100 million from the operational reserve, although UNDP was in the process of replenishing it. UNDP would take steps to be financially prudent by reducing total expenditure for Field Accommodation, a case that involved legal action against two individuals.

On 29 September [dec. 2000/24], the Board took note of the oral update on the 2000-2001 budget.
Revision of Financial Regulations and Rules

The Executive Board in January considered the Administrator’s report containing a comprehensive revision of UNDP Financial Regulations and Rules [YUN 1999, p. 811]; a comparative table [DP/2000/CRP.5] prepared by the United Nations Office of Legal Affairs (OLA), which contained a comparison of current UNDP Financial Regulations and Rules and the proposed new Financial Regulations and Rules, as well as relevant comments by OLA; and the comments and observations of ACABQ thereon [DP/2000/7]. ACABQ had recommended that the Administrator resubmit his proposed amendments in a format that would permit the easy identification of the proposed changes with precise and succinct explanations, indicating the reasons for the changes to each regulation.

In response to ACABQ’s request, the Administrator, in January [DP/2000/CRP.4], submitted further clarifications to his proposed new Financial Regulations and Rules. While noting the difficulties and positions of ACABQ, he acknowledged that, because of their comprehensive nature touching many financial and technical issues relating to UNDP activities, the proposed revisions were not easily comparable to the current Regulations and Rules. The presentation as suggested by ACABQ would not facilitate an understanding of the rationale for the overall revision. Instead, he had chosen to present the proposed revisions and to circulate OLA’s comprehensive comparative table. The Administrator also responded to ACABQ comments relating to a number of specific proposals. He underlined the implications any delays in approving the revised Financial Regulations and Rules would have for the implementation of a UNDP accountability framework, reiterating that the current Regulations and Rules were no longer adequate.

The Executive Board, on 28 January [dec. 2000/4], approved the proposed revised Financial Regulations with further amendments to eight of them, which were included in an annex to the decision, with the exception of regulations 16.03 regarding a limited authority for the Administrator to advance funds from regular resources prior to the receipt of anticipated contributions to other resources; 17.04 regarding authorization for the Administrator to select an intergovernmental or non-governmental organization as executing entity; 19.01 regarding an expanded grant modality; and 25.09 regarding authority for the Administrator to establish credit facilities. It requested the Administrator to present additional information on those issues, pending approval of which the current related Financial Regulations would remain in effect. He would also defer approval of the associated financial rules for the four proposed regulations.

Procurement

In September, the Executive Board considered the Administrator’s report on the activities of the Inter-Agency Procurement Services Office (IAPSO) from June 1998 to June 2000 [DP/2000/33].

In addition to the information on 1998 and 1999 [YUN 1999, p. 811], the report also indicated that, in May 2000, IAPSO implemented the first phase of electronic commerce through its web site, enabling clients to request full quotations, including insurance, freight charges and handling fees. Automated quotations were provided by e-mail normally within 24 hours after review. That process was currently under review to ensure that eligible clients received fully automated quotations immediately. In the long term, IAPSO planned to enter fully into electronic commerce, involving both electronic ordering by IAPSO to suppliers and receiving electronic orders from eligible clients over the Internet. It also implemented a security package to provide enhanced security for electronic-commerce transactions. As an interim measure, electronic transactions would be backed up by hard-copy documentation to ensure that UNDP Financial Regulations and Rules were followed and that there was an adequate audit trail. IAPSO was also discussing expanding its web site for the dissemination of collective price agreements with other UN organizations and international finance institutions.

The annual statistical report, 1999 [DP/2000/32], issued in August 2000, covered procurement of goods and services, international project personnel, the UNV programme and fellowships, providing details on procurement by country of supply to the UN system. According to the information provided, total procurement by the UN system under all sources of funding during 1998 was $3 billion and the share of procurement from developing countries was 42 per cent. The percentage share of procurement from developing countries had been increasing steadily over the previous
few years. Under UNDP funding, the corresponding figure for the share of procurement from developing countries was 85 per cent. At the time of the report, the collection of data for 1999 procurement was still in progress.

