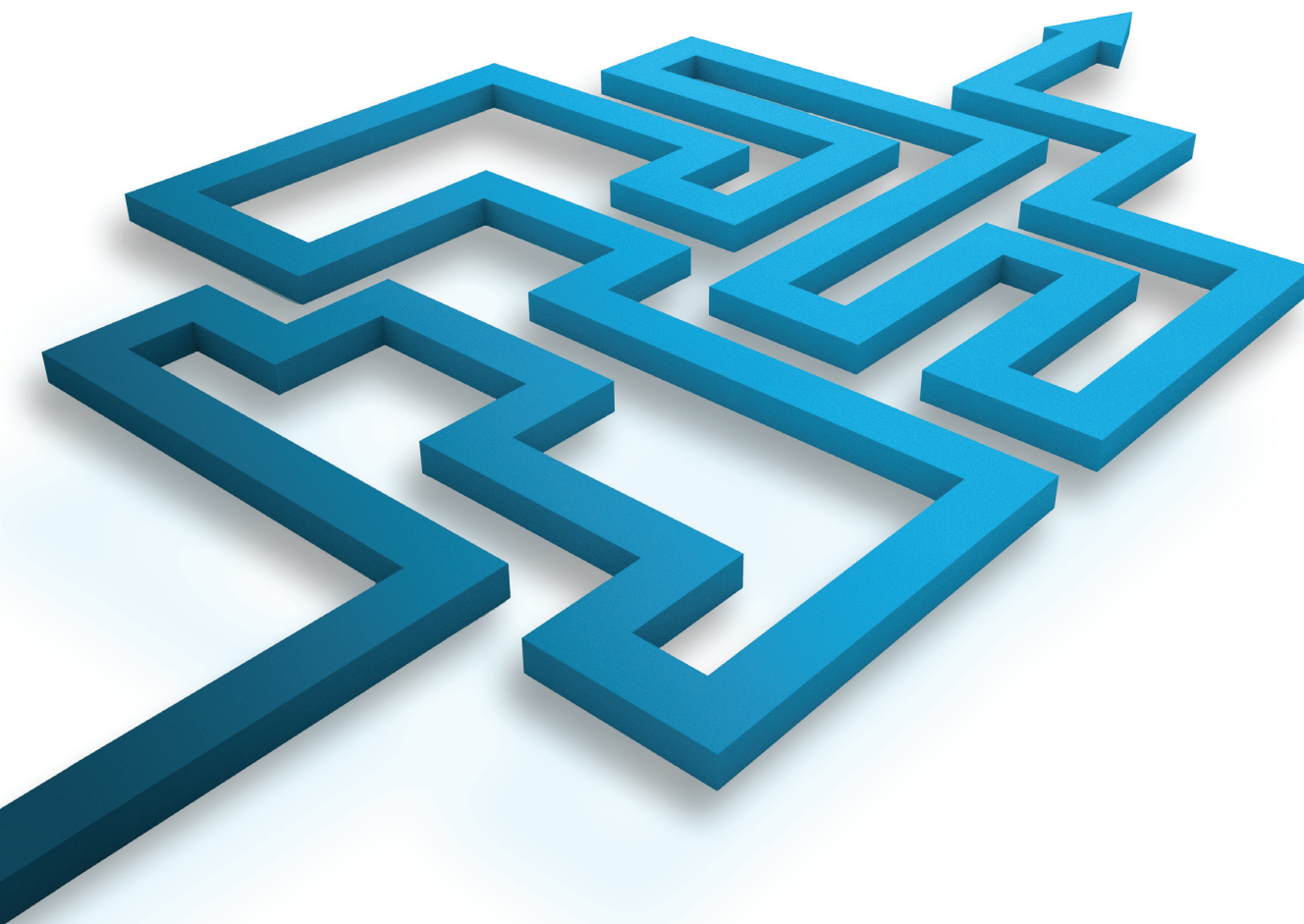




*Empowered lives.  
Resilient nations.*



# EVALUATION OF UNDP CONTRIBUTION TO POVERTY REDUCTION

# MULTIDIMENSIONAL

Evaluation Office

United Nations Development Programme





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January 2013

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As part of the quality assurance arrangements, the Evaluation Office invited leading experts to serve on an independent advisory panel for this evaluation. We are grateful to Saraswathi Menon and Julian May for their valuable time and contribution.

# FOREWORD

Poverty reduction is at the core of UNDP's work and together with achieving the MDGs has remained the top priority of UNDP in the 2000s. In this respect, UNDP plays an important role across all its focus areas, including in democratic governance, environment and energy for sustainable development, and crisis prevention and recovery.

The evaluation focuses on the results at the country level across all its focus areas since 2000. It therefore does not attempt to evaluate the extent to which UNDP is a global thought leader in poverty alleviation but rather focuses on the changes that UNDP has brought to people's lives on the ground. The evaluation largely builds upon the evidence from the body of existing evaluations and over 100 were examined covering as many countries. Five country studies supplemented and deepened this analysis.

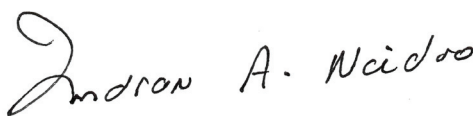
From among the findings, three main messages can be identified. First, the evaluation concluded that UNDP has been an effective partner in supporting the development of pro-poor policies, especially in terms of encouraging national discourse on multidimensional poverty and supporting the development of an enabling environment where national partners can develop such policies. This is clearly an area of strength and more recent initiatives such as the MDG Acceleration Framework are showing further promise in this respect.

Second, the evaluation concluded that in order to fulfil the corporate priority of poverty reduction, UNDP must ensure a consistent pro-poor bias in all its programmes. While it is important to continue support to the development of a pro-poor enabling environment across all its focus areas, to meet the MDGs, the poor need to benefit disproportionately from UNDP's interventions.

Third, the evidence points to the need for strengthening the process of learning about what is working, for whom and in what contexts. Effective learning should be the basis for scaling-up activities and ensuring that lessons from UNDP's interventions feed into policy adaptation. The process should therefore focus on helping national partners learn so that they can utilize this knowledge in the most effective manner.

It is important to note that this is one of two global evaluations being presented to the annual session of the Executive Board in 2013 and, for the first time, the management responses to the evaluations are being included in the evaluation reports themselves. I believe that this is an important step to improve transparency and to facilitate utilization of the report.

As UNDP prepares to develop a new Strategic Plan, it is evident that it is well positioned to be a lead international organization in the area of poverty reduction. This should be seen against the backdrop of high expectations, a complex development environment and conflicting priorities from multiple funding sources. To move towards an even more effective organization in this area, UNDP will require support from programme countries as well as additional resources and commitment from funders. I therefore hope this evaluation will be useful for UNDP management and members of the Executive Board in strengthening UNDP's role in this top priority.



Indran A. Naidoo  
Director, UNDP Evaluation Office

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# ACRONYMS AND ABBREVIATIONS

ADR	Assessment of Development Results
BCPR	Bureau for Crisis Prevention and Recovery
BDP	Bureau for Development Policy
CIDA	Canadian International Development Agency
DFID	UK Department for International Development
ECOSOC	Economic and Social Council
GEF	Global Environmental Facility
GSB	Growth of Sustainable Businesses
HDI	Human Development Index
HDR	Human Development Report
HPI	Human Poverty Index
ILO	International Labour Organization
JOBS	Job Opportunities through Business Support
KRDI	Kukes Regional Development Initiative
LDC	Least Developed Country
LIC	Low Income Country
MAF	MDG Acceleration Framework
MDG	Millennium Development Goal
MDGR	Millennium Development Goal Report
MIC	Middle Income Country
MPI	Multidimensional Poverty Index
MYFF	Multi-Year Funding Framework
NGO	Non-Governmental Organization
NHDR	National Human Development Report
PEI	Poverty-Environment Initiative
PPP	Purchasing Power Parity
PRSP	Poverty Reduction Strategy Paper
PSIA	Poverty and Social Impact Analysis

RSC	Regional Service Centre
SGP	Small Grants Programme
SIDA	Swedish International Development Cooperation Agency
SL	Service Line
UN	United Nations
UNCDF	United Nations Capital Development Fund
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNV	United Nations Volunteers
WSSD	World Summit on Social Development

# EXECUTIVE SUMMARY

## INTRODUCTION

Despite progress achieved since the Second World War, especially in parts of Asia, abject poverty remains widespread in many parts of the world. According to the World Bank \$1.25-a-day poverty line (2005 prices), there are still nearly 1.3 billion people living in poverty, although this represents a decline from over 1.9 billion in 1981. However, poverty is not simply a lack of adequate income: it is a multidimensional phenomenon that represents the deprivation of one's ability to live with freedom and dignity with the full potential to achieve one's valued goals in life. Although more difficult to measure, various indicators of multidimensional poverty (for example, the Multidimensional Human Poverty Index) suggest that much needs to be done.

Against this background, poverty reduction remains at the centre of United Nations work in development and is at the core of the UNDP mission and mandate. Between 2004 and 2011, UNDP spent more than \$8.5 billion on activities categorized as falling within the poverty cluster. This represents approximately 26 percent of total programme expenditures during this period. Given the multiplicity of channels through which poverty can be affected, the actual financial contribution towards reducing poverty made through the whole range of UNDP interventions, including interventions in the areas of governance, environment and crisis prevention and recovery, is considerably greater.

The central role of poverty reduction in UNDP work, combined with the significant resources spent on poverty reduction, is the main justification for undertaking this evaluation. The evaluation of the UNDP contribution to poverty reduction was first included in the Evaluation Office programme of work approved by the

Executive Board in June 2009. Drawing largely on existing evaluative evidence, the evaluation was conducted during late 2011 and early 2012 and will be submitted to the Executive Board in January 2013. The evaluation has two broad goals: first, to facilitate greater accountability of UNDP to the Executive Board and other stakeholders in UNDP work, and secondly, to learn lessons from experience that can be used to improve the UNDP performance in the future.

Specifically, the evaluation has four objectives: (a) to assess the role and contribution made by UNDP to poverty reduction according to clear evaluation criteria – effectiveness, efficiency and sustainability, supporting the goal of accountability; (b) to identify the factors that have affected the UNDP contribution, answering the question of why UNDP has performed in a certain way and under different circumstances, supporting the learning goal of the evaluation; (c) to reach strategic conclusions concerning the UNDP contribution to poverty reduction; and (d) to make actionable recommendations for improving the UNDP contribution to poverty reduction, especially for incorporation into the new UNDP Strategic Plan.

In determining the scope of the present evaluation, the Evaluation Office took into account the multidimensional concept of poverty used by UNDP and the nature of activities UNDP undertakes in order to promote the goal of poverty reduction. Although UNDP has global and regional interventions, the unit where real differences are made is generally at the country level. The evaluation therefore focused on what difference UNDP made to poverty reduction at this level but it goes beyond the UNDP country programme to examine all the ways in which UNDP has contributed to poverty reduction in a particular country, including its work, for example,

through its regional or global interventions. By focusing on the country level, the evaluation does not, however, capture the overall substantive leadership and contribution of UNDP in the area of poverty reduction.

The evaluation covers the period since 2000 and the scope included all UNDP interventions in a country, including both upstream and downstream activities. In particular, the evaluation was not confined to activities undertaken under the poverty cluster, and went beyond to embrace other clusters as well. This comprehensive approach was dictated by the recognition of two kinds of pluralities that are relevant in the context of poverty reduction. The first plurality refers to the multiplicity of channels through which interventions can affect poverty. Thus, interventions in the areas of governance, energy and environment, crisis prevention and recovery, and gender equality – which do not normally fall in the poverty cluster – can also have a profound impact on poverty.

The second plurality refers to the multidimensional nature of human poverty (as distinct from income poverty). While many of the activities undertaken by UNDP country offices under the poverty cluster directly address the income dimension of poverty, there are also other activities that have the potential to address non-income dimensions as well. Examples include downstream interventions in the areas of governance, gender, and HIV/AIDS and upstream activities involving policy advice, support to Millennium Development Goal (MDG)-based planning, support to the preparation of National Human Development Reports (NHDRs), and so on. Only a comprehensive approach to evaluation can capture the dual pluralities of multiple channels and multiple dimensions of poverty.

Focusing on actual results at the country level, the evaluation draws largely on the evidence from UNDP evaluations. This includes the country-level Assessments of Development Results (covering 67 country programmes) and broad thematic evaluations conducted by the independent Evaluation Office of UNDP. It

also includes some quality assured decentralized evaluations commissioned by programme units. It should be noted that, as a result of this approach, the evaluation may not capture all the recent initiatives aimed at poverty reduction undertaken by UNDP. In some cases, UNDP's ongoing efforts to address an issue identified by the evaluation will be noted, as it signifies the UNDP strategic intent, but will not be included in the evaluation findings if there is, as yet, no evidence of actual results. Moreover, the focus is also on systemic issues related to UNDP work in poverty reduction and not on whether UNDP performs better in one field of intervention rather than another.

## BACKGROUND

By the start of the 1990s, UNDP had changed from a vehicle for the transfer of grant technical assistance resources to programme countries through specialized United Nations agencies, to a programming organization with its own mandate and resources to directly engage with programme countries. The 1995 World Summit on Social Development was a watershed in putting poverty reduction back on the global development agenda and UNDP responded accordingly. By the mid-1990s, its focus was explicitly on poverty reduction as confirmed by the then UNDP Administrator who stated in 1995: "Let us make it clear that UNDP is the United Nations anti-poverty organization – a world partnership against poverty."

Once UNDP had defined poverty reduction as a goal, it also needed to identify the areas where it wanted to play a role. In the 1998 paper by the Administrator entitled 'Narrowing the Focus' (DP/1998/5), poverty reduction was listed as one of the five goals and components of its work in poverty eradication were set out. The first Multi-Year Funding Framework (MYFF) 2000-2003 identified the most popular areas of support, including those aimed at poverty reduction. At the same time, UNDP became the 'score-keeper' for the MDGs and to ensure their effective utilization in planning

at all levels. The second MYFF (2004–2007) set out an overall poverty-related goal: to eradicate extreme poverty and reduce substantially overall poverty. The second MYFF document (DP/2003/32) noted: that the Millennium Declaration and the MDGs represent the overarching basis for all UNDP activities during the period of the MYFF; that the MDGs will be placed at the centre of the organizations, strategic goals; and that the MDGs codify and crystallize in very specific targets, for the first time, the concepts of human development and poverty eradication long advocated by UNDP.

In 2008 the Executive Board reiterated its decision to give top priority to achieving MDGs and reducing human poverty. Following its commitment to MDGs, paragraph 1 of the document on the UNDP Strategic Plan (2008–2013) (DP/2007/43/Rev.1) stresses that in this regard:

*UNDP supports national processes to accelerate the progress of human development with a view to eradicate poverty through development, equitable and sustained economic growth, and capacity development. This means that all UNDP policy advice, technical support, advocacy, and contributions to strengthening coherence in global development must be aimed at one end result: real improvements in people's lives and in the choices and opportunities open to them.*

The Strategic Plan specified its approach to poverty reduction through: (a) promoting inclusive growth, gender equality and achievement of the MDGs; (b) fostering inclusive globalization; and (c) mitigating the impact of HIV/AIDS on human development. These activities would promote the overall goal: to strengthen national and local capacities to achieve inclusive growth, reduce poverty and inequality and halt the spread of HIV/AIDS.

Even though there was clearly a commitment in the second half of the 1990s to integrate poverty into all UNDP work, there is very little evidence of this approach in the first MYFF. The second MYFF links every goal to the MDGs but the

poor are often left out or at least not explicitly addressed (i.e., the focus is on poverty-related issues but not on the poor). In the Strategic Plan, however, the format was more conducive to discussing the UNDP approach within each focus area and the primacy of poverty reduction was made clear.

## FINDINGS

### **Finding 1. UNDP has taken a pragmatic and flexible approach towards advancing the poverty reduction agenda that has varied across countries depending on the national context.**

Evidence shows that on the whole the effectiveness of UNDP efforts at poverty reduction has been boosted by its ability to adapt its approach to the particular national context. UNDP has shown awareness that the same approach will not work everywhere because the proximate causes as well as possible solutions to the problem of poverty varies among countries depending on factors such as the level of development, whether the country had an established or emerging market economy, whether it was a stable or a conflict-ridden or a post-conflict society, and so on.

### **Finding 2. The resources UNDP devotes to poverty reduction are difficult to determine as poverty is addressed, to a varying degree, in all its focus areas.**

At a simple level, it is possible to track the UNDP commitment to or priority on poverty reduction through its relative expenditures on projects within the cluster of poverty reduction (however it is framed). The 2009 Annual Report of the Administrator noted that although categorization of expenditure against a single focus area facilitates reporting, support for poverty reduction and achievement of the MDGs is reported by country offices in at least three focus areas. The reality therefore gets complicated and the proportion of UNDP programming devoted to poverty reduction becomes even more blurred when projects, reported as contributing to poverty reduction, are not designed to do so.



**Finding 3. UNDP has been effective in embedding the agenda of poverty reduction from the multidimensional perspective of human development in national forums for debates and discussions on socio-economic development.** The evaluation has found strong evidence that UNDP has made a valuable contribution towards establishing the agenda of poverty reduction from the multidimensional perspective of human development in public discourse in the vast majority of its programme countries. UNDP has achieved this influence through several instruments, which include the publication of NHDRs and the MDG reports, and often through support to the Governments in the preparation of poverty reduction strategy papers (PRSPs) and other national development strategy and planning documents.

The evidence scrutinized by the present evaluation suggests, however, that in most countries UNDP has successfully positioned itself as a strong advocate of the need to take a multidimensional approach to poverty – as embodied in the term ‘human poverty’ – as the centrepiece of development strategy. The challenge is that in some countries, owing to ethnic, geographic, political or cultural factors, the broad concept of human poverty with multiple dimensions has not traditionally been well understood. UNDP still attempts to find ways to increase attention to the centrality of poverty reduction in its many dimensions through focused advocacy with its central government partners and/or by increasing the space for civil society or decentralized government structures to give voice to their specific needs and concerns, which frequently incorporate social issues.

**Finding 4. When given the opportunity, UNDP has effectively supported national efforts aimed at developing capacity for evidence-based pro-poor policy-making.** UNDP success in helping to place the agenda of poverty reduction and human development at the centre of public discourse (as discussed above) constitutes in itself a contribution towards creating an enabling environment for pro-poor policy-making, but its contribution has

gone beyond that. It has also helped strengthen capacities in the areas of poverty monitoring, statistical analysis and the development of frameworks that are essential for pro-poor policy-making, often in support of national capacities to develop and implement the PRSPs and other national development planning tools.

**Finding 5. Where UNDP has gone beyond support to creating a pro-poor enabling environment to direct support to pro-poor policy-making by national authorities, its success is less evident.** UNDP success in creating a pro-poor enabling environment enhances the likelihood that it will be effective in influencing actual policymaking by national governments but does not ensure it. The ability to directly influence concrete policies requires additional effort and strategic intervention. The evidence examined by the present evaluation shows that, while UNDP has had some notable success in this regard, on the whole it has been somewhat less successful in influencing policies than in creating the enabling environments to help governments develop pro-poor policies themselves. The main UNDP tools for directly influencing policy are the provision of technical advice, policy options, ideas from other countries, as well as through diagnostic studies.

**Finding 6. UNDP success in the area of upstream work can be partly explained by its relationship with national authorities and its approach to broad participation.** UNDP success in its upstream work is due partly to the special relationship that it often has with national government partners. This relationship has many dimensions often characterized by closeness and trust partly from a perception of neutrality or impartiality and strengthened because of the UNDP long-term commitment. Moreover, the UNDP perceived neutrality, impartiality or its role as a trusted partner is not given simply by being part of the United Nations but often comes from action, for example, in times of crisis.

**Finding 7. The contribution of UNDP's downstream projects aimed at directly addressing poverty reduction is often unclear.** Inevitably, UNDP performance across a wide range of projects aimed at directly reducing poverty is mixed. The body of evaluations covered many good examples and many poor ones. There are those projects that are very effective but not very efficient (in the sense of missing opportunities to leverage the experience for a greater contribution) or not likely to contribute to sustainable results. The key issue is, however, the limited ability of UNDP to demonstrate whether its poverty reduction activities have contributed to any significant change in the lives of the people it is trying to help. This situation is especially problematic as it often relates to those projects that are designed to pilot (sometimes innovative) solutions to poverty reduction. Evaluations are limited and even when in place the baselines that would facilitate rigorous evaluation are non-existent. This is partly a technical problem (how to monitor and evaluate the outcomes or even impacts of UNDP work) but it is also a reflection of the lack of focus on the poor. Later findings point to the fact that the poor are often not the direct beneficiaries or are only loosely indirect beneficiaries.

**Finding 8. Even when UNDP undertakes activities with an explicit poverty orientation, the approach often lacks a pro-poor bias and tends to rely instead on the trickle-down process.** The upstream policy advice that UNDP offers to national governments, for example, through participation in the preparation of poverty reduction strategies and national development plans, often demonstrates clear awareness that a pro-poor strategy of development has to go beyond the trickle-down approach – i.e., the idea that the benefits of any general development activities would somehow trickle down to the poor – and must incorporate specific measures so as to impart a pro-poor bias in the policy framework. However, the present evaluation finds that when it comes to specific projects designed to

support poverty reduction, the general tendency is to rely on the trickle-down process instead of making conscious attempts to introduce pro-poor elements in the project design.

**Finding 9. UNDP has generally made good use of partnerships within the United Nations but there are missed opportunities, especially in relation to addressing non-income aspects of poverty.** On the whole, UNDP makes good use of partnerships with other development agencies, both within and outside the United Nations system, to strengthen its efforts at poverty alleviation. The fact that in many countries UNDP plays a leading role in supporting national aid coordination efforts facilitates the task of partnership building. Some of the strongest partnerships in poverty-related work exist with the United Nations Capital Development Fund in the microcredit sector as well as in decentralization and local governance.

**Finding 10. There is great potential for advancing the cause of poverty reduction through UNDP activities in the democratic governance area, but the UNDP record in harnessing this potential is mixed.** Improvement of democratic governance is an important area of UNDP interventions in most programme countries. There are programmes at the national-level – such as legal reforms aimed at improving access to justice, capacity-building of parliamentarians and support to national anti-corruption efforts – and programmes at the subnational level, such as strengthening of decentralization and local governance. UNDP has also increased the use of the human rights-based approach to programming for poverty reduction. All such activities are important not just for improving the quality of governance for its own sake but also for potentially creating an enabling environment for policy-making that is responsive to the needs of the poor and the vulnerable. Unfortunately, however, successful exploitation of synergy between governance and poverty is not the general pattern.

**Finding 11. Despite some success, there is untapped potential for integrating a poverty focus into UNDP environment and energy-related activities.** UNDP interventions in the environment portfolio exhibit a general awareness of the poverty-environment nexus – the recognition that the state of the environment and the fate of the poor are closely linked to each other. The existence of this nexus implies that environmental programmes and projects can in principle be used as tools for poverty reduction as well – by designing interventions in such a way that the efforts to protect the environment are synergistically combined to promote sustainable livelihoods of the poor. The potential to do so exists across the whole environmental portfolio, including with regard to issues related to extractive industries. To some extent UNDP succeeds in realizing this possibility, but it does not do so consistently across the countries. Moreover, analysis of the case studies in the recent evaluation of the nexus in UNDP<sup>1</sup> revealed that the nexus was more likely to be found in environmental projects than in those aimed at supporting poverty reduction.

**Finding 12. Poverty reduction has often been integrated into UNDP work in support of crisis prevention and recovery, but some opportunities to do so were missed.** UNDP recognizes that disasters and violent conflicts are among the greatest threats to progress in human development. It therefore places crisis prevention and recovery at the heart of its work, supporting countries to manage conflict and natural disaster risks, and to rebuild for resilience once the crisis has passed. Crisis recovery work is based on joint needs assessments and UNDP acts as a bridge between humanitarian and longer-term development efforts. However, while UNDP strategic priorities acknowledge the links between poverty reduction, sustainable development and disaster risk reduction, these strategies are not systematically implemented. Moreover, while much of UNDP work on recovery in the

post-crisis setting is focused on addressing the needs of the poor, helping people by generating livelihoods and economic opportunities, UNDP was not always successful in promoting a conflict-sensitive poverty reduction strategy.

**Finding 13. In many cases, no systematic effort has been made to maximize the benefits of innovative pilot and small-scale projects aimed at poverty reduction through facilitating their scaling up.** UNDP country offices often undertake innovative downstream projects with potentially significant impact on poverty reduction and human development. Many of them belong to the poverty portfolio, but even those that belong to other portfolios such as democratic governance, energy and environment, and crisis and recovery sometimes have implications for poverty as well. Not all these projects succeed in achieving their immediate objectives, but even in cases where they do, given the typically small size of these projects, the direct benefit derived from them may not always justify the fixed cost of the time and effort that the UNDP staff has to devote to them. A major way to ensure that these scarce resources are used efficiently is for UNDP to facilitate their replication or up-scaling in some form or the other, whether by UNDP itself or by some other agencies with or without collaboration with UNDP. In practice, however, UNDP does not do enough to facilitate this process.

**Finding 14. Efficiency is often compromised by the failure to forge constructive linkages between downstream and upstream interventions.** Resources devoted to downstream activities are used most efficiently when either they are linked up with macro level projects so as to exploit possible synergies between micro and macro levels, or the lessons learned from them are utilized to inform policy frameworks and project formulations at the macro-level. Testing approaches so as to influence policy is potentially important in

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1. UNDP Evaluation Office, 'Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus', New York, 2010.



this respect. UNDP has occasionally succeeded in forging productive micro-macro linkages of some kind, but the majority of downstream activities are undertaken as stand-alone projects without any serious linkage with the macro level.

**Finding 15. The ability of UNDP to firmly embed the notion of human development in national discourse has increased the chance of sustainability of the results to which it contributes in the area of poverty reduction.** As already noted, UNDP has been eminently successful in embedding the agenda of human development in national discourse in the majority of its programme countries and this has helped to improve the sustainability of its efforts at poverty reduction. Whether poverty reduction strategies would continue to be pursued in earnest, building on the UNDP contribution, depends to a large extent on national ownership of the principle that development strategies should prioritize overall human development and not just material prosperity in the aggregate.

**Finding 16. Sustainability has also been enhanced in countries where UNDP has succeeded in improving national capacity for pro-poor policy-making.** However, evidence for sustained improvement in national capacity is not widely found, especially in the countries where existing capacity happens to be the weakest. UNDP is making a serious effort to support capacity development and to foster national ownership in all aspects of poverty-related work, and although there are some clear examples where useful capacity has been created in areas crucial for poverty reduction, the likelihood for sustainability is often inconclusive.

## CONCLUSIONS

**Conclusion 1. UNDP has made an important contribution to national efforts aimed at pro-poor policy development in most of the programme countries where it works. In particular, it has helped strengthen the pro-poor enabling environment for policy-making and**

**this type of support remains a comparative strength for the organization in many countries. Efforts still need to be made to analyse challenges and strengthen approaches to capacity development in order to ensure sustainability of the results to which UNDP contributes.**

A large part of UNDP upstream activities – usually taking the form of advocacy and policy advice – is broadly consonant with its overriding priority of poverty reduction. The extent to which the UNDP pursuit of its own priority gets reflected in the country's own development goals is not entirely in its own hands, however. The ideological persuasion of the government in power, the influence of other development partners, and the role played by civil society and academia all work together, not always consistently with each other, to shape the goals and priorities adopted by national governments. Considering that the UNDP role is only one of these myriad influences, the impact it has had in shaping at least the declared priorities of national governments across the globe is highly commendable.

In terms of the size of financial resources that UNDP directly contributes, it is by no means a major donor in most countries. In the vast majority of cases, however, the influence of UNDP happens to be disproportionately large relative to the funds it offers, partly because of the leading role it sometimes plays in supporting national aid coordination efforts and partly because of the reputation it has acquired as a trusted and neutral development partner who is willing to offer help without imposing stringent conditionalities. UNDP has made good use of the confidence and trust it has earned in the process to influence the national discourse on development goals in the image of its own mission.

In some instances, specific ideas and policies advocated by UNDP have found their way into national policy documents such as the PRSP and national development plans. More generally, however, the contribution of UNDP has taken the form not so much of suggesting specific policy advice but of creating an enabling environment that is

conducive for adopting and implementing pro-poor policy-making by national governments. One major strategy UNDP has pursued to create this enabling environment is to raise awareness of the centrality of poverty reduction through its publications and its dialogue with national stakeholders both within and outside the government. Publications such as the NHDRs and MDG reports and the seminars and workshops organized around them have played a large part in creating this awareness.

Another part of the strategy is to support national efforts aimed at developing capacities for pro-poor policy-making. There are a number of ways in which UNDP has provided such support – for example, by actively participating in the planning processes of governments (e.g., in the preparation of PRSP and national development plans), which has facilitated transfer of knowledge, by strengthening the capacities of national statistical systems to collect and report data on the multiple dimensions of human poverty, by organizing training for relevant officials, and in some cases facilitating the costing of MDGs. The MDG Acceleration Framework has helped many countries in their effort to address challenges to achieving the MDGs.

**Conclusion 2. UNDP activities at the country level are often disconnected, with overriding commitment to poverty reduction established in corporate strategies. UNDP programmes and projects across all its focus areas are not always consistently designed around an explicit bias towards the poor.**

Poverty reduction remains the core focus area of UNDP and the principal objective of its work. At the strategic planning level and at the Executive Board, poverty reduction is accorded top priority. However, by the time it gets to the country level, the focus on poverty reduction often becomes diluted. So even though the overriding UNDP priority is poverty reduction, a large part of the activities it undertakes at the country level and the manner in which it undertakes them does not conform to this priority. Many of its activities have only remote connections with poverty, if at all. Examples include border management, helping

to write reports on the country's compliance with multilateral environmental agreements, advising on arcane aspects of trade promotion, and so on.

