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Front cover: When the teacher did not show up on the fourth day of class at the Alam Faizad School in Kabul, 14-year old Rahima decided to teach her classmates. Many classrooms are without chairs, desks and writing tools; paper and books are also in short supply. Women are returning to teach and girls are now openly attending schools. UNDP is drawing on its global development network in support of Afghanistan's recovery and reconstruction, to chart programmes on governance, the empowerment of women and rebuilding the civil service to help improve people's lives.

# The UNDP Vision

From poverty and public health to narcotics and terrorism, 2001 was the year that forced the world to confront the growing agenda of issues that can no longer be contained or managed within the boundaries of the single nation state. And while there are not direct links among all these issues, events from Afghanistan to Zimbabwe to Argentina demonstrated how the alienation, frustration and despair born from poverty, lack of faith in political institutions, environmental degradation and the spread of deadly diseases can leave us all more vulnerable.

That realization has given a welcome new impetus to achieve the eight Millennium Development Goals (MDGs) that 189 countries endorsed at the United Nations Millennium Summit two years ago. These commitments range from providing universal primary education to reversing the spread of HIV/AIDS to boosting access to clean water, with the overarching goal of halving extreme poverty—all by the deadline of 2015. These MDGs have now emerged as a key organizing principle for global and national development efforts over the next decade and beyond.

As the UN's global development network, the United Nations Development Programme (UNDP) has made the MDGs the focus of our own core mission to help developing countries build their own solutions to national and global development challenges. And following nearly three years of unprecedented reform and renewal, UNDP is placed to carry out this work more efficiently and effectively than ever before.



**Malloch Brown greets villagers in Senegal.**

As this report sets out, the new UNDP is succeeding by combining the unique trust and convening power that derives from our UN character, history and mandate with our greater ability to give countries access to resources, expertise and experience through our global network and broad circle of partners. The results are visible where they matter most: in our increased capacity to provide cutting-edge development services and programmes monitored and measured by a pioneering results-based management system; in our growing global leadership in generating the demand for better public policy on issues from democratic governance to sustainable energy; and, ultimately, in the greater extent to which we are helping countries build their own capacity to manage development issues.

From the recovery and reconstruction work in Afghanistan and the Middle East to less visible but equally urgent efforts to strengthen democratic governance in Africa and Central Europe, harness the power of information and communications technologies for development across Asia and Latin America, and mount new national and regional efforts to help address the devastating impact of HIV/AIDS, 2001 was a year of real, measurable progress for UNDP. Our challenge now is to consolidate our reforms, play a pivotal role in helping meet the MDGs and make a lasting difference in the lives of peoples all over the world.

**Mark Malloch Brown**  
Administrator

# MILLENNIUM DEVELOPMENT GOALS

## **Eradicate extreme poverty and hunger**

1.2 billion people still live on less than US\$1 a day. But 43 countries, with more than 60 percent of the world's people, have already met or are on track to meet the goal of cutting hunger in half by 2015.

## **Achieve universal primary education**

113 million children do not attend school, but this goal is within reach; India, for example, should have 95 percent of its children in school by 2005.

## **Promote gender equality and empower women**

Two-thirds of the world's illiterates are women, and 80 percent of its refugees are women and children. But UNIFEM's successful micro-credit programmes have increased their outreach to poor women by more than 80 percent in just two years.

## **Reduce child mortality**

and reduce under-five mortality by two-thirds; 11 million young children die every year, but that number is down from 15 million in 1980.

## **Improve maternal health**

and reduce maternal mortality by three-quarters. In the developing world, the risk of dying in childbirth is one in 48. But virtually all countries now have safe motherhood programmes and are poised for progress.

## **Combat HIV/AIDS, malaria and other diseases**

that have erased a generation of development gains. Countries like Brazil, Senegal and Thailand have shown that we can stop HIV in its tracks.

## **Ensure environmental sustainability**

More than one billion people still lack access to safe drinking water—but nearly one billion gained access to safe water, and one billion gained access to sanitation, during the 1990s.

## **Develop a global partnership for development,**

with targets for aid, trade and debt relief. Too many developing countries are spending more on debt service than on social services. New aid commitments made in the first half of 2002 alone, though, will reach an additional \$12 billion per year by 2006.



# Millennium Development Goals and the UNDP Role

World leaders put development at the heart of the global agenda with the Millennium Development Goals (MDGs), which are clear targets for combating poverty, disease, hunger, illiteracy, environmental degradation and discrimination against women. And the rest of the Millennium Declaration offers a consensus blueprint for how to proceed, with a new focus on human rights, good governance and democracy.

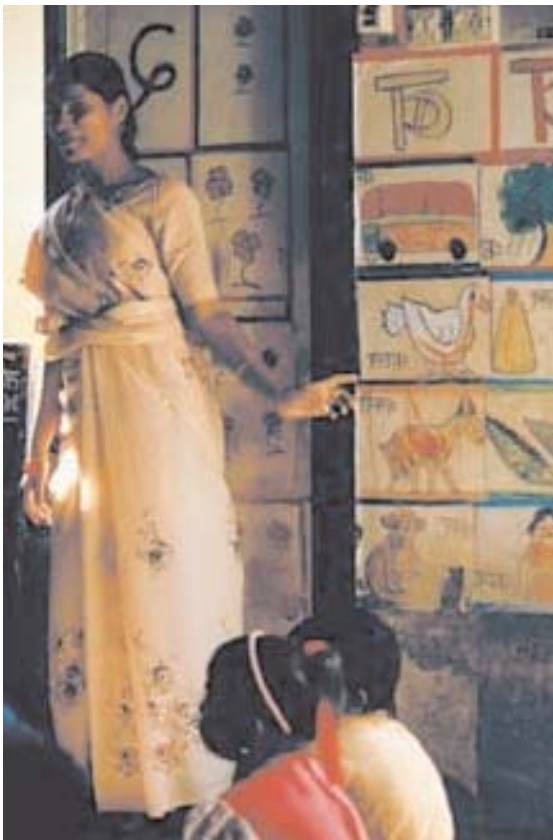
The MDGs provide a framework for the entire UN system to work coherently together toward a common end. Partnered with the rest of the UN Development Group (UNDG)—including the United Nations Children’s Fund, the United Nations Population Fund, and the World Food Programme—

**The MDGs provide a framework for the entire UN system to work coherently together toward a common end.**

UNDP’s global development network is at the centre of those efforts. On the ground in virtually every developing country, UNDP is uniquely positioned to advocate for change, connect countries to knowledge and resources, and help coordinate broader UN efforts at the country level.

The world is making progress toward the MDGs—but it is uneven and too slow. A large majority of nations will reach the MDGs only if they get substantial support—advocacy, expertise and resources—from outside. The challenges for the global community, in both the North and South, are to mobilize financial support and political will, re-engage governments, re-orient development priorities, and reach out to partners in civil society and the private sector.

UN Secretary-General Kofi Annan asked Mark Malloch Brown, as Chair of the UNDG, to coordinate global and national campaigns for helping marshal research, advocacy and organizational efforts to meet these challenges. For UNDP, this initiative has four key dimensions:



**UNDP, working with partners, advocates with governments to increase girls’ enrolment in schools to give them equal opportunities in education.**



Men and women work alongside each other in Ecuador to reduce poverty.