The Executive Board, on 29 September [dec. 2000/24], took note of the report on IAPSO activities and recommended that the Office continue to explore ways in which the expanded use of collective pricing agreements could be coordinated with other entities of the UN system.

Other technical cooperation

UN activities

The Department of Economic and Social Affairs (DESA), responsible for UN technical cooperation activities, had more than 1,100 technical cooperation projects under execution during 2000 in a dozen substantive sectors, with a total project expenditure of $72.5 million. Projects financed by UNDP represented $46.1 million; those by trust funds, $24.4 million; and, by UNFPA, $2 million.

On a geographical basis, the DESA-executed programme included expenditures of $29.3 million in the Middle East; $20.7 million in inter-regional and global programmes; $12.6 million in Africa; $7.6 million in Asia and the Pacific; $1.6 million in the Americas; and $0.7 million in Europe. Project delivery in the Middle East, which included expenditures of $21.5 million for the Iraq programme, was the largest, with a 40 per cent share of total delivery.

Distribution of expenditure by substantive sectors was as follows: energy, $28.1 million; Associate Expert programme, $13.7 million; economic policy, $11 million; public administration, $5.8 million; water, $5 million; social policy, $2.9 million; statistics, $2 million; infrastructure, $1.6 million; institutional support, $1 million; minerals, $0.6 million; public finance, $0.3 million; advancement of women, $0.3 million; and population, $0.2 million. Of the total delivery of $72.5 million, energy (including the Iraq programme) comprised 39 per cent; Associate Expert programme, 19 per cent; and economic policy, 15 per cent.

On a component basis, DESA’s delivery in 2000 included $38 million for project personnel, $19.2 million for equipment, $10.5 million for subcontracts, $3.3 million for training and $1.5 million for miscellaneous expenses.

UN Office for Project Services

The United Nations Office for Project Services (UNOPS) continued to respond to specific and diverse demands for project services, operating in accordance with the self-financing principle with no assessed budget financing and executing programmes on behalf of UN organizations.

2000 activities

The UNOPS Executive Director, in his annual report to the Executive Board for 2000 [DP/2001/19], described activities and assessed performance compared to the targets set in the 2000-2001 UNOPS Business Plan.

The total value of the UNOPS project and loan portfolios amounted to $3.7 billion in 2000, comprising $1.5 billion in project value and $2.2 billion in loan value.

Total delivery was $664 million, 20 per cent below the target of $836 million, comprising $471 million in expenditure on project portfolio and $193 million in disbursement authorizations for the IFAD loan portfolio. The shortfall in UNOPS project delivery amounted to $119 million in 2000, owing to the unforeseen rephasing, reduction and cancellation of approved project budgets. Disbursements authorized by UNOPS under the IFAD loan portfolio ($193 million) were 22 per cent below the forecast of $246 million.

Total income was $48.5 million, $3.1 million or 6 per cent short of the target of $51.6 million, distributed as follows: $36.8 million from delivery of the project portfolio; $6.5 million from loan administration and other services; and $5.2 million in other income. Income from sources other than UNDP rose to $16.5 million, or 34 per cent of the total UNOPS income.

Recurring administrative expenditure was $52.3 million, or $0.7 million above the projection of $51.6 million. Non-recurring administrative expenditure was $3 million, 97 per cent of the projection. Total expenditure was $6.8 million more than total income, a shortfall that would be met by a drawdown from the operational reserve in that amount.