Even the activities undertaken within the poverty portfolio do not always have an adequate pro-poor bias. This is especially true of the projects related to international trade and private sector development. Most of the projects undertaken in these areas are implicitly premised on the trickle-down approach – the idea that the benefits of any generalized expansion of trade and private sector activities would somehow trickle down to the poor through greater employment opportunities. The problem with this approach is not that the trickle-down process would not work at all but that its effect will be limited. Thus, an agency that has explicitly declared poverty reduction as its overriding priority should not be satisfied with the gains that are possible through the trickle-down process. Its priority demands that it should seek to maximize the gains for the poor by explicitly trying to impart a distinct pro-poor bias to whatever it does. This does not mean that programming should exclusively target the poor, but rather that all programmes and projects give specific consideration to their effects on the poor.

The majority of activities undertaken by UNDP do have the potential to advance the cause of poverty reduction one way or the other, but this potential is not adequately realized. This is particularly true of the activities that fall within the focus areas other than the one on poverty reduction. For instance, activities belonging to the democratic governance area can, in principle, be undertaken in such a way that not only improves the structure and quality of governance but also creates entitlements for the people, especially the poor and the marginalized groups, and promotes pro-poor service delivery. Similarly, there exists great scope in the environment area to impart a strong pro-poor bias by integrating concerns with environmental protection with the imperatives of strengthening the livelihoods of the poor. In each of these spheres, it is possible to devise programmes in such a way that the goal of poverty reduction is advanced along with the specific thematic goal – for example, by

tying governance to pro-poor service delivery, environment and crisis prevention with strengthening of livelihoods, and so on.

To some extent, UNDP does that – more in the environment cluster than elsewhere – but it does not do so consistently enough or vigorously enough. More importantly, whatever pro-poor orientation is given to these activities it usually remains confined to the particular focus area, no serious effort being made to coordinate activities across the focus areas with a view to exploiting the potential synergies between different types of interventions. As a recent evaluation of the poverty-environment nexus in UNDP interventions has correctly noted, UNDP recognition of this nexus is confined mainly to the understanding that environment affects poverty; the existence of reverse causality, running from poverty to environment, may be recognized in theory but is often not reflected in its actual work at the country level.<sup>2</sup> Only an integrated approach across the focus areas can ensure constructive exploitation of such two-way causalities. While there are isolated examples where UNDP has imaginatively introduced poverty orientation into its governance, environment, and crisis-related programmes, the more general picture is one of missed opportunities.

**Conclusion 3. The contribution of UNDP interventions to national poverty outcomes is seriously compromised by the absence of adequate support to learning from its interventions about what works and why. This in turn is caused in large part by the absence of a structure of incentives that would encourage systematic collection, monitoring and evaluation of evidence on the actual changes in people's lives as a result of interventions.**

The only way an organization such as UNDP, which does not contribute a huge amount of financial resources to national development

efforts, can make a substantial and sustainable impact on poverty reduction is by contributing knowledge, which others with greater resources can potentially exploit. To some extent, UNDP does that, for example, by disseminating global knowledge products that have helped popularize relevant concepts such as human development, the poverty-environment nexus, and so on. UNDP country offices themselves also create valuable knowledge products, such as NHDRs and statistics related to MDGs and human development. However, on the whole UNDP performs poorly in providing support to its national partners to extract and utilize knowledge based on the lessons that can be potentially learned from its interventions at the project and policy levels. This weakness in extracting knowledge from its own experiences – for example from effective use of evaluations – is one of the major factors that stand in the way of creating synergies between interventions across focus areas, forging constructive links between downstream and upstream activities, and enabling successful adaptation and up-scaling of innovative experiments.

The lack of learning at the country level can be attributed in some cases to the rapid turnover of staff at the country offices, causing loss of institutional memory. The problem is much more fundamental than that – the culture of learning about what works, why and for whom is either weak or non-existent in most country offices. Weak learning at the country level will result in weak cross-country, regional and global-level learning as well. This is odd because UNDP is supposed to be a results-oriented knowledge-based organization, and systematic collection, monitoring and evaluation of results are the essential building blocks for constructing knowledge products based on experience. The fact that UNDP is nevertheless weak on learning stems from two main factors (as identified by numerous evaluations).

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2. UNDP Evaluation Office, 'Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus', New York, 2010.

First, quite often the results are defined in terms of inputs or outputs rather than final outcomes in terms of impact on poverty in its multiple dimensions. In consequence, not enough information is generated on the relevant outcomes that would help the office to learn what works and what does not for poverty reduction in particular contexts. Second, whatever information exists on results is not systematized and distilled into forms which others – both within and outside UNDP – can subsequently use for designing new and more effective programmes for poverty reduction. At the same time, the tendency of UNDP country programmes to spread themselves thin adds to the transaction costs that are inevitably associated with learning.

Integration is desired not only across portfolios but also between downstream and upstream activities within and across the portfolios. The really important issue here is not so much the balance upstream and downstream as the integration between them. For example, a relevant question could be whether a certain mode of service delivery that has been found to be effectively pro-poor in between downstream experiments has informed macro-level policy-making regarding local governance for better service delivery. General speaking, the point is that if downstream activities are undertaken as stand-alone interventions, without making a serious attempt to apply the lessons learned from the ground level to the formulation of upper-level policies, a great opportunity is missed for maximizing the impact of such interventions. Unfortunately, this happens quite frequently in UNDP downstream activities. There are notable exceptions, where ground-level experience has been fruitfully used to formulate pro-poor higher-level policies, but on the whole UNDP needs to pay greater attention to this aspect.

There is another aspect of downstream interventions where greater attention will pay rich dividends. It has to do with enhancing the likelihood that successful innovative projects will be adapted and up-scaled. It is widely recognized, including within UNDP itself, that however successful individual projects are, their impact

on poverty will be purely transitory if they do not leave any legacy after their termination. One of the best ways of ensuring good legacies, and leveraging limited UNDP resources, is to create the conditions that are conducive for up-scaling innovative projects. The up-scaling does not need to be carried out through UNDP projects; in fact UNDP need not even be directly involved with the subsequent interventions, but it must make all possible efforts to facilitate the process – by helping national partners distil the lessons learned, by transmitting the knowledge to others in a usable form, and by actively seeking out willing and capable actors who would take on the responsibility of applying the lessons on a larger scale. Unfortunately, UNDP does not perform this task very well, with the result that many of its innovative activities disappear without leaving a legacy. Greater attention to this aspect will help maximize the impact of its interventions in poverty reduction.

The ongoing work of UNDP in support of scaling up should be commended but the learning factor is essential for the success. Learning about not only what works, why and for whom is essential but if scaling-up of successful activities is to lead to successful results, it is essential to identify the contextual factors as well: ‘best practice’ may not be best in every context. Successful learning often requires a change in mindset where learning becomes the primary objective not the development contribution itself. At the same time, the fear of failure must be eradicated, as learning from failure is extremely important. It also requires a far greater commitment to evaluation, not just in country offices but in headquarters bureaux.

## RECOMMENDATIONS

**Recommendation 1. UNDP should forge stronger links with national stakeholders, especially civil society and academia, to ensure that the ideas and lessons it propagates through its flagship documents, such as NHDRs and MDG reports, may influence the national policy agenda.**



While UNDP has been highly successful in embedding the cause of poverty reduction and human development in national discourses, it has achieved much less success in ensuring that the ideas and policies it propagates, for example, through NHDRs and MDG reports, are actually incorporated into concrete policies adopted by national governments. To some extent, this is expected because as a development partner, UNDP can have only a limited influence on policy-making, which depends on many other factors beyond UNDP control. However, this cannot be accepted as an excuse for being satisfied with the status quo, because ideas are of no use unless they are put into practice. While recognizing that there are limits to what it can do, UNDP should make stronger efforts to influence policy-making, by utilizing the goodwill and leverage it enjoys in most countries as the most trusted and neutral development partner. For this purpose, UNDP needs to build stronger partnerships with relevant national stakeholders, such as civil society and academia, because in the final analysis it is the debates, dialogues and campaigns conducted by concerned nationals, rather than the advocacy of outsiders, that will shape national policies. UNDP should build bridges with them not only by involving them in some of its activities such as preparation of NHDRs and MDG reports, as it currently does to some extent, but also by trying to nurture and empower them in ways that are most effective in particular contexts.

**Recommendation 2. Programmes and projects undertaken by UNDP should be designed with an explicit pro-poor bias, always trying to add specific elements that would enhance the likelihood that the poor will benefit more than they otherwise would through general development interventions. Activities where it is impossible to introduce such an explicit pro-poor focus should be kept to a bare minimum and should be taken up only under strict guidelines with the strategic objective of leveraging the resources and ensuring the goodwill that UNDP will need in order to advance its mission of poverty reduction.**

In whatever UNDP does, it is likely that some benefits will come to the poor, even if nothing special was done to privilege the poor as beneficiaries. If that is all UNDP is aiming for, however, then it is not taking its poverty reduction priority seriously. Respect for the priority demands that in everything UNDP does it should consciously try to build in specific elements that would ensure that the benefits that flow from its interventions would accrue disproportionately to the poor, i.e., there must be a bias in favour of the poor. Imparting a deliberate pro-poor bias to everything UNDP does should be an overriding concern across its interventions. To ensure a sharper focus on this area, indicators of success in poverty reduction should be made explicit in all project documents, indicating precisely how the bias is to be imparted in the specific context and how the contribution to poverty reduction is to be monitored and evaluated. This will allow UNDP to better measure its impact at all levels, and provide a more accurate basis for assessing its impact on helping to reduce poverty at the beneficiary level. Such an approach will also help UNDP to improve its own monitoring and evaluation systems.

Many UNDP country programmes include a subset of activities that have very remote connection with poverty, if at all. For an organization that has been entrusted with the task of poverty reduction as its top priority, this raises concerns about how resources are directed. In its defence, UNDP has argued that it has often had to undertake activities that are not pro-poor in order to bolster its inadequate core resources, and to use such activities to help it seek funds from agencies for which poverty reduction may not be the primary concern. The UNDP response should also be understood in the context of doing this in order to maintain the goodwill of national governments, who often call upon UNDP as the development partner of last resort to carry out an assortment of tasks that other agencies are not keen to take up. While there is some validity to this argument, and to that extent, it may be acceptable to include some general purpose activities without any direct connection with poverty, the implication in

practice is that many of UNDP activities over the years have resulted in less of an explicit connection with poverty. This means that there may need to be reflection as to whether UNDP continues to project itself as a poverty-addressing institution, in the main. Unless this changes, in the immediate term such activities should be kept to a minimum, and undertaken within strict guidelines about what proportion of staff and other fixed resources can be devoted to them so that the primary UNDP mission is not compromised.

In addition to the technocratic fixes, there needs to be a change in mindset that complements the above. As noted in Chapter 2, the UNDP Strategic Plan 2008–2013 is quite explicit in recognizing that each of the focus areas can and should contribute towards poverty reduction. In some country offices, the reason that this recognition does not get reflected in much of UNDP work is the existence of a separate cluster on poverty reduction. Poverty must be everybody's concern; and every focus area must justify *ex ante* the activities it undertakes by spelling out the likely contribution to poverty reduction and evaluate its performance *ex post* by using the observed contribution as one of the evaluative criteria. In some circumstances, the existence of the poverty cluster may reduce the incentive as well as the compulsion for integrating poverty concerns across the interventions by encouraging the idea among staff involved in other focus areas that poverty is somebody else's concern. Country offices need to address the challenge of ending the compartmentalization of poverty-reduction activities while ensuring that the capacities to facilitate the introduction of a pro-poor bias across all activities are in place.

**Recommendation 3. UNDP country offices should strengthen efforts to create more effective integration between thematic clusters and stronger partnerships with United Nations agencies, especially in terms of ensuring a sharper focus on non-income dimensions of poverty.**

The interventions that UNDP undertakes in the areas of livelihoods, governance, environment and crisis prevention and recovery are often potentially complementary with each other, but

these complementarities are not fully exploited by UNDP. The strategies to improve livelihoods would have a better chance of success if they were embedded in a system of governance that empowers the people and creates entitlements that people can defend through participation in the processes of governance. On the other hand, efforts to improve the system of local governance would have a better chance of success if people were convinced that better governance would contribute positively to their lives and livelihoods. Similar two-way complementarities exist between all the focus areas. In fact, potential synergies may extend even further to involve more than two focus areas. For instance, attempts to combine environmental protection with sustainable livelihoods may be strengthened by linking them with participatory local governance. The current practice of UNDP fails to exploit these synergies fully as it tends to remain confined too narrowly to the respective focus areas. Greater efforts must be made to integrate activities among the focus areas so that the poverty-reducing potential of all the areas can be harnessed together in order to achieve an outcome that is greater than the sum of the parts.

Since ILO is specifically mandated to promote the cause of employment and labour standards, and since the income dimension of poverty is crucially dependent on the creation of productive employment opportunities for the poor, it would seem logical to suppose that UNDP and ILO would be 'comrades in arms' in the fight against poverty. A good deal of cooperation between the two organizations does in fact take place at the global and regional levels (as noted in the findings), but UNDP country programmes are conspicuously weak in building partnerships with ILO. A serious effort must be made to remedy this weakness, including building and extending existing partnerships such as those in post-conflict situations. One possibility is to set up a funding mechanism such as the MDG Fund that can enable UNDP and ILO to undertake joint initiatives in support of labour-intensive growth. As for non-income dimensions of poverty, the natural allies of UNDP would be United Nations agencies such as the United Nations Children's Fund, the United Nations Population Fund, the

World Health Organization, UN Women and the United Nations Volunteers programme, working together in the areas of education, health, gender empowerment and volunteerism. In practice, however, UNDP often has very little cooperation with UNICEF and WHO on the ground, usually based on the argument of division of labour. However, if UNDP is to take seriously the multidimensionality of poverty, it cannot wash its hands of the non-income dimensions on the grounds that other agencies are dealing with them. Among all the United Nations agencies, UNDP is unique in being entrusted with the task of dealing with human poverty in all its dimensions, and as such it has an obligation to build strong partnerships with all other agencies that deal with some specific dimensions of poverty.

**Recommendation 4. Downstream activities should be undertaken for the most part with the explicit strategic objective of contributing to something bigger than what those activities can deliver on their own – by way of learning lessons for up-scaling or feeding into upstream policy advice relevant for poverty reduction. UNDP should incorporate into its system of performance evaluation for both its staff and its activities specific provisions that explicitly spell out the means as well as incentives for institutionalized learning so that lessons learned from successes and failures in each of its activities can feed into everything that UNDP does – both across portfolios and over time.**

There is an ongoing debate within UNDP on what constitutes the right balance between upstream and downstream activities and there has been a tendency in recent years to tilt the balance in the upstream direction. While this tendency may be justified, there remains the question of precisely what purpose the downstream activities, to the extent they are undertaken, are supposed to serve. By their very nature, downstream activities would generally be targeted towards particular groups of population. Even if such activities succeed in conferring the desired benefits to the target population, by themselves their impact on poverty at the aggregate level is bound to be negligible because the target population will

seldom be large enough to make a substantial difference to the bigger picture. In general, the only way they can have a larger impact is if the lessons learned from them – from successes and failures – are systematically used to up-scale the interventions more effectively covering a larger portion of the population, or to feed policy advice at the upstream level.

The lack of learning is a serious impediment to maximizing the UNDP contribution to poverty reduction, or any other objective for that matter. UNDP should, therefore, make it mandatory that all its downstream activities are undertaken with the explicit objective of learning lessons from them – in a form that can be used by others. The project documents must be required to specify clearly what kinds of lessons are expected to be learned and the project termination reports must be required to distil the lessons learned and articulate them in a succinct form. Both the specification of expected lessons and the distillation of actual lessons should be accomplished through widespread consultation within the country office as a whole, preferably in conjunction with external experts, both within and outside the government.

At times, some committed individuals have tried to make a difference, but the task of changing a deeply ingrained culture cannot be left to individual efforts alone. It is a systemic problem in the sense that the incentives that UNDP offers – in the form of sanctions and rewards – do not encourage systematic learning on the part of its staff in the country offices. The solution must be systemic as well. UNDP must find ways of altering the incentive structure by revising the criteria by which UNDP evaluates the performance of its staff and their activities. Accountability procedures may have to be set up at different levels, i.e., at the levels of individual staff members, focus area teams and the country office as a whole, so that individually and collectively the staff members find it is in their interest to ensure learning from experience and transmission of the lessons learned.





# INTRODUCTION

### 1.1 RATIONALE AND PURPOSE OF THE EVALUATION

Despite progress achieved since the Second World War, especially in parts of Asia, abject poverty remains widespread in many parts of the world. According to the World Bank US\$ 1.25 a day poverty line (2005 prices), there are still nearly 1.3 billion people living in poverty, although this represents a decline from over 1.9 billion in 1981.<sup>3</sup> But poverty is not simply a lack of adequate income: it is a multidimensional phenomenon that represents the deprivation of one's ability to live with freedom and dignity with the full potential to achieve one's valued goals in life. Although more difficult to measure, various indicators of multidimensional poverty (for example, the Multidimensional Human Poverty Index) suggest that much needs to be done.<sup>4</sup>

Against this background, poverty reduction remains at the centre of United Nations (UN) work in development and is at the core of UNDP's mission and mandate. The commitment of UN member states to addressing this global issue was made clear in the 2000 UN Millennium Declaration that stated:

*We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected. We are committed to making the right*

*to development a reality for everyone and to freeing the entire human race from want. We resolve therefore to create an environment – at the national and global levels alike – which is conducive to development and to the elimination of poverty.*

Between 2004 and 2011 UNDP spent more than US\$ 8.5 billion on activities categorized as falling within the poverty cluster. This represents approximately 26 percent of total programme expenditures during this period. But given the multiplicity of channels through which poverty can be affected, the actual financial contribution towards reducing poverty made through the whole range of UNDP's interventions, including interventions in the areas of governance, environment and crisis prevention and recovery, is considerably more.

The central role of poverty reduction in UNDP's work<sup>5</sup>, combined with the significant resources spent on poverty reduction, is the main justification for undertaking this evaluation. The evaluation of UNDP's contribution to poverty reduction was first included in the Evaluation Office programme of work approved by the Executive Board in June 2009. Drawing largely on existing evaluative evidence, the evaluation was conducted during late 2011 and early 2012 and will be presented to the Executive Board in January 2013.

**Goals and objectives.** The evaluation has two broad goals: first, to facilitate greater accountability of UNDP to the Executive Board and

3. World Bank, 'An Update to the World Bank's Estimates of Consumption Poverty in the Developing World', Washington DC, March 2012.

4. UNDP, *Human Development Report 2011*, Palgrave MacMillan, New York, 2011.

5. For example, in Executive Board decision 2008/14, which urges UNDP to give top priority to achieving Millennium Development Goals and reducing human poverty.

other stakeholders in UNDP's work and, second, to learn lessons from experience that can be used to improve UNDP's performance in the future. Specifically, the evaluation has four objectives:

- a. Assess the role and contribution made by UNDP to poverty reduction according to clear evaluation criteria. This will support the goal of accountability.
- b. Identify the factors that have affected UNDP's contribution, answering the question of why UNDP has performed in a certain way and under different circumstances. This will support the learning goal of the evaluation.
- c. Reach strategic conclusions concerning UNDP's contribution to poverty reduction.
- d. Make actionable recommendations for improving UNDP's contribution to poverty reduction, especially for incorporation into the new UNDP Strategic Plan.

## 1.2 SCOPE OF THE EVALUATION

In determining the scope of the present evaluation, the Evaluation Office took into account the concept of poverty used by UNDP and the nature of activities UNDP undertakes in order to promote the goal of poverty reduction.<sup>6</sup> In 1998, UNDP together with other UN agencies, agreed to the following multidimensional definition of poverty for use in its work and this will be used as the operational definition for the evaluation:

*Fundamentally, poverty is a denial of choices and opportunities, a violation of human dignity. It means lack of basic capacity to participate effectively in society. It means not having enough to feed and clothe a family, not having a school or a clinic to go to, not having the land on which to grow one's food or a job to earn one's living, not having access to credit. It means insecurity, powerlessness and exclusion of individuals, households and communities. It means susceptibility to violence, and it often implies living on marginal or fragile environments, without access to clean water or sanitation.<sup>7</sup>*

Although UNDP has global and regional interventions, the unit where real differences are made is generally at the country level. The evaluation therefore focused on what difference UNDP made to poverty reduction at this level but it goes beyond the UNDP country programme to examine all the ways in which UNDP has contributed to poverty reduction in a particular country, including its work, for example, through its regional or global interventions.<sup>8</sup> Moreover, while the focus is on collecting data and undertaking analysis of UNDP's work at the country level, the findings and conclusions will have implications for UNDP's overall strategic positioning for poverty reduction. By focusing on the country level, the evaluation does not, however, capture the overall substantive leadership and contribution of UNDP in the area of poverty reduction.

The scope included all UNDP interventions in a country, including both upstream and downstream<sup>9</sup> activities. In particular, the evaluation

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6. Poverty reduction is used in this evaluation rather than elimination or eradication as reduction is considered a process towards the ultimate goal of eradication.

7. UN ECOSOC, 'Statement of commitment of the Administrative Committee on Coordination for action to eradicate poverty', E/1998/73, New York, 1998.

8. The focus on the country level was partly guided by the fact that in 2012 the Evaluation Office will undertake separate evaluations of the UNDP Global Programme (2009-2013), five Regional Programmes and the Framework for South-South Cooperation (2009-2013). These major programmatic evaluations will focus on policy development and support work provided from the centre and regions, including that related to poverty reduction.

9. *Upstream flows are geared towards influencing policy, while downstream assistance nurtures interventions on the ground.* (UNDP, 'Upstream-downstream synergies: Policies linked to practice', BDP Capacity Development Group, New York, 2004)

was not confined to activities undertaken under the poverty cluster, and went beyond to embrace other clusters as well.<sup>10</sup> This comprehensive approach was dictated by the recognition of two kinds of pluralities that are relevant in the context of poverty reduction. The first plurality refers to the multiplicity of channels through which interventions can affect poverty. Thus interventions in the areas of governance, energy and environment, crisis prevention and recovery, and gender equality – which do not normally fall in the poverty cluster – can also have a profound impact on poverty.

The second plurality refers to the multidimensional nature of human poverty (as distinct from income poverty). While many of the activities undertaken by UNDP country offices under the poverty cluster directly address the income dimension of poverty, there are also other activities that have the potential to address non-income dimensions as well. Examples include downstream interventions in the areas of governance, gender, and HIV/AIDS and upstream activities involving policy advice, support to MDG-based planning, support to the preparation of National Human Development Reports (NHDRs), and so on. Only a comprehensive approach to evaluation can capture the dual pluralities of multiple channels and multiple dimensions of poverty.

A pragmatic approach was taken to determine the period being examined based on the time and budget available, the importance of capturing key events that have influenced UNDP's contribution and, most importantly, the availability of data. The evaluation focused on the period 2000–2011 in terms of accountability but has sometimes looked further back in terms of learning, for example, in an attempt to look at the long-term contribution, where appropriate and possible. The starting point of the selected period also broadly coincides with the introduction of the Poverty Reduction Strategy Papers (PRSPs) and the MDGs.

Focusing on actual results at the country level, the evaluation draws largely on the evidence from existing evaluations. It should be noted that, as a result of this approach, the evaluation may not capture all the recent initiatives aimed at poverty reduction undertaken by UNDP. In some cases UNDP's efforts to address an issue identified by the evaluation will be noted, as it signifies UNDP's strategic intent, but will not be included in the evaluation findings if there is, as yet, no evidence of actual results. It should also be noted that the full scope of the evaluation is also determined by the evaluation questions and criteria described in the methodology section. The focus is also on systemic issues related to UNDP's work in poverty reduction and not on whether UNDP performs better at one field of intervention rather than another.

### 1.3 EVALUATION APPROACH AND METHODOLOGY

The overall approach can be defined as using evaluation criteria to make judgements on performance, as already noted, largely through using evidence from existing evaluations (data collection is discussed in the next section). The evaluators collected data within the defined scope and made assessments of UNDP's performance according to the evaluation criteria. In so doing, they facilitated the accountability of UNDP to its stakeholders. At the same time, they identified the factors that influenced UNDP's performance and therefore contributed to learning about why UNDP performed as it did and under what circumstances. It was then possible to draw conclusions about UNDP's contribution to poverty reduction and to identify appropriate and implementable recommendations.

**The key evaluation criteria.** Evaluation criteria were used to make a judgement about UNDP's performance and overall contribution. Each

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10. As will be discussed in Chapter 3, UNDP's strategic planning documents recognize the importance of these other areas for poverty reduction.

criterion has an associated question that attempts to explain the meaning of the criterion. The following three standard evaluation criteria as set out in the UNDP Evaluation Policy were used.

- **Effectiveness:** How effective has UNDP been in contributing to poverty reduction at the country level?
- **Efficiency:** Has UNDP made the best use of its resources in making this contribution?
- **Sustainability:** How successful was UNDP in promoting greater sustainability of the results to which it contributed?

Each of the above criteria raises a number of issues that need to be clarified. First, the usual definition of efficiency, which relates to the efficiency of moving from inputs to outputs, is too project-oriented and difficult to ascertain in a broad thematic evaluation. Rather, the present evaluation will look at the efficiency with which UNDP used its resources by leveraging these resources for a greater contribution to poverty reduction. Second, the sustainability criterion does not relate to the sustainability of particular UNDP interventions *per se*, but to the sustainability of overall results, in this case a reduction in human poverty, to which they contribute. In addition, 'relevance' is sometimes used as an evaluation criterion but in the present case it was deemed to be redundant since reduction in human poverty would in any case be relevant across all UNDP programme countries. This is true even if alternative concepts of poverty dominate national policy-making or discourse (for example, social exclusion or inequality). 'Relevance', in terms of UNDP's approach to supporting national poverty reduction efforts, does have a place in the present evaluation, but as a factor that can determine UNDP's effectiveness rather than as a separate criterion in itself.

**Identifying explanatory factors.** In examining UNDP's performance by criterion, the evaluation tries to explain why UNDP has been successful or not. In so doing a number of factors were identified that could be used to explain UNDP's performance. If the evaluation criteria indicate

the values of the organization in determining the ideal *ends* of its work (effective interventions that are efficient and contribute to sustainable results), the explanatory factors represent the *means* to achieve these ends.

A set of factors has been identified following a basic review of issues taking into account the concerns raised in a variety of sources including the annual reviews of lessons from independent evaluations. These factors have been posed as evaluation questions. A small set of evaluation questions does not mean that the evaluation ignores other factors but simply that it ensures that the priority concerns of the organization and its key stakeholders are addressed. The list of factors that framed the data collection can be found in the evaluation framework in Annex 4.

### **Methodological challenges and solutions.**

The evaluation was conducted in a highly complex environment and this by itself represented a major methodological challenge. In addition, the evaluation was subject to two other major challenges, both of which are well known but worth repeating here. First, the challenge concerning the aggregation of UNDP's contribution in order to provide accountability to stakeholders: how can one hold UNDP accountable when its overall contribution is the sum of contributions through hundreds of projects and other activities spread around 177 countries and territories within more than 130 country and multi-country programmes, together with the activities of headquarter units and regional service centres? It is difficult to aggregate results from all of them so as to achieve an overall assessment for the purpose of holding UNDP accountable to its stakeholders beyond the country level. At the same time, it is difficult to undertake statistical generalization from a set of country examples.

This is not to imply that UNDP's accountability for contributing to the goals set out in its various planning instruments was ignored. In fact, accountability follows logically from assessment of learning. At the country level assessments were made according to UNDP's contribution



to national development results and factors were identified that could explain this contribution. Once the evaluation had identified what works and what does not, it was possible to ask if UNDP is positioning itself correctly or following the most effective processes. For example, if the lack of civil society partnerships was found to be a major factor explaining limited contribution to poverty reduction, then an estimate was made as to whether this is a common problem or an isolated one and if UNDP has learned from existing evidence and whether it has addressed the issue. In this way, a judgement on accountability will follow from an assessment of learning. The second challenge concerns the issues of attribution, contribution and impact. These issues need revisiting in the context of renewed interest in results, attributing funds to results and, especially, on impact. UNDP will not act alone in its efforts to reduce poverty but will act in partnership with others. At the same time additional stakeholders outside the UNDP-supported intervention will have an influence on the development outcome. Rather than try in vain to attribute part of a development change to UNDP, the evaluation examined UNDP's contribution to the change, specifically by establishing a plausible link between UNDP's interventions and the development change. Establishing such a link inevitably requires an underlying 'theory of change', specifically, an understanding of the 'transmission mechanisms' through which actions of various kinds would translate into desired outcomes. In trying to identify these transmission mechanisms, the evaluation was mindful of two concerns.

First, in many cases the link between UNDP's intervention and the actual change in people's lives would inevitably occur over the long term. For example, improving poverty monitoring will allow policy makers to use evidence to allow the development of policies that will eventually lead to poverty reduction. In such cases, if we are to hold UNDP accountable for its contribution to national poverty reduction outcomes, the most we can do is to assess whether its interventions are likely to reduce poverty, given the nature of

interventions and the context in which they were undertaken. In other words, the question is not whether UNDP has actually changed the lives of the poor but the extent to which the actions it undertook were likely to contribute positively towards changing the lives of the poor. Equally, since sustainability concerns future characteristic of results, it is the likelihood of the results being sustainable that is examined.