### KEY IMPLEMENTER

Working through the UNDG, UNDP is helping lead the effort to integrate the MDGs into all aspects of the UN system's work at the country level. UNDP is focusing its own staff and circle of partners to support developing nations as they map out the policies and assemble the alliances needed to reach the goals.

### SCOREKEEPER

UNDP is working with the whole UN system, and in many cases the World Bank and the International Monetary Fund, to support MDG Reports for every developing country. They will highlight where countries are on track to meet the Goals, and where urgent efforts are needed. Nine MDG Reports have been completed, 40 more are under way, and nearly every developing country should produce its first by the end of 2004.

### RESEARCH LEADER

UNDP is generating new research in partnership with the Millennium Project, which is recruiting scholars from developing and developed countries to work with experts within the UN system. Headed by Professor Jeffrey Sachs, the Special Adviser to the Secretary-General on the MDGs, this global network will help identify what is needed—and what it will cost—for countries to meet all the goals.

### ADVOCATE

Through Millennium Campaigns, UNDP is working with the rest of the UN system and with international and civil society partners, to drive a series of advocacy and awareness-raising campaigns within countries, based on national strategies and national needs. In the North, these campaigns will focus on getting trade, aid, technology and other support needed to reach the MDGs. In the South, the aim is to build coalitions for action and help governments set priorities and use resources more effectively.

# UNDP Reform

Three years ago, UNDP set out to build a global development network for a new millennium—and reform itself in the process. In 2002, the first results came in. UNDP staff say they are more motivated while partner and donor countries say we are faster, more flexible, more responsive and, above all, more effective in our day-to-day work. With a clearer focus, organization-wide accountability, and new results-oriented reporting in place, the UNDP vision is becoming reality on the ground.

## Effective country offices

During 2001, UNDP overhauled 116 of its country offices to make sure our staff and services were in line with country needs. The rest of our network will follow by mid-2002. This unprecedented reform, driven quickly by a small in-house consulting team, has served to better align human and financial resources with developing countries' needs. UNDP country offices are more cost-effective, more responsive, more sharply focused on performance—and committed to continuous improvement.

## Strengthened staffing

UNDP met the 25 percent target for headquarters staff cuts last year, and took a tough 24 percent reduction in core country office staff. This allowed UNDP to bring on new policy specialists and national staff; launch a hiring programme for top young managers; start to devote more staff time to learning and skill development; and put in place a new set of management standards.

## Stronger global network

Staffing reforms and re-directed resources enabled UNDP to unify its policy, advocacy and resource work around six thematic practice areas. It established nine subregional facilities (SURFs) in key regional centres—Addis Ababa, Bangkok, Beirut, Bratislava, Dakar, Harare, Kathmandu, Panama City and Port-of-Spain. These SURFs provide timely, high quality support to UNDP country offices and serve as hubs for our new knowledge networks—bringing in new partners, promoting regional and global best practices and expanding expertise on subjects from micro-finance to local governance. Supported by a \$1.3 million investment in global Internet and e-mail connectivity, country offices are seeking out and sharing knowledge and experience about what works and what doesn't as never before—and UNDP programmes are benefiting.



UNDP promotes best practices through knowledge networking. At the first-ever meeting of Deputy Resident Representatives in Bangkok, middle-level managers focused on building expertise and streamlining processes to strengthen development programmes.

...the UNDP vision is becoming reality on the ground.

# Growing a Global Development Network

UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw not just on the people of UNDP but also on our wide range of partners.

In an era of globalization and specialization, no one agency or programme has all the answers. And in an age when movements of people, capital and ideas are breaking down borders, development challenges are not just local, but global. So UNDP's network operates worldwide to connect donor and developing countries, private and public sectors, policy advice and programme resources—helping nations build their own development skills and other organizations better deploy their own unique skills and resources.

In 2001, UNDP set out to strengthen and extend our global network by building stronger connections to:



2002

## FOUNDATIONS

UNDP has built a pathbreaking array of partnerships with more than 30 foundations on every continent. Among them in 2001-2002:

- African Capacity Building Foundation
- Arab Fund for Social and Economic Development
- Heinrich Boell Foundation
- Coca Cola Foundation
- Ford Foundation
- Fondation Internationale Carrefour
- John D. and Catherine T. MacArthur Foundation
- Markle Foundation
- Open Society Institute
- Rockefeller Brothers Fund
- Rockefeller Foundation
- Shell Foundation
- Soros Foundation
- UN Foundation
- World Space

## SOUTH-SOUTH EXCHANGES

Last year, UNDP brokered a programme in which teachers from Botswana share with their counterparts in Brazil strategies for HIV/AIDS education, behaviour change, and dealing with culturally-sensitive issues. The programme initially covers 100 schools and colleges but will eventually reach every teacher in Botswana.

**Civil society organizations**, which play key roles in designing, funding, implementing and monitoring development assistance. They are bringing valuable expertise to the global development network—and making people-to-people ties that strengthen development at the grassroots.

**Foundations**, which bring to the table their own diverse experience in areas including governance and institution-building, environment, microfinance and HIV/AIDS prevention. Our network increasingly draws on their expert advice and joins them in advocacy; and they are deploying resources that act as a multiplier for our own assistance to developing countries.

**The private sector**, which can play a very important role in development. Private-sector ties are a fast-growing part of UNDP's development network, as we connect business expertise and resources to development partners around the globe.

**International organizations:** Successful development in any country requires complex sets of interventions by multiple actors. International organizations, including the entire UN system, must work together—and UNDP, with its near-universal presence and convening role, is ideally suited to reach out and lay the groundwork for a new level of partnership.



UN Volunteers are working with UN agencies and civil society organizations on UNDP's Village and Rehabilitation Programme in Mitrovica, Kosovo to re-establish basic social services.

The UNDP network is also increasingly focused on **South-South cooperation**, enabling developing countries to partner with each other. Through dialogues, exchanges, and on-line networks, we help governments share expertise, build ties, and create opportunity.

Last year, UNDP successfully launched a **Partnership Facility**, offering UNDP country offices seed funds to catalyze new alliances among UN agencies, business, civil society, and others. Twenty-two UNDP offices received funds in the programme's first year, building new partnerships from the Philippines to Poland and making available new experience and resources on issues from drug abuse and HIV/AIDS to environmental conservation and energy policy.

**UNDP connects developing countries not just to ideas and resources, but also to hard information and analysis.**

#### FINANCIAL INSTITUTIONS

UNDP now helps developing countries chart and express real choices, alternatives and priorities within strategies supported by the World Bank and the International Monetary Fund. UNDP provides technical expertise and advocacy to help see that poverty reduction is a key priority within those strategies, and to assist countries in developing a real sense of ownership of, and responsibility for, the plans. And the UNDP network will be there to advise and assist developing countries in effectively implementing them.

As part of a 2001 initiative to expand cooperation with the regional development banks, UNDP mapped out partnerships with the African Development Bank and Asian Development Bank, and began negotiations on an agreement with the Inter-American Development Bank.

UNDP and the European Commission are bringing their complimentary strengths together to establish joint projects particularly on governance and the environment.

## PROVIDING ACCESS TO A WORLD OF KNOWLEDGE

UNDP connects developing countries not just to ideas and resources, but also to hard information and analysis that can inform debate and catalyze policy-making. UNDP's annual Human Development Report sets the terms of the development debate and provides the roadmap for forward movement. Developing countries and their international partners alike use the report to gauge results and set new goals.