In reviewing its activities, the Executive Director said that UNOPS had intensified efforts to diversify both its client base and the type of services it provided. In partnership with IFAD, it introduced new implementation concepts, such as new methods of channelling non-traditional rural microfinance in Bangladesh, Nepal and Uganda, and the establishment of financial instruments and institutions that focused exclusively on the rural poor, such as the discount funds for lending in Chile, Paraguay, the former Yugoslav Republic of Macedonia and Uruguay.
Work in countries in special circumstances included the management of the mine-action programme in northern Iraq and assisting in implementing programmes supporting internally displaced persons, a humanitarian information centre, and an urban water sanitation programme in Iraq. UNOPS began implementing a $17 million programme funded by the United Nations Environment Programme for the clean-up of environmental hot spots in four municipalities in Serbia (FRY). Its assistance provided to peacekeeping missions reached substantial levels in 2000. It implemented six projects for the United Nations Interim Administration Mission in Kosovo (UNMIK) (see PART ONE, Chapter V) worth $7 million and provided procurement and management services to the United Nations Transitional Administration in East Timor (see PART ONE, Chapter IV).

In the area of social accountability, UNOPS began to develop an independently audited and verified system to ensure quality in the workplace and worked with a not-for-profit organization in Brazil to promote business ethics and social responsibility within the business community.

UNOPS released four of the nine volumes of its Operational Guide for the management of rehabilitation and social sustainability in societies affected by conflicts or natural disasters—an inter-agency effort coordinated by UNOPS. It provided procurement support services in developing countries and in countries in special circumstances. Procurement services supported post-conflict initiatives of UN organizations and missions, as well as projects in governance, public administration, capacity-building and economic and social development.

In the area of risk management, UNOPS offered a variety of contract tools, together with skills training. Specialized insurance arrangements and an operational reserve were maintained to protect against unavoidable risks. Support services were provided for procurement activities from the bidding process to contract disputes, trade advice and commercial practices.

Management advisory services were provided to the Economic and Social Commission for Asia and the Pacific to support its revitalization programme, management consultancy services to the International Atomic Energy Agency, and advisory services in support of UNMIK efforts in Kosovo to rehabilitate local administrative institutions, to WFP in Guatemala in the formulation of its country programme and to the Soros Foundation and the Centre for Legal Action and Human Rights. In 2000, the Executive Director introduced a new operational concept of partnerships with the private sector and with NGOs. Eleven partnerships were signed and work initiated on developing a dedicated partnership regime that would enable UNOPS to enter into non-commercial partnerships.

The UNDP/UNFPA Executive Board, on 23 June [IK/2000/35 (dec. 2000/16)], took note of the Executive Director's report on UNOPS activities in 1999 [YUN 1999, p. 812], including operation in accordance with the self-financing principle in relation to recurring administrative expenditure. It requested the Management Coordination Committee to assist UNOPS and UNDP in overcoming difficulties relating to financial reporting and arrangements. The Board noted that a drawdown of $13.8 million from the UNOPS operational reserve was effected in 1999 to cover part of its non-recurring expenditure and requested the Executive Director to inform the Board regularly on the timing and means of reconstituting the operational reserve. It also noted with concern that the cost of relocating UNOPS headquarters had risen from $8.5 million to $14 million.

**UNDP/UNOPS relationship**

In March [DP/2000/13], the Administrator submitted to the Executive Board an evaluation of the relationship between UNDP and UNOPS, five years after they separated pursuant to General Assembly decision 48/501 [YUN 1994, p. 806]. The evaluation team also made recommendations on improving the working relationship between the two organizations. The evaluation found that cooperation between UNDP and UNOPS functioned well when there was a clear understanding of the respective roles and possible synergies, as well as effective personal relationships. In other cases, there was a lack of satisfaction on both sides with the performance of the other party. UNOPS continued to be heavily dependent on UNDP as a funding source for most of its business. However, their relations were largely characterized by mistrust and misunderstanding, due in part to the lack of a clear definition of their respective roles and responsibilities at the corporate level. The oversight and coordination mechanisms created had not functioned adequately and there were overlaps and competing competencies between the two institutions. Both had difficulty in recognizing each other's role—UNDP with regard to UNOPS as the major executing/implementing agent of the UN system and UNOPS with regard to UNDP as its major funding source. The budgetary cuts over the past 10 years had weakened the UNDP country office structure, which had led to reduced UNOPS participation in programme implementation. The performance of UNOPS in
delivering its services was uneven, creating tension between the two institutions.