Second, in the context of a broad range of types of intervention undertaken by UNDP in addressing multidimensional poverty, developing an overall grand *theory of change* for UNDP's poverty reduction efforts would be very difficult. Nonetheless, breaking down the programmes into a number of broad groups can facilitate the process of establishing clear *transmission mechanisms* that illustrate the logic behind UNDP's interventions and help us to undertake analysis of contribution. The following broad grouping is proposed for this purpose:

- Untargeted/broadly targeted knowledge products (regional and global public goods). For example, the annual Human Development Reports (HDRs) or the knowledge products produced by the UNDP Bureau for Development Policy (BDP).
- Support to establishing a pro-poor enabling environment. For example, direct policy advice, capacity to develop pro-poor policy (e.g., poverty monitoring), capacity to plan, to budget, etc.
- Direct interventions aimed at reducing human poverty. For example, support to microfinance services, public works, service delivery, etc.

## 1.4 DATA COLLECTION AND ANALYSIS

Data was collected from a variety of sources and a combination of methods, allowing triangulation and validation of the evidence. Rather than base the data collection on a small number of country studies, the overall approach was to first fully utilize to the extent possible the existing documentary and evaluative evidence. This came from

**Table 1. UNDP Programmes Included in Data Collection**

	Regional Bureau for					Total
	Africa	Asia and the Pacific	Arab States	Europe and the CIS <sup>12</sup>	Latin America and the Caribbean	
ADR Meta-Analysis	15	18	9	10	15	67
Decentralized Evaluation Meta-Analysis	17	1	3	6	3	30
Country Study	1	1	1	1	1	5
Total number of programmes covered	33	20	13	17	19	102
Total number of programmes	46	24	17	22	26	135
Total programmes covered as percentage of total programmes	72%	83%	76%	77%	73%	76%

an analysis of data, from UNDP's internal and financial and results sources, decentralized evaluations, independent evaluations, etc. Annexes 3 to 5 list the documents consulted and the evaluations examined in this process. It should be emphasized that independent evaluations judged to be of appropriate quality are the main source of evidence. UNDP reports, reviews and self-assessments were used to identify issues to be examined or examples of what worked and what did not, but were not used in isolation to reach the findings set out in the following chapters.

Meta-analysis of existing evaluations therefore forms the basis of the data collection approach. There is a large amount of existing evaluative evidence that can be utilized and the process covered the following three types of evaluation:

- **Meta-analysis of all completed ADRs:** Since 2002 the Evaluation Office has produced over 70 Assessments of Development Results (ADRs – UNDP's country-level evaluations of its contribution to national development results) covering 65 country programmes.<sup>11</sup> The list of

country programmes covered by data collection, including through the ADRs, can be found in Annex 5. All ADRs cover poverty reduction and are, therefore, a rich source of data.

- **Meta-analysis of relevant independent thematic evaluations:** All of the recently completed thematic evaluations have direct relation to poverty evaluation as do a number of earlier thematic evaluations. Approximately 14 were reviewed and largely used to support the triangulation process and validate findings from other data collection sources. Annex 7 lists the independent thematic evaluations used.
- **Meta-analysis of selected decentralized evaluations:** The UNDP Evaluation Resource Centre contains the entire set of decentralized country programme, outcome and project evaluations undertaken in relation to UNDP's programmes. A process of purposive sampling was undertaken to improve the regional balance of country programmes included in the evaluation. In line with the scope of the evaluation, selection went beyond those in the

11. Although some of the early ones will cover a period before 2000, only six ADRs were undertaken before 2005 and, therefore, the vast majority only focus on the period covered by the evaluation. It should also be noted that all ADRs are subject to internal and external reviews for quality assurance purposes and drafts are shared with stakeholders for factual correction. Thematic evaluations conducted by the UNDP Evaluation Office undergo a similar quality assurance process.

12. Commonwealth of Independent States

area of MDGs and poverty reduction to include the broad variety of themes covered by UNDP's mandate. Efforts were made to ensure that only those evaluations of acceptable quality were used. Selection of the evaluations is described below and Annex 6 lists the decentralized evaluations used.

The decentralized evaluations used in the meta-analysis were not selected on a random basis. Initially, in order to extend coverage, countries with an ADR were not included in the list of countries from which decentralized evaluation could be selected. Evaluations of inadequate quality were removed from the list.<sup>13</sup> There is a potential for bias in the selection process in that countries with a few and/or weak evaluations may reflect weak country office management as well as weak programming and limited development contribution. This is recognized as a limitation, albeit a relatively minor one, of the evaluation methodology. In addition, the ADRs by their nature do not report in detail on all issues covered by a country programme but often pointed the evaluators towards decentralized evaluations as a source of further evidence.

Inevitably across a large number of countries, in many cases UNDP's performance was 'mixed' with both good and weak examples. Efforts were therefore made to quantify UNDP's performance and the factors affecting it using the key evaluations questions contained in Annex 4. This allowed the evaluators to make a judgement as to whether the performance or issue identified, positive or negative, was important for the organization as a whole. Such quantitative approaches have limitations but were useful in strengthening the synthesis process.

Five country studies – Armenia, Bhutan, Dominican Republic, Ethiopia, and Jordan – were used to deepen the analysis when answering the evaluation questions. One country was selected from each of UNDP's five regions. The first point

to note about selection of country studies is that the objective was not to choose a representative sample of UNDP's country experience over the whole world. The role of the studies in the proposed design is to supplement other components of the evaluation based on comparative desk studies. Their function is to provide deeper insights into certain areas that would be difficult to capture through desk studies alone. They therefore supplement the findings from other sources and no attempt is made to generalize from the country studies alone.

The data collection process, therefore, included more than three-quarters of UNDP country programmes through the meta-analysis of the independent ADRs and decentralized evaluations (mostly at the outcome level) as well as from the detailed country studies. This is not to imply that the evaluation covers three-quarters of UNDP activities aimed at poverty reduction during the period being examined. Clearly some evaluations included in the meta-analysis cover either only part of the period being examined or only part of the UNDP country programme (for example, it is unlikely that a single outcome or project evaluation covered all UNDP interventions that contribute to poverty reduction in a country). Nonetheless, the majority of the evaluations used are ADRs that cover the whole programme and the coverage is large enough to provide examples of what works and what does not and to estimate the extent of the issues being examined. Table 1 provides a summary of coverage by region. Annex 6 lists the decentralized evaluations and indicates the focus area addressed by each.

In addition to the above, to help understand what UNDP is doing in terms of poverty reduction, its strategies and approaches, the evaluation team undertook a desk review of key documentation related to UNDP policies, strategies, partnerships, results and finances. Moreover, the evaluation team also undertook interviews at UNDP headquarters

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13. Criteria from the UNDP Evaluation Office Quality Assessment system was used to ensure that decentralized evaluations met a minimum quality standard.

covering key informants in regional bureaux; the executive office and other headquarter units, especially BDP. Annex 2 lists the people consulted.

**Analysis and synthesis.** The various parts of the data collected, including six regional meta-analysis studies<sup>14</sup> and five country studies, were brought together during a synthesis process during which the key findings were identified. All reports had followed a standard format based on the evaluation matrix in Annex 4 and this allowed analysis to be undertaken across all the data collected in a consistent manner. In some cases, inadequate evidence meant that the issue was not further addressed. In other cases, issues were combined in preparing a finding. At this stage, gaps in data analysis were identified and a plan made to fill them through further desk review, interviews and analysis of evaluations.

## 1.5 EVALUATION MANAGEMENT AND PROCESS

The evaluation was conducted by the independent Evaluation Office of UNDP using an evaluation team under an Evaluation Office evaluation manager with a well-known expert in poverty reduction who supported the design and synthesis processes. It was subject to a quality assurance process, the core of which was the advisory panel consisting of three persons with expert knowledge in poverty reduction and/or evaluation. To facilitate greater utilization of the evaluation by UNDP, the Evaluation Office established a reference group that brought together key UNDP stakeholders in the process. The reference group was responsible for reviewing the terms of reference and the inception report from the perspective of ensuring an appropriate scope and process, thereby facilitating greater use of the evaluation once the report is complete. The reference group was made up of staff from UNDP headquarter units (regional bureaux, BDP and the Bureau for Crisis Prevention and Recovery - BCPR). The evaluation was presented to an informal meeting of the UNDP Executive Board where the results of the evaluation

were discussed, again with the objective of facilitating greater use of the evaluation by programme and donor countries alike.

The evaluation process from launch to presentation of the final report to the UNDP Executive Board took approximately 20 months, divided into five distinct phases. First, the preparatory phase comprising the main activities and outputs including the preparation of a concept note, terms of reference and identification of the evaluation team leader, the advisory panel and the reference group. Second, the inception phase during which the core evaluation team interpreted the terms of reference and added details to the process and approach in an inception report that guided the rest of the evaluation. The report was discussed by the advisory panel and reference group. Third, the data collection phase, which was relatively long and based on a wide variety of data collection methods as set out in Section 1.4 above undertaken in parallel.

The final analysis and synthesis phase was undertaken once data had been collected and initial assessments made. This led to the development of the key conclusions of the evaluation exercise (team leader's synthesis mission). A meeting of the reference group was held once initial conclusions and emerging recommendations had been identified. The final phase, reporting, started once the analysis was complete. The report was subject to two sets of review: (a) comments from the UNDP Evaluation Office and the advisory panel, and (b) comments from UNDP stakeholders.

## 1.6 STRUCTURE OF THE REPORT

Chapter 2 sets the global context within which UNDP has contributed to poverty reduction. Chapter 3 reviews UNDP's strategic and programmatic response to this context. Chapter 4 makes an assessment of UNDP performance according to the evaluation criteria and identifies the factors that have affected that performance. Chapter 5 sets out the conclusions and recommendations.

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14. This includes one report for each region plus an additional report covering French-language evaluations from Africa and the Arab States.



## Chapter 2

# THE GLOBAL POVERTY CONTEXT

This chapter sets the context within which UNDP developed its global, regional and country-level strategies and interventions for poverty reduction over the 12 years covered by the evaluation. It is not meant to be a critique of different concepts and strategies of poverty reduction or to promote one over another but rather to help understand why UNDP made the decisions it did. Equally, with the second section examining global poverty trends, and the next section describing the emerging challenges of poverty reduction, the purpose is not to debate the quality of one measure over another in this highly contested field<sup>15</sup> but to provide more of the context and the challenges facing UNDP in defining its role over time.

### 2.1 SHORT CHRONOLOGY OF POVERTY CONCEPTS AND STRATEGIES

From a UN perspective, the starting point for the context is the Universal Declaration of Human Rights.<sup>16</sup> Approved by the founding 51 members in 1948 and States that have joined since as a pre-requisite for membership, the document declares that:

*Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.*<sup>17</sup>

UNDP was established in the middle of the United Nations Decade of Development that had promised to *lessen the gap between developed and underdeveloped countries, to speed up the processes of modernization, and to release the majority of mankind from poverty*. The 1970s started with the declaration of a second Decade of Development. And while the first decade had been optimistic (it was initially referred to as *the* decade of development and only later as the *first* decade) the preamble to the General Assembly resolution noted the frustration and disappointment associated with the 1960s.

In the mid-1970s there was a move to take the idea of basic needs from concept to practical application. In its report for the 1976 World Employment Conference, the International Labour Organization (ILO) defined basic needs in terms of food, clothing, housing, education, and public transportation. Employment was considered to be both a means and an end, and participation in decision-making was also included as one of the needs. The ILO also attempted to quantify the rate of economic growth required to meet basic needs but the required rate of economic growth to fully meet basic needs targets, within unchanged income distribution, was found to be unrealistically high. It was, therefore, concluded that the only way to achieve the targets of basic needs was to work at two levels: increasing the rate of economic growth and making the distribution of national income less unequal.

15. United Nations, 'Rethinking Poverty: Report on the World Social Situation 2010', Department of Economic and Social Affairs, New York, 2010, provides a good overview on the 'poverty of poverty measurement'.

16. The Universal Declaration of Human Rights was adopted by General Assembly resolution 217 A (III) of 10 December 1948.

17. Article 25 (1).

### Box 1. The 1990s World Summits

- World Summit for Children, New York, 1990
- United Nations Conference on Environment and Development, Rio de Janeiro, 1992
- World Conference on Human Rights, Vienna, 1993
- International Conference on Population and Development, Cairo, 1994
- World Summit for Social Development, Copenhagen, 1995
- Fourth World Conference on Women, Beijing, 1995
- Second World Conference on Human Settlements, Istanbul, 1996
- World Food Summit, Rome, 1996

Initially the idea was greeted with enthusiasm and soon even the doubters were adopting the approach. This was, however, to be short-lived. In terms of reducing global poverty the 1980s have been considered the ‘lost decade’.<sup>18</sup> Employment, basic needs, and much else was pushed aside as fiercely *pro-market* policies made a bold entry in the early 1980s in the form of Structural Adjustment and the Washington Consensus, which constituted a strong political and academic offensive against the active state implied by the basic needs strategies.

While Structural Adjustment and the Washington Consensus would continue into the 1990s, the start of the decade marked the beginning of a shift in thinking about poverty as embodied in two important reports. First, in 1990 the World Bank published its third World Development Report<sup>19</sup> on poverty reduction that promoted a three-pronged

approach of economic growth, investment in human capital and strengthening the social safety net. Second, in 1990, UNDP published its first Human Development Report (HDR) that was to become an alternative to the World Bank’s approach. From the start the HDRs challenged the principles of structural adjustment and set out a new concept of development defined as:

*a process of enlarging people’s choices. The most critical of these wide-ranging choices are to live a long and healthy life, to be educated and to have access to resources needed for a decent standard of living. Additional choices include political freedom, guaranteed human rights and personal self-respect*<sup>20</sup>

The 1990s was also the decade of UN global conferences as illustrated in Box 1. All of the conferences were important for addressing different dimensions of poverty but it was the 1995 World Summit on Social Development (WSSD) that focused on the issue, put the social agenda firmly on the platform and set the framework for poverty reduction efforts for the next few years. The Fourth World Conference for Women was held in Beijing in the same year and recognized that of those living in abject poverty, ‘women are an overwhelming majority’.<sup>21</sup>

All this happened in the middle of a renewed interest of the UN in poverty reduction. In 1994 the then UN Secretary General Boutros Boutros-Ghali presented his ‘Agenda for Development’<sup>22</sup> which stated that the first goal of development must be to *end poverty and satisfy the priority needs of all people in a way that can be productively sustained over future generations*. In 1993, the UN had

18. It is unclear who first used the term ‘lost decade’ to describe development progress in the 1980s but it is commonly used. For example, Stokke, O., *The UN and Development. From Aid to Cooperation*, Indiana University Press, Bloomington, 2009.

19. World Bank, *Poverty. World Development Report 1990*, Oxford University Press, Oxford, 1990. Two earlier World Development Reports focused on poverty had already been published: 1980 ‘Poverty and Human Development’; 1978 ‘Prospects for Growth and Alleviation of Poverty’.

20. UNDP, *Human Development Report 1991*, Oxford University Press, Oxford, 1991.

21. United Nations, ‘Platform for Action and the Beijing Declaration’, Beijing, September 1995.

22. United Nations, ‘An Agenda for Development: Recommendations’, General Assembly, A/49/665 11, November 1994.

Table 2. Percent of Population Below \$1.25 a Day in 2005 PPP										
Region	1981	1984	1987	1990	1993	1996	1999	2002	2005	2008
East Asia and Pacific	77.2	65.0	54.1	56.2	50.7	35.9	35.6	27.6	17.1	14.3
China	84.0	69.4	54.0	60.2	53.7	36.4	35.6	28.4	16.3	13.1
Eastern Europe and Central Asia	1.9	1.6	1.5	1.9	2.9	3.9	3.8	2.3	1.3	0.5
Latin America and the Caribbean	11.9	13.6	12.0	12.2	11.4	11.1	11.9	11.9	8.7	6.5
Middle East and North Africa	9.6	8.0	7.1	5.8	4.8	4.8	5.0	4.2	3.5	2.7
South Asia	61.1	57.4	55.3	53.8	51.7	48.6	45.1	44.3	39.4	36.0
Sub-Saharan Africa	51.5	55.2	54.4	56.5	59.4	58.1	58.0	55.7	52.3	47.5
Total	52.2	47.1	42.3	43.1	40.9	34.8	34.1	30.8	25.1	22.4
Total excluding China	40.5	39.1	38.1	37.2	36.6	34.3	33.6	31.5	27.8	25.2

Note: Regions with survey coverage less than 50 percent of the population are highlighted

Source: World Bank, An update to the World Bank's estimates of consumption poverty in the developing world (03-01-12)

already proclaimed 1996 as the International Year of Poverty Eradication<sup>23</sup> and in 1996 it proclaimed 1997-2006 the First Decade for the Eradication of Poverty.<sup>24</sup>

In December 1999, the International Monetary Fund (IMF) and World Bank approved the PRSP as a new instrument designed to serve as a framework document for concessional lending to low-income countries. Aimed at addressing the challenges of poverty reduction, the PRSPs would include an analytical framework, integrating macroeconomic, structural, sectoral and social considerations and specifically a set of poverty reduction measures and policies over an initial three-year time-frame. The use of 'PRSP' has evolved since 1999 partly because the term 'paper' is clearly inappropriate to describe what is, essentially, a process.

In September 2000, after three days of the Millennium Summit, the UN General Assembly adopted the Millennium Declaration. Building upon a decade of major United Nations world conferences and summits, the United Nations Millennium Declaration committed world leaders and their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets – with a deadline of 2015 – that have become known as the MDGs. Five years later at the World Summit, nations reconfirmed their commitment to the Millennium Declaration and noted their role in helping *to galvanize efforts towards poverty eradication*. At the same time member states decided *[To] adopt, by 2006, and implement comprehensive national development strategies to achieve the internationally agreed development goals and objectives, including the Millennium Development Goals*.<sup>25</sup>

23. United Nations, 'International Year for the Eradication of Poverty', General Assembly, A/RES/48/183, 21 December 1993.

24. United Nations, 'Observance of the International Year for the Eradication of Poverty and Proclamation of the first United Nations Decade for the Eradication of Poverty', General Assembly, A/RES/50/107, New York, 26 January 1996.

25. United Nations, '2005 World Summit Outcome', General Assembly, A/RES/60/1, New York, 2005.

A further five years down the road towards 2015 a United Nations Summit on the Millennium Development Goals was held and concluded with the adoption of a global action plan to achieve the eight goals by their 2015 target date and the announcement of major new commitments for women's and children's health and other initiatives against poverty, hunger and disease. The following year, 2011, the international community met in Busan, South Korea and noted: *The world stands at a critical juncture in global development. Poverty and inequality remain the central challenge.*<sup>26</sup>

## 2.2 GLOBAL POVERTY TRENDS

When UNDP started its work in 1966, global estimates of poverty were not available. Since the late 1970s, when the World Bank started undertaking poverty surveys in a large number of developing countries, it has become possible to make global estimates. One of the earliest such estimates was made in the 1990 World Development Report. This early estimate as well as most of the subsequent ones used a narrow definition of poverty based on income (proxied in practice by consumption, which was regarded as a better indicator of 'permanent income', a concept of income that leaves out short-term random fluctuations). This section will start with this purely income dimension of poverty and then look at more sophisticated measures that attempt to capture the multidimensional nature of poverty.

Although it is not without its critics, the World Bank US\$1.25 a day (in 2005 PPP) international poverty line is used in defining the poverty goal

of MDGs (MDG1) and is the basis of by far the most comprehensive source of data for looking at income-based poverty trends over a significant period. \$1.25 is the average of the national poverty lines found in the poorest 10–20 countries. Using this line implies that poverty in the world as a whole is being judged by what 'poverty' means in the world's poorest countries. Naturally, better-off countries tend to have higher poverty lines than this frugal standard and \$2 a day is the median poverty line for all developing countries. The latest data up to 2008 was published in early 2012<sup>27</sup> and is illustrated in Table 2.

Taken as a whole, the developing world has already achieved MDG 1 of halving the rate of extreme poverty (using both \$1 and \$1.25 per day – achieved in 2010 and 2008 respectively.) But progress hides important gender disparities and has been extremely uneven across regions. For example, if China is left out, progress since 1981 has been less impressive. In the rest of the developing world (excluding China), the rate of poverty reduction was especially slow in the 1980s, but it picked up strongly in the following two decades.

A notable feature of recent trends is the shifting distribution of the poor. It has been estimated that in 1990 about 93 percent of the world's extremely poor people lived in low-income countries (LICs), but by 2007–2008 as many as 75 percent of them lived in middle-income countries (MICs)<sup>28</sup> while 25 percent lived in the remaining 39 LICs, largely in sub-Saharan Africa.<sup>29</sup> The implications of this new geography of poverty for the targeting of development

26. Various, 'Busan Partnership for Effective Development Cooperation', Fourth High Level Forum on Aid Effectiveness, Busan, Republic of Korea, 29 November–1 December 2011.

27. The latest estimates draw on over 850 household surveys for almost 130 developing countries, representing 90 percent of the population of the developing world. The surveys are mostly produced by national statistics offices. Results for 2005 and 2008 are based on interviews with 1.23 million randomly sampled households. However, survey coverage tends to be poorer in the 1980s and in some regions even today.

28. This figure is inflated by the recent move of four countries with large populations to MIC status, namely, India, Pakistan, Indonesia and Nigeria.

29. Sumner, A., 'Global Poverty and the New Bottom Billion', Working Paper, Institute of Development Studies, Sussex, UK, September 2010. Estimates for the number of extremely poor are based on the World Bank \$1.25 poverty line.



assistance and the nature of policy support on the part of the international community are emerging as important policy issues.<sup>30</sup> Some have argued, however, that the current spatial distribution of poverty may not last for long as some forecasting models suggest that owing to differential rates of poverty reduction, most poor people will once again be concentrated in LICs, possibly within a short period of time.<sup>31</sup>

Feminization of poverty requires specific attention. Women and children make up the majority of the world's poor, and are disproportionately affected by the economic and food crises. Women are the backbone of agriculture, particularly in developing countries – they produce 50 percent of all food grown worldwide but only get 1 percent of total credit allocated to agriculture. Women's property rights including land ownership is a human right, recognized under international human rights law, yet it is exercised limitedly due to legislation and social norms. This in turn exacerbates women's food insecurity and access to finance with a self-perpetuating poverty trap in action. ILO estimates that from 2007 to 2009, women's unemployment went up by 19.2 million compared to an increase of 14.6 million in men's unemployment. This comes in addition to persistent gender inequalities in labour markets, both formal and informal.

As noted, the measures of poverty on which these estimates are based only address one dimension – albeit an extremely important one – of deprivation. UNDP introduced the multidimensional Human

Poverty Index (HPI) in its 1997 HDR but the coverage and range of application was limited.<sup>32</sup> An alternative approach to consider the multidimensionality of poverty has been to monitor MDGs as a whole. Since their introduction, the MDGs have been closely monitored and *'taken together, they provide a reasonably comprehensive and operational framework for charting progress against human poverty.'*<sup>33</sup> UNDP undertook a comprehensive review of MDG progress in 2010<sup>34</sup> and noted that:

*[E]vidence on MDG achievements indicates an enormous variation among countries. Progress is highly uneven across countries even within a region for the different Goals. Some countries appear to have made steady gains towards a number of MDG targets – such as income poverty, primary education and gender parity in education – whereas others have actually reversed course on some targets, even while making progress on others. And most countries appear to have made insufficient progress towards achieving key sanitation and maternal mortality targets. It is widely agreed that despite significant advances, at current trends, most developing countries are projected not to meet many MDG targets.*

More recently, the Multidimensional Poverty Index or MPI has been devised (jointly by Oxford University's Oxford Poverty and Human Development Initiative<sup>35</sup> and UNDP's Human Development Report Office for the flagship Human Development Report). This measure, which replaces

30. Kanbur, R. and Sumner, A. 'Poor Countries or Poor People? Development Assistance and the New Geography of Global Poverty', CEPR Discussion Paper 8489, Centre for Economic Policy Research, London, 2011. Available at: <kanbur.dyson.cornell.edu/papers/KanburSumnerPoorCountriesOrPoorPeople.pdf>

31. Chandy, L. and Gertz, G., 'Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015', Policy brief 2011-01, The Brookings Institution, Washington DC, 2011. The robustness of these forecasts has been questioned, however. See, for example, Ravallion, M. 'New Brookings Study is Overly Optimistic on Progress Against Poverty', 2012. Available at: <blogs.worldbank.org/developmenttalk/new-brookings-study-is-overly-optimistic-on-progress-against-poverty>.

32. The HPI used country averages to reflect aggregate deprivations in health, education, and standards of living: it could not identify specific individuals, households or larger groups of people as jointly deprived.

33. McKinley, T., 'Human Poverty and the MDGs: The Implications for Economic Policies', Paper Prepared for the Conference on 'The Many Dimensions of Poverty', UNDP International Poverty Centre, Brasilia, 29-31 August 2005.

34. UNDP, *Beyond the Midpoint. Achieving the Millennium Development Goals*, New York, 2010.

35. <www.ophi.org.uk/>



## Box 2. Key Findings from Analysis of the Multidimensional Poverty Index<sup>36</sup>

- Half of all MPI poor people live in South Asia and 29 percent in Sub-Saharan Africa. South Asia is home to 827 million MPI poor people, compared with 473 million in Sub-Saharan Africa.
- Sub-Saharan Africa has the highest MPI poverty of any world region. However, the poorest 26 subnational regions of South Asia (home to 519 million MPI poor people), have higher MPI poverty than Sub-Saharan Africa's 38 countries, which 473 million MPI poor people call home. These 26 subnational regions and 38 countries have comparable rates of multidimensional poverty.
- Nigeria (a middle-income country) is Africa's largest oil producer, but its North East region has higher MPI poverty than the poorest region of Liberia, a low-income country still recovering from a prolonged civil war. The North East of Nigeria also has over five times more MPI poor people than the entire country of Liberia.
- Disparities within countries can be startlingly wide. Overall 41 percent of people in the Republic of Congo are MPI poor, but in the Likouala region, 74 percent of people are poor; whereas in Brazzaville, the capital region, 27 percent of people are poor. In Kenya's regions, the percentage of MPI poor people ranges from 4 to 86 percent; in Timor-Leste, from 29 to 86 percent; and in Colombia from 1 to 15 percent.
- Income classifications hide wide disparities in MPI poverty. In low-income countries, the percentage of people living in MPI poverty ranges from 5 percent in Kyrgyzstan to 92 percent in Niger. In lower middle-income countries, this varies from 1 percent in Georgia to 77 percent of people in Angola who are MPI poor; and in upper middle-income countries, from 0 percent in Belarus to 40 percent in Namibia.

the HPI in UNDP's HDRs, takes into account a range of deprivations in areas like education, nutrition, child survival, sanitation and health services. By measuring directly the deprivations poor people experience together, the research team has produced a high-resolution picture of who the poor are and where they live. If people are deprived in one-third or more of the (weighted) indicators they are identified as 'MPI poor'. Those who are deprived in more than half the weighted indicators are identified as 'severely poor'. Using updated data for 25 countries, the researchers analysed a total of 109 countries in 2011, with a combined population of 5.3 billion, which represents 79 percent of the world's population (using 2008 population figures). About 1.65 billion people in the countries covered – 31 percent of their entire population – live in multidimensional poverty.

Human poverty can best be measured by indicators of the opportunities and choices that people

have. The range of choices and opportunities in human life are literally in number, but some are basic, and deprivations in those areas foreclose many other opportunities. At the national and global levels, many standardized indicators of human poverty can be used that show gender disparities in deprivation. Of the world's 800 million people who are illiterate, more than two-thirds are women. Of the 110 million children out of school, three out of five are girls. Gender bias has led to lower survival for women, in spite of their biological advantage. And in political participation, women are the most deprived, holding only 7.5 percent of ministerial positions in governments and 13 percent in parliaments. These, along with many other indicators of human development and deprivation, should be used for monitoring poverty as it affects women and men differently.<sup>37</sup>

36. Alkire, Sabina, et al, *Multidimensional Poverty Index 2011*, Oxford Poverty & Human Development Initiative, Oxford, December 2011.

37. Fukuda-Parr, S., 'What Does Feminization of Poverty Mean? It Isn't Just Lack of Income', *Feminist Economics* 5(2), 1999.

## 2.3 POVERTY REDUCTION CHALLENGES

Much of the poverty reduction that has occurred in the last couple of decades has been mainly growth-mediated; in other words, rapid economic growth has been the main driver of poverty reduction. If the growth momentum continues into the near future, the world is likely to witness further poverty reduction. But there are reasons to suspect that even if growth remains strong it might become increasingly difficult to achieve comparable rates of poverty reduction in the future. It could be argued that the reduction of poverty that has occurred in the recent decades was the easier part of the task, as strong growth enabled the people just below the poverty line to cross the threshold. This leaves the task of pulling people up from well below the poverty line – the so-called extreme poor – still to be accomplished. And there a number of reasons why this task is likely to face serious challenges that may not be solved by growth alone.

One of the hardest challenges emanates from the fact that a large part of the poor is characterized as ‘chronic poor’, i.e., poverty for them is a persistent phenomenon that does not yield easily to the forces of general economic growth. There is also a good deal of heterogeneity among them in the sense that there is no unique causation behind the persistence of their poverty.<sup>38</sup> Several different lines of causations may be involved, with varying degrees of relevance for different subsets of the chronic poor. Accordingly, the challenges facing the chronic poor are also multifarious in nature. Some of the major challenges are discussed briefly below.