Last year's report, *Making New Technologies Work for Human Development*, was launched with President Vicente Fox of Mexico and has played a major role in changing the terms of the often-contentious debate over technology's role and potential in the developing world. It brings facts and sober arguments to controversial topics—from the promise of information and communications technology, to the challenge of making intellectual property rights fair for developing countries, to the risks and opportunities of genetically modified foods. The 2002 report is titled *Deepening Democracy in a Fragmented World*.

UNDP also supports regional, national and local human development reports that help governments generate and share quality analysis on key issues. More than 400 National Human Development Reports (NHDRs) have been published in 135 countries. Their success—from Benin to Bolivia—shows how quality research and advocacy can generate significant policy debates within developing countries, helping them build their own development solutions.

Botswana, for example, published a NHDR focused on how HIV/AIDS hinders growth and increases poverty. The report provided tools and information for a national discussion on the accessibility of AIDS treatment. The report itself is being used as a tool for teaching about HIV/AIDS in Botswana's schools; the debate it sparked eventually spurred Botswana's President Festus C. Mogae, with support from UNDP and others, to provide AIDS drug therapies to all citizens who need them.



National Human Development Reports spur policy debate in developing countries. To date, more than 400 NHDRs have been published in 135 countries.

# Global Solutions to Global Problems

UNDP's global network is now organized around six thematic practices, so that we can focus on the priorities of developing countries:

**Democratic Governance:** improving the choices available to the citizens of developing countries, through greater government accountability and more effective institutions.

**Poverty Reduction:** breaking the cycle of deprivation and hopelessness that is the first obstacle to every kind of development.

**Crisis Prevention and Recovery:** helping the nearly one-quarter of the world's population living in crisis or post-crisis regions to make the transition from humanitarian dependence back to community-driven development.

**Energy and Environment:** building developing-country capacity to protect natural resources wisely, acquire them affordably, and use them sustainably.

**Information and Communications Technology:** helping developing nations to bridge the digital divide and use ICT to bolster other development initiatives.

**HIV/AIDS:** strengthening government responses to a disease that is stealing the future of a generation.

In each of these practices, our network brings staff from across UNDP together with technical experts and stakeholders from around the world to create virtual development communities and establish new dialogues and results-oriented partnerships. The goal is to develop well-branded service lines with a proven ability to build the capacities of developing countries in these six areas.

In each of the six, we are helping to develop the institutions, policy-making capacity, knowledge and human capital of countries through sustained programmes of technical assistance and support.

In each, UNDP deploys resources strategically to advocate important issues; implements innovative pilot projects using a full range of technologies that can rapidly be scaled up by others; provides advice to national and local governments; promotes women's rights and the role of women in development; and works with a wide range of partners from governments to business to civil society.

And in each, 2001 showed results that made a visible difference in the lives of the poor.

# Democratic Governance

More countries than ever before are working to build democratic governance. Their challenge is to develop institutions and processes that are more responsive to the needs of ordinary citizens, including the poor. UNDP brings people together within nations and around the world, building partnerships and sharing ways to promote participation, accountability and effectiveness at all levels. We help countries strengthen their electoral and legislative systems, improve access to justice and public administration, and develop a greater capacity to deliver basic services to those most in need.

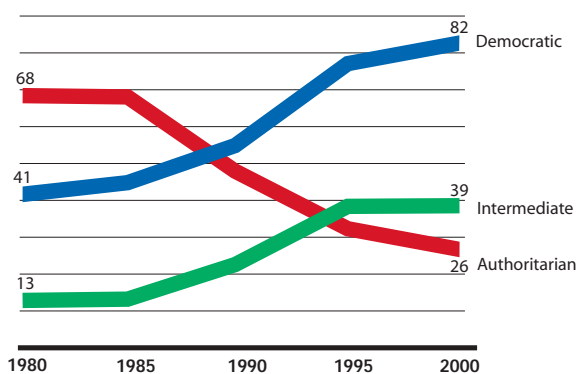
The bulk of UNDP's resources—and results—support democratic governance, with initiatives in 145 programme countries last year, including support for elections from East Timor to Sierra Leone. Thanks to our global network and broad circle of partners, no international organization has a wider reach as we seek out and advocate for innovative solutions.

## SHARING BEST PRACTICES

When a disputed election threatened to derail progress in Lesotho, a majority of the country's political parties turned to international donors seeking an alternative method of voter registration, possibly using new fingerprint technology. That technology seemed prohibitively expensive and the government was skeptical; but opposition parties insisted a revised method of voter registration was necessary to remove any possibility of fraud. UNDP's country staff turned to our global network for expertise—and found it in Jamaica, which has practical experience with fingerprint technology. UNDP brought Jamaica's Director of Elections to Lesotho and organized meetings with government, political parties and diplomats. Tensions decreased and all stakeholders found themselves engaged in the process. A compromise was reached, voter registration began in August 2001, and elections were held successfully in May 2002. As a result, a culture of national dialogue and negotiation has been strengthened; Lesotho's democratic tradition is stronger; and a new bond of South-South partnership has been forged.



Democratic governments are increasing worldwide.



Source: Polity IV 2002

**No international organization has a wider reach as we seek out and advocate for innovative solutions.**



UNDP facilitated the transfer of voting technology from Jamaica for the conduct of free and fair elections in Lesotho.

### EMPOWERING CITIZENS

In partnership with the Government of Sweden, UNDP is providing advice and support to a plan by the Government of Honduras for decentralization and the strengthening of municipalities. The focus is on involving citizens in decision-making processes, especially to set local development priorities. In Santa Rosa de Copán, one of five pilot cities, private citizens set up 12 committees, representing nearly 150 social organizations, to work closely with the mayor on everything from promoting tourism to citizen security to transparency in the use of public funds. Now UNDP is helping to feed the experience from these five pilots back into national planning—and out to others in Latin America and beyond looking for models of decentralization and successful community development.

### UNCDF Local Investments for Global Results

The UN Capital Development Fund (UNCDF) works to help reduce poverty by piloting small-scale investments in local governance and microfinance. While the UNCDF investment portfolio is concentrated on a selected number of least developed countries, its technical advisory services are available for all countries to use—and with a new agreement between UNDP and UNCDF, those services flow to a broad range of programmes worldwide. Currently, UNCDF is working to increase its funding and resource base in order to respond to all the requests it receives.

UNCDF local development programmes promote a decentralized, participatory approach to the provision of basic infrastructure (health, education, transportation, markets, water systems) and the management of natural resources. The development of partnerships with programme country governments, local authorities and communities is emphasized to ensure that local investments match local needs, are managed efficiently, and are sustainable. The Fund uses seed capital to develop local institutional capacities in planning and financial management by coupling real resource management responsibilities with capacity-building support services.