In terms of the future UNDP/UNOPS relationship, the evaluation recommended that UNOPS remain a separate and identifiable entity but that its relationship with UNDP be clearly defined. The team identified six main areas where action was urgently needed: defining the respective roles and responsibilities; institutional arrangements; fund-raising and business acquisition; execution modalities; financing principles for country offices; and administrative and management issues. It presented specific recommendations on each of those areas.

Also in March [DP/2000/CRP.8], UNOPS and UNDP submitted a joint review of the recommendations contained in the evaluation report, which were set out in two categories: those that were acceptable to both organizations and could be acted on immediately and those requiring further consultations, discussions and guidance from the Executive Board. Recommendations under the first category related to the status of UNOPS, instructions to resident representatives as representatives of UNOPS, the Users Advisory Group, the project-management matrix, financial reporting and administrative issues. The second category dealt with recommendations on delineation of responsibilities, the Management Coordination Committee, resource mobilization, execution modalities and financing principles for country offices.

On 7 April [dec. 2000/10], the Executive Board took note of the two reports and decided to revert to the item at its 2001 annual session.

On 23 June [dec. 2000/16], the Board emphasized the importance of follow-up of the evaluation report on the UNDP/UNOPS relationship and requested that a progress report be submitted later in the year on implementation of the recommendations.

In response, UNDP submitted, in July [DP/2000/35], a progress report on follow-up and a joint review of recommendations, which indicated the status of consultations between the two organizations. While some progress had been made in the first category of recommendations, considerable additional consultations between UNOPS and UNDP were required before progress could be made in the second category. In the first category, the two organizations had agreed that the current status of UNOPS should be maintained, with UNOPS having full responsibility for its internal management. The UNOPS Executive Director was preparing a letter to resident representatives, detailing their precise role as UNOPS representatives. The Users Advisory Group was to be maintained. A model project-management matrix had been developed in order that the respective responsibilities of UNDP and UNOPS could be defined for each project. Efforts were also made to implement recommendations on financial reporting and administrative issues, particularly by implementing the Integrated Management Information System (IMIS). UNOPS had released the Operational Guide for implementing programmes designed for post-conflict situations, social sustainability and natural disasters. In addition, it was strengthening the management capacities of the decentralized offices.

On 28 September [dec. 2000/22], the Executive Board took note of the progress report, urged the Administrator and the Executive Director to ensure action on the outstanding recommendations as a matter of urgency and requested them to submit in 2001 a detailed report on progress achieved on all recommendations of the evaluation report.

Budget estimates

The Executive Director, in August [DP/2000/37 & Corr.1 & Add.1 & Add.1/Corr.1], issued revised 2000-2001 budget estimates for UNOPS, which proposed a decrease in total administrative expenditure from $113.8 million to $106.3 million, consisting of a decrease from $110.9 million to $103.2 million for recurring expenditures and an increase from $2.9 million to $3.1 million for non-recurring administrative expenditures. Those budget revisions were based on the targeted developments in the UNOPS project delivery and service portfolios detailed in the UNOPS 2000-2001 Business Plan.

In addition, as a flexibility provision necessitated by the variable nature of UNOPS activities, the Executive Director requested the authority to incur administrative expenditure in an amount not to exceed 5 per cent of the approved budget for the biennium when it was supported by unspent and/or projected income. The Executive Director also requested approval of the reclassification of two posts from the P-5 to the D-1 level.

ACABQ, in September [DP/2000/38], recommended that the Executive Board accept the Executive Director's proposals.