A common problem afflicting many of the chronic poor is encapsulated in the notion of the ‘poverty trap’. The term refers to the idea that the very experience of poverty generates forces that tend to

perpetuate poverty. These endogenously generated forces of self-perpetuating poverty can in turn be of different kinds. For example, poor people with very few assets may find it extremely hard to acquire new assets since one needs a certain minimum threshold level of assets in order to earn and save enough to acquire more assets after meeting the daily necessities of life, and without the ability to acquire new assets they will forever be trapped into poverty – the so-called ‘asset trap’. Yet another example is a ‘nutrition trap’ – people with very low incomes may be so severely malnourished that they may not be physically capable of expending the labour power needed to earn higher incomes. There is also an inter-generational dimension of the nutrition trap. Women who are malnourished most of their lives are more prone to give birth to ‘low-birthweight babies’ than well-nourished women, and the ‘low birthweight babies’ are more prone to grow up as malnourished adults than normal babies, with the result that the physical inability to work hard for higher incomes may be transmitted from one generation to the next. Finding appropriate interventions that are needed to offset these internally generated forces of self-perpetuating poverty remains a major challenge in the arena of poverty reduction.

A common feature of all such ‘traps’ is that they involve a threshold – a minimal level of either assets, or income, or nutritional status, as the case may be – below which poverty becomes self-perpetuating. Unless the poor can cross these thresholds, any marginal improvement in their conditions will only bring them back to where they were to begin with – hence the trap.<sup>39</sup> Only a large improvement that pushes them above the threshold can bring them permanent gains. An important policy implication follows from this. Trickle down processes that allow the benefit of generalized economic growth to percolate down to the poor

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38. For in-depth analyses of the multiple causes of persistence of poverty, at both analytical and empirical levels, see the collection of essays in Addison, T., Hulme, D., and Kanbur, R., (eds.) *Poverty Dynamics: Interdisciplinary Perspectives*, Oxford University Press, Oxford, 2009, and Baulch, B. (ed) *Why Poverty Persists: Poverty Dynamics in Asia and Africa*, Edward Elgar, Cheltenham, 2011.

39. A non-technical and yet insightful analysis of how these traps operate both in theory and in the real world can be found in Banarjee, A. and Duflo, E., *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, Public Affairs, New York, 2011.

in small doses will not suffice to make a significant dent in chronic poverty. Therefore, it would not do to defend policies on the simplistic ground that 'the poor benefit from them too'. Policies must be formulated with a conscious pro-poor bias so that the poor benefit significantly from them. This does not mean that reliance should be placed solely on targeted programmes directly aimed at the poor; even macro and meso-level policies must be infused with elements that can ensure that a disproportionate amount of benefit goes to the poor. A policy regime with such deliberate pro-poor bias will necessarily face serious economic and political challenges. How effectively these challenges are overcome will determine to a large extent the pace of poverty reduction in the coming decades.

A second problem afflicting many of the extreme poor is 'social exclusion'. This is a broad concept that encompasses a wide range of forces that tend to keep significant segments of the population outside (or at best tangentially attached to) the mainstream of economic activities. These exclusionary forces may emanate from many different sources – for instance, discrimination against particular ethnic or religious or linguistic minorities, gender-based discrimination, being at the wrong end of grossly unequal power relations, deep-rooted historical animosities, and so on. Whatever the source of social exclusion, the end result is that even when general economic growth opens up new opportunities for improving one's life prospects, the excluded groups find it hard to seize those opportunities. A broad range of socio-political reforms will be needed, in addition to economic growth, in order to address the problem of persistent poverty that emanates from social exclusion. It is also well recognized that gender equality is critical not only to breaking cycles of poverty and hunger, but also to achieving all of

the MDGs. The Outcome Document of 2010 United Nations MDG Summit puts it simply, "Investing in women and girls has a multiplier effect on productivity, efficiency and sustained economic growth".

In this context, the recent move to bring in the human rights perspective to development policy in general (as embodied in the 'right to development' concept, for example) and in poverty reduction strategies in particular is a step in the right direction. The recognition that every human being, irrespective of his or her identities, has an inalienable right to a decent standard of living and to a life free from the pangs of hunger and the curse of illiteracy, can be a powerful force towards breaking down the barriers of social exclusion.<sup>40</sup> However, despite earnest efforts being made by various UN agencies as well as many non-governmental organizations (NGOs) and civil society activists to promote the human-rights approach to development, serious challenges still remain in making governments fully receptive to the idea. A fundamental obstacle arises from the need for accountability. One of the essential conditions of taking human rights seriously is that governments must make themselves accountable to all stakeholders in a transparent, credible and effective way, and it is not easy to convince the powers that be to subject themselves to open scrutiny, especially in countries where democratic traditions have been weak or non-existent.

Yet another challenge confronting poverty reduction lies in the emergence and/or persistence of high levels of inequality. Income inequality is rising in many rapidly growing countries in Asia and Africa, including such star performers as China and India. While inequality has fallen somewhat in Latin America since around 2000, the level of

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40. An authoritative account of the right to development is given by Sengupta, A., 'Elements of a Theory of the Right to Development', in Basu, K. and Kanbur, R. (eds.) *Arguments for a Better World: Essays in Honour of Amartya Sen* (Vol. 1: Ethics, Welfare and Measurement), Oxford University Press, Oxford, 2009. For a systematic attempt to introduce the human rights perspective into poverty reduction strategies, see, for example, OHCHR, *Principles and Guidelines For a Human Rights Approach to Poverty Reduction Strategies*, Office of the High Commissioner for Human Rights, Geneva, 2006, and Osmani, S.R., 'The Human Rights Approach to Poverty Reduction', in Andreassen, B.A., Marks, S.P. and Sengupta, A.K. (eds.) *Freedom from Poverty as a Human Right: Economic Perspectives*, UNESCO, Paris, 2009.

inequality in this region still remains the highest in the world.<sup>41</sup> This poses a serious problem for the prospects of poverty reduction. The problem of poverty is sometimes delinked from the problem of inequality, and it is not uncommon for people to take the position that in poorer countries policies should concentrate on the reduction of poverty without worrying unduly about inequality. This line of thinking is fundamentally misguided. Quite aside from the fact that high degree of inequality may be deemed socially unacceptable for intrinsic reasons of justice and fairness, it ought to be taken seriously in the context of poverty reduction as well, for reasons explained below.

There are at least two ways in which rising inequality may render the task of poverty reduction harder. First, when poverty is seen as inadequate achievement in terms of functioning and capability, the threshold income set by the poverty line cannot be delinked from what is happening in the rest of the society, because “For each person, the income and resources needed for achieving the same minimal functionings and for having the same capabilities continue to grow with the overall progress of an economy and the rise in other people’s incomes.”<sup>42</sup> In other words, rising inequality entails a rising poverty line income even if one is concerned with absolute poverty (defined as shortfalls from given minimum levels of functionings and capabilities).<sup>43</sup> In consequence, the magnitude of poverty will also rise with rising inequality, other things remaining the same. Secondly, there is growing evidence that even with the same poverty line rising inequality may have an adverse effect on the rate of poverty

reduction.<sup>44</sup> There are two ways in which this can happen: first, higher inequality may hamper future growth, and second, higher initial inequality may weaken the ability of any given rate of growth to reduce poverty (as reflected in lower ‘growth elasticity of poverty’). The relative strengths of the two routes may vary from country to country, but their combined effect will entail that countries with higher initial levels of inequality will find it harder to reduce poverty in the future, other things remaining the same. Reversing the trend of rising and persistently high inequality must, therefore, constitute an integral part of poverty reduction strategies.

A further challenge to poverty reduction arises from shocks and crises that developing countries are becoming increasingly susceptible to in a rapidly globalized world. In thinking about the impact of globalization on poverty it is necessary to make a distinction between two aspects – long-term trend and short-term fluctuations. Over the longer term, globalization can be a powerful progressive force by opening up new opportunities for productive employment for the poor, especially if it is accompanied by complementary policies that enable the poor to seize those opportunities.<sup>45</sup> But closer integration with the global economy also runs the risk of facing more frequent fluctuations in economic activities as disturbances in any part of the world get transmitted into the rest of the world. The lingering trauma of the most recent global financial crisis, coupled with the food price crisis, is but an extreme illustration of the point that even countries that have no role in precipitating a crisis are not immune from their adverse effects.

41. The evolution in inequality in Latin America is extensively documented and expertly analysed in Lopez Calva, L.F. and Lustig, N. (eds.), *Declining Inequality in Latin America: A Decade of Progress?*, Brookings Institution, 2010.

42. Sen, A., ‘Adam Smith and the Contemporary World’, *The Erasmus Journal for Philosophy and Economics*, 3(1): 2010 (p.52). For further elaboration of the argument see, Sen, A., ‘Poor, Relatively Speaking’, *Oxford Economic Papers*, 35(2), 1983.

43. This argument needs to be distinguished from the case with ‘relative poverty’ where it has always been understood that the poverty threshold will vary with changes in the rest of the society. The argument here is that even the absolute poverty line can be sensitive to rising inequality.

44. Ravallion, M., ‘Inequality is Bad for the Poor,’ in Micklewright, J. and Jenkins, S. (eds.), *Inequality and Poverty Re-Examined*, Oxford University Press, Oxford, 2007.

45. See the evidence surveyed in the collection of essays in Harrison, A. (ed.), *Globalization and Poverty*, The University of Chicago Press, Chicago, 2007.

While the less developed countries are somewhat better insulated from the shocks of financial crises compared to the more developed ones, ironically thanks to their less well-developed and less globally integrated financial system, it must be remembered that they are also less able to bear the consequences of shocks. As a result, even a milder shock can mean more devastating effects in a poor country than in a richer one. And both past and present evidence shows that when poor countries are hit by shocks, it is the poorer segment of the population that is hit the hardest. In particular, poor women often bear the brunt of the burden, as was evidenced by the feminization of poverty in many parts of the developing world during the prolonged period of debt crisis and the ensuing structural adjustment in the 1980s and early 1990s.

A different type of crisis is related to climate change and environmental degradation, both of which are proceeding at an alarming pace, creating new vulnerabilities. Once again, it is the poorer countries, and the poorer people within these countries, that are likely to suffer the most. As in the case of economic crises so in the case of environmental crises, poor women, in particular, are likely to bear the main burden as it is they who are most heavily reliant on the environment as part of household livelihood strategies. Coping with these vulnerabilities – emanating from both the global economy and the global environment – remains an enduring challenge for poverty reduction in the increasingly globalized world.<sup>46</sup>

It is in addressing these challenges that UNDP designed its strategies and programmes at global, regional and country levels; their evolution will be addressed in the next chapter.

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46. Insightful analysis of what might constitute an appropriate pro-poor response to economic crises can be found in Lustig, N., 'Crises and the Poor: Socially Responsible Macroeconomics', *Economia*, 1(2), 2000, and IADB, 'Protecting Latin America's Poor During Economic Crises', Policy Brief 2, (Inter-American Dialogue, Social Policy), Inter-American Development Bank, Washington, D. C., 2010. On the links between climate change and poverty, a rigorous analysis is provided by Hertel, T.W. and Rosch, S.D., 'Climate Change, Agriculture and Poverty', Policy Research Working Paper no. 5468, World Bank, Washington, D.C., 2010.



# UNDP'S STRATEGIC RESPONSE TO THE GLOBAL POVERTY CONTEXT

### 3.1 THE EVOLVING PRIORITY OF POVERTY REDUCTION IN UNDP

**The first two decades of UNDP.** The UNDP founding document<sup>47</sup> combined the Expanded Programme of Technical Assistance and the United Nations Special Fund to form a single new entity, but while both of the predecessor organizations were established to help 'underdeveloped areas'<sup>48</sup>, neither had a mandate to directly address poverty reduction. Established in 1949, the Expanded Programme financed experts, some equipment and student fellowships, largely from or in industrialized countries. The Special Fund had been established in 1958 to fund pre-investment of capital development projects. The founding resolution noted that the special characteristics and operations of the two programmes would be maintained and also that contributions could continue to be pledged to the two programmes separately.

It was not until the 1970 'Consensus'<sup>49</sup> that the two former organizations effectively merged and became UNDP. More importantly the consensus introduced country programming as well as country-specific resource allocation based on an indicative planning framework. Resources were allocated according to a formula based on GDP per

capita and population. Like its predecessors, UNDP was thus following the approach of allocating more resources to poor countries but not specifically addressing the needs of poor people within these countries. Over time, the share of resources going to low-income countries increased and allocations to countries with GDP per capita below \$500 per year (constant 1978 dollars) increased from 49 percent in the first programme cycle (1972-1976) to 64 percent in the second (1977-1981) to 79 percent in the third (1982-1986).<sup>50</sup>

The Consensus created an organization that remained much the same until the late 1980s; a vehicle for the transfer of grant technical assistance resources to programme countries through specialized UN agencies. By the late 1980s, these specialized agencies still executed 80 percent of UNDP's programme resources with 60 percent being covered by six large agencies alone: FAO, ILO, WHO, UNESCO, UNDDSMS (UN Systems Department for Development Support and Management Services) and UNIDO. Execution of projects by the programme country governments – national execution – had been introduced in 1976 but covered only 4 percent of the programme in 1982.<sup>51</sup>

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47. United Nations, 'Consolidation of the Special Fund and the Expanded Programme of Technical Assistance in a United Nations Development Programme', General Assembly, A/RES/2029/XX, November 1965.

48. The term used in the EPTA founding document, General Assembly resolution 200(III), Technical Assistance for Economic Development, December 1948.

49. Annex in the report of the 12th session of the UNDP Governing Council June 1970; and annexed to General Assembly Resolution A/RES/2688(XXV) on the Capacity of the United Nations Development System.

50. UNDP, *Portrait of the United Nations Development Programme 1950-1985*, UNDP Division of Information, New York, 1985.

51. UNDP Office of Strategic Planning and Evaluation, *National Execution: Promise and Challenges*, OESP Series on Lessons Learned, New York, 1995.

### Box 3. Examples of UNDP<sup>52</sup> Support Till 1985<sup>53</sup>

- **Teachers.** UNESCO estimates that since 1960 the cumulative total of teachers having received initial training or in-service training under UNDP-supported projects would surpass one million.
- **Telecommunication Specialists.** Since 1960, the International Telecommunication Union estimates that 77 telecommunication institutions have been established or strengthened with UNDP support.
- **Industrial Staff.** ILO reports 10,000 fellows trained under UNDP auspices since 1950, mainly vocational trainees and industrial managers.
- **Meteorologists.** The World Meteorological Organization reports 2,457 fellowships awarded and 17 meteorological institutions supported.

The scope of interventions was wide in line with the range of activities undertaken by the agencies. Box 3 provides some examples that illustrate the type of work UNDP engaged in during this period. Moreover, the uses to which these resources were to be put were the exclusive prerogative of the programme countries themselves. This right, combined with the wide scope of activities, largely precluded the possibility that UNDP could have its own thematic focus or mandate. The evolution of allocations for specific thematic purposes (known as special programme resources) remained outside of, and very much marginal to, the process of allocating indicative figure to countries.<sup>54</sup>

**Change in programming and the emerging focus on poverty.** In 1992 the General Assembly reiterated that *national execution should be the norm for programmes and projects supported by the United Nations System, taking into account the needs and capacities of recipient countries.*<sup>55</sup> By 1997, national execution accounted for 70 percent of the programme and the five biggest agencies only 6 percent. This was also a reflection of the specialized agencies' success in mobilizing their own resources and reducing their dependence on UNDP as a source of funding.

Meanwhile, UNDP also began to change its orientation. In 1988 a poverty action group that had started as an in-house think tank in UNDP headquarters began to meet on a regular basis. In the following few years UNDP produced a series of reports that analysed key issues and also assessed UNDP's performance in poverty alleviation.<sup>56</sup> Before the launch of the first HDR in 1991, the UNDP governing council<sup>57</sup> took a decision to stress the importance of promoting human development in UNDP's work.<sup>58</sup> The governing council also directed UNDP to focus its activities on six themes including poverty eradication and grass-roots participation. Later in a process of further narrowing its focus poverty became one of only four focus areas.<sup>59</sup> Poverty reduction started to become a more common part of country programmes, increasing from 34 percent of fourth-cycle programmes (1987-1991) to 76 percent of programmes in the fifth cycle (1992-1996).<sup>60</sup>

52. Includes the Expanded Programme of Technical Assistance and the UN Special Fund.

53. UNDP, *Portrait of the United Nations Development Programme 1950-1985*, UNDP Division of Information, New York, 1985.

54. UNDP, 'UNDP in the 1990s. The Story of a Transformation', UNDP Bureau for Planning and Resources Management, New York, 1999.

55. United Nations, 'Triennial policy review of the operational activities of the United Nations development system', General Assembly, 47/199, December 1992.

56. Muhith, A.M.A., 'Technical Cooperation in Poverty Alleviation. UNDP Interventions and Their Evaluations', UNDP Central Evaluation Office Occasional Paper No. 4, New York, 1994.

57. The 48-member Governing Council was superseded by the Executive Board on 1 January 1994.

58. Decision 90/34, 23 June 1990, para 6 stresses that in order to attain self-reliance in the developing countries through national capacity-building and strengthening, the United Nations Development Programme should promote human development.

59. Decision 94/14 on DP/94/39 Initiative for change – report of the administrator.

60. UNDP, 'Building the Capacity to Prevent Poverty: UNDP as a Facilitator: Mid-term Evaluation of UNDP's Fifth Cycle Poverty Alleviation Programmes', by Martin, Godfrey et al, October 1994.

Although poverty reduction had become one of the goals of UNDP its status within the set of goals was not equal: explicit priority was accorded to the goal of reducing poverty. In March 1995 the World Summit on Social Development solidified the global priority of poverty elimination. In a memo to UNDP Resident Representatives<sup>61</sup> the following month, the UNDP Administrator James Gustave Speth, stated, *Let us make it clear that UNDP is the UN's anti-poverty organization – a world partnership against poverty.*

Less than three months later at the annual meeting of the UNDP Executive Board, a decision was made to make *poverty elimination as the overriding priority in the programme of the United Nations Development Programme.*<sup>62</sup> The Administrator went on to interpret the board decision and especially the meaning of 'overriding priority' writing in a follow-up report on the WSSD:

*This means that all UNDP activities in the future will be geared towards, and be measured against, the ultimate goal of poverty eradication. UNDP's other major programming areas – gender equity, the promotion of jobs and sustainable livelihoods, environmental preservation and regeneration, and governance – which together define UNDP's sustainable human development framework, will increasingly come under the fold of poverty eradication, which therefore becomes Job One for us.*<sup>63</sup>

The following year UNDP produced a mission statement at the request of the Executive Board that reiterated that the organization gives 'first priority to poverty eradication'.<sup>64</sup> This priority has been regularly repeated by the Executive Board ever

since. At a practical level, UNDP recognized that the Board's decision had practical implications for introducing a sharper focus to programming and planned to develop a more distinct anti-poverty focus within the main UNDP thematic areas and to address the multidimensional challenge of poverty elimination from a cross-thematic perspective.<sup>65</sup>

As noted above, the WSSD was a watershed in putting poverty reduction back on the agenda and UNDP responded accordingly. The commitment to develop time-bound poverty reduction strategies contained in the WSSD declaration gave UNDP an opportunity to engage with support in this area. In early 1996 UNDP launched its Poverty Strategies Initiative (PSI), a \$20 million programme funded by UNDP (\$11 million) together with contributions from Denmark, Finland, Norway and the Netherlands. The funds were allocated to country-level activities based on national proposals and aimed to support improvements in the analysis of poverty, development of anti-poverty plans and advocacy for poverty alleviation programmes. In 1996 UNDP published the first in a series of reports on poverty<sup>66</sup> and the following year 1997 Human Development Report on human poverty<sup>67</sup> made an important contribution towards bringing together the core role in poverty reduction with UNDP's key contribution to development thinking, human development. The report also introduced the Human Poverty Index and facilitated monitoring of multidimensional poverty.

In 1998, in another attempt to narrow UNDP's focus, guiding principles were established to help programming at the country level. The principles note that the process of narrowing focus was two-fold the first element being *'The identification of poverty eradication*

61. Speth, J. 'Five Key Goals for UNDP in the Coming Year', Memorandum to Strategy and Management Committee members and Resident Representatives, 3 April 1995. The memo is an attachment to DP/1996/2 which describes it as UNDP's first corporate plan.

62. UNDP Executive Board Decision 95/22.

63. UNDP, 'Poverty Eradication: A Policy Paper for Country Strategies', New York, 1996.

64. Decision of the Executive Board during 1996 DP/1997/1. Annex to decision 96/29.

65. UNDP, 'Initiatives for Change: Follow-up to Decision 95/22', DP/1996/2 para 20.

66. UNDP, 'Poverty Eradication: A Policy Paper for Country Strategies', New York, 2006.

67. UNDP, *Human Development Report 1997*, Oxford University Press, Oxford, 1997.

areas at country level where UNDP can have the most desirable impact'.<sup>68</sup> The report noted that:

*Eradicating poverty requires cross-sectoral policy approaches that simultaneously promote equitable economic growth, gender equality, basic social services, employment and livelihoods, and environmental regeneration, all targeted to the needs of the poor. Building on the creativity and resourcefulness of people living in poverty is central to the UNDP approach.*

UNDP also announced that it would start to prepare regular poverty reports and responded with two documents titled *Overcoming Human Poverty* in 1998<sup>69</sup> and 2000<sup>70</sup> that set out not only to examine the follow-up to the WSSD but to provide examples of what works in the fight against poverty at the country level.

By the end of the 1990s, the PRSP with its promise of the World Bank and IMF resources dominated the approach to planning for poverty reduction. It also provided UNDP in many countries an organizational framework within which to engage and also a policy framework against which to provide alternative policies and choices. The PRSPs also specifically addressed what had been lacking in many, if not most, earlier poverty reduction strategies, a link to the budget and the macro economy. It supplanted the work undertaken by the PSI and in some cases built upon it and initially presented UNDP with the challenge of identifying its role in the PRSP process.

Thus by the end of the 1990s and the start of the period covered by this evaluation, UNDP had a very clear focus on poverty reduction. Although compared to some other multilateral development organizations, notably the World Bank, it had shorter experience with poverty reduction; it had nonetheless rapidly developed expertise and experience in the

area, specifically in the framework of human development. The remainder of the chapter will take the story from 2000 and examine how UNDP's strategic position and intent in relation to poverty reduction changed. First, to set the framework, the following section will look at how UNDP is organized and its approach to development.

### 3.2 HOW UNDP IS ORGANIZED AND ITS APPROACH TO DEVELOPMENT

Although poverty reduction is the priority of UNDP, the organization has focused its work on a number of areas that all contribute to sustainable human development. At the same time, it incorporates a number of cross-cutting programming principles that guide its work. This section will examine the broader UNDP and see how it is structured to support its goal of poverty reduction. As a first step, it is important to set out the key strategic planning documents that UNDP used during the period being examined by the evaluations, as these set the framework for corporate policy described in the rest of this section. The introduction of the 2000-2003 Multi-year Funding Framework (MYFF) represented the latest stage in a process started in the mid-1990s<sup>71</sup> to move UNDP towards being a more focused and result-oriented organization. It was followed by a second version covering the period 2004-2007. In turn the MYFF was replaced by a Strategic Plan, originally planned to cover 2008 to 2011 but later extended to 2013.

**UNDP's areas of focus:** In the period covered by the evaluation UNDP has had a largely consistent focus on the four thematic areas set out in Table 3. The four areas are the same in the MYFF (2004-2007) as in the Strategic Plan. The only difference is that a goal of responding to HIV/AIDS was

68. UNDP, 'Narrowing the Focus', DP/1998/5.

69. UNDP, *Overcoming Human Poverty*, UNDP Poverty Report 1998, New York, 1998.

70. UNDP, *Overcoming Human Poverty*, UNDP Poverty Report 2000, New York, 2000.

71. UNDP introduced its first corporate plan in 1995 (noted in UNDP, 'Initiatives for Change: Follow-up to Decision 95/22', DP/1996/2)



**Table 3. Focus Areas of UNDP Planning Tools (2000-2013)**

MYFF (2000-2003) <sup>72</sup>	MYFF (2004-2007)	Strategic Plan (2008-2013) <sup>73</sup>
Poverty eradication and sustainable livelihoods	Achieving the MDGs and reducing human poverty	Achieving the MDGs and reducing human poverty
The enabling environment for sustainable human development	Fostering democratic governance	Fostering democratic governance
Special development situations	Supporting crisis prevention and recovery	Supporting crisis prevention and recovery
Environment	Managing energy and the environment for sustainable development	Managing energy and the environment for sustainable development
	Responding to HIV/AIDS	
Gender equality and the advancement of women		

incorporated in poverty reduction in the latter. The MYFF (2000-2003) also contained these four broad areas but has a separate goal of gender equality and the advancement of women. This was also identified as a cross-cutting issue covering all UNDP areas of intervention and while the mainstreaming of gender would remain part of UNDP's strategy, activities aimed at supporting gender equality were absorbed into the MDGs and poverty theme in the second MYFF. Annex 8 provides a more detailed illustration of the evolution of the areas of focus since 2000.

**How UNDP is organized.** UNDP is a highly decentralized organization that implements the bulk of its activities through programmes conducted at the country level. It has 135 country programmes, a number of which cover more than one country or territory<sup>74</sup> and the number of countries and territories covered is, therefore, closer to 180. Over the period 2004-2011 UNDP programme expenditure has averaged \$5 billion a year and reaching \$5.5 billion in 2008. Of this, between 2004 and

2011, 93 percent was delivered through country programmes.<sup>75</sup> At the country level, the country programme relies heavily on third party cost sharing with the vast majority of programming resources coming from donor countries/organizations and host country governments together with private sector and civil society sources. For the period 2004-2010 for UNDP as a whole this has been steady at approximately 80 percent of total resources.

But although UNDP's work at the country level is the focus of this evaluation and the centre of UNDP's work in reducing poverty, UNDP country offices do not work in isolation from the rest of the organization. The UNDP Global Programme is a mechanism for funding the backbone of the UNDP network of policy advisers through the Bureau for Development Policy and the six Regional Service Centres.<sup>76</sup> It supports UNDP's practice architecture that brings together the substantive areas of mandated UNDP work across global, regional and country levels. The objective is to develop, share and apply policy and programme options and the

72. Broadly in line with 'Narrowing the Focus' DP/1998/5 – except special development situations was added in the 2000 MYFF and poverty and employment and sustainably livelihoods merged.

73. The Strategic Plan (2008-2013) results framework was amended 2011 but the goals did not change.

74. Although more programmes cover more than one country, the three significant multi-country programmes are Barbados and Organization of Eastern Caribbean States (10 countries and territories), Fiji (10 countries) and Samoa (four countries)

75. UNDP Executive Snapshot.

76. Bangkok, Bratislava, Cairo, Dakar, Johannesburg, and Panama City.



collective knowledge of the organization so as to achieve the specific key results identified in the Strategic Plan. It does so through supporting the diagnosis of development problems and trends, the design of catalytic, innovative, context-specific development solutions, and promoting knowledge sharing for policy innovation. BCPR was created in 2001 to specifically help countries devastated by natural disaster or violent conflict: It provides a bridge between the humanitarian agencies that handle immediate needs and the long-term development phase following recovery.

Regional Service Centres are not only supported by BDP and BCPR but also by the five UNDP Regional Programmes. In addition, UNDP supports three global thematic centres of excellence covering poverty, governance and the environment.<sup>77</sup> Both the headquarters units (BDP and BCPR) as well as the Regional Service Centres produce global and regional public goods in the form of various knowledge products but it is the Human Development Report Office that produces the annual HDRs and supports regional bureaux and country offices with the development of regional and national HDRs. It maintains data related to human development, promotes innovative new ideas, advocates practical policy change, undertakes data analysis and presentation, and provides support to national and regional analysis and outreach and advocacy work. Most country offices benefit from the advisory services and have the opportunity to use the various knowledge products to further their work. Moreover, in addition to providing advisory services, networking and global/regional public goods, the global, regional and other programmes also have stand-alone project interventions that are utilized by the country offices.

A UNDP country office does not work in isolation from the rest of the UN family. UNDP supports the resident coordinator system and, more importantly in the context of understanding UNDP's role in poverty reduction, it engages with programme countries as part of a UN Country Team. Most country offices are involved in comprehensive joint programming of activities through the United Nations Development Assistance Framework (UNDAF) and in joint programmes and various coordinated efforts with its sister agencies, funds and programmes.

**The way UNDP works.** In addition to the thematic focus areas UNDP has also set out a number of programming principles or approaches that guide the way it works and how it supports programme countries address their development challenges.

- **Primacy of national ownership.** Although not a new idea for the UN or UNDP, the Administrator's Business Plans 2000-2003 recognized the paradigm shift in development cooperation that had taken place through the 1990s with the emphasis now on national ownership: Governments of programme countries should drive the development process, with various partners providing support on the basis of comparative advantage. National ownership was included in the list of development drivers in MYFF 2004-2007 noting that programme countries must assume principal responsibility for their development agendas. The Strategic Plan sets out the fundamental characteristic of United Nations support, specifically the *ability to respond to the development needs of recipient countries in a flexible manner, and that the operational activities are carried out for the benefit of recipient countries, at the request of those countries and in accordance with their own policies and priorities for development* (para 7).<sup>78</sup>

77. International Policy Centre for Inclusive Growth (Brasilia), the Oslo Governance Centre, and the Drylands Development Centre (Nairobi)

78. This conforms with the 'Triennial comprehensive policy review of operational activities for development of the United Nations system (TCPR)' para 5, GA 59/250.