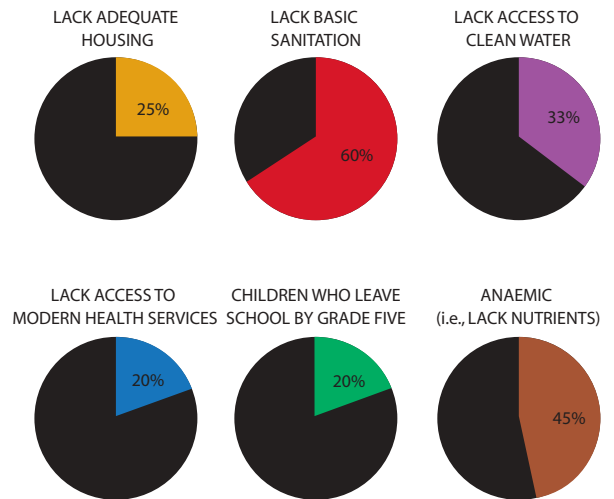
UNCDF microfinance operations support the growth of microfinance institutions that have the transparent track records and solid institutional and financial performance needed to enable them to reach poor clients, particularly women, on a sustainable basis. The Fund also fosters understanding of microfinance best practices and helps programme countries, UNDP and other development partners to incorporate those elements into their programmes.

# Poverty Reduction

Through the MDGs, the world is addressing the many dimensions of human development, including the halving by 2015 of the proportion of people living in extreme poverty. Developing countries are working to create their own national poverty eradication strategies based on local needs and priorities. UNDP advocates for these nationally-owned solutions and helps ensure their effectiveness. We sponsor innovative pilot projects; connect countries to global best practices and resources; promote the role of women in development; and bring governments, civil society and outside funders together to coordinate their efforts.

UNDP is currently helping 85 developing countries prepare poverty eradication strategies, including 36 where we are working in partnership with the World Bank to support the development of Poverty Reduction Strategy Papers.

**With two-thirds of the population below poverty lines, people in developing countries lack access to the most basic human needs.**



Source: *State of the World Population 2007*, UNFPA

## LINKING ADVOCACY, POLICY AND PROJECT

In Brazil, UNDP is linking advocacy, policy and project in a powerful partnership with the government aimed at improving low school enrolment and performance among the country's poorest families. This issue had long been highlighted by UNDP through Brazil's NHDRs, which helped focus political attention on the problem and identify the municipalities most in need. The concepts in those Reports have now been turned into effective action, as Brazil tested pilot projects at the state level and then launched a national programme—*Bolsa Escola*—explicitly targeting districts with the lowest human development index.

The challenge was how to target small incentive payments at mothers as a reward for enrolling and keeping their children in school. Where many women lack bank accounts, technology provided a new solution: the stipends are paid directly to women through special Automated Teller Machines administered by a local financial institution that is a long-time UNDP partner. This initiative now brings nearly \$1 billion annually to five million of Brazil's poorest families, supporting nearly 10 million children in school (one-third of total enrolment). UNDP's global network provides the expertise to monitor and evaluate progress, helping ensure effectiveness and transparency. We are also working with Brazil to share this success elsewhere, starting in Mozambique.



## STATE-OF-THE-ART TECHNOLOGY— AND PARTNERSHIPS

UNDP provided financial and technical support to the West Africa Rice Development Association and its partners (including the Government of Japan, the Rockefeller Foundation and the United States Agency for International Development) to develop new rice varieties. Local farmers, many of them women, played a crucial role in testing and selecting the rice for its suitability in resource-poor conditions. The result was “NERICA,” a cross of African and Asian strains that can yield 50 percent larger crops without fertilizer. This protein-rich, weed-competitive, pest and disease resistant rice is now being planted in Benin, Côte d’Ivoire, Gambia, Guinea, Mali, Nigeria and Togo. In those seven countries alone, it is expected to help 1.7 million farmers and save \$88 million per year in rice imports by 2006. UNDP also expects to help the rest of Africa, as well as Asia and Latin America, to adopt these rice varieties.

**UNDP’s global network provides the expertise to monitor and evaluate progress.**



**Education is key to helping people lift themselves out of poverty. UNDP is partnering with the Government of Brazil to improve low school enrolment and performance among the country’s poorest families.**

# Crisis Prevention and Recovery

Many countries are increasingly vulnerable to violent conflicts or natural disasters that can erase decades of development and further entrench poverty and inequality. Through its global network, UNDP seeks out and shares innovative approaches to crisis prevention, early warning and conflict resolution. And UNDP is on the ground in almost every developing country—so wherever the next crisis occurs, we will be there to help bridge the gap between emergency relief and long-term development.

In 2001, UNDP made far-reaching changes to ensure that its network of resources, experience and expertise serves efforts for peace and disaster management. We upgraded the former Emergency Response Division to full Bureau status, created new policy and operations guidelines for crisis and post-conflict interventions, and used new knowledge networks to ensure UNDP expertise is available where needed.

## ORGANIZING A UN-WIDE RESPONSE

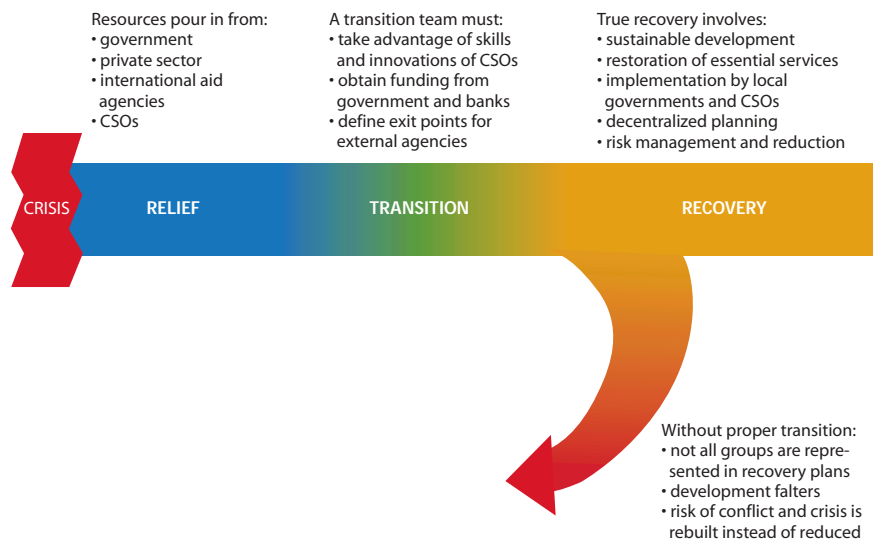
Even before they were fully in place, these new structures were put to the test by a devastating earthquake in Gujarat, India. The result was a key demonstration of new UNDP focus on bridging the gap between relief and reconstruction.

UNDP organized assistance from UN agencies, other donors, and civil society—as well as UNVs. For example, UNDP supported earthquake-resistant demonstration houses, built initially with civil society partners in 25 villages using local materials, labour and design. They are now being replicated in nearly 200 more villages, in turn influencing the design and implementation of projects by civil society groups, government agencies and the private sector.

UNDP also provided direct capacity building support to the state Government of Gujarat while helping coordinate the overall relief process through smart information management and processing. The real value proved to be not funds alone but also targeted, well applied expertise: identifying and implementing key demonstration projects with real multiplier effects while providing substantive support to local and state government.



After a crisis, in the period when relief is ending but recovery is yet to begin, important foundations need to be laid to prevent a slide back into crisis and to support people in rebuilding their lives.



Source: *From Relief to Recovery, The Gujarat Experience*, UNDP 2001

## The real value proved to be not funds alone but targeted, well-applied expertise.

### MEETING THE TEST OF FAST ACTION

As 2001 drew to a close, UNDP took on a major challenge in post-conflict reconstruction: supporting the fragile peace in Afghanistan. UNDP, with its partners in UNDG, faced three key challenges: mobilizing funds for Afghanistan quickly and effectively; leading the first steps toward recovery on the ground; and developing the capacity of Afghan authorities to meet their people's needs.