On 28 September [dec. 2000/20], the Executive Board approved the 2000-2001 revised budget estimates in the amount of $106.3 million, as well as the proposed staffing level and the reclassification of two posts from P-5 to D-1. It gave the Executive Director authority to incur expenditure, both personnel- and administrative-related, in an amount not exceeding 5 per cent of the budget estimates for the biennium in order to respond to unanticipated changes in business acquisition that were supported by unspent and/or pro-
jected income. The Executive Director was requested to work towards the replenishment of the operational reserve as a matter of urgency and to report in 2001 as part of the consolidated UNOPS report on the measures needed to restore the operational reserve to its prescribed level.

Audit reports

In May [DP/2000/26], the Executive Director provided an update on the implementation of the recommendations of the UN Board of Auditors contained in the UNOPS financial report and audited financial statements for 1996-1997, which had been covered in a first report in 1999 [YUN 1999, p. 815]. Action had been taken on recommendations on procurement, evaluation of international consultants and staff appraisal, year 2000 computer compliance and the reporting of fraud. Implementation of the recommendations relating to financial reporting was being postponed until later in 2000, due to the delay in getting complete data into IMIS.

Also in May [DP/2000/25/Add.1], the Executive Director issued his annual report on UNOPS internal audit and oversight activities. The oversight framework included an external audit performed by the UN Board of Auditors; an internal audit performed by the UNDP Office of Audit and Performance Review (OAPR); and internal management oversight.

OAPR conducted audits and management reviews of headquarters and field activities. In 1999, a total of 31 audit reports were issued, of which 16 contained a total of 248 recommendations. Of those recommendations, 89 were in finance, 31 in personnel, 47 in administration (including contracts and procurement), 37 in programme, 36 in management and 8 in policy. UNOPS agreed with 231 of the recommendations and provided its response on action taken or contemplated to implement them.

Major issues identified in the audit reports included the need to discontinue joint delegations to UNOPS project personnel and UNDP resident representatives and to review and revise chapter 30 (Delegation of authority) of the UNOPS Handbook. In the suspense and clearing accounts, items were identified that had been outstanding for several years. One of the main weaknesses identified in the audit of three field activities was that none of the units had a work plan or financial information for proper monitoring of projects, and one of them lacked terms of reference and was undertaking direct services outside of UNOPS Financial Regulations. Audits of imprest account operations identified some important issues that had organization-wide implications, including the need to ensure that those accounts were immediately closed and/or transferred to UNOPS operational units or successor projects.

On 23 June [dec. 2000/17], the Executive Board took note of the Executive Director's report on the updated review of the implementation of the recommendations of the Board of Auditors and the UNOPS report on internal audit and oversight activities.

Personnel matters

The Executive Board, in June [dec. 2000/16], requested the Executive Director to report in September on steps taken to implement its 1999 decision on the appropriate authority and accountability for personnel matters [YUN 1999, p. 816] and to submit a detailed report in 2001 on the implementation of the delegation of authority. He was also asked to submit a new, justified proposal with regard to the upgrading of two existing posts from the P-5 to the D-1 level, and to review the procedures for approving the establishment of posts at the D-1 level, with a view to achieving a practice that was more consistent with the establishment of posts at all levels, up to and including the P-5 level.

In August [DP/2000/30], the Executive Director, reporting on those two personnel matters, stated that consultations between UNDP and UNOPS on the operational arrangements for implementation of the delegation of authority had sufficiently progressed to enable the UNDP Administrator to proceed with signing the delegation of authority. The two sides agreed that the overriding concern would be to ensure that UNOPS personnel were administered in the most cost-effective and efficient manner. The issuance of UNOPS letters of appointment would clarify further the accountability of the Executive Director in personnel matters. The Executive Director outlined the general provisions agreed on to govern the delegation of authority, and said that further agreements between UNDP and UNOPS would be concluded separately, specifying the UNDP services to be provided, together with associated charges based on identifiable workloads, and performance standards and time frames.

The Executive Director also described the rationale for the approval of the establishment of posts at the D-1 level and expressed his belief that he should be given the authority to establish such posts similar to his existing authority pertaining to the establishment of posts at the P-5 level and below. However, he proposed for the time being to continue the arrangement limiting his authority to establish posts at the P-5 level and below.