- **Focus on upstream policy support.** In the year 2000 UNDP embarked on an approach that would affect the way it contributed to poverty reduction. Heavily influenced by the 1998 World Bank report on *Assessing Aid*,<sup>79</sup> the MYFF 2000 emphasized a stronger move towards upstream policy support in order to help programme countries put in place the most appropriate policy environment. ‘The Way Forward: The Administrator’s Business Plans, 2000–2003’ (DP/2000/8) presented to the Executive Board in 2000 set out the new approach:

*The important point is that the greatest impact of UNDP on poverty eradication is upstream, at the level of policies and institutions, rather than in stand-alone projects, which are often relatively expensive and reach only a limited number of beneficiaries.*

This was not to say that all downstream programmes and interventions would be stopped or discouraged. Rather, it suggested that they had a specific role; the report went on to state:

*Programmes will of course remain country-driven but the upstream UNDP of the future will be much more effective at policy dialogue and institution building than at directly supporting isolated poverty alleviation projects. Project work will continue and even increase as resources grow but UNDP projects will be aligned behind policies: they will be designed to sustain policy change by incorporating policy dialogue, pilot approaches, and institutional support, with a special emphasis on South–South knowledge transfer.*

The first MYFF also emphasized targeted/pilot interventions (para 13) even in the context of moving upstream, noting that *UNDP must not lose its ability to provide direct support so long as the circumstances are such that UNDP is clearly providing value-added services* (para 15). In line with the move upstream it described UNDP’s role as *principally a facilitator, catalyst, adviser and partner* (para 18). The second MYFF also places emphasis on *advocating and fostering an enabling policy environment* and notes that UNDP is well placed to leverage its established local presence and development experience in this respect (para 57). The Strategic Plan continued the approach and states that UNDP *will not normally engage in: (a) specialized sectoral activities; (b) small-scale projects without country-wide impact; (c) infra-structure with no capacity-building; or (d) stand-alone procurement of goods and services* (para 53).

- **The centrality of capacity development.** Linked to the move upstream and based on feedback on programme country demand, the first MYFF emphasized capacity-building.<sup>80</sup> The second MYFF noted that UNDP was increasingly aligning itself to advisory services and capacity development stating that the latter was the *common theme uniting the MDGs*. Moreover, the Strategic Plan makes clear that support to capacity development is the overarching contribution of UNDP (para 9).
- **Mainstreaming gender equality.** UNDP acknowledges that when women and men have equal opportunities and rights, economic growth accelerates and poverty rates drop more rapidly for everyone. Reducing inequalities between women and men is

79. World Bank, *Assessing Aid: What Works, What Doesn’t and Why*, Oxford University Press, 1998.

80. UNDP makes a distinction between capacity development and capacity-building. For UNDP, capacity development commonly refers to the process of creating and building capacities and their (subsequent) use, management and retention. This process is driven from the inside and starts from existing capacity assets. Capacity-building commonly refers to a process that supports only the initial stages of building or creating capacities and is based on an assumption that there are no existing capacities to start from. It is, therefore, less comprehensive than capacity development. UNDP, ‘Frequently Asked Questions: The UNDP Approach to Supporting Capacity Development’, BDP, 2009.

critical to achieving the MDGs by 2015. The second MYFF emphasized the need to *infuse the gender perspective into all strategic goals*. The Strategic Plan called upon UNDP *to continue to mainstream a gender perspective and to pursue gender equality in country programmes, planning instruments and sector-wide programmes and to articulate specific country-level goals and targets in that field in accordance with national development strategies* (para 18).

UNDP commitment to promoting gender equality is reflected in its corporate gender strategies, namely the Gender Equality Strategy 2008-2011<sup>81</sup> and the Eight-Point Agenda for women's empowerment and gender equality in crisis prevention and recovery (2007), which provide a framework for all UNDP activities. The Gender Equality Strategy was prepared in conjunction with the Strategic Plan, and was operationalized in parallel with it.

- **Mainstreaming of human rights.** UNDP's role in human rights was made clear in the Strategic Plan that emphasized: (a) the mainstreaming of human rights,<sup>82</sup> (b) that while UNDP should uphold universal United Nations norms and standards, including those related to human rights, UNDP does not have any normative or monitoring role with regard to human rights, (c) it should take a human rights based approach to programming (paras 15-17).
- **The importance of partnerships.** The first MYFF noted that partnership is important to convert project outputs into broader development outcomes. It also couched a number of South-South cooperation issues under the idea of knowledge networking and the adoption of regional multispectral perspectives (para 13). The second MYFF further prioritized the development of strategic partnerships including for South-South cooperation.

### 3.3 THE STRATEGY FOR UNDP'S CORE POVERTY REDUCTION ACTIVITIES

This section provides an overview of UNDP's strategic intent in its work to reduce poverty. Already it has been noted that the 1970s and 1980s saw an increase in allocation of resources to the poorest countries. Moreover, by the early 1990s approximately three-quarters of programme contained poverty reduction projects.

Once UNDP had defined poverty reduction as a goal it also needed to identify the areas where it wanted to play a role. UNDP's first 'corporate plan'<sup>83</sup> made available to the board at its annual session in 1995 did not attempt to identify such areas. It was not until 1998 and the 'Narrowing the Focus' document<sup>84</sup> that components of its work in poverty eradication were set out: (a) anti-poverty strategies and action plans (b) poverty monitoring, definition and indicators (c) annual poverty reports (d) capacity development to address the socio-economic impacts of HIV/AIDS. In addition, an employment and sustainable livelihood goal included the development of sustainable livelihood strategies and capacity development for micro-entrepreneurship. A gender equality and the advancement of women goal was also included. At the same time it had an employment goal that was directed at the poor and an environment goal that included much for the poor. Although as noted, poverty was to be integrated across the programme, there was initially little implicit in governance to directly address the needs of the poor.

The first MYFF identified the most popular areas of support, including those aimed at poverty reduction: (a) promote pro-poor macro-economic and sectoral policies and national anti-poverty plans; (b) promote entrepreneurship and access of the poor to microfinance; (c) promote employment and foster skills among the poor; (d) support the capacity of

81. UNDP, 'Empowered and Equal: Gender Equality Strategy, 2008-2011', New York, 2008.

82. In line with the 2005 World Summit Outcome (General Assembly resolution A/RES/60/1).

83. UNDP, 'Initiatives for Change: Follow-up to Decision 95/22', DP/1996/2, New York, 1996 (paragraph 2).

84. UNDP, 'Narrowing the Focus', DP/1998/5.

the poor and civil society for self-organization and the development of alliances; (e) strengthen the capacity of governments and vulnerable groups to take preventative measures to reduce the impact of health epidemics such as HIV/AIDS.

Six months after the approval of the Millennium Declaration, the UNDP Administrator set out his pitch for a role for the UN noting that although the World Bank and IMF have clear strengths in driving the PRSP process, the UN can ‘*play an invaluable role in helping develop a new campaign at global, national and even community level to monitor and benchmark outcomes.*’<sup>85</sup> UNDP’s role subsequently evolved to being the ‘score-keeper’ for the MDGs and to ensure their effective utilization in planning at all levels. The specific role of UNDP is set out in Box 4. The second MYFF document noted that the Millennium Declaration and the MDGs ‘*represent the overarching basis for all UNDP activities*’ during the period of the MYFF, that the MDGs will be *placed at the centre of the organizations strategic goals* and that *the MDGs codify and crystallize in very specific targets, for the first time, the concepts of human development and poverty eradication long advocated by UNDP.*<sup>86</sup>

The second MYFF (2004–2007) set out an overall poverty-related goal: To eradicate extreme poverty and reduce substantially overall poverty. In turn it had two sub-goals (1) promote poverty-focused development and reduce vulnerability; and (2) promote the livelihoods of the poor through strengthened self-organization and access to assets and resources. It proposed a number of service lines that would

#### Box 4. UNDP Role in the MDGs<sup>87</sup>

At the national level, UNDP works in close collaboration with UN organizations to:

- Provide leadership and UN coordination to develop capacity in countries to assess what is needed to achieve the MDGs, to conceptualize policies and to design strategies and plans. For this purpose, UNDP organizes consultations and training, conducts research, develops planning and information management tools;
- Provide hands-on support to countries to scale up implementation of initiatives to achieve the MDGs, in areas such as procurement, human resources and financial management;
- Assist countries to report on their progress.

be used to support upstream *pro-poor policy reform* as well as *poverty monitoring* but both were framed within the MDGs. *Local poverty initiatives, including microfinance* were also maintained but the new areas of *globalization benefiting the poor* and *making information and communication technologies for development work for the poor* were added. HIV/AIDS became a separate goal but gender mainstreaming was also added to the poverty cluster. Finally, within the group of activities aimed at poverty reduction, the list included *private-sector development* and *civil society empowerment*.

In 2008 the Executive Board reiterated its decision to give *top priority to achieving Millennium Development Goals and reducing human poverty*<sup>88</sup>. Following its commitment to MDGs, UNDP’s Strategic Plan (2008–2013)<sup>89</sup> stresses that in this regard (para 6)

85. Malloch Brown, M., Presentation at the World Bank event ‘From Consensus to Action: A Seminar on the International Development Goals’, 19 March 2001.

86. MYFF 2004–2007. The latter quote refers to the directive from EB Decision 2003/8 but in fact Decision 2003/8 simply reiterates the role of UNDP in the area of poverty reduction and in promoting and advancing the MDGs in support of programme countries; *Requests* that in the next MYFF, 2004–2007, UNDP align and clarify the relationship between the MDGs, the strategic goals and the practice areas with a view to establishing a consistent framework.

87. <[www.undp.org/content/undp/en/home/ourwork/povertyreduction/focus\\_areas/focus\\_mdg\\_strategies/](http://www.undp.org/content/undp/en/home/ourwork/povertyreduction/focus_areas/focus_mdg_strategies/)>

88. Decision 2008/14. The focus was repeated in decisions in 2009 and 2010, decisions 2009/9 and 2010/13 respectively. While referring to the 2008 decision, the later decisions changed the language to “UNDP to give top priority to achieving the Millennium Development Goals and *eradicating poverty*”.

89. The Strategic Plan originally spanned the period from 2008 to 2011 but was subsequently extended to 2013 (Executive Board Decision 2009/9).



*UNDP supports national processes to accelerate the progress of human development with a view to eradicate poverty through development, equitable and sustained economic growth, and capacity development. This means that all UNDP policy advice, technical support, advocacy, and contributions to strengthening coherence in global development must be aimed at one end result: real improvements in people's lives and in the choices and opportunities open to them.*

The Strategic Plan specified its approach to poverty reduction through: (a) promoting inclusive growth<sup>90</sup>, gender equality and achievement of the MDGs; (b) fostering inclusive globalization;<sup>91</sup> and (c) mitigating the impact of HIV/AIDS on human development. These activities would promote the overall goal *to strengthen national and local capacities to achieve inclusive growth, reduce poverty and inequality and halt the spread of HIV/AIDS*.

As the 2010 Summit approached, UNDP started working on a set of studies<sup>92</sup> and tools to help programme countries in the stages of the path towards achieving the MDGs. In May 2010 it published the Millennium Breakthrough Strategy – ‘a call to action for all UNDP staff’. At the practical level, UNDP rolled out the MDG Acceleration Framework (MAF) in ten pilot countries in 2010.<sup>93</sup> The objective of the MAF is to help countries overcome slow and uneven progress and meet the 2015 MDG deadline. The MAF

provides countries with a structured methodology for identifying and mapping bottlenecks to MDG progress, as well as prioritized quick-impact ‘acceleration solutions’ to these bottlenecks.<sup>94</sup>

### 3.4 POVERTY REDUCTION AND OTHER FOCUS AREAS

Even though there was clearly a commitment in the second half of the 1990s to integrating poverty into all of UNDP’s work, there is very little evidence of this approach in the first MYFF. The second MYFF links every goal to the MDGs but the poor are often left out or at least not explicitly addressed (i.e., the focus is on poverty-related issues but not on the poor). In the Strategic Plan, however, the format was more conducive to discussing UNDP’s approach within each focus area and the primacy of poverty reduction was made clear. The rest of this section will examine what this means looking at if and when UNDP made its strategy clear and also how it was incorporated into the results frameworks. There is also an analysis of the sub-goals in Annex 10.

**Democratic Governance.** Improving the quality of governance can strengthen the enabling environment for policy-making that is responsive to the needs of the poor and the vulnerable. In the case of decentralization and local level governance, there is actually scope for going beyond the creation of an enabling environment by integrating

90. To UNDP’s International Policy Centre on Inclusive Growth, inclusive growth is both an outcome and a process. On the one hand, it ensures that everyone can participate in the growth process, both in terms of decision-making for organizing the growth progression as well as in participating in the growth itself. On the other hand, it makes sure that everyone shares equitably the benefits of growth. <[www.ipc-undp.org](http://www.ipc-undp.org)>

91. Through its inclusive globalization work, the poverty practice seeks to further the understanding of how developing countries are affected by the policies of the international community in areas such as international trade, foreign direct investment, official development assistance, intellectual property rights, technology transfer, indigenous knowledge and migration.

92. For example, UNDP, ‘What Will it Take to Achieve the Millennium Development Goals? An International Assessment’, New York, June 2010, and UNDP, ‘The Path to Achieving the Millennium Development Goals: A Synthesis of Evidence from Around the World’, New York, June 2010.

93. UNDP, ‘Unlocking Progress: MDG Acceleration on the Road to 2015’, New York, September 2010.

94. UNDP, ‘UNDP MDG Acceleration Framework’, New York, November 2011.



**Table 4. Programme Countries and LDCs Engaged in Each Focus Area (2010)<sup>96</sup>**

	No. of programme countries	Percentage of total programme countries	Number of LDCs	Percentage of total LDCs
(1) Achieving the MDGs and reducing human poverty	130	94%	45	90%
(2) Fostering democratic governance	123	88%	45	90%
(3) Supporting crisis prevention and recovery	82	59%	33	66%
(4) Managing energy and the environment for sustainable development	121	87%	39	78%

directly poverty-reducing activities with improvement of governance structures. There is little in the second MYFF, however, to suggest that democratic governance has anything to do with poverty reduction<sup>95</sup> (although it did note that the governance dimension must be infused in all the goals). Nonetheless, much of the democratic governance work of UNDP undertaken over that last decade is directly linked to creating the enabling environment for poverty reduction through supporting the development of laws, processes and policy to address social exclusion, especially inequalities including gender-based ones, expand people's choices and ensure their basic rights to assets, land, livelihoods, credit and to ensure their full participation in society.

The Strategic Plan is much clearer on the issue stating that UNDP work in the governance area *will now be better aligned to the needs of the poor* (para 32). In particular, the Plan stipulates that *UNDP supports governments in the identification of effective interventions strengthening participation by the poorest social sectors, as well as by women, youth, persons living with disabilities, and indigenous people* (para 87). *In these areas, programme priority is given to strengthening the mechanisms of responsiveness and public accountability to the concerns and interests of poor people* (para 88).

**Energy and Environment.** The poor are disproportionately affected by environmental degradation and climate change and lack of access to clean, affordable energy services. The first MYFF identifies the promotion of access to natural assets on which poor people depend as an area of intervention (para 104). The second MYFF explicitly links UNDP's work in energy, biodiversity and land degradation with poverty reduction. It also notes the importance of integrating environment and energy issues in poverty reduction strategies. In 2008 the UNDP Executive Board took note of a key conclusion of the Evaluation of UNDP Role and Contribution in Energy and Environment<sup>97</sup> that *environment and energy significantly contribute to the core UNDP mission of poverty reduction*.<sup>98</sup>

The Strategic Plan is very clear in this area and asserts: *"The UNDP goal in the area of environment and energy is to strengthen national capacity to manage the environment in a sustainable manner while ensuring adequate protection of the poor"* (para 109). It is equally specific when it comes to climate change: *The objective of UNDP in climate change is to reduce the risk that it poses to developing countries – particularly for the poor – so as to permit attainment of the MDGs* (para 115).

95. There is an example in parliamentary development where it notes that parliamentary budget committees can be strengthened to ensure that national allocations match MDG plans and commitments.

96. UNDP, Annexes to the Midterm Review of the Strategic Plan and Annual Report of the Administrator: performance and results for 2010 (Table 2)

97. UNDP Evaluation Office, 'Evaluation of UNDP Role and Contribution in Energy and Environment', New York, 2008.

98. EB decision 2008/30.

**Crisis Prevention and Recovery.** Similarly, natural disasters have a disproportionate impact on the poor, and the risks are strongly associated with poverty. In countries with medium to low levels of income and weaker governance, disasters can compound existing problems of poverty and inequality and reverse development gains. The challenge of achieving the MDGs is harder in many countries due to losses from disasters triggered by natural hazards. Moreover, crises caused by conflict can drive people into poverty and again can have a disproportionate impact on the poor. At the same time conflicts are often driven by poverty, lack of opportunity and the frustration of the marginalized.

In 2001, UNDP presented the Board with a report on its role of UNDP in crisis and post-conflict situations that reaffirmed UNDP's focus *on the vulnerable and disadvantaged as its primary beneficiaries must remain the cornerstone of its work in [crisis and post-conflict] situations* and that in recovery processes, *UNDP assistance must target those hardest hit by the crisis, particularly women.*<sup>99</sup> The second MYFF notes the importance of helping crisis countries avoid an increase in poverty and also links natural disaster reduction to poverty reduction. The Strategic Plan asserts that *UNDP will also develop recommendations for policies and capacity-building programmes to support reintegration and livelihood opportunities aimed at avoiding a return to conflict and reducing poverty* (para 103).

**HIV and AIDS.** UNDP recognizes the role of effective policies in mitigating the impact of HIV on human development and poverty reduction. Achieving the MDG on HIV is critical to achieving the other MDG targets, particularly

those related to poverty, education, gender equality, and child and maternal mortality. The first MYFF recognized that reduction of HIV and AIDS, although focused on the poor and non-poor, was important for promoting poverty-focused development and reducing vulnerability. As already noted, responding to HIV/AIDS became one of five core goals in the second MYFF but then incorporated into the MDGs and poverty theme in the new Strategic Plan.

By this time UNDP's role was determined by the Joint United Nations Programme on HIV/AIDS (UNAIDS) division of labour, which designates UNDP as the lead United Nations organization for addressing the dimensions of HIV/AIDS relating to development, governance, mainstreaming, legislation, human rights and gender. It also recognizes the role of UNDP as the 'principal recipient of last resort'<sup>100</sup> for the Global Fund to Fight AIDS, Tuberculosis and Malaria.

It has already been noted that UNDP considers poverty reduction as the overriding priority among all its goals, which is in keeping with the recognition that "Poverty reduction is at the centre of United Nations work in development."<sup>101</sup> The above analysis shows that although poverty reduction is designated by UNDP as one of four focus areas, the overriding priority it accords to poverty reduction is reflected in its insistence that all other areas must design and implement their interventions with an explicit focus on poverty reduction, which implies that these other areas are required to be pro-poor in a fundamental way. It is against this premise that the evaluation of UNDP's contribution to poverty reduction through its country programmes is undertaken in the following chapter.

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99. UNDP, 'Role of UNDP in Crisis and Post-Conflict situations', DP/2001/4, New York, 2001.

100. This arrangement is relevant in a few countries, where for various reasons national principal recipients cannot be found.

101. UNDP 'Strategic Plan 2008-2011', para 71.

## Chapter 4

# ASSESSMENT OF UNDP'S CONTRIBUTION

This chapter presents the findings of the evaluation, assessing the contribution of UNDP country programmes to poverty reduction by using three evaluation criteria – effectiveness, efficiency and sustainability – as defined in Chapter 1. Each of the findings is illustrated with the help of a number of examples drawn from different regions where UNDP works. It should be emphasized, however, that the cited examples do not constitute the whole evidential basis from which the findings are derived. The findings are based on the evaluation of a much wider range of evidence drawn from numerous documents and other sources mentioned in Chapter 1; the examples are used below for illustrative purposes only.

As also mentioned in Chapter 1, this evaluation does not cover all of UNDP's work in the area of poverty reduction and could not capture using evaluative evidence some of the more recent initiatives undertaken by UNDP in support of the poverty reduction goal. The findings thus do not represent a snapshot of UNDP but rather a story of UNDP's work over the last ten years. Moreover, since it bases the findings on evidence captured by evaluations, not all examples, good and bad, are included in the narrative. The lack of evaluations is in itself a finding that will be made clearer later in this chapter.

### 4.1 GENERAL FINDINGS ON UNDP CONTRIBUTION TO POVERTY REDUCTION

The previous chapter set out the strategic intent and corporate initiatives and strategies. This section will look at findings related to what actually happened in terms of UNDP's interventions. While the next two sections separate

upstream and downstream performance, there are some general findings that cut across the two and are presented here.

**Finding 1. UNDP has taken a pragmatic and flexible approach towards advancing the poverty reduction agenda that has varied across countries depending on the national context.**

Evidence shows that, on the whole, the effectiveness of UNDP's efforts at poverty reduction has been boosted by its ability to adapt its approach to the particular national context. UNDP has shown awareness that the same approach will not work everywhere because the proximate causes as well as possible solutions to the problem of poverty varies among countries depending on factors such as the level of development, whether the country had an established or emerging market economy, whether it was a stable or a conflict-ridden or a post-conflict society, and so on.

In low-income countries in Asia and Africa, which are characterized by variable economic growth, uneven levels of social and political stability, high environmental vulnerabilities and poverty levels, UNDP has largely chosen to focus directly on a 'poverty reduction' approach with a major emphasis on supporting countries to achieve 'pro-poor economic growth'. Specifically, UNDP's major focus in poverty reduction work for such countries is on supporting the enabling conditions for pro-poor economic growth at the policy/planning levels. In many cases, this is combined with targeted pilot or 'demonstration' projects focused on direct economic empowerment, income generation, microenterprise development and/or micro-finance activities. Many of these downstream

activities are located in rural and/or neglected areas and are intended to target small-scale producers (including women or youth).

Across the broad range of middle-income countries, as well as in those that are close to achieving middle-income status, UNDP's direct investment in poverty-related work is understandably a much smaller proportion of its total programme, but it has maintained a strategic focus on ensuring that poverty issues are not forgotten in the face of economic gains and ongoing progress towards the MDGs. For example, in Botswana, UNDP is seeking to help the country address 'structural' poverty in remoter areas by encouraging the Government to develop a national poverty plan that addresses these issues and is sufficiently resourced and organized for effective implementation. In Ghana, there is a strong emphasis on supporting the Government to address gaps and needs in rural poverty specifically via improving livelihoods, reducing inequities and increasing rural incomes. The approach in Seychelles is quite different in that poverty is not a separate programme area for the UNDP programme but a cross-cutting theme which is well-integrated within environment and climate change work.

Another example is Saudi Arabia, where absolute poverty is not a major problem, but there are significant regional disparities – especially, between 'rural' and 'urbanized' regions. The disparities are increasing over time and some rural areas are not just lagging far behind the national average but record almost no functioning services. To address this growing gap, the Saudi Government has commenced the formulation of a Municipal Development Strategy to identify the roles, resources, and capacities of local authorities in rural areas and generally improve their performance. UNDP has assisted the Ministry of Municipal and Rural Affairs in the formulation of this strategy. Furthermore, in the context of the country's excessive reliance on migrant labour, UNDP has successfully supported the Kingdom with the Saudization of employment, creating more favourable opportunities for local labour force, and reduction of reliance on migrant workers (through training, capacity development and regulatory mechanisms).

In the middle-income countries of Latin America, UNDP's approach is informed by the realization that inequality and social exclusion are central elements that generate poverty and lack of human development in this region. Its action in Brazil, for example, was strategically focused on social inclusion policies, trying to influence public policy through advocacy initiatives and dissemination and use of social inclusion policy indicators. The projects had well-defined goals regarding cash transfer, health, education, urban and regional development, and social inclusion. In Chile, UNDP's effective use of technical tools has helped to raise awareness about the inequality problem the country faces. Two expected outcomes of UNDP's programme in the equity area were: (i) improved equity, thanks to national and local public policies aimed at promoting quality access to education, health and justice services, and at fostering progress in gender parity; and (ii) impact assessment of public policies aimed at reducing inequality. Both were relevant objectives, since they addressed the key challenges faced by Chile and had a high priority for both the Government and UNDP. In particular, the goal of fostering gender parity occupied a prominent role in the then President Michelle Bachelet's agenda that included actions to enhance gender balance in the labour market and social security fields, and in the justice, health, education and family areas. The last few years have seen an explicit focus on inequality reduction.

In post-crisis and post-conflict societies, UNDP's approach has tended to integrate poverty reduction with the peace-building process. In Guatemala, for example, UNDP's efforts were geared towards the construction of a more democratic state with particular attention to social issues: namely, crisis prevention and recovery, social rehabilitation and integration, health, education, housing, and more inclusive development, in line with the Peace Agreements. In the Republic of Congo, UNDP's emphasis in recent years has been on post-conflict reconstruction and strengthening of decentralized, responsive local government structures. UNDP has been able to fuse this initiative with poverty work to a large extent, through supporting rehabilitation of refugees and



creating opportunities for displaced people to regain productive lives (thereby also reducing the risk of further civil unrest). This also appears to be UNDP's approach to some extent in Angola, Eritrea and Liberia. In Rwanda, UNDP has offered strong support to the National Unity and Reconciliation Commission as a means of promoting dialogue and development. The commission has participated in the poverty assessment process to mainstream reconciliation and unity in the poverty reduction strategy. The process has helped to sharpen stakeholders' focus on the linkages among the variety of challenges faced by the country and to build consensus on the strategies and actions needed.

A particularly difficult case was Afghanistan where UNDP, for at least the first three years following the Bonn Agreement, was working without a strategic focus. It was relegated to the role of 'gap filling', that is, selecting niches that donors were unprepared to address directly rather than work on 'nation building'. In the process, UNDP claimed a limited niche in the area of 'early recovery' as the administrator of last resort for donor funds earmarked for sensitive tasks, but this was achieved at the cost of a more concerted effort to address key institutional changes required for lasting peace. It also risked branding UNDP as a non-substantive agency, a legacy it has had to work hard to overcome, and to some extent has, since 2005.<sup>102</sup>

In the transition economies of Eastern Europe and the Commonwealth of Independent States, UNDP's activities have been informed by the fact that one of the major consequences of transition from a centrally planned to a market-based economy was the emergence of large-scale unemployment – a significant factor affecting poverty. Based on the understanding that unemployment stemmed largely from the mismatch of skills between the education that people had prior to transition and the requirements of the emerging market-based economies, UNDP offered support

to reforming and modernizing vocational education. A number of countries (e.g., Bulgaria, Armenia, Ukraine and Croatia) have implemented projects related to this. Many of these initiatives were undertaken at the downstream level, but the programmes also had upstream components such as support for the legislative and regulatory frameworks, curricula, and standards.

There are also other instances where UNDP has imaginatively adapted its poverty focus to the specific national context. A case in point is Bhutan, where public policy is guided by the concept of Gross National Happiness which, in many ways, complements UNDP's idea of human development. UNDP has successfully aligned its objectives to the Government's yardstick of Gross National Happiness. In China, an important contribution from UNDP has been to support integration of the MDGs into the Chinese Government's vision of a Xiaokang society, which in turn is consistent with the human development framework. In Moldova, in view of the country's history and aspiration to achieve EU integration, UNDP's upstream activities have placed human rights and gender, along with achievement of the MDGs, at the centre stage of its advocacy role. An evaluation of the country programme records that while UNDP's contribution towards the monitoring of the MDGs and human development through support for the preparation of analytical reports were appreciated in Moldova, even greater credit was given by all to UNDP's contribution towards the promotion of human rights and gender equality.<sup>103</sup>

**Finding 2. The resources UNDP devotes to poverty reduction are difficult to determine as poverty is addressed, to a varying degree, in all its focus areas.**

At a simple level it is possible to track UNDP's commitment to or priority on poverty reduction

102. UNDP Evaluation Office, 'Assessment of Development Results: Evaluation of UNDP Contribution: Islamic Republic of Afghanistan', New York, 2009.

103. UNDP Evaluation Office, 'Assessment of Development Results: Evaluation of UNDP Contribution: Moldova', New York, 2011.



**Table 5. Expenditure on Activities in the Poverty Theme as a Proportion of Total Programme Expenditure (2000-2011)<sup>105</sup>**

2000-2003	2004-2007	2008-2011
22%	24%	28%

through its relative expenditures on projects within the cluster of poverty reduction (however it is framed). Table 5 illustrates the trend in the relative proportion of total UNDP expenditure in the poverty cluster.<sup>104</sup>

Of course, the exercise of identifying the proportion of funds spent on activities within the poverty and MDGs focus areas is simplistic in that many of the actions envisaged within other priority themes are aimed at, or have the potential to influence, poverty reduction. In fact, as will be expanded in the next section, the current Strategic Plan (as well as previous planning tools) has explicitly required other thematic areas to focus on the poor.

Table 6 shows that in the period of the second MYFF the majority of UNDP resources under the poverty goal (77 percent of total programme expenditure) were used for the first three service lines (SL). Of this there was an equal split between the upstream interventions (SL1.1 and SL1.2) and the downstream interventions (SL1.3). It should be noted, however, that there was a marked shift from the start of the period with a decline in SL1.2 and an increase in SL1.3. Annex 9 has the detailed breakdown of expenditures by year. Table 7 shows that during the first four years of the Strategic Plan (2008-2011), the majority of UNDP resources were used for the first two corporate outcomes (47 percent of total programme expenditure).