As the Afghan Interim Authority took office on 22 December 2001, UNDP, with the World Bank, Asian Development Bank and Islamic Development Bank, was charged with preparing a detailed needs assessment for the January 2002 donor conference. UNDP and the UNDG coordinated the drafting of the UN-wide Immediate and Transitional Assistance Programme—setting the UN's assistance priorities for 2002.

At the same time, UNDP was the key UN organization on the ground responsible for meeting the Interim Authority's most immediate needs—not least, paying the salaries of civil servants. UNDP took full advantage of its reformed structures and new flexibility to establish a trust fund and seek contributions—which arrived just in time to cover post-Taliban Afghanistan's first \$10 million payroll in late December. UNDP led efforts to integrate women's perspectives and concerns, and involve women themselves, in the crafting of aid programmes.

Now, as UN leadership in Afghanistan switches to the Special Representative of the Secretary General, UNDP is taking an active role in strengthening Afghanistan's emergent government—supporting the work of the *Loya Jirga*, police, civil service and judicial commissions—and helping the country's people begin to reap the rewards of peace.



**A UNDP-led initiative is providing temporary jobs on public works projects to nearly 28,000 Afghans as the country moves towards peace, stability and development.**

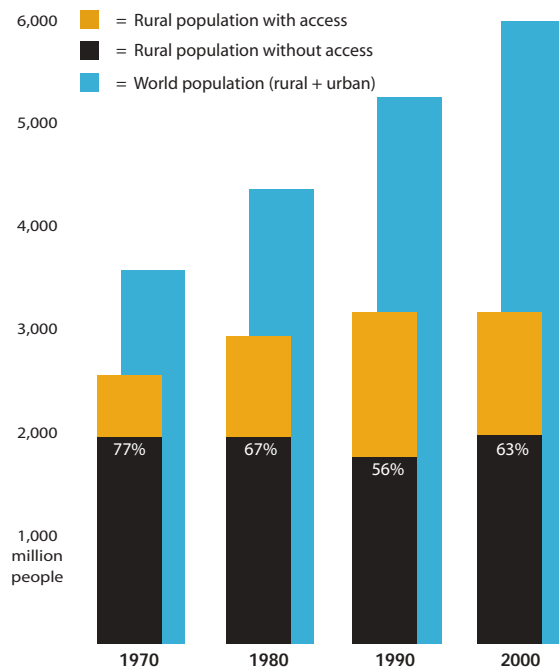
Energy and environment are essential for sustainable development. The poor are disproportionately affected by environmental degradation and lack of access to clean affordable energy services. These issues are also global as climate change, loss of biodiversity and ozone layer depletion cannot be addressed by countries acting alone. UNDP helps countries strengthen their capacity to address these challenges at global, national and community levels, seeking out and sharing best practices, providing innovative policy advice and linking partners through pilot projects that help poor people build sustainable livelihoods.

UNDP has collaborated with the UN Department of Economic and Social Affairs, the World Energy Council, and more than 100 scientists and development experts to produce a World Energy Assessment and a new blueprint for action, Energy Policy for Sustainable Development. These reports, and the many scientists involved in writing them, offer a valuable resource of ideas, information and partnerships for progress on energy sustainability—everywhere UNDP works, and everywhere energy policy is of concern.



**In spite of significant increases in electrification of developing countries, over 50 percent of the world rural population still do not have access to electricity.**

NUMBER OF PEOPLE IN RURAL AREAS WHO LACK ACCESS TO ELECTRICITY



Source: World Energy Assessment; 2000 figures derived from World Urbanization Prospects, The 2001 Revision

## UN VOLUNTEERS: Expanding the Reservoir of Energy and Ideas

Administered by UNDP, the United Nations Volunteers (UNV) programme promotes volunteer action around the world, demonstrating the role volunteerism can play in development. 2001 was UNV's 30th anniversary—and its fifth straight year of growth. More than 5,000 UN Volunteers representing 160 nationalities carried out 5,400 assignments in 140 countries. Over the years, 30,000 people have volunteered through UNV—themselves forming a global reservoir of experience, ideas and support for development. More than ever UNV is a strategic resource—and a valuable part of the UNDP network:

HIV-infected UN Volunteers in Africa and the Caribbean fight the spread of AIDS, with initiatives that range from building government capacity to counseling sex workers.

UNVs encourage local communities, particularly women's groups, to take the lead in mapping out their own development plans—and support progress toward the MDGs.

UNVs help bridge the digital divide by helping information-poor communities build capacity to benefit from ICT.

UNVs are increasingly involved in humanitarian and emergency relief, peace-building and election support, most notably in the Democratic Republic of Congo, East Timor, Kosovo and Sierra Leone.

2001 was the International Year of Volunteers. As focal point, UNV continued to actively support initiatives to recognize and support volunteers all over the world—even as it expanded its own activities to nurture a culture of volunteerism and promote volunteerism for development throughout the North and South.

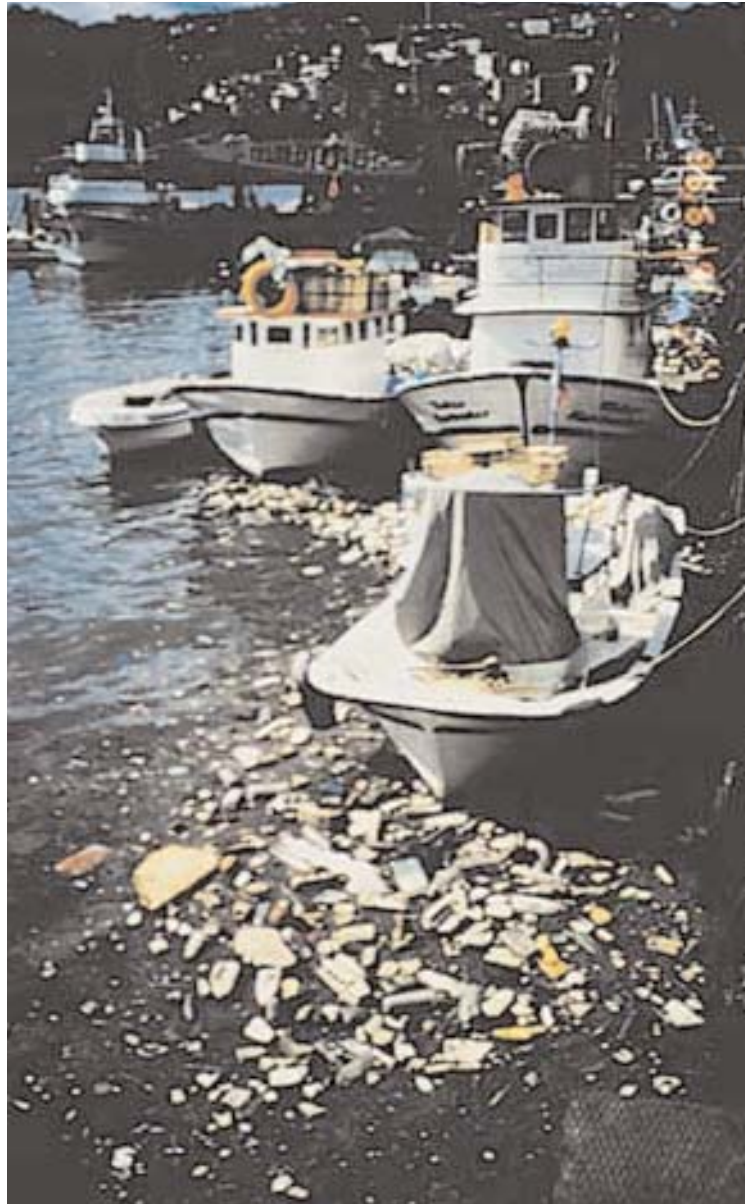
## UNDP helps countries strengthen their capacity to address these challenges at global, national and community levels.