ACABQ, in its comments on the issue [DP/2000/38], noted that the steps taken by UNOPS to implement the Board’s 1999 decision formed a sound
basis for the implementation of the delegation of authority on personnel matters from the UNDP Administrator to the UNOPS Executive Director. ACABQ agreed with the view that a flexible post management system was essential to be responsive to changes in demand and project delivery and income. It was of the view that current procedures for establishing posts should be streamlined and recommended full delegation of authority to the Executive Director to cover all posts up to the P-5 level under the following conditions: posts up to the P-5 level would continue to be established by the Executive Director and approved ex post facto by the Executive Board, following the current procedure; and posts at the D-1 and D-2 levels would also be established by the Executive Director, with prior ACABQ concurrence, on a temporary basis, pending approval of the budget by the Executive Board.

On 28 September [dec. 2000/20], the Executive Board approved the staffing level as proposed in the revised budget estimates for 2000-2001 (see p. 841), as well as the reclassification of two posts at the P-5 level to the D-1 level.

The following day [dec. 2000/21], the Board noted that the delegation of authority in personnel matters had been provided to the Executive Director by the UNDP Administrator and requested the Executive Director to report in 2001 on measures taken to ensure the proper discharge of the delegated authority and on the impact, if any, of the need for advance approval of the Board for establishing posts at the D-1 level and above.

UN Volunteers

UNV activities

The Administrator, in his annual report for 2000 [DP/2001/14], provided information on the United Nations Volunteers (UNV) programme, administered by UNDP. He reported that the number of volunteers grew from 4,383 in 1999 to 4,800 in 2000, comprising 157 nationalities serving in 140 countries. The number of assignments increased to 5,200 compared to 4,755 the previous year.

By programme area, UNV assignments supported activities in special development situations (34 per cent), sustainable human development (31 per cent), poverty eradication and sustainable livelihoods (17 per cent) and support to the United Nations (14 per cent). While the protection of the environment and the advancement of women formed, for the most part, an integral part of the work of UNVs in those programme areas, 4 per cent of assignments were directly related to environment and gender. Development cooperation activities thus remained the hallmark of UNV programme implementation in 2000. Particularly noteworthy was the operationalization of the United Nations Information Technology Services, which would link people through the Internet through a shared knowledge base; the expansion of activities to support community efforts in responding to the HIV/AIDS epidemic; and the extended involvement in confidence-building and peace promotion activities in countries emerging from internal conflict.

In a report on the review of the financial situation in 2000 [DP/2001/22], the Administrator stated that income recorded for 2000 decreased by $2.9 million or 13.6 per cent compared to 1999. Programme expenditure increased to $24.3 million in 2000 from $23.9 million in 1999. The balance of the reserve as at 31 December was $2.1 million.

In June [dec. 2000/14], the Executive Board, taking note of the Administrator's report on UNV activities in 1998-1999 [YUN 1999, p. 816], welcomed the use of the UNDP strategic results framework, including the way in which it encompassed UNV support to the UN system as a whole. The Board reaffirmed the importance and the value added of the UNV programme at the global, regional and national levels, and welcomed the programme's contribution to national capacity-building and sustainable development through the expanded mobilization of national UNVs. It supported the bridging role that UNVs could play in the transition from humanitarian assistance to reconstruction and rehabilitation and to longer-term sustainable development. In addition, the Board decided that the theme of the special event at its annual session in 2001 would be volunteering in the framework of the International Year of Volunteers and the thirtieth anniversary of the UNV programme.

International Year of Volunteers (2001)

In November, the Secretary-General officially launched the International Year of Volunteers [DP/2001/14]. UNV, the focal point for the Year, used the preparations for the Year as an opportunity not only to articulate its own core mandate and focus but also to confirm the relevance of the organization and of its operational activities on the ground.