**Table 6. Total Programme Expenditure 2004-2007 in Poverty Goal by MYFF Service Line**

	Programme Expenditure US\$ thousands	% of total 2004-2007 expenditure
SL1.1 - MDG country reporting and poverty monitoring	560,090	16%
SL1.2 - Pro-poor policy reform to achieve MDG targets	781,295	22%
SL1.3 - Local poverty initiatives, including microfinance	1,346,068	39%
<b>Sub-total SL1.1-1.3</b>		<b>77%</b>
SL1.4 - Globalization benefiting the poor	173,910	5%
SL1.5 - Private sector development	82,217	2%
SL1.6 - Gender mainstreaming	236,832	7%
SL1.7 - Civil society empowerment	133,861	4%
SL1.8 - Making ICTD work for the poor	170,627	5%
SL1.9 - Outcome outside service lines	3,561	0%
<b>Sub-total SL1.4-1.9</b>		<b>23%</b>
<b>Total</b>	<b>3,488,458</b>	<b>100%</b>

At the annual session of the UNDP Executive Board in 2008, the board noted with concern<sup>106</sup> that the Annual Report of the Administrator presented data which shows that the poverty eradication practice area did not receive top priority in terms of the percentage of total spending during 2007. In response, the 2009 Annual Report of the Administrator<sup>107</sup> noted that although categorization of expenditure against a

104. Executive Snapshot (2000-2003)

105. It should be noted that since the Afghanistan programme represents a very large percentage of UNDP resources it distorts this figure. For example, looking at 2011, 28 percent of total resources were spent to support the poverty reduction goal but without Afghanistan this figure would be 32 percent.

106. UNDP Executive Board Decision 2008/14.

107. UNDP, 'Report on the Operationalization of the UNDP Strategic Plan', 2008-2011, DP/2009/11, New York, 2009.

**Table 7. Expenditures by Result Area and Outcome Within Goal 1 of the Strategic Plan (2008-2011)<sup>108</sup>**

	Programme expenditures US\$ thousand	% of total 2008-2011 expenditure
<b>Result Area 1: Promoting inclusive growth, gender equality and MDG achievement</b>	<b>3,468,520</b>	<b>73%</b>
1. MDG-based national development strategies promote growth and employment, and reduce economic, gender and social inequalities	1,622,785	34%
2. Enhanced national and local capacities to plan, monitor, report and evaluate the MDGs and related national development priorities, including within resource frameworks	619,770	13%
3. Policies, institutions and mechanisms that facilitate the empowerment of women and girls strengthened and implemented	18,902	0%
4. Macroeconomic policies, debt-sustainability frameworks, and public financing strategies promote inclusive growth and are consistent with achieving the MDGs	131,523	3%
5. Strengthened capacities of local governments and other stakeholders to foster participatory local development and support achieving the MDGs	476,896	10%
6. Policies, strategies and partnerships established to promote public-private-sector collaboration and private-sector and market development that benefits the poor and ensures that low-income households and small enterprises have access to a broad range of financial and legal services	458,149	10%
<b>Result Area 2: Fostering inclusive globalization</b>	<b>139,335</b>	<b>3%</b>
<b>Result Area 3: Mitigating the impact of AIDS on human development</b>	<b>1,060,411</b>	<b>22%</b>
<b>Unclassified</b>	<b>103,196</b>	<b>2%</b>
<b>Total</b>	<b>4,752,032</b>	<b>100%</b>

single focus area facilitates reporting, country offices reported support for poverty reduction and achievement of the MDGs in at least three focus areas. More specifically, just two outcomes under democratic governance and crisis prevention and recovery have direct relevance to poverty reduction and MDG achievement and together represent more than one quarter of total programme expenditure.

Annex 10 indicates a larger number of outcomes that explicitly indicate a pro-poor result, suggesting that the total expenditure of

addressing multidimensional poverty could be considerably higher. This list does not include activities aimed at addressing HIV and AIDS or promoting gender equality, both of which can be assumed to have some impact on poverty reduction. The reality gets complicated and the proportion of UNDP programming devoted to poverty reduction becomes unclear when projects, reported as contributing to poverty reduction, are not designed to do so. This key issue is examined in more detail in later findings.

108. Programme expenditure by country offices.

## 4.2 FINDINGS ON EFFECTIVENESS OF UNDP'S UPSTREAM INTERVENTIONS

This section evaluates the evidence on how effective UNDP has been in contributing to pro-poor policy development at the country level and examines the major factors that have had an impact on the degree of its effectiveness. As noted in the previous chapter, the majority of UNDP's work in its poverty cluster is related to its upstream policy work. This proportion has also increased over time from approximately 40 percent by value of projects in the second MYFF to approximately 60 percent in the first four years of the UNDP Strategic Plan.<sup>109</sup> UNDP's upstream policy-oriented work covers support to strengthening the enabling environment for pro-poor policy-making as well as direct support to policy development, often using the same tools. The following analysis and key findings are structured by this distinction.

**Finding 3. UNDP has been effective in embedding the agenda of poverty reduction from the multidimensional perspective of human development in national forums for debates and discussions on socio-economic development.**

The evaluation has found strong evidence that UNDP has made a valuable contribution towards establishing the agenda of poverty reduction from the multidimensional perspective of human development in public discourse in the vast majority of its programme countries. UNDP has achieved this influence through several instruments, which include the publication of NHDR and the MDG reports (MDGRs), and often through support to the governments in the preparation of PRSPs and other national development strategy and planning documents.

NHDRs are major pillars of UNDP's analytical and policy work. The principal objective of the reports is to raise public awareness and trigger

action on critical human development concerns. They also contribute significantly to strengthening national statistical and analytical capacity, and constitute a major vehicle for the realization of the MDGs. Since the first NHDR was prepared in Bangladesh in 1992 nearly 670 reports covering over 140 countries have been published, widely disseminated and discussed (although there has been a steady decline in the annual number of NHDRs since 2000, especially from the height of 77 prepared in 1998).

UNDP in collaboration with national governments is coordinating country reporting on progress towards the MDGs. To date, approximately 400 MDGRs have been produced around the world (with some countries producing multiple reports) and in some cases, reports have been produced at subnational levels. These reports have not only assessed progress and gaps in terms of MDG achievements, but they have also helped engage political leaders and top decision makers, as well as to mobilize civil society, communities, the general public, parliamentarians and the media in a debate about human development. They are not meant to be lengthy reports but are designed to be short and easy-to-read reviews that convey messages quickly in a non-technical way. Their main audience is the media and the general public. They show progress at a glance with the objective of helping focus the national debate on specific development priorities, which in turn will trigger action – in terms of policy reforms, institutional change and resource allocation.

UNDP has also employed the tools of general advocacy and 'soft assistance' it extends in a number of ways such as sensitizing the public in the areas of poverty reduction and human development, raising awareness through organization of special events, and supporting the exposure of government officials and members of the civil society to poverty reduction issues, approaches, challenges and solutions at relevant training programmes,

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109. This analysis is based on Tables 5 and 6 in the previous chapter. For the second MYFF, policy work corresponds to SL1.1 and SL1.2 and for the Strategic Plan it corresponds to outcomes 1, 2 and 4.

workshops and seminars. Many Human Development Reports and MDG reports address the multiple dimension of poverty and have also been vital in advancing the national policy discourse on gender equality. As a result of these combined activities, UNDP has come to be regarded at the national level as one of the major development partners highlighting the importance of integrating multi-dimensional poverty reduction in national development strategies including in the PRSP process and as the only partner emphasizing the goal of human development in all its dimensions.

Undertaken at a relatively early stage, the 2003 independent assessment of the MDGRs<sup>110</sup> reported, inevitably, that *overall, there are wide variations in country ownership, authorship and in the value added of MDGRs as advocacy tools*. Based on a much larger number of reports, the 2006 independent evaluation of the NHDR system<sup>111</sup> noted that *in virtually all the countries reviewed, the NHDR succeeded in spreading—and firmly establishing—the concept of human development in development discourse*. The report goes on to note that in some countries, they have even *produced deeper analysis of socio-political obstacles to improving human development status and taken on crucial issues that are often difficult to discuss because of their political sensitivity*.

The change that UNDP has helped to bring about is especially evident in Latin America where the dominant idea of economic growth as the overarching goal of economic development has gradually been giving way to a more nuanced view in which concerns with poverty and inequity in human development occupy a central place.<sup>112</sup> Brazil is the prime example of a country in which the concept of human development has visibly

permeated public and political discussion and the Human Development Index (HDI) has been used widely as a policy tool.<sup>113</sup> Similar impact can be found in other middle-income countries such as Chile, Colombia and Argentina as well as low-income countries such as Honduras and Ecuador. Even in a country such as Chile, where the recent dominant ideology has been single-mindedly focused on economic growth, stirrings of a new emphasis on human development are evident.

Similarly, in Bolivia, UNDP's advocacy role, especially through the publication of NHDRs, has had a pronounced impact on policy debates and the intellectual climate. "In 2002, an election year, President Jorge Quiroga called the NHDR obligatory reading for all presidential candidates and said that it served as a guide to opening the doors of the national debate. The timing of the report's launch was a strategic move to stimulate debate on the country's future in the run-up to the elections."<sup>114</sup> In Honduras, the NHDRs and other UNDP publications have contributed to and fostered open dialogues on the multidimensional nature of poverty and have helped to identify how poverty affects different groups in the country. In Ecuador, UNDP support to social dialogues and to the political participation of marginalized groups influenced the design of social policies, for example, those embodied in the Ten Year Education Plan.

The transition economies in Eastern Europe and Central Asia offer similar evidence of UNDP's contribution towards advancing the agenda of poverty reduction and human development in an ideological climate in which the primacy of economic growth was taken for granted. In the early phase of transition, politicians and government officials in

110. UNDP Evaluation Office, 'Millennium Development Goals Reports: An Assessment', New York, 2003.

111. UNDP Evaluation Office, 'Evaluation of National Human Development Report System', New York, 2006.

112. This shift in emphasis is by no means to be attributed to the efforts of UNDP alone. Many other factors, including shift in ideology and political regimes, played a major role. See, for example, the rich analysis contained in Lopez Calva, L. F. and Lustig, N. (eds.) 'Declining Inequality in Latin America: A Decade of Progress?', Brookings Institution, Washington DC, 2010.

113. UNDP Evaluation Office, 'Evaluation of the National Human Development Report System', New York, 2006.

114. *ibid.*, p.12.

this region were typically unaware of the notions of human development and human poverty, and independent civil society and academia, which could have pushed for policies based on these notions, were also small or non-existent. Thanks largely to UNDP's efforts, things are changing. Both NHDR and MDG reports produced with the help of UNDP have played a role in this regard. In Ukraine, for example, social budgets and programmes of the Government were explicitly linked to recommendations made in the NHDRs. In Tajikistan, UNDP's advocacy of MDGs has helped bring concerns with human development and human security in the development agenda. In Armenia, during the work on MDG report (2005) and the follow-up discussions between UNDP and the Ministry of Territorial Administration on the observed disparities in poverty between communities, the need for a territorial approach to development was crystallized, followed by the adoption of the 'Concept of Territorial Development' by the Government in 2008. In Montenegro, UNDP was instrumental in supporting the Government to elaborate the Development and Poverty Reduction Strategy as its first comprehensive poverty profile, defining the multi-dimensional nature of poverty and its causes, and leading to formal recognition by the Government of a 'poverty' problem.

Similar evidence is found in other regions of the world as well. In Lebanon, for example, UNDP was successful in providing upstream level support on the peace-building process, starting as early as 1998 when UNDP supported the Ministry of Social Affairs in conducting a poverty mapping exercise. This ground-breaking work, in conjunction with various advocacy and dialogue initiatives, has proven to be effective in placing the issue of poverty and regional imbalances on the national policy agenda.

Initially UNDP-India concentrated on capacity development for preparing state-level HDRs but

since 2004 UNDP-India has concentrated on preparing HDRs at the district level. Following UNDP support, 21 states have prepared State HDRs and 80 District HDRs are underway in 15 states. In examining the latter, the recent India ADR found that the District HDRs had "generated in-depth knowledge about a district that was often unknown even to the local administrators and elected representatives, and have highlighted areas of concern. In some cases, they brought together local expertise and administration in a forum that led to further cooperative activity (such as in the districts of Bankura in West Bengal and Wayanad in Kerala, among others). Certainly, the local enthusiasm generated by the process of preparation of these reports was palpable in several districts."

A recent evaluation of UNDP support to developing national MDG report in nine Pacific Island countries<sup>115</sup> reveals the importance of the process as well as the product and of the indirect as well as the direct or planned benefits. The report specifically notes that the MDGR process led to a shift in development thinking – policy makers are now better aware of, and oriented to, issues of poverty alleviation, gender development, etc., as priority agenda of development. The report also promoted the importance of evidence-based priority setting and planning and promoted the participation of civil society organizations and NGOs in public policy processes. It is noticeable that the awareness built through the MDG reporting process has also prompted the broader community, including NGOs and civil society organizations, to get involved in and in some countries – such as in Fiji, Solomon Islands and Vanuatu – demonstrate clear commitment to continue work in advocacy and civic based policy dialogue and monitoring on MDGs.

There are exceptions to this overall pattern of positive contribution, especially when the

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115. Khan, Am. Adil, 'Evaluation of the Process of Compiling National MDG Reports in Pacific Island Countries and Capacity to Measure and Monitor Development Performance', Evaluation commissioned by the UNDP Fiji Multi Country Office, September 2009.



political climate was not hospitable to the idea that poverty reduction and human development should be at the centre of development. A case in point is Georgia<sup>116</sup>, where, having supported the preparation and drafting of the Economic Development and Poverty Reduction Paper in 2003, UNDP continued its contribution to the achievement of the MDGs by assisting in the definition of MDGs in Georgia in 2004, and publishing the MDG Progress Reports of 2004-2005 and 2007. But these reports had little impact at the policy level because the Government that came to power after the Rose Revolution in 2003 showed at best lukewarm interest towards the MDGs and instead laid almost exclusive emphasis on market-oriented growth as the driver of development. The resulting environment has not been conducive for UNDP to engage in a policy dialogue with the Government to promote the adoption of a development strategy that keeps poverty and human development at the centre stage.

The evidence scrutinized by the present evaluation suggests, however, that in most countries UNDP has successfully positioned itself as a strong advocate of the need to take a 'multidimensional' approach to poverty – as embodied in the term human poverty – as the centrepiece of development strategy. The challenge is that in some countries, due to ethnic, geographic, political or cultural factors, the broad concept of human poverty with multiple dimensions has not traditionally been well understood. UNDP still attempts to find ways to increase attention to the centrality of poverty reduction in its many dimensions through focused advocacy with its central government partners and/or by increasing the space for civil society or decentralized government structures to give 'voice' to their specific needs and concerns which frequently incorporate social issues.

**Finding 4. When given the opportunity UNDP has effectively supported national efforts aimed at developing capacity for evidence-based pro-poor policy-making.**

UNDP's success in helping to place the agenda of poverty reduction and human development at the centre of public discourse (as discussed above) constitutes in itself a contribution towards creating an enabling environment for pro-poor policy-making, but its contribution has gone beyond that. It has also helped strengthen capacities in the areas of poverty monitoring, statistical analysis and the development of frameworks that are essential for pro-poor policy-making, often in support of national capacities to develop and implement the PRSPs and other national development planning tools.

The MDGRs and the NHDRs have again been important interventions in this respect, largely through the process of building capacities in statistical analysis (and presentation, etc.). The PRSP has provided the framework to ensure that these capacities are utilized as well as often providing the impetus for the demand for support in this area. Creating an enabling environment does not by itself guarantee that pro-poor policies will be adopted in national planning frameworks, let alone be implemented in practice, but at least it establishes a necessary precondition for effective poverty reduction. There is strong evidence that UNDP has made effective contribution in this regard in a large number of countries.

A good example is Ghana, where a range of specific upstream interventions has enhanced national capacity for poverty planning, analysis, measurement and reporting as well as strengthened the focus on poverty reduction as a key area of the national development framework. The effect of UNDP interventions has been visible at the national level in the form of restructuring the process of planning and budgeting and integrating as far as possible the efforts of different

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116. UNDP Evaluation Office, 'Assessment of Development Results: Evaluation of UNDP Contribution: Georgia', New York, 2010.

departments and agencies within the Ministry of Finance with the explicit objectives of pro-poor planning and achievement of the MDGs. UNDP has also collaborated with the Ghana Statistical Service on the National Strategy for the Development of Statistics and thereby strengthened the capacity to measure and track key poverty indicators over time.

Poverty mapping and creating disaggregated statistical databases were some of the important tools through which UNDP has helped strengthen the enabling environment for pro-poor policy-making in a large number of countries. In Mongolia, for instance, the poverty and MDG data have been disaggregated to the local level and a method has been developed to map the distribution of the poor. UNDP has successfully contributed in this effort, by improving the system of data collection from administrative sources, which has facilitated evidence-based policy formulation. The capacity to analyse policies based on their impact on equity and poverty has also been developed. In Brazil, projects aimed at producing social statistics at the municipal level have led to the development and dissemination of social indicator systems in the areas of health, education, housing and cash transfers.

The MDG costing exercise has sometimes been criticized, especially by multilateral financial institutions, for coming up with unrealistically ambitious estimates of resource requirement. While there is some validity to this criticism, the really important contribution from these exercises lies less in the estimation of resource requirements, than in the analysis they have spawned about the specific strategies that need to be employed to meet the MDGs. The very process of undertaking this analysis has helped create useful capacities for planning for poverty reduction and human development within national governments. To what extent national governments actually use this

capacity is not entirely in UNDP's control, and there is also some doubt about the sustainability of the capacity once UNDP withdraws its direct support, but the creation of the relevant capacity is in itself a valuable contribution towards creating a pro-poor policy-making environment.

The process of MDG reporting in the Pacific Islands has helped the countries recognize the importance of a cohesive and efficient statistical system capable of generating, gathering and collating data from various sources on a regular and timely basis. It also has helped them become better aware of the anomalies that existed within their own statistical systems, to recognize existing opportunities, as well as challenges, within the statistical architecture of their respective countries. Moreover, the process has also helped identify data sources and in several cases successfully revealed data do exist but in a disorganized and fragmented manner and are rarely updated.<sup>117</sup>

In El Salvador, UNDP contributed towards designing and preparing a poverty map ('Mapa de la Pobreza Urbana y la Exclusion Social'), with the help of the academia and the Ministry of Economy, which represents an important step towards the adoption of pro-poor priorities and targeting criteria. In Slovakia, the NHDRs, and UNDP more generally, have had an impact on the practices of the statistical office, which has shifted towards greater focus on quality-of-life indicators. In the Philippines, provincial-level poverty estimates generated with the help of UNDP are being used for the Government's conditional cash transfer system. Furthermore, the community-based monitoring system, partly supported by UNDP, has seen buy-in from local governments and has been replicated extensively.

In Mozambique, UNDP provided resources to the Ministry of Planning and Finance to establish a Poverty Observatory in order to assemble the

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117. Khan, Am. Adil, 'Evaluation of the Process of Compiling National MDG Reports in Pacific Island Countries and Capacity to Measure and Monitor Development Performance', Evaluation commissioned by the UNDP Fiji Multi Country Office, September 2009.

views of civil society on the country's progress towards meeting national poverty targets. This initiative directly reinforced the national campaign to reduce poverty by strengthening the range of inputs at the policy dialogue and advocacy level. In a similar move, UNDP-Senegal has also supported a National Observatory of Living Conditions and Human Development, a think tank and policy research institution inside government. In Thailand, UNDP was able to set up a human rights protection mechanism for indigenous and highland ethnic people, which created opportunities for the indigenous groups to raise the issues of their concern with key national counterparts.

For a report published in 2008, UNIFEM reviewed 13 and 78 MDG reports for 2003 and 2005 respectively<sup>118</sup> and established that gender equality is not adequately mainstreamed into national reports; traditional gender role and trait stereotyping persists; an instrumentalist rather than a rights-based focus frames approaches to gender equality; sex-disaggregated quantitative data is not supplemented by qualitative data or adequate gender analysis; the nature of reporting makes invisible the cross linkages between targets and indicators across goals; and involvement of gender equality advocates in the preparation of MDG reports across all the goals is lacking.

Without a similarly comprehensive review it is difficult to assess if there has been improvement since then, but a number of evaluations report that efforts have generally been successful in supporting the generation, use and dissemination of sex-disaggregated data. For example, the ADR for Pacific Island Countries<sup>119</sup> noted that "UNDP support to MDG reporting represents potential for improving gender equality since it collects and monitors data on gender issues, as well as sex-disaggregated data on a range of issues that can then be analysed with a gender perspective. As it is incorporated

into national systems, this information should be useful for a range of policy decisions." The ADR for Uganda noted that MDG reporting should be further strengthened to provide gender disaggregated analysis. While the MDG report had touched on the gender differences between the first and third goal, gender-disaggregated data and discussion were weak for other MDGs.

Additional support by UNDP has, however, led to increased capacities in this area, for example, the partnership with the Bangladesh Bureau of Statistics in the first-time production of sex-disaggregated data. In the Philippines, however, the ADR noted that while the MDG area has promoted sex disaggregation of data and harmonization of gender and development guidelines, it has not substantially contributed to an engendered poverty analysis. A Gender Needs Assessment Tool has been adopted by 22 African countries as part of their national planning and budgeting processes. Another flagship UNDP effort, the Gender and Economic Policy Management Initiative, addresses gender-related capacity constraints in economic planning processes. The initiative aims to build a critical mass of gender-aware economists on developing, implementing and monitoring gender-responsive macro-economic policies and frameworks supported by governments. The contribution of these initiatives to poverty reduction has not been captured by the existing evaluations reviewed as part of this evaluation.

As noted in Chapter 3, UNDP supported the development of the MAF as a systematic way of identifying bottlenecks to those MDGs that are lagging behind in specific countries, as well as prioritized solutions to these bottlenecks. It is a catalytic tool for the development action plans for accelerating progress aligned with the national development processes and bringing together partners around a common objective at the country level. Without replacing other national-level planning documents,

118. UNIFEM, 'Making the MDGs Work for All', New York, 2008.

119. UNDP Evaluation Office, 'Assessment of Development Results: Evaluation of UNDP Contribution: Pacific Island Countries', New York, 2012.

the MAF facilitates the focus, coordination and involvement of stakeholders on off-track MDG targets and generates a shared and robust action plan which can be turned to a national-level 'Acceleration Compact' to be monitored jointly by all stakeholders involved. The framework can be applied to any of the MDGs and to any country context to identify the existing bottlenecks and develop sequenced and prioritized solutions, either to shape a national development strategy or to move existing strategies to implementation in the medium term.

In 2010 UNDP field-tested the MAF in 10 countries with MDGs ranging from poverty and hunger, to maternal health, education, gender and sanitation at both national and subnational levels. UNDP has incorporated gender considerations into the MAF, and four of the 10 pilot MAF Reports and Country Action Plans undertaken in 2010 were devoted to gender issues. The MAF is currently being applied to 39 countries. The MAF is fully in line with the 'Delivering as One' (DaO) approach by supporting the principles of mutual accountability, transparency, efficiency, and development effectiveness, and has been endorsed by the UN Development Group.

Yet another tool that has helped strengthen the development of pro-poor policies is support provided to some member country governments to carry out Poverty and Social Impact Assessment (PSIA) of their policies and programmes. A UNDP Trust Fund was established in 2005 to make resources for PSIA work directly available to governments. In total, 13 PSIA studies have been supported by the Trust Fund in Africa and the Middle East. An independent evaluation conducted in 2009<sup>120</sup> noted that:

*The PSIAs reviewed for this evaluation played variable but often significant parts in influencing ongoing policy processes. In some instances, the*

*PSIA analysis influenced the direction of policy debates within a complex set of relations across government, civil society and donor communities. In other cases the PSIA process itself was important in bringing new voices into the policy debate and in strengthening government appreciation for the role of evidence in designing 'pro-poor' policy. A third area where an impact was noted was in the role of capacity-building and development of institutions and actors within the PSIA process, strengthening the potential for PSIA to become a more effective and embedded policy analysis tool.*

**Finding 5. Where UNDP has gone beyond support to creating a pro-poor enabling environment to direct support to pro-poor policy-making by national authorities, its success is less evident.**

UNDP's success in creating a pro-poor enabling environment enhances the likelihood that it will be effective in influencing actual policy-making by national governments but does not ensure it. The ability to directly influence concrete policies requires additional effort and strategic intervention. The evidence examined by the present evaluation shows that, while UNDP has had some notable success in this regard, on the whole it has been somewhat less successful in influencing policies than in creating the enabling environments to help governments develop pro-poor policies themselves. UNDP's main tools for directly influencing policy are the provision of technical advice, options, ideas from other countries, as well as though diagnostic studies.<sup>121</sup>

In some cases, the same tools are used for creating the enabling environment and at the same time provide direct support to pro-poor policy-making. In Ecuador, for example, the methodology developed and disseminated in preparation of the MDG report is now used as the basis for national

120. Oxford Policy Management, 'Evaluating the Results of Poverty and Social Impact Analysis (PSIA) on National Policy Making', Oxford, 2009. The evaluation was commissioned by UNDP BDP.

121. Advisers from BDP and the Regional Service Centres have the potential to play a major role here but it is generally not well captured in ADRs. It will nonetheless be an area of focus of the ongoing evaluations of the various regional programmes and the global programmes that finance these advisers.



and local diagnostic and planning efforts. In Lao PDR, the MDG costing exercise supported by UNDP helped the various line ministries to work out detailed sectoral plans, which served as valuable inputs into the subsequent National Development Plan. Similarly, the recent National Development Plans of Saudi Arabia have been informed by MDG costing, to which UNDP contributed.

One of the manifestations of UNDP's contribution is the use of subnational HDI developed by UNDP, usually in the process of producing NHDRs, as a tool for policy-making. In Brazil, for example, the HDI has been used for selecting states, municipalities and families in four main federal projects for targeted intervention. Of these, the most important in terms of its territorial impact was the *Alvorada* (Dawn) programme, launched in 2000 '...to improve the living conditions of the most needy in the shortest term possible....'<sup>122</sup> Although the *Alvorada* programme was terminated when the Lula administration came into office in 2003, the HDI continued to be used as a targeting tool in other social programmes. Similarly, in countries as diverse as Honduras, Peru, Egypt, Ukraine, Bulgaria and Albania, national poverty reduction strategies have used HDI to target resources to the poorest regions. In Lao PDR, UNDP has helped the Government identify and develop plans for the poorest districts, which has enabled the Government to align its provincial governance/rural development efforts towards these priority districts.

The influence on national policy-making has not remained confined to the use of HDI, however.<sup>123</sup> Bulgaria is a prominent example where a range of UNDP interventions have had a visible impact on national policies – in particular, on enhancing the priority of the social sectors.<sup>124</sup> UNDP undertook

a collaborative project with the World Bank called the Regional Initiatives Fund, which was designed to test the Social Investment Fund mechanism, and was subsequently adopted by the Government. Finally, the experiences gained from the UNDP job creation projects, i.e., the Beautiful Bulgaria Programme, Regional Initiatives Fund, and the Job Opportunities through Business Support (JOBS) Programme, fed directly into the Social Policy Strategy of the Ministry of Labour and Social Policy and its adoption of Active Labour Market Policies. This signalled a turn towards attempting to influence the causes, not merely the effects, of poverty and unemployment – specifically, the move away from cash handouts towards job opportunities. The JOBS network became part of the Government's National Employment Promotion Plan for business development and employment generation.

Examples of more specific impacts on policy can be found from all around the world. For instance, in Senegal, the process of preparing and producing the NHDR was used as a basis for policy dialogue between the Government and its partners. UNDP also supported the development of the National Strategy on Gender Equity and Equality, which was duly enacted, but whose degree of implementation is difficult to assess as yet. In Slovakia, NHDRs have had some influence on the redesigning of the health-care system. In Ukraine, social budgets and programmes were explicitly linked to the recommendations made in the NHDRs. In Bulgaria, the 2003 NHDR on rural areas gave birth to an integrated area-based approach to rural development adopted by the Government. In Armenia, through its close involvement in the drafting and implementation of PRSP (2003), UNDP has been able to contribute to increased budget allocations for the health and education sectors, state pensions and social assistance programmes.

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122. UNDP Evaluation Office, 'Evaluation of the National Human Development Report System', New York, 2006.

123. For more detailed evidence on the impact of NHDRs on policy-making, see UNDP Evaluation Office, 'Evaluation of the National Human Development Report System', New York, 2006.

124. UNDP Evaluation Office, 'Assessment of Development Results: Evaluation of UNDP Contribution: Bulgaria', New York, 2003.



Through the Medium, Small and Micro-Enterprises project, UNDP-Ghana has supported the development of a national network of microfinance institutions, and a national microfinance forum to advocate stronger support for pro-poor financing and policies. As a recent evaluation of the country programme has concluded, UNDP's support was instrumental in developing a national framework for the microfinance sector as well as the Ghana Microfinance Policy and UNDP has acted as a 'change agent' for building a stronger microfinance sector firmly integrated in the Ghanaian financial system and capital market.<sup>125</sup> In Uganda and Malawi, too, UNDP has made similar contribution towards creating a microfinance regulatory framework.

There are many cases of missed opportunities as well. While NHDRs, MDG reports and other UNDP publications are generally well regarded as useful sources of information and at times also of analysis on poverty and human development, in many countries they fail to make any visible impact at the policy level. The reasons for this failure vary from country to country. For instance, in Montenegro UNDP was instrumental in supporting the Government of the newly independent country to elaborate the Development and Poverty Reduction Strategy as its first comprehensive poverty profile, defining the multidimensional nature of poverty and its causes and leading to formal recognition by the Government of a 'poverty' problem. In parallel, however, the Government developed the Economic Reform Agenda with the help of other agencies and this became the main policy framework. As a result, the Development and Poverty Reduction Strategy was not effective in articulating specific strategies to address poverty or in ensuring that its proposed solutions for vulnerable groups were actually adopted by the Government.

In Tajikistan, UNDP's help in the area of MDG needs assessment did not bear any tangible fruit in terms of policy because of concern from other donor

agencies that it was too ambitious and onerous on the country's financial stance. In Papua New Guinea, UNDP was not successful in using its interventions in the areas of gender, environment or governance to further the cause of MDG planning and reporting. While UNDP was engaged in MDG awareness-raising advocacy, more efforts were needed at both national and subnational levels in order to integrate MDGs into national planning.