### A UNIQUE PUBLIC-PRIVATE PARTNERSHIP FOR A UNIQUE NATURAL RESOURCE

UNDP supports an innovative public-private partnership to restore the degraded Black Sea ecosystem on which so much economic activity and human health depends. The Strategic Partnership brings together UNDP, 15 countries in the Danube River Basin, two regional commissions, other UN organizations, the World Bank, and non-governmental organizations (NGOs). UNDP is supporting legal, policy and institutional reforms to reduce dumping in the Basin as well as UN Industrial Development Organization programmes to help build cleaner factories and sustainable industries in the region. NGOs such as the Regional Environment Centre in Hungary are strengthening public involvement in environment-related decision-making and raising awareness in local communities. Every member of the strategic partnership has comparative advantages and a role to play; through UNDP leadership, each can learn from the other, and all are more effective.

### SUPPORTING PRIVATE SECTOR ENVIRONMENTAL PROTECTION

UNDP helps developing countries implement the Montreal Protocol by providing technology, technical assistance and training to replace ozone depleting substances with ozone-friendly practices in industry and agriculture. UNDP is assisting more than 3,000 small- and medium-sized businesses with grants that improve energy efficiency, create new jobs, and sometimes even create new technology—remarkable support for private sector innovation in development. UNDP's Montreal Protocol programmes also reach out to governments, communities, and citizens. In Malawi alone, the elimination of the soil fumigant methyl bromide will improve the environmental and occupational health of more than 300,000 farmers and their families.



UNDP is supporting legal, policy and institutional reforms to reduce dumping in the Danube River Basin and help restore the fragile ecosystem.

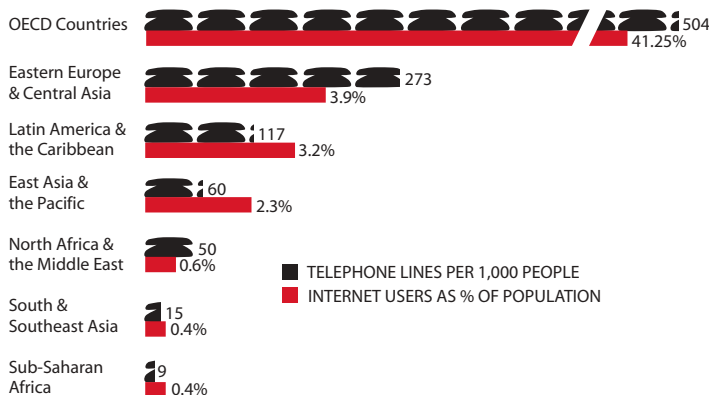
# Information and Communications Technology

Information and communications technology (ICT) is an increasingly powerful tool for participating in global markets; promoting political accountability; improving the delivery of basic services; and enhancing local development opportunities. But without innovative ICT policies, many people in developing countries—especially the poor—will be left behind. UNDP helps countries draw on expertise and best practices from around the world to develop strategies that expand access to ICT and harness it for development. Working in 166 countries, UNDP also relies on ICT solutions to make the most effective use of its own global network.

By bringing public and private sectors together in innovative alliances, UNDP put in place the first Internet nodes in 24 countries and has helped train more than 25,000 organizations and institutions—and millions of men and women—in basic computer skills. In 2001, UNDP shifted its focus from these first stages of technology development to helping countries use the Internet to improve government performance and expand public access to information. UNDP hosted the Digital Opportunity Task Force, or *DOT Force*, a public-private partnership of developed and developing nations established to create and deploy strategies for harnessing the power of ICT for development. Now UNDP and the Markle Foundation are rolling out pilot projects in a dozen countries, including South Africa and Tanzania, that use ICT to support progress toward the MDGs.



## Many poor and developing countries do not have enough telephone lines to allow easy or affordable Internet access.



Source: Human Development Report 1999, 2001; 2000 A Better World For All, OECD

**UNDP relies on ICT solutions to make the most effective use of its own global network.**



UNDP helps coordinate Jordan's plan to build 100 more computer centres over the next two years.

### **CORPORATE PARTNERSHIPS FOR COUNTRY-WIDE CHANGE**

In Malaysia, UNDP is working with a leading multinational company and the Ministry of Education to use ICT as an enabler for learning. The first phase of this initiative will put state-of-the-art Internet 'hubs' in selected schools and train teachers and students. Later, a core group of these students and teachers will work as peer trainers to transfer their computer skills and knowledge to others. UNDP and its corporate partner are repeating the project in Bolivia; ultimately, it will serve as a pilot for programmes across Africa and South Asia, broadening access to knowledge and education and offering new opportunities to participate in the global economy.

### **COMPUTER LITERACY FROM GOVERNMENT TO THE GRASSROOTS**

In Jordan, UNDP supports the Royal Commission for Information Technology Community Centres, a partnership with the government, the United Nations Educational, Scientific and Cultural Organization and a local civil society organization. The government's commitment to computer literacy is leveraged by UNDP coordination and funding, UNVs, and local grassroots organizations to offer thousands of Jordanian men and women computer access, training, and the opportunity to use ICT for livelihoods. Through 2001, the project had opened 20 computer centres across the country, with 100 planned for the next two years.

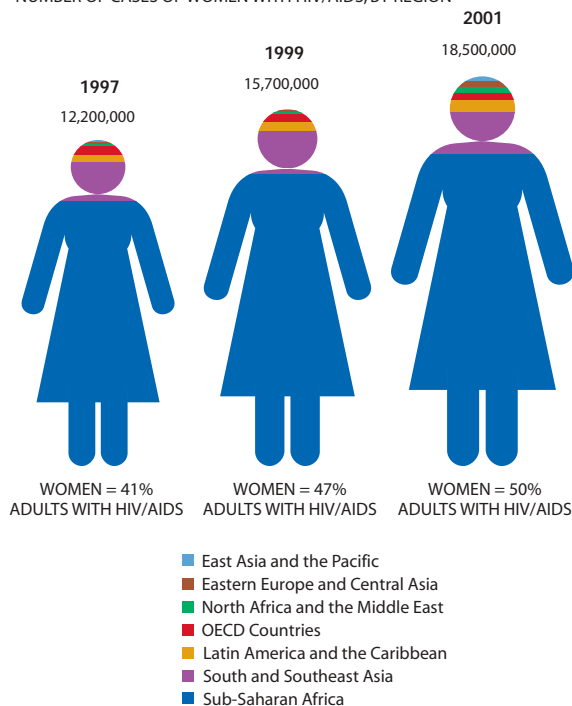
To prevent the spread of HIV/AIDS and reduce its impact, developing countries need to mobilize all levels of government and civil society. As a trusted development partner, UNDP advocates for placing HIV/AIDS at the centre of national planning and budgets; helps build national capacity to manage initiatives that include people and institutions not usually involved with public health; and promotes decentralized responses that support community-level action. Because HIV/AIDS is a worldwide problem, UNDP supports these national efforts by offering knowledge, resources and best practices from around the world.