At the request of the Preparatory Committee for the Special Session of the General Assembly on the Implementation of the Outcome of the World Summit for Social Development and Further Initiatives [YUN 1999, p. 1037], UNV, in February [A/AC.253/16/Add.7], issued a report on the role

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of volunteering in the promotion of social development. The report discussed the various forms of volunteering in different regional and national contexts, from self-help and participation to service provision and campaigning. It examined the benefits of volunteering, focusing on the three key priority areas of the Copenhagen Declaration on Social Development and Programme of Action [YUN 1995, p. 1114]—social integration, poverty alleviation and full employment—and focused on key issues in volunteering, including globalization and relations with the State and market. Recommendations were offered to Governments for strengthening and supporting volunteering.

The General Assembly, in resolution S-24/2 of 1 July (see p. 1013), recommended the promotion of voluntarism as an additional mechanism in the promotion of social integration and invited the Commission for Social Development to consider the issue in 2001, the International Year of Volunteers.

**Economic and Social Council Action**


**International Year of Volunteers**

The Economic and Social Council

Recommend to the General Assembly the adoption of the following draft resolution:

[For text, see General Assembly resolution 55/57 below.]

**General Assembly Action**

On 4 December [meeting81], the General Assembly, on the recommendation of the Third (Social, Humanitarian and Cultural) Committee [A/55/591], adopted resolution 55/57 without vote [agenda item 103].

**International Year of Volunteers**

The General Assembly,

Recalling its, resolution 52/17 of 20 November 1997, in which it proclaimed the year 2001 as the International Year of Volunteers, and also recalling Economic and Social Council resolution 1997/44 of 22 July 1997,

Recalling also the outcome document of the twenty-fourth special session of the General Assembly, entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world", held at Geneva from 26 June to 1 July 2000, in which the General Assembly recommended the promotion of the involvement of volunteers in social development, inter alia, by encouraging Governments, taking into account the views of all actors, to develop comprehensive strategies and programmes by raising public awareness about the value and opportunities of voluntarism and by facilitating an enabling environment for individuals and other actors of civil society to engage in, and the private sector to support, voluntary activities,

Welcoming the decision of the Commission for Social Development, at its thirty-eighth session, to include the subject of volunteering in the provisional agenda for its thirty-ninth session,

Taking into account the valuable contribution of volunteering to both economic and social development,

Bearing in mind that volunteering is one of the important ways in which people participate in societal development,

1. Welcomes the activities undertaken by States, intergovernmental organizations, non-governmental organizations, community-based organizations and the United Nations system for the promotion of voluntarism and, specifically, in preparation for the observance of the International Year of Volunteers, and encourages them to continue their efforts;

2. Calls upon States to promote, especially during the Year, an environment conducive to the discussion, at the national and local levels, of the characteristics and trends of volunteer action in their own societies, including the major challenges which the Year can help to address, and to incorporate the subject of volunteering into high-level and other meetings and events during 2001;

3. Invites States to consider all means available for more people to become involved in voluntary action and to be drawn from a broader cross-section of society, especially from groups, including young people, older people and people with disabilities, in view of the benefits accruing to volunteers through volunteer action;

4. Encourages Governments, non-governmental organizations, the private sector, eminent persons and other relevant actors to take all possible measures to promote volunteer action, especially during the Year, in particular at the local level, and in cooperation with, inter alia, local authorities, community leaders, the media and schools;

5. Encourages organizations of the United Nations system to pay attention to the Year in their regular work and in their relevant meetings and to continue to collaborate with the United Nations Volunteers programme as focal point for the Year to ensure that the contributions of volunteers in their own areas of concern are fully recognized;

6. Requests the Commission for Social Development to make appropriate suggestions and recommendations to the General Assembly, through the Economic and Social Council, to further the contribution of volunteering to social development;