**Finding 6. UNDP's success in the area of upstream work can be partly explained by its relationship with national authorities and its approach to broad participation.**

UNDP's success in its upstream work is partly due to the special relationship that it often has with national government partners. This relationship has many dimensions often characterized by closeness and trust partly from a perception of neutrality or impartiality and strengthened because of UNDP's long-term commitment. For example, the ADR for the Philippines identified the most widely perceived strength of UNDP as its neutrality, and consequently there is appreciation for UNDP's ability to initiate a dialogue and take leadership in potentially sensitive areas, such as electoral reform and human rights, where government and civil society organizations have difficulty working with some bilateral donors and multilateral banks. UNDP's perceived neutrality, impartiality or its role as a trusted partner is not simply given by being part of the UN but often comes from action, for example, in times of crisis. In Guatemala UNDP was involved in many parts of the Peace Accord agenda signed at the end of 1996 and by the time of the 2009 ADR, UNDP-Guatemala was still recognized as a neutral agency, a broker, facilitator and promoter of dialogue on sensitive issues and between opposite groups.

This close relationship is not found everywhere but the importance of such a relationship as a key determinate for government in selecting its partners in this area is a common finding of the

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125. UNDP Evaluation Office, 'Assessment of Development Results: Evaluation of UNDP Contribution: Ghana', New York, 2011.

evaluations examined as well as in country studies. It is also not sufficient by itself to ensure success but is an important ingredient in areas where UNDP engages in policy and no more so than in the highly political area of poverty reduction. This relationship, where it exists, also allows UNDP to maintain an appropriate balance between being flexible in its approach and proactive in advocating a pro-poor agenda from the multidimensional perspective. In Jordan for example, government officials noted that *UNDP works with us, not by us*. This sentiment was repeated in other ministries.

Engaging a broad range of society in UNDP's work also makes it better especially through the MDG and NHDR process as well as through consultative processes that allow civil society to engage in policy processes, for example, through the PRSP process. Moreover, the overall approach of some of the key vehicles for promoting a pro-poor enabling environment – both awareness raising and capacity development – have explicitly promoted the kind of relationship that will facilitate greater effectiveness (see Box 5).

Related to this relationship, some evaluations have pointed to the importance of UNDP's work at the policy level being grounded in the realities of the local situation, a grounding derived from its downstream activities. UNDP's downstream work will be examined in the next section and the linkages between the two in the section on efficiency.

### 4.3 FINDINGS ON EFFECTIVENESS OF UNDP'S DOWNSTREAM INTERVENTIONS

Beyond its work to support pro-poor evidence-based policy development, UNDP also plays a role in downstream work, aimed at implementing

#### Box 5. Principles Related to MDGRs and NHDRs

##### Four principles of UNCT assistance to developing MDG reports<sup>126</sup>

- Broad national ownership based on close consultation and collaboration with all relevant institutions, including Government, civil society organizations, foundations, and the private sector;
- Full involvement of UN agencies, the regional commissions, the World Bank, IMF, regional development banks, European Commission and bilateral donors;
- Recognition of data already collected, analysed and assessed through a consultative process among development partners<sup>127</sup>;
- Support to national capacity for data collection, analysis and application.

##### Six broad principles that characterize excellence in NHDRs<sup>128</sup>

- National ownership
- Participatory and inclusive preparation process
- Independence of analysis
- Quality of analysis
- Flexibility and creativity in presentation
- Sustained follow-up

policies and directly supporting poverty reduction. The portfolio of activities is extremely broad and ranges from support to capacity development of local government officials to microfinance schemes and this in itself presents a problem for generalization. Moreover, as noted in Chapter 1, the evaluation will not identify what types of intervention are more effective than others, as this is often context specific. Rather it will attempt to identify the systemic issues that help or hinder UNDP's contribution to poverty reduction. In this context the following are the key findings:

126. UNDG MDG Strategy

127. As reported in PRSPs, UN Common Country Assessments (CCAs), NHDRs, and other reports/assessments/ strategies prepared by the Government, academic or research institutions, civil society organizations, treaty bodies and external partners.

128. UNDP, 'UNDP Corporate Policy on NHDRs for National Regional HDR Teams', New York (undated).

**Finding 7. The contribution of UNDP's downstream projects aimed at directly addressing poverty reduction is often unclear.**

Inevitably, UNDP's performance across a wide range of projects aimed at directly reducing poverty is mixed. The body of evaluations covered many good examples and many poor ones. There are some generic lessons that can be drawn and these have been repeated in many evaluations reports as well as the annual reports on evaluation.<sup>129</sup> There are also those that are very effective but not very efficient (in the sense of missing opportunities to leverage the experience for a greater contribution) or not likely to contribute to sustainable results. These aspects are examined in later findings.

The key issue is, however, the limited ability of UNDP to demonstrate whether its poverty reduction activities have contributed to any significant change to the lives of the people it is trying to help. This situation is especially problematic as it often relates to those projects that are designed to pilot (sometimes innovative) solutions to poverty reduction. Evaluations are limited and even when in place the baselines that would facilitate rigorous evaluation are non-existent. This is partly a technical problem (how to monitor and evaluate the outcomes or even impacts of UNDP's work) but it is also a reflection on the lack of focus on the poor. Later findings point to the fact that the poor are often not the direct beneficiaries or are only loosely indirect beneficiaries.

As many of the evaluations point out, even though UNDP is a strong advocate for results-based management, there is a lack of a results culture or orientation in the country office. For example, the ADR for Thailand points out that UNDP seemed to focus on inputs, activities and immediate outputs rather than outcomes or results. Part of the problem is the poor design of the results framework itself: outcomes are set in very broad terms so that UNDP's contributions are difficult to identify.

A related problem, noted by most of the ADRs, is that monitoring and evaluation functions are seldom well developed. While the problem also affects UNDP's policy work it is the major issues related to UNDP's activities aimed directly at poverty reduction where the changes to people's lives should be possible to identify. The ADR for India, for instance, states: "In all the livelihood projects (including the Rajasthan Mission on Livelihoods) a significant limitation is that the monitoring and evaluation processes have been flawed, making it difficult to draw conclusions on the actual results. Despite the declared existence of a baseline against which to assess the outcomes, there has typically been no attempt to assess performance of projects in relation to similar (control) groups or areas which the projects did not cover. In many projects, evaluating outcomes is impossible in the absence of a clear strategy and goals. Therefore, the tendency has been to monitor activities rather than goals and actual outcomes." The reading of ADRs across all regions suggests that this is good description of what happens in many countries. An exception is the Nepal Micro-Enterprise Development Programme, which was the subject of an impact evaluation in 2010.<sup>130</sup> Started in 1998 and now in its third phase, the programme has produced 51,000 micro-entrepreneurs, of which 67 percent are women. The evaluation concluded that individuals who had become micro-entrepreneurs with support from the programme had five times more income than those who had not participated in it.

UNDP's engagement with microfinance provides a good example of a situation where policy-level learning (both corporate and national) is often good but at the micro level there is inadequate attention paid to the issue. At the national level, examples have already been provided of UNDP's successful engagement in this area. At the corporate level and consistent with the policy

129. Reports prepared by the Evaluation Office presented to the UNDP Executive Board usually at its annual session.

130. NARMA Consultancy, 'Impact Assessment of Micro-Enterprise Development Programme', Lalitpur, December 2010.

of moving upstream, in 2003 the Administrator requested the Consultative Group to Assist the Poor (CGAP) to undertake a more intensive project-by-project evaluation of the quality of all of UNDP's on-the-ground microfinance operations. The evaluation<sup>131</sup> found that the average grade for all UNDP's projects is on the lower end of 'Weak'. Out of 66 graded projects, only 14 projects (21 percent) were rated 'Good', and 28 projects (42 percent) were judged 'Unacceptable'. The evaluation found, however, that by implementing the MicroStart programme pioneered by the microfinance unit of the United Nations Capital Development Fund (UNCDF) it had good potential to achieve positive results. UNDP responded in a new policy for its microfinance activities<sup>132</sup> based on complying with the principles of UNCDF's MicroStart model whenever it funds, or administers the funds of others for, microcredit operations.

But at the micro level, a common issue is that 'results' in the poverty area for UNDP are often presented at the level of outputs, and/or that the scope or reach of projects are provided by the evaluations as 'evidence' of development change. For example, for some demonstration projects in microfinance, the numbers of beneficiaries/participants are used as 'indicators' of progress and no information or documentation is provided regarding the detailed effects on the economic situation (either short-term or long-term) of those involved.

In Tajikistan the ADR finds no sufficient evidence to establish whether microfinance provided by UNDP produced expected results in terms of enhancing livelihoods at the household level or in improving access of rural poor to credit. Because households accessed multiple credit services, sufficient data was not available to link UNDP poverty alleviation outcomes. In Bosnia-Herzegovina the ADR found little evidence that these have had a real impact on poverty reduction, even

at the individual level, let alone on local economic development. Greater emphasis is placed on monitoring the number of beneficiaries, repayments rates and elements of sustainability and viability of the microfinance mechanism – all very important – than on the difference that is being made to the lives of the poor. Many of these projects are explicitly targeted to women but again, more emphasis is often placed on the participation rates of women than on the contribution to gender equality as a result of the schemes.

Moreover, a smaller number of evaluations noted that for microfinance initiatives and/or for other support and small and medium enterprise development initiatives at the downstream level, there were not clear assurances that the programmes in question had truly reached 'the poor' as a key beneficiary group. In Africa, this concern comes through with particular clarity in certain initiatives under the poverty programme in Mozambique, where the ADR concluded, *UNDP projects and programmes under the rubric of poverty reduction are unlikely, individually and as a whole, to raise income levels among much of the population or to reduce national poverty to any significant degree*. Overall, there is a noticeable dearth of concrete information about changes in income levels and access to productive resources (either directly or indirectly) for the very poor as a result of UNDP's work, even though assertions are frequently made that these groups have benefited. This leads to the next finding.

**Finding 8. Even when UNDP undertakes activities with an explicit poverty orientation, the approach often lacks a pro-poor bias and tends to rely instead on the 'trickle down' process.**

The upstream policy advice that UNDP offers to national governments, for example, through participation in the preparation of poverty reduction strategies and national development plans, often demonstrates clear awareness that a pro-poor strategy of development has to go

131. Rosenberg, R., 'Review of UNDP Microfinance Portfolio', Consultative Group to Assist the Poor, January 2006.

132. UNDP, 'UNDP Microfinance Policy', undated, accessed through the UNDP 'Programme and Operations Policy and Procedure'.



beyond the ‘trickle-down’ approach – i.e., the idea that the benefits of any general development activities would somehow trickle down to the poor – and must incorporate specific measures so as to impart a pro-poor bias in the policy framework.

But the present evaluation finds that when it comes to specific projects designed to support poverty reduction the general tendency is to rely on the ‘trickle down process’ instead of making conscious attempts to introduce pro-poor elements in the project design. This is especially true in UNDP’s help in the expansion of economic activities, say through trade facilitation or development of the private sector. The project documents may sometimes avow the intention of integrating pro-poor elements, but in practice it seldom happens in any significant way. This is not to say that the poor need always be the direct and immediate beneficiaries of the project support. Clearly, there are arguments for providing direct support to the non-poor, for example, for job creation, but the bias in ultimate benefit must be to the poor and the transmission mechanism that links the intervention to the poverty reduction goal must be very clear.

A case in point is the Trade Related Assistance for Development and Equity (TRADE) Project in Cambodia, which sought to promote Cambodia’s integration into the world economy with the explicit objective of opening up opportunities for the poor to engage in remunerative economic activities. As the title of the project suggests (and the project document affirms), the objective was not merely to contribute to development in general but also to promote equity in the sense that the benefits of trade integration would accrue to the poor as well. The underlying premise was that the expansion and diversification of international trade can potentially play a major role in creating income-generating employment for the poor. In practice, this objective was not achieved.

The Mid-term CPAP Results Assessment noted that while the project performed well in delivering the promised outputs in terms of studies, strategies and capacity-building, it failed to make a significant impact on the broad developmental outcome of employment generation for the poor. The reason lay primarily in the nature of activities the project tried to promote and the manner in which it tried to promote them. The project did make an effort at export diversification, for example, by trying to remove domestic supply bottlenecks for a number of potentially exportable products, but this was done in a generalized manner without according any priority to removing the bottlenecks facing especially the poor producers.

There was one component of the project called the Growth of Sustainable Businesses (GSB), which had the potential of inducing a pro-poor bias in the trade regime by integrating the activities under the GSB more effectively into the mainstream activities of the project. The stated objective of the GSB initiative was to involve large-scale private sector businesses in innovative partnerships with small-scale rural entrepreneurs in the pursuit of mutually profitable activities. These partnerships were to serve two distinct purposes. First, they were expected to strengthen supply capacity at the local level as a means of sustaining export promotion at the national level. Second, they were to help small entrepreneurs benefit from export expansion by being involved remuneratively at different points of the value chain. By proactively involving small entrepreneurs in the process of creating supply capacity for export, GSB could have functioned as the mechanism for imparting a genuine pro-poor bias to the trade regime. In practice, however, this potential could not be realized, as the linkage between GSB and the mainstream TRADE project remained weak.

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133. Aslanov, E., ‘Institutional Support to the Ministry of Culture and Tourism to facilitate effective development of domestic tourism in Azerbaijan’, Project evaluation report, Baku, 2012. The evaluation was reviewed not quality assured as no evaluative evidence was used.



The recent evaluation of the UNDP project to provide institutional support to the Ministry of Culture and Tourism to facilitate effective development of domestic tourism in Azerbaijan<sup>133</sup> noted that the project in its third phase started life with the specific objective of reducing poverty in the country. The second phase of the project aimed at integrating poverty reduction and sustainable tourism development in Azerbaijan through providing institutional support to a newly established Azerbaijan Tourism Institute to enhance tourism education and to facilitate the effective functioning and expansion of the regional Tourist Information Centres. Although the expected outcome was an increase in non-oil employment, the key achievements reported close to the end of the phase included establishing 10 Tourism Information Centres, full operationalization of the research and development centre of Azerbaijan Tourism Institute and launching of the Azerbaijan Tourism internet portal.

Some informants noted that this finding may be the result of reporting constraints in that it is not always easy to allocate interventions according to the corporate focus areas and associated outcomes. As a result, some actions may be inappropriately allocated to poverty when in reality they have little contribution to make to this goal. This is not an excuse, however; as the next section will show, it is possible to add a poverty focus or even a strong pro-poor bias to a wide range (if not all) of UNDP's work.

Where UNDP does show pro-poor bias is in the spatial allocation of its resources within a country. Targeting poor regions or pockets of structural poverty is a common approach. In Jordan and Bhutan, for example, poverty pockets were identified with UNDP support and form the basis of domestic and international efforts to address poverty. In Bhutan, the focus on

poverty pockets comes from the recognition that economic growth, even with pro-poor bias, will not address all the country's poverty concerns. In India, UNDP as part of the UNCT, agreed to focus its downstream work in seven so-called 'UNDAF priority states' and is in the process of moving in this direction.

**Finding 9. UNDP has generally made good use of partnerships within the UN but there are missed opportunities especially in relation to addressing non-income aspects of poverty.**

On the whole UNDP makes good use of partnerships with other development agencies, both within and outside the UN system, to strengthen its efforts at poverty alleviation. The fact that in many countries UNDP plays a leading role in supporting national aid coordination efforts facilitates the task of partnership building.

Some of the strongest partnerships in poverty-related work exist with UNCDF in the micro-credit sector as well as in decentralization and local governance<sup>134</sup>, but there are also examples of work with ILO, UNCTAD and UNIDO for small and medium enterprise growth and employment-related issues. The ILO is a major UN agency whose work complements UNDP's efforts at poverty alleviation. In 2007 UNDP and ILO entered an agreement to strengthen their collaboration and partnership to bolster UN actions designed to reduce poverty and create more decent work. This partnership is primarily a country-driven process, focusing on collaboration in skills training; decent work in the formal and informal economy; the care economy; social protection; and women's rights and access to decision-making positions. The ADRs of Chile, Moldova, and Sri Lanka provide good examples of UNDP cooperation with ILO both upstream and downstream. At the annual session in 2010, the Executive Board requested UNDP<sup>135</sup> to give

134. Work with UNCDF on local governance is discussed in the next section.

135. Decision 2010/11. The decision also requested UNDP to include a progress report in the annual report of the Administrator outlining the initiatives it has undertaken to implement the present decision.

priority to the recommendations contained in the ILO's Global Jobs Pact, and to integrate the Pact into its operational activities when implementing the UNDP Strategic Plan, 2008-2013.

Although there are many good examples of UNDP collaboration with ILO at the country level, given the important role of employment in the poverty reduction process, collaboration has been limited. Many evaluations of UNDP programmes have noted this anomaly. The ADR for Turkey noted that UNDP's gender equality projects in poverty reduction had the potential to yield more sustainable results if there had been cooperation with ILO in the field of decent work for women. Sometimes cooperation is envisaged but does not work out: for instance, a recent outcome evaluation in Azerbaijan<sup>136</sup> highlights that there was no explicit cooperation with ILO, even though a joint contribution towards the UNDAF outcome was foreseen. Yet another case of missed opportunities was in Lao PDR. While UNDP was offering support to the Chamber of Commerce with a view to strengthening the small and medium enterprises, the Ministry of Labour and Social Welfare was trying at the same time, in collaboration with ILO, to help the unemployed youth to take up opportunities for business start-ups. The support from ILO was largely limited to technical assistance, and the lack of finance was felt to be a serious handicap. The ADR for Lao PDR notes that there was clearly an opportunity here for UNDP to join hands with UNCDF and ILO to work through the Chamber of Commerce and the Ministry of Labour and Social Welfare to address the problem of access to finance facing small and medium enterprises, and thereby create more opportunities for employment creation at the lower end of the income scale.<sup>137</sup>

Most UNDP country programmes have a poverty portfolio, a cluster of activities whose explicit objective is to contribute towards poverty reduction. As noted earlier, some of these activities do not in practice have an explicit poverty orientation. There is widespread evidence, however, that even when downstream activities within the poverty portfolio do have an explicit poverty focus, they address mostly the income dimension of poverty rather than the broader concept of human poverty. The concern with human poverty would entail attempts to advance human development in all its dimensions, including such non-income dimensions as education and health. These broader concerns are to some extent captured in a number of upstream activities – for example, in the production of NHDRs and MDG reports and in strengthening the capacity of statistical agencies to collect and report data that are relevant to human development and the MDGs. Often this work – and especial the MDGRs – is done in close partnership with other members of the UN Country Team. They are also captured through UNDP support to strengthening service delivery at the local level. UNDP often works closely with the United Nations Volunteers (UNV) in this area and often partner to promote and facilitate volunteerism in the countries where they work.

The fact that most programme countries participate in joint programming through the UNDAF exercise facilitates such partnerships. UNDAF programming principles include the MDGs and, therefore, an implicit focus on multidimensional poverty. In addition, mechanisms such as the MDG Achievement Fund require UN agency collaboration in addressing constraints to achieving the MDGs.<sup>138</sup> At the policy level, the MAF is another mechanism that facilitates joint UN system work. However, many downstream activities in the poverty portfolio are concerned almost

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136. For the project titled 'Development of National Social Protection System and Implementation of Selected Activities of the National Employment Strategy'.

137. UNDP Evaluation Office, 'Assessment of Development Results: Evaluation of UNDP Contribution: Lao PDR', New York, 2011.

138. All MDG Achievement Fund programmes are joint programmes and bring together an average of six United Nations agencies within 130 active programmes in five countries.

exclusively with income generation, often aimed at strengthening the income-generating capacity of the people. Worthwhile as these activities are, especially when they are carried out with an explicit pro-poor bias, the fact remains that they focus on just one dimension of poverty – lack of income.

#### **4.4 FINDINGS ON EFFECTIVENESS OF OTHER FOCUS AREAS**

The importance of UNDP's whole programme to poverty reduction has been emphasized throughout the first chapters of this evaluation report. Chapter 3 pointed to the strategic intent to put poverty as the overriding objective of UNDP and what that means for other focus areas. The evidence suggests that there is indeed an important contribution. For example, the 2011 Sri Lanka ADR concluded that UNDP's contribution to poverty reduction was far greater through its environment, governance and crisis work than through the poverty cluster, noting that although such programmes may not have had poverty reduction as their primary objectives they nonetheless had a considerable impact on the lives of the poor and vulnerable.

Many evaluations have pointed to a central problem in facilitating 'cross-focus area' programme development, namely, the fragmented nature of UNDP's operational structure. UNDP's organization into separate practice areas, combined with dependence on external funding, steers programming in disparate directions instead of providing incentives for integration.

**Finding 10. There is great potential for advancing the cause of poverty reduction through UNDP's activities in the democratic governance area, but UNDP's record in harnessing this potential is mixed.**

Improvement of democratic governance is an important area of UNDP interventions in most programme countries. There are both

national-level programmes – such as legal reforms aimed at improving access to justice, capacity-building of parliamentarians and support to national anti-corruption efforts – and subnational-level programmes such as strengthening of decentralization and local governance. UNDP has also increased the use of the human right-based approach to programming for poverty reduction. All such activities are important not just for improving the quality of governance for its own sake but also for creating an enabling environment for policy-making that is responsive to the needs of the poor and the vulnerable.

A good example is the case of decentralization and local-level governance, where there is actually scope for going beyond the creation of an enabling environment by integrating directly poverty-reducing activities with improvement of governance structures. Most UNDP country programmes are on the whole conscious of this scope and their local governance programmes typically contain components of service delivery and participatory planning. An example where UNDP has sought to exploit the synergies between decentralization and human poverty is a joint initiative with the Netherlands Development Organization (SNV), through which UNDP has piloted a project on MDG localization (2005-2008) in 15 countries. A review in eight of these countries points out that the initiative has contributed to improving local and national awareness of MDGs (in Niger and Uganda), encouraged social inclusion and participation (in Guinea Bissau), strengthened capacities of local governments and non-state actors in conducting participatory MDG-oriented planning processes (Viet Nam and Tanzania), strengthened the capacity of civil society actors to monitor progress on the MDGs (Albania and Niger), and improved integration of MDGs in policy development at the local level (Benin).<sup>139</sup>

In Mozambique in the late 1990s, the UNCDF/UNDP decentralization programme, in collaboration with the Ministry of Planning and Finance

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139. SNV-UNDP, 'Going Local to Achieve the Millennium Development Goals – Stories From Eight Countries', 2010.

in Nampula Province, began to train district-level officials in development planning. A particularly successful case was the intervention in Mogovolas, one of the poorer districts. Consultative Councils were established and trained on the principles and practice of participatory planning. Sub-district consultative councils consulted extensively with community members and took the concerns and priorities of the community to the district-level councils. They also sought financing for their local development plans that contained a strong poverty-reduction focus. There is evidence that the project had not only increased the transparency of the district administration, but also mobilized the population for more effective local development interventions to combat poverty. For the first time, taxes were paid because tax-payers were able to see the results of their contribution. Overall, social and productive conditions appear to have improved via stronger local development.

There are other isolated examples of success as well. Unfortunately, however, successful exploitation of synergy between governance and poverty is not the general pattern. The more common scenario is that “UNDP tends to view its interventions in local governance as ends rather than as necessary means to an end.”<sup>140</sup> A typical example is Ecuador, where UNDP and the United Nations Human Settlements Programme (UN-HABITAT) worked together to strengthen institutional capacities for urban development management, by linking land survey maps with land registers, creating certainty regarding land property, legalizing properties in urban areas and increasing municipal revenues from property tax. However, it is not clear whether this actually led to increased social investments, reduced urban poverty and improved service delivery for the poor.

Ecuador is not unique in this regard. Across the countries, the general finding is that while the achievements of programmes of democratic local governance have often been substantial in terms of their intended outputs, there remain

weaknesses that hinder the full realization of the developmental outcome – namely, effective service delivery through participatory decision-making, which is essential for reducing human poverty. It may be useful here to distinguish three inter-related objectives of these programmes: institution and capacity-building, service delivery, and participation and accountability. The greatest success has been achieved in terms of institution and capacity-building at subnational levels. Much less has been achieved on the other two accounts.

In many cases, an underlying problem with regard to service delivery is a tension between two aspects of local governance – namely, improvement of governance structures and systems on the one hand and the provision of investments and service delivery through such systems on the other. The tension arises, at least in part, from differences among donors in their underlying philosophy of decentralization. This was evident, for example, in Cambodia, where UNDP implemented the Project to Support Democratic Development through Decentralization and Deconcentration with support from the Swedish International Development Cooperation Agency (SIDA) and the UK Department for International Development (DFID). SIDA looked upon decentralization primarily as a means of advancing the cause of democratic governance, whereas DFID was keener to use it as a mechanism for delivering effective services to the poor. UNDP tried to occupy the middle ground extolling the virtues of mixing governance reform with service delivery, but conflicting donor priorities inevitably reduced the effectiveness of the project.

The accountability problem is closely related to the problem of inadequate participation at the grass-roots level. The problem of participation in turn arises from multiple causes. In part, it reflects the complexity of the planning process and the frustration that emanates from the absence of tangible results due to the paucity of resources. But it is also a problem of culture – or rather

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140. UNDP Evaluation Office, ‘Evaluation of UNDP Contribution to Strengthening Local Governance’, New York, 2010.



the lack of culture of civic engagement in public affairs. In societies that are emerging from long periods of conflict, or in the transition economies that are trying to shed the legacy of authoritarian rule, a culture of civic engagement in public affairs cannot emerge by itself; it has to be cajoled and nurtured into existence through a process of sustained social mobilization. International evidence shows that participatory governance at the local level succeeds only where some external agency – typically some NGO or a progressive political party – has done years of hard work at mobilizing the ordinary people. UNDP can, in principle, help the process by nurturing and strengthening civil society organizations, and it does attempt to do so to some extent, but on the whole it has not played a sufficiently proactive role in engaging with civil society. Where UNDP has been proactive in engaging with civil society, it has yielded rich dividends, as was the case, for instance, in the Sirajganj Local Government Development Fund Programme in Bangladesh. This is, however, a rather atypical case. “Most country offices have lacked a long-term strategic focus and plan for engagement with civil society organizations, and downstream service delivery efforts have been greater than upstream policy participation. This has limited the impact that local governance reforms could have had on enhancing human development.”<sup>141</sup>

Beyond local governance, other UNDP governance initiatives directly target the poor. For example, in response to the key recommendations of the Commission on Legal Empowerment of the Poor, UNDP launched the Legal Empowerment Initiative in 2008 to ‘expand poor peoples’ access to legal and institutional mechanisms that can help to break the cycle of exclusion and poverty’. Although a recent review of legal empowerment of the poor initiatives<sup>142</sup> indicates the extent to which the

approach is being undertaken, it is too early to assess how effective the initiative has been. In other areas covered by UNDP’s democratic governance cluster the focus may not be on poverty reduction but the potential for playing a role in the poverty reduction process is still great. UNDP work in anti-corruption has the potential to directly support poverty reduction; its contribution will be much greater if extra efforts are made to ensure the poor benefit.

The recent evaluation of UNDP contribution to strengthening electoral systems and process<sup>143</sup> found that UNDP support has led to the development of more inclusive electoral processes and increased participation of women and other groups in the processes. It found that in many of the case study countries<sup>144</sup> voter registration efforts had helped to ensure the registration and issuing of a voter card to all eligible citizens. In Kyrgyzstan, UNDP supported the reform of the voter registration system, which allowed people to vote where they actually lived rather than at their official residence as before. This enabled some 147,000 citizens (including internal migrants) who lived and worked in areas other than their official place of residence to vote for the first time. In Latin America and the Caribbean, UNDP programming is beginning to focus on increasing the participation of indigenous groups through its electoral cycle programmes in its priority countries of Mexico, Guatemala, Nicaragua, Peru, Ecuador and Bolivia. According to the evaluation, initial indications so far appear positive. In Bangladesh, the voter card with photo and fingerprints served as a motivating factor for the marginalized segments of society, including women and the poor, to come out and register, and provided many of them for the first time with a sense of national identity. This was an indirect consequence of the voter registration effort, but had the potential to start a process of transformational change for these recipients. The above illustrates what can be done but nonetheless the

141. UNDP Evaluation Office, ‘Evaluation of UNDP Contribution to Strengthening Local Governance’, New York, 2010.

142. UNDP, ‘Envisioning Empowerment: A Portfolio of Initiative for Achieving Inclusion and Development’, New York, 2009.

143. UNDP Evaluation Office, ‘Evaluation of UNDP Contribution to Strengthening Electoral Systems and Process’, New York, 2012.

144. Eleven case studies were conducted as part of the evaluation.



evaluation also noted that more needs to be done to strengthen inclusiveness in UNDP's portfolio of support in this area.

**Finding 11. Despite some success, there is untapped potential for integrating a poverty focus into UNDP's environment and energy-related activities.**

UNDP's interventions in the environment portfolio exhibit a general awareness of the poverty-environment nexus – the recognition that the state of the environment and the fate of the poor are closely linked to each other. The existence of this nexus implies that environmental programmes and projects can in principle be used as tools for poverty reduction as well – by designing interventions in such a way that the efforts to protect the environment are synergistically combined to promote sustainable livelihoods of the poor. The potential to do so exists across the whole environmental portfolio including in relation to issues associated with extractive industries. To some extent UNDP succeeds in realizing this possibility, but it does not do so consistently across the countries. Moreover, analysis of the case studies in the recent evaluation of the nexus in UNDP<sup>145</sup> revealed that the nexus was more likely to be found in environmental projects than in those aimed at supporting poverty reduction.