In 2001, UNDP played a central role in building coalitions to respond to HIV/AIDS not just as a health issue but also as a major challenge to development—connecting support for prevention, education and treatment to broader development planning and responses to the epidemic. Since women tend to be more vulnerable to HIV infection, UNDP is also focusing on how promoting women's rights and the role of women in development can enhance these responses.



**Today, women constitute 50 percent of the global HIV/AIDS population, with devastating effect on families, children and local economies.**

NUMBER OF CASES OF WOMEN WITH HIV/AIDS, BY REGION



Source: UNAIDS Report on the Global HIV/AIDS Epidemic, 1998, 2000, 2002

## UNIFEM: Women Networking for Change

UNDP administers the United Nations Development Fund for Women (UNIFEM) which seeks out, supports and advocates for innovative programmes around the world that promote women's political participation, economic security and human rights. For over 25 years, UNIFEM has worked to build strong women's organizations and networks so that women themselves can negotiate new and better policies with their governments and with international agencies. UNDP and UNIFEM scaled up their partnership dramatically in the past year—some 57 percent of UNDP country offices now report joint undertakings with UNIFEM. UNIFEM's three main priority areas are:

**Strengthening women's economic rights** and empowering women as entrepreneurs, producers and home-based workers; UNIFEM supported the creation of a Network of African Women

Economists to bring women's perspectives to economic policy-making.

**Increasing women's participation** in governance and peace-building—and in decision-making processes that shape their lives; To enable Afghan women to participate fully in the reconstruction of their country, UNIFEM sponsored two historic consultations in Brussels and Kabul. The agenda that emerged from these meetings called for 25 percent female representation in the *Loya Jirga*, women's participation in the drafting of the new constitution and women's access to healthcare and education.

**Promoting women's human rights** to eliminate all forms of violence against women and address HIV and AIDS. UNIFEM's Trust Fund in Support of Actions to Eliminate Violence Against Women has awarded \$5.3 million in grants to 127 initiatives in more than 70 countries.



In Thailand, the community is involved in HIV/AIDS prevention campaigns, including creating herb capsules for those who are sick.

### TRANSFORMING A NATION'S RESPONSE

In Burkina Faso, UNDP has helped transform the national response to HIV/AIDS by strengthening government capacity, coordination and resource mobilization. Working with UN country team partners, UNDP supported the creation of the new National HIV/AIDS Council attached to the Office of the President and a powerful, multisectoral, community-based strategic plan to arrest the spread of the epidemic. UNDP then supported a Roundtable meeting that secured \$94 million from donors—enough to implement the plan fully. Burkina Faso is now one of eight African countries to have integrated HIV/AIDS into its World Bank-supported Poverty Reduction Strategy, and one of three countries that have taken a formal decision to allocate funds from its Highly Indebted Poor Countries debt reduction initiative to fight HIV/AIDS. UNDP also helped launch Burkina Faso's NHDR on HIV/AIDS, which has involved the country's people in planning and implementing a truly national and participative response. Now UNDP is helping spread best practices from Burkina Faso to other countries in Africa and elsewhere.

### BUILDING ON BEST PRACTICES

Thailand's success in mobilizing nationally to slow the spread of HIV/AIDS through a massive education campaign is well-known. From the beginning, UNDP supported the government's campaign against HIV/AIDS. Now, UNDP is helping share best practices and replicate the Thai success in other regions at high risk. UNDP's Southeast Asia HIV and Development Project brings national and local governments, community organizations and the private sector together to share information, strengthen countries' capacity to respond, and promote public awareness.

For example, one rural community, Mae Chan, had the fastest-growing rate of infection in Thailand before the campaign began. With UNDP and other external support, the community banded together—monks, health workers, men and women, youths—to fight HIV/AIDS, improve HIV education, and care for the sick. Now, in other countries such as Cambodia, UNDP promotes the "Mae Chan model"—how local communities can use outside resources and expertise to defeat HIV/AIDS while reaping other benefits as well.

# Resources

UNDP resources reached their highest levels ever in 2001—a total of \$2.58 billion. For the first time, funds from all sources grew, with a significant increase in other (“non-core”) resource contributions to UNDP. For 2001, provisional data show that donor co-financing to UNDP amounted to some \$672 million, bringing donor resources (contributions to regular “core” resources and donor co-financing) to over \$1.3 billion; virtually all Organization for Economic Cooperation and Development/Development Assistance Committee (OECD/DAC) donors are now active in co-financing UNDP programmes.

## INCOME RECEIVED IN 2001\*\*

Ranked by top 26 contributors to core resources

Donors	Net core resources	Co-financing*
	millions of US dollars	
Japan	96.00	44.37
United States	79.24	22.71
Norway	68.82	29.52
Netherlands	66.28	52.55
Sweden	53.08	34.20
United Kingdom	52.91	34.08
Denmark	49.29	5.53
Switzerland	29.21	9.42
Canada	26.94	11.45
Belgium	22.26	2.51
Germany	21.53	1.67
Italy	15.58	34.57
France	14.20	1.39
Finland	11.20	6.68
Spain	9.78	5.00
Ireland	5.66	1.96
India	4.41	—
Australia	3.63	7.43
China	3.00	19.31
Austria	2.83	2.13
New Zealand	2.62	1.38
Saudi Arabia	2.00	6.21
Republic of Korea	1.98	0.97
Portugal	1.60	0.20
Cuba	1.35	0.06
Kuwait	1.09	1.74

Notes: (a) Contributions for Belgium and Spain include amounts from previous year. (b) In addition to its core contributions, the European Commission is a major source of non-core funding for UNDP.

\* Includes cost-sharing and trust funds.

Increasingly, UNDP’s partnership with programme countries includes cost-sharing—governments channelling support for their own development programmes through UNDP. In 2001, cost-sharing funds amounted to just over \$1.1 billion—in Brazil, for example, making up approximately 90 percent of funding for UNDP programmes. This “Latin American model” of co-financing is now beginning to be applied in other countries, and will form an important part of UNDP’s financial future.