7. Requests the Secretary-General to submit his note transmitting the contribution of the United Nations Volunteers programme to the preparations for the twenty-fourth special session of the General Assembly, entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world", as a document of the thirty-ninth session of the Commission for Social Development, and requests him, furthermore, to disseminate it widely within the United Nations system, including by making it available to the Commission on Human Settlements acting as the preparatory committee for the special session of the General Assembly for an overall review and appraisal of the Habitat Agenda, the preparatory committee for the special session of the General Assembly for follow-up to the World Summit for
Children, the preparatory committee for the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance and the Commission on the Status of Women at its forty-fifth session;

8. Decides that two plenary meetings of the fifty-sixth session of the General Assembly shall be devoted to volunteering, to coincide with the close of the International Year of Volunteers on 5 December 2001, and in this regard requests the Secretary-General to prepare a report on ways in which Governments and the United Nations system could support volunteering for discussion on that occasion;

9. Requests the Secretary-General to report to the General Assembly at its fifty-seventh session on the outcome of the International Year of Volunteers and its follow-up.

Economic and technical cooperation among developing countries

The UNDP Administrator, in response to the Executive Board's request [YUN 1999, p. 817], presented, in August [DP/2000/36], an assessment of the results of activities supported by the Special Unit for Technical Cooperation among Developing Countries (TCDC). The TCDC cooperation framework was designed to promote TCDC actively and to support sustainable human development (SHD) in such areas as poverty eradication; environment; production and employment; and trade, investment and macroeconomic management. Total core and non-core resources amounting to $29.5 million for 1997-2000 were allocated to three main activity clusters: building strategic policy and institutional capacities; nurturing TCDC knowledge-networking; and forging broad-based partnerships for SHD.

As part of the UNDP decentralization strategy, the Special Unit planned to redeploy two TCDC advisers to the field to work with the network of 50 policy specialists in the regions. The aim was to strengthen the field-based, action-oriented TCDC community, which would consist of TCDC-oriented networks; interested Southern experts, knowledge institutions and centres of excellence; selected intergovernmental, non-governmental, civil society and private sector organizations; developing country government focal points; interested donor agencies; and TCDC focal points within UNDP as well as the UN system. Thus, global support for multilateral TCDC could be significantly enhanced. Within that community, the Special Unit would remain the anchor of multilateral South-South cooperation. The new programme would concentrate on areas where the need for building policy and institutional capacities was greatest. The TCDC programme would be geared to priority issues in the areas of trade and investment and macroeconomic management; social integration and transformation; science and technology for development; private sector development with emphasis on small and medium-sized enterprises; and environmental management.

Sub-strategies would be developed around the Unit's key functions, such as TCDC advocacy, policy dialogue, interregional networking, partnership-building and resource mobilization. A new TCDC cooperation framework would be submitted to the Executive Board in 2001.


UN Capital Development Fund

Contributions to the United Nations Capital Development Fund (UNCDF) regular resources amounted to $23.9 million in 2000, a 12.4 per cent decrease from 1999 contributions of $27.4 million [DP/2001/22]. Contributions received for trust fund activities totalled $2 million in 2000, compared to $2.1 million in 1999. Programme expenditure (including support costs paid to implementing agents) totalled $43.2 million. Total expenditure represented an overall project delivery of 84.6 per cent. UNCDF unexpended resources as at 31 December were $70.9 million ($86.9 million at the end of 1999), including $38 million in the operational reserve.

In his annual report for 2000 [DP/2001/14], the UNDP Administrator said that UNCDF had developed a strategy to build its complementarities with UNDP on substantive, administrative, operational and resource-mobilization issues. UNCDF had made some important breakthroughs affecting policy. UNCDF and UNDP had supported Cambodia in drafting the local commune administration and management law, based on the local-level planning system that UNCDF had been piloting in several provinces. In Malawi, it had helped the Government to formulate policy on fiscal decentralization and to ensure that resources would be available to match decentralized functions. UNCDF support to start-up microfinance operations in 2000 had indirectly given credit access to 3,600 poor clients in Malawi in just six months. By using UNCDF guarantee mechanisms, a new project in Madagascar had enabled four networks of microfinance institutions to access $1.8 million in bank loans.