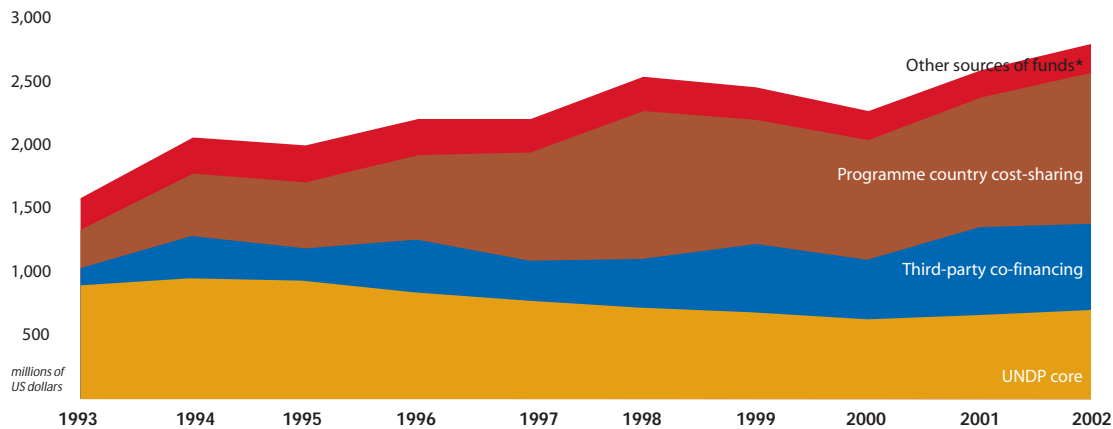
UNDP’s broad network outside government also made a growing contribution, as funding from non-traditional sources, including the business sector, foundations and NGOs grew to \$29 million in 2001. To attract funds from public and private sources not readily available for country-level funding, in 2001 UNDP established thematic trust funds for its priority thematic areas: Democratic Governance; Poverty Reduction; Crisis Prevention and Recovery; Energy and Environment; Information and Communications Technology and HIV/AIDS. These funds are designed to mobilize additional funding for programme country needs, particularly those of the least developed countries; and to channel funds into a consistent set of development interventions across countries and regions. All these resources outside UNDP’s core funding are making a tremendous difference in extending UNDP’s impact and fostering relationships with other development leaders such as the European Commission, regional development banks, the World Bank and the private sector. However, since such resources are earmarked to specific themes and activities and tend to be geographically concentrated, they are not interchangeable with the essential bedrock of UNDP activities—core funding.

UNDP depends upon an adequate level of core resources—resources that are non-earmarked to any programmes or projects, and that come predominantly from OECD/DAC donor countries. Core resources are the means by which UNDP preserves the essential multilateral nature of its work, and are at the heart of the country-specific, country-owned programmes of UNDP. In 2001 UNDP core resources increased—for the first time in eight years—to \$652 million, recognizing the unique role that UNDP can play, and reflecting the fact that our reform efforts are reaping significant dividends in political support. While very encouraging, the growth trend is still fragile. Rebuilding a critical mass of core resources is essential to maximize the unique impact that UNDP can make. It remains a top priority.



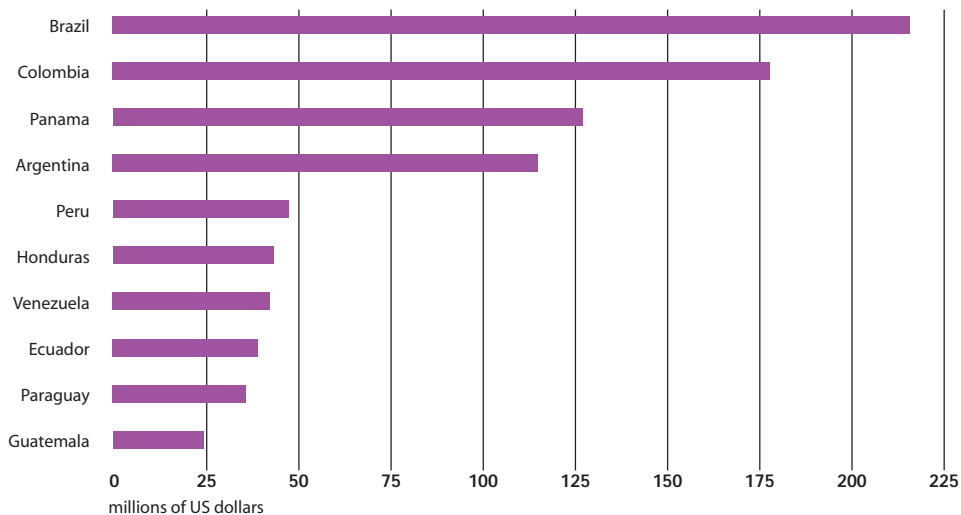
2002

## Actual and Projected Resources, 1993–2002

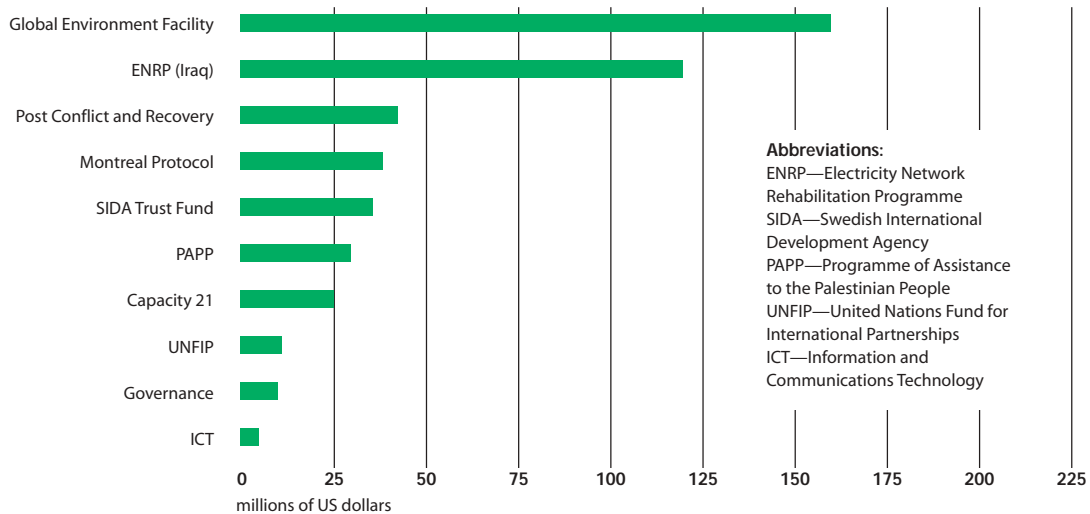


\* Includes income from administered funds, extrabudgetary, miscellaneous and management service agreements.

## Top 10 programme country cost-sharing contributions, 2001\*\*



## Top 10 trust funds, 2001: income\*\*



**Abbreviations:**  
 ENRP—Electricity Network Rehabilitation Programme  
 SIDA—Swedish International Development Agency  
 PAPP—Programme of Assistance to the Palestinian People  
 UNFIP—United Nations Fund for International Partnerships  
 ICT—Information and Communications Technology

\*\* as of 21 June 2002

# Glossary

**BRSP**

Bureau for Resources and Strategic Partnerships

**CSO**

Civil society organization

**DOT Force**

Digital Opportunity Task Force

**HDR**

Human Development Report

**ICT**

Information and Communications Technology

**MDG**

Millennium Development Goal

**MDGR**

Millennium Development Goals Report

**NGO**

Non-governmental organization

**NHDRs**

National Human Development Reports

**OECD/DAC**

Organization for Economic Cooperation and Development/Development Assistance Committee

**SURF**

Sub-regional Resource Facility

**TTF**

Thematic Trust Fund

**UNAIDS**

Joint United Nations Programme on HIV/AIDS

**UNCDF**

United Nations Capital Development Fund

**UNDG**

United Nations Development Group

**UNDP**

United Nations Development Programme

**UNESCO**

United Nations Educational, Scientific and Cultural Organization

**UNFPA**

United Nations Population Fund

**UNIFEM**

United Nations Development Fund for Women

**UNV**

United Nations Volunteers

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