There are many specific examples from around the world where UNDP has successfully combined the goal of environmental protection with the imperative of promoting sustainable livelihoods. The project for Development of Agro-Pastoral Resources in the Province of Namentanga in Burkina Faso is a good example, which not only integrated poverty goals with environmental concerns but also exploited the synergy with promotion of local level governance. The project aimed to reduce the level of poverty in agro-pastoral populations in the north through social and economic development based on the

principles of good local governance. The practice of local, participatory planning allowed populations to increase their knowledge of the local land and other natural resources, and to encourage local residents to seek out common solutions in managing resource development. The project highlighted the capacity of rural populations for managing small, local development funds to address their own priorities and needs around poverty alleviation through natural resource management.

More examples can be found among the transition economies where UNDP has successfully executed environmental projects that included sustainable livelihood scenarios for the local population based on participatory local-level planning. For example, the protected areas project in Armenia, biodiversity in Belarus, and countering land degradation in Tajikistan. This pattern is especially evident in the resource-poor countries where wars and energy crisis had significant impacts on the environment – in such cases the environment-poverty linkages tend to be stronger.

In Argentina, the Global Environmental Facility (GEF) Small Grants Programme (SGP) implemented by UNDP in the north-western part of the country, where poverty is concentrated and the HDI is the lowest, has also achieved good results. The project strengthened the capacity of grass-roots movements and civil society organizations, including indigenous people and small farmers, to manage environmental projects at local level in a way that strengthened their livelihoods. The Argentinian example is replicated in many other countries where similar SGP projects supported by the GEF have been executed by UNDP. This is mainly because active community involvement in the management of local resources is consciously ensured in these projects as a necessary component of project design.<sup>146</sup> Although the SGP's primary mandate

145. UNDP Evaluation Office, 'Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus', New York, 2010.

146. More details on the effectiveness of SGP can be found in GEF and UNDP, 'Joint Evaluation of the GEF Small Grants Programme', Washington, D.C., 2008.

is to address global environmental concerns rather than poverty alleviation, more than 60 percent of SGP grants target poor communities in participating countries.<sup>147</sup> The 2008 joint evaluation of the SGP<sup>148</sup> found that it is targeting the poor but not specifically the poorest and most marginal groups. The evaluation positively concluded that the majority of SGP small grants are aiming to mainstream global environmental objectives with poverty eradication.

Another promising case is the Poverty-Environment Initiative (PEI), launched jointly with the United Nations Environment Programme (UNEP), which is explicitly informed by the existence of the nexus between poverty and environment. Favourable outcomes of initial PEI projects in Rwanda and Tanzania in 2005 led to a significant scaling up of the programme in 2007. Eighteen countries got involved, including several in Asia and Pacific and two each in Central Asia and Latin America and the Caribbean, with further expansion being envisaged. A recent mid-term review of the expanded PEI notes that the initiative has yet to yield significant impact in terms of actual policy-making that integrates environment with poverty. This is mainly because most of the countries are still in the early stage of its implementation; moreover, there are still some shortcomings – e.g., staff support provided on the poverty front is much less than that on the environment front. Nonetheless, the initiative is judged to be promising.<sup>149</sup>

Both SGP and PEI constitute, however, only a small part of UNDP's environment portfolio in most country programmes and are often not fully integrated into the country programme.

Activities aimed at expanding access to environmental and energy services for the poor are, however, an important part of UNDP's environment and sustainable development portfolio, representing approximately one quarter of total expenditures in this area. The 2008 evaluation of UNDP's work in environment and energy<sup>150</sup> noted that although over half of UNDP's energy-related projects and financing have dealt with expanding energy access to the poor, it did not find convincing evidence of such access in the countries visited.

Among the effective initiatives where introduction and promotion of alternative rural energy sources are combined with poverty reductions aims are Namibia for solar energy, and Burkina Faso and Senegal for use of 'multi-functional platforms' where high-efficiency power generators are managed collectively to achieve both economic and social aims at the local level. A number of technical challenges are noted for all three initiatives, however, including how to ensure that the poorest community members do in fact benefit from them in the long term. For example, the evaluation of the Barrier Removal to Namibian Renewable Energy Programme<sup>151</sup> noted that the financial schemes have benefited mostly the richer communities, at the expense of poorer, rural (and off-grid) communities who were the intended market segments in Phase II. Moreover, the lessons learned from this shortcoming have not been captured so that they are avoided in the future.

By far the larger part of the portfolio fails to integrate successfully poverty concerns with the environmental ones. There are several reasons for this failure. The first reason has to do with

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147. <[sgp.undp.org/index.php?option=com\\_content&view=article&id=112&Itemid=182](http://sgp.undp.org/index.php?option=com_content&view=article&id=112&Itemid=182)> (accessed 25 June 2012)

148. GEF and UNDP, 'Joint Evaluation of GEF Small Grants Programme', Washington D.C., 2008.

149. PEM Consult, 'Mid-Term Review of UNDP-UNEP Poverty-Environment Nexus Initiative (PEI) Scale-Up', 2011.

150. UNDP Evaluation Office, 'Evaluation of Role and Contribution of UNDP in Environment and Energy', New York, 2008.

151. Deenapanray, Prakash (Sanju), MME/UNDP/GEF, 'Barrier Removal to Namibian Renewable Energy Programme (NAMREP) Phase II: Terminal evaluation report', 12 January 2011.

the source of funding.<sup>152</sup> Among all of UNDP's focus areas, environment is the largest recipient of funding external to UNDP. The fund comes primarily from the GEF, as well as the Multilateral Fund for the Montreal Protocol and, increasingly, climate change adaptation funds. This reliance on external funding, especially the heavy reliance on GEF, has had consequences for the type of environmental issues considered by UNDP and the extent to which poverty-environment linkages were addressed.

Until relatively recently, GEF has been concerned almost exclusively with global environmental issues to the relative neglect of local issues of environmental degradation and depletion of natural resources which may have more direct relevance to the livelihoods of the poor than global environmental problems. A 2006 evaluation undertaken by the GEF evaluation office<sup>153</sup> concluded that although in many areas in which the GEF is active, local and global benefits are strongly interlinked and that some GEF projects had made considerable achievements in developing local incentives to ensure environmental gains, in many cases 'win-win' situations for global and local benefits proved to be unattainable. While enabling a country to meet its obligations to the multilateral environmental agreements by helping it write reports on measures related to climate change may be a worthwhile task in its own right, it is a kind of activity that does not offer any scope for according a poverty orientation (as distinct from activities that enable a country to adapt to and mitigate the effects of climate change, which UNDP also undertakes, and which can in principle be given a poverty orientation). The observed environmental degradation in developing countries is not primarily a consequence of global climate change (although it may

be contributing to such change); it is predominantly a consequence of activities undertaken within the country – by ordinary people in the course of eking out their livelihood, by the government in the course of its developmental activities and, most of all, by private investors exploiting natural resources for commercial purposes.

One could argue that this indigenous process of environmental damage should rank higher than global climate change in the scale of priorities for UNDP, for it is this aspect of environment that threatens the lives and livelihoods of the rural poor most directly and most immediately. A recent UNDP evaluation of the environment-poverty nexus has recorded concerns that greater attention to climate change could reduce attention to other nexus factors, such as land degradation, pollution and water depletion stemming from expansion of high-input agriculture. In other areas, scarcity of water and access to water resources are the most pressing national environmental issues raising concern that focusing too much attention on climate change may reduce funding for other pressing environmental priorities.<sup>154</sup> Since these other environmental issues, which have a more direct relevance for poverty and livelihoods, have figured less prominently in UNDP's portfolio, the poverty orientation of environmental programmes has also to that extent been missing.

It should be noted, however, that this trend is changing in recent years as GEF's own orientation is becoming increasingly more cognizant of the need to embed livelihood concerns into environmental protection. The 2008 evaluation of UNDP's work in energy and the environment<sup>155</sup> noted concern that the preponderance of GEF financing used within UNDP's environment

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152. As noted in three recent independent thematic evaluations conducted by the UNDP Evaluation Office: 'Evaluation of Role and Contribution of UNDP in 'Environment and Energy'; Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus'; 'Evaluation of UNDP Partnership with Global Funds and Philanthropic Foundations'.

153. GEF Evaluation Office, 'The Role of Local Benefits in Global Environmental Programmes', Washington DC, 2006.

154. UNDP Evaluation Office, 'Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus', New York, 2010.

155. UNDP Evaluation Office, 'Evaluation of Role and Contribution of UNDP in Environment and Energy', New York, 2010.

and energy programme runs the risk of diverting UNDP from its core focus on addressing priority national concerns.<sup>156</sup> This risk is not, *per se*, a function of partnership with GEF, but reflects conscious choices by UNDP country office management to concentrate on GEF-funded initiatives instead of other environmental issues that would require funding from other sources.<sup>157</sup> The 2011 evaluation of UNDP partnership with global funds<sup>158</sup> noted that these concerns have also noticeably abated in recent years, as the GEF strategic programme has expanded its attention to key development issues such as land degradation, sustainable development and adaptation to climate change. At the same time it recognized the opportunity for implementing projects that integrate GEF-funded initiatives into wider human development-oriented programmes that are co-financed by other donors or programme country governments.

The second reason lies in the weaknesses of institution-building and social mobilization that is required if livelihood concerns are to be integrated successfully with environmental protection. Through a process known as the 'tragedy of the commons', poor people's reliance on natural resources for their livelihoods may cause environmental degradation unless adequate safeguards are built to avoid the problem. These safeguards can only be created through institution-building at local level which would regulate the use of natural resources by involving local communities in the process of resource management. But effective and equitable participation of local communities itself requires a certain degree of social mobilization, usually with the help of civil society organizations concerned with environmental issues. In many instances, UNDP has failed to garner the required degree of social mobilization for the purpose of institution-building.

A prominent example is the largest environmental programme in Cambodia known as the Tonle Sap Conservation Project. One of the major objectives of the project is to conserve the fish stock of the Tonle Sap lake. This objective is, however, in direct conflict with the short-term interest of the local inhabitants as the majority of them have traditionally derived their livelihoods from fishing. In order to avoid the 'tragedy of the commons' induced by overfishing by local communities, the Cambodian Government followed the policy of leasing out fishing areas to private entrepreneurs. Local communities were denied access to these privatized fishing lots and as a result their livelihoods were threatened even as conservation was ensured. However, at the same time, some civil society organizations were exploring the feasibility of community-based conservation with the help of other development partners, especially the Food and Agriculture Organization. Encouraged by the success of these experiments, the Prime Minister took an initiative in 2000 to release almost half the fishing lots for community use and management. It soon transpired, however, that the communities were undermining the objective of conservation by treating the newly released lots as open-access resources and thereby overexploiting the fish stock. In the process, the idea of conserving fishing resources through the community-based approach fell into disrepute. As a consequence, the policy reverted back to that of leasing out fishing lots to private entrepreneurs, which recreated the tension between conservation and livelihoods. The fact that the fishing lots released to the communities were misused was taken as evidence that local communities were incapable of conserving their resources. The real problem, however, was that neither UNDP nor other development partners involved in the project, made the necessary effort to build the institutional structures that were needed to balance the demands of livelihoods with the imperative of conservation.

156. UNDP Evaluation Office, 'Evaluation of Role and Contribution of UNDP in Environment and Energy', New York, 2010.

157. In GEF parlance this is the 'baseline' which UNDP is supposed to fund but is often missing.

158. UNDP Evaluation Office, 'Evaluation of UNDP Partnership with Global Funds and Philanthropic Foundations', New York, 2011.



**Finding 12. Poverty reduction has often been integrated into UNDP's work in support of crisis prevention and recovery, but some opportunities to do so were missed.**

UNDP recognizes that disasters and violent conflicts are among the greatest threats to progress in human development. It, therefore, places crisis prevention and recovery at the heart of its work, supporting countries to manage conflict and natural disaster risks, and to rebuild for resilience once crisis has passed. Crisis recovery work is based on joint needs assessments and UNDP acts as a bridge between humanitarian and longer-term development efforts.

The 2010 evaluation of UNDP contribution to natural disaster prevention and recovery<sup>159</sup> found: *Closer integration of disaster risk reduction with other UNDP priorities such as poverty reduction, governance and adaptation to climate change is progressing in some country programmes, but has not been given sufficient priority in many others.* The evaluation concluded that while UNDP strategic priorities acknowledge the links between poverty reduction, sustainable development and disaster risk reduction, these strategies are not systematically implemented. Moreover, it identified that there are no operational frameworks for integrating crosscutting issues into UNDP programme areas, both in terms of planning and implementation. It goes on to note that:

*This lack [of operational frameworks] will become increasingly evident as the severity of recent disasters pushes the issue of climate change adaptation into centre stage, with direct implications for UNDP programming. Through its support to national governments both before and after disasters, coupled with the extensive country support mechanisms already in place for the environmental protection aspects of climate change, UNDP is in a pivotal position to help*

*countries develop effective adaptation strategies. Responding to slow-onset disasters such as drought is treated as an aspect of poverty reduction and sustainable environment support and is therefore not under the purview of disaster risk management. The impact of climate change is likely to blur the boundaries between slow- and rapid-onset disasters in the future, making measures to improve coordination among programme areas even more critical.*

A good example of how linkages can be made and can work comes from Mexico where, following recurrent disasters in Mexico's Yucatan Peninsula, UNDP integrated disaster risk reduction in 25 SGP projects with modest core funding. Specifically, UNDP assisted communities in preparing disaster and vulnerability assessment tools, and developed risk reduction and preparedness methodologies. This initiative took place in 2003 and was followed by a number of disasters including hurricanes in 2005 and 2007. Communities where disaster risk reduction methods had been implemented and SGP projects that included a disaster risk reduction component, experienced minimal losses. As a result, disaster risk reduction was integrated into 200 SGP projects out of a total of 500 in Mexico. The cost of including such a component averaged 4 percent of the project budget. Over the years, the programme has been scaled up in 119 municipalities in seven Mexican states. The scope of the programme also widened beyond the SGP to include public development investments at the municipal level as well as private investments. Moreover, UNDP was successful in mobilizing government resources for scaling up the programme.<sup>160</sup>

In conflict-affected countries, evaluations suggest that UNDP does not have a distinct approach for supporting poverty reduction efforts. Moreover, UNDP was not successful in taking forward the agenda of poverty-conflict-development linkages and systematically addressing the drivers

159. UNDP Evaluation Office, 'Evaluation of UNDP Contribution to Disaster Prevention and Recovery', New York, 2010.

160. The example is taken from the 'Evaluation of UNDP Contribution to Disaster Prevention and Recovery', Box 1.



of conflict. Often national strategies address the symptoms – limited employment generation or weak economic growth, etc. – but not underlying factors that cause these symptoms such as unequal access to land, significant regional disparities, an urban-rural divide, lack of investment in conflict-affected regions, environmental issues (including access to resources as an important basis for livelihoods), etc. While some of these factors are also common in a development (i.e., non-conflict) context, the fact that they led to conflict points to the need for a clear strategy to address them.

UNDP was not always successful in promoting a conflict-sensitive poverty reduction strategy. There are examples where there were specific poverty reduction strategies for conflict-affected regions in the country (for example the Northern Uganda development strategy). But beyond stand-alone policies for conflict affected regions UNDP was not always effective in facilitating integration of conflict mitigation issues in national poverty reduction strategies. Promoting such integration should also entail a similar UNDP programming approach but evaluation findings suggest UNDP programming is heavily compartmentalized.

Much of UNDP's work on recovery in the post-crisis setting is focused on addressing the needs of the poor, helping people by generating livelihoods and economic opportunities. At the same time UNDP works closely with local governments and institutions to increase their capacity to create jobs and contribute to inclusive economic growth. Income generation programmes were largely intended to be short-term support to get people on their feet but also promote stability. Moreover, programmes addressing disarmament, mobilization and reintegration and/or community security are important entry points to create a stable environment for economic recovery and poverty reduction. While the importance of short-term livelihood/income generation support cannot be

questioned in a post-conflict context, the value addition UNDP can bring was missing. In post-humanitarian reforms, UNDP has the mandate to link short-term recovery to long-term sustainable development priorities but it is not evident that UNDP was effective in contributing to establishing these linkages. Despite organizational expertise, UNDP contribution to recovery with a long-term development perspective is often lacking (this was a finding in the East Timor ADR and also applies to Liberia and Uganda).

Of course, the context changes quickly in a crisis situation – who is poor and non-poor may change rapidly. In a number of places UNDP has to deal with the crisis remotely for security reasons (Somalia and Iraq). Moreover, the emergency nature of the context and UNDP's role as provider of last resort has led to UNDP undertaking activities outside its mandate and/or with weak links to changing the lives of the poor. The Somalia ADR, noted that *UNDP has been pushed – and has allowed itself to be pushed – into assuming responsibility for certain tasks and services that have reduced the credibility of the organization as a neutral and impartial development agent. This has resulted in a loss of 'development space'.* More specifically, the ADR found that such tasks had “*compromised UNDP credibility as a neutral and independent player in taking forward a pro-poor development agenda and has been detrimental to UNDP capacity to assume a strong leadership for development issues related to Somalia*”.<sup>161</sup> The bias towards the poor is not always present even when there is potential for it to be so.

An example of UNDP's work in the post-conflict recovery area where such potential exists is mine clearance. In heavily mined countries, mine clearance is obviously an essential precondition for creating a safe environment in which economic activities can be undertaken, but this is also a time-consuming task involving many years of painstaking work. This raises the question

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161. UNDP Evaluation Office, 'Assessment of Development Results: Somalia', New York, 2010.

of prioritization – i.e., which groups of people should be targeted first, and there is a scope here for focusing on the poor on a priority basis but although UNDP recognizes the importance of this issue<sup>162</sup>, it often performs these activities without any clear strategy of prioritizing the poor as beneficiaries. In many cases mine clearance is seen as technical work that requires little support from UNDP beyond managing financial flows. For example, in Jordan UNDP has supported important and successful efforts to rid the country of landmines but has not linked these efforts to broader socio-economic development or to understanding to the relative benefits of these efforts to the poor and non-poor.

An example of an exception is Albania, where mine clearance has been explicitly linked with broad-based development. Landmines have not created impoverished conditions but they have exacerbated poverty in the border area with Kosovo in Kukes the poorest and most marginalized province in Albania. The UNDP-initiated, EC-funded, Kukes Regional Development Initiative (KRDI) aimed to promote sustainable livelihoods through the rehabilitation and/or reconstruction of small community infrastructure works. The mine action programme has been closely linked with this wider development effort. It has, therefore, helped to strengthen local community and government capacity in Kukes while addressing the broader development issues that affect the region. For example, the community-based network of Anti-Mine Committees and peace activists are currently involved in the construction and rehabilitation of KRDI infrastructure projects, and they

can be used to support future poverty reduction and health and education initiatives in Kukes as part of the broader KRDI.<sup>163</sup>

BCPR has made efforts to address these issues. Following a key report on post-conflict and economic recovery in 2008<sup>164</sup>, BCPR was restructured to have a dedicated team working on livelihoods and economic programmes in crisis countries including issues related to mine action, disarmament, demobilization and reintegration. At the central level, UNDP has been actively creating synergies and partnerships in the crisis area. For example, BDP and BCPR have started to work together at the central level to identify joint activities to improve effectiveness and efficiency in their work. Teams from the two bureaux have agreed on joint plans and there have been biannual meetings chaired by the directors of the two units. The challenge has been, and remains, translating these positive steps at the central level can be translated into action at the county level. UNDP also worked closely with the ILO to produce the United Nations policy for post-conflict employment creation, income generation and reintegration.<sup>165</sup> The policy is being rolled out in four countries including Burundi where the innovative '3x6 approach' aimed at the reintegration of conflict-affected groups is being used and based on the three principles of inclusiveness, ownership and sustainability.<sup>166</sup>

Learning also can present specific problems in the immediate aftermath of a crisis where it may not be easy to establish baselines and put in place systems to facilitate future evaluations. For example, the evaluation of UNDP's experience in response to the 2005 earthquakes in Pakistan<sup>167</sup> found that

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162. For example, BCPR's Mainstreaming Mine Action into Development initiative.

163. Geneva International Centre for Humanitarian Demining, 'Evaluation of the Albanian Mine Action Programme', Geneva, August 2007.

164. UNDP, 'Post-Conflict Economic Recovery: Enabling Local Ingenuity', New York, 2008.

165. United Nations, 'United Nations Policy for Post-Conflict Employment Creation, Income Generation and Reintegration', Geneva, 2009.

166. First, inclusion of ex-combatants in the implementation of microprojects can restore trust at the community level. Second, local ownership is achieved through the encouragement of associations that pool savings for economic reintegration projects. Finally, sustainability will involve continued support to successful associations.

during the relief phase, “In the absence of beneficiary centred impact analysis, there is no information available to understand how well the interventions were targeted to local needs and aspirations, how well equity, poverty and gender needs were met and how well remote areas were included.”

UNDP continues to undertake good upstream work in post-conflict contexts. The ADR for Nepal found that the NHDRs are sought after and used by a broad range of stakeholders in government and civil society. Not only is the data considered extremely useful but the reports have also put very important issues on the agenda. A case in point is the 2009 report ‘State Transformation and Human Development’ that focuses on the political transformation for inclusion and human development as essential for peace in Nepal.

#### 4.5 FINDINGS ON EFFICIENCY

This section provides the evidence on the efficiency with which UNDP country programmes have contributed to poverty reduction. As noted in Chapter 1, the usual definition of efficiency, which relates to the efficiency of moving from inputs to outputs, is too project-oriented and difficult to ascertain in a broad thematic evaluation. Rather, the present evaluation will use an operational definition of efficiency as the extent to which UNDP maximizes the use of its resources by leveraging these resources for a greater contribution to poverty reduction. In other words, even if UNDP’s interventions were successful in achieving their objectives, could the contribution have been much higher for the same resources? This is especially important in the context of UNDP’s limited resources to address the huge challenge of global poverty reduction. It is an issue related to the findings in the previous section on the poverty reduction role of UNDP outside the poverty cluster. UNDP can have a greater contribution if it addresses poverty in more of its work.

There are also a number of generic issues that affect all UNDP interventions and have been raised in the past. As discussed earlier, not everything UNDP does is consistent with its overriding priority of poverty reduction, and even the activities that could be potentially poverty-reducing are not always given a pro-poor orientation. This reduces the efficiency of UNDP in terms of making the best possible use of its resources for the purpose of advancing its priority goal. The fact that resources are spread too thinly – a recurrent theme in ADRs – reduces efficiency even further. A thinly spread portfolio also leads to high transaction costs in relation to learning.

Notwithstanding the above, this section will focus on two related issues that concern leveraging UNDP’s resources for greater impact and surround the idea of scaling up. The EO has reported on the issue of scaling up (or lack of it) to UNDP management on a regular basis (for example, in the Annual Reports on Evaluation). BDP has responded to the challenge with a major effort<sup>168</sup> (in partnership with the Special Unit on South-South Cooperation, UNCDF and regional bureaux) aimed at specifically addressing this issue with respect to local development and local governance interventions. The aim of the initiative is to build a strong knowledge base on the key enablers and conditions for scaling up, and support scaling up programming at the country level. Initial outputs include a series of case studies on scaling up for transformational change and a draft guidance note on scaling up. Ongoing activities include additional case studies featuring various pathways of scaling up; a learning module on scaling up (in collaboration with the UNDP Learning Resource Centre); an advocacy video on scaling up with specific country examples (in collaboration with the Communications Office). This section will look at two related scaling-up issues: (a) the expansion

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167. Malik, J.A., Omar, S. and Vatsa, K., ‘Evaluation of UNDP’s Earthquake Programme’, December 2008.

168. Within the project ‘Scaling up local development innovations’ funded by the Government of the Republic of Korea.

of a scheme in one place or to new areas; and (b) the expansion of an idea through linking lessons from downstream work to public policy. Linking these two ideas is the platform of learning, especially supporting national efforts to learn, so that projects and policies can be adapted based on what has been learned.

**Finding 13. In many cases, no systematic effort has been made to maximize the benefits of innovative pilot and small-scale projects aimed at poverty reduction through facilitating their scaling up.**

UNDP country offices often undertake innovative downstream projects with potentially significant impact on poverty reduction and human development. Many of them belong to the poverty portfolio but even those that belong to other portfolios such as democratic governance, energy and environment, and crisis and prevention and recovery sometimes have implications for poverty as well. Not all these projects succeed in achieving their immediate objectives, but even in cases where they do, given the typically small size of these projects, the direct benefit derived from them may not always justify the fixed cost of the time and effort that the UNDP staff has to devote to them. A major way to ensure that these scarce resources are used efficiently is for UNDP to facilitate their replication or up-scaling in some form or the other, whether by UNDP itself or by some other agencies with or without collaboration with UNDP. In practice, however, UNDP does not do enough to facilitate this process.

As examples of such missed opportunities, one may cite the experience in Cambodia. In an earlier cycle, UNDP had set up a project called Capacity-building for Sustainable Development in the Tonle Sap Region, with a view to fostering community-based conservation of fisheries in a manner that reconciled the needs of conservation with the demands of livelihoods. By all accounts, this was a highly successful initiative, yielding important lessons about how to run successful community-based fisheries conservation

enterprises, but these lessons have been allowed to wither away. When the much larger Tonle Sap Conservation Project was subsequently undertaken, the successful modalities of community-based management learned from the capacity-building project were not incorporated in it, with the result that a serious tension between livelihoods and conservation emerged in the conservation project.

Similar failure in replication and scaling up is observed across the UNDP country programmes. The evaluations of many country programmes and projects in Africa – e.g., Lesotho, Tanzania, Namibia, Liberia, South Africa, Benin, Ghana, Malawi, Senegal, Uganda and Zambia – have noted a number of potential replication problems (technical, institutional, social and/or financial) for projects involving small-scale entrepreneurship and/or local economic empowerment or community development. In Benin, it was noted that: *The UNDP strategy of concentrating much of its programme on pilot projects constitutes a serious sustainability challenge. Successful pilot projects that are not followed by capitalization and replication are not a sustainable use of resources.* In Malawi, it was noted that the pilot efforts were geographically and reach-wise quite limited in relation to the total need, with no clear plans for scaling up. The Nigeria evaluation noted: *Community-based projects are an eclectic mix of micro projects that generate high transaction costs and benefit a relatively small number of people, albeit in many communities. To have significant and wider impact, the activities would have to be substantially scaled-up through replication at the state level and around the country and through influence on state and federal government policies.* Similar observations about these initiatives are made in evaluations for other countries. Prospects for replication can, therefore, be judged as poor or minimal for UNDP community-based interventions.

The overall evidence suggests that while UNDP is often successful in executing useful small-scale projects aimed at strengthening the livelihoods of the poor not enough thought is given as to how to scale these up, how to exit, or how to persuade



others to take them up. In this context, what the India ADR has to say applies to most other countries as well:

*In some cases, even entry plans have been lacking, in that certain projects seem to have been taken up on an ad hoc basis. In the case of pilots, there is also a tendency to showcase prematurely something that is seen as a success or solution, without careful and continuous monitoring of all the effects and implications. This is particularly true of the livelihood projects, where some quantitative process indicators are seized upon as signs of success for a brief period, and then, after an initial round of publicity, the medium- and long-term impacts are not monitored, and the next pilot project is taken up. All these issues relate to a broader concern with the focus on pilots as the major expression of UNDP's activities in India. It can be argued that pilot projects may not be the most useful form of UNDP's intervention, especially if the country office does not have the capacity, resources and local involvement that will enable it to stay involved through to the end of a particular process. This is especially true if the pilots are diverse, small-scale and undertaken in a manner that is not integrated with local practice in a way as to ensure other champions (whether in government or in civil society) to take the process forward.<sup>169</sup>*

Learning does not just have to be from UNDP interventions and UNDP can play a useful role in learning from others too. Evaluation clearly has a major role to play in scaling up and it is important to know not just what works, why and for whom but also in what contexts. The transferability of initiatives from one context to another may not always be clear and extra efforts need to be made to assess the role of context in performance. Without such efforts, scaling up could cause more problems than it solves.

**Finding 14. Efficiency is often compromised by the failure to forge constructive linkages between downstream and upstream interventions.**

Resources devoted to downstream activities are used most efficiently when either they are linked up with macro-level projects so as to exploit possible synergies between micro and macro levels, or the lessons learned from them are utilized to inform policy frameworks and project formulations at the macro level. Testing approaches so as to influence policy is potentially important in this respect. UNDP has occasionally succeeded in forging productive micro-macro linkages of some kind, but the majority of downstream activities are undertaken as stand-alone projects without any serious linkage with the macro level.

A particularly successful case is UNDP's collaboration with UNCDF in the microfinance sector in a number of African countries (e.g., Burkina Faso, Senegal, Ghana, and Sierra Leone). While the main thrust of its intervention was downstream in nature helping specific communities to strengthen their livelihoods by giving them better access to credit, UNDP also at the same time got involved in helping the governments to devise a regulatory framework at the macro level so as to ensure effective and sustainable functioning of microcredit institutions at the grassroots level.

A somewhat different type of successful linkage is observed in Moldova, where the vast experience gained through UNDP's support to hundreds of municipalities informed the development of the Government's decentralization strategy in 2010-2011, which mainstreamed human-rights-based approaches and gender equality into local governance. In Turkey, too, UNDP made a strong contribution to macro-level policy-making in the area of local government reform by conveying to the Turkish Government the lessons it had learned about participatory local

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169. UNDP Evaluation Office, 'Assessment of Development Results: Evaluation of UNDP Contribution: India', New York, 2011.



governance from its past experience of downstream involvement with municipalities in some of the poor regions of the country. In Indonesia, the TARGET MDGs Programme introduced pro-poor planning, budgeting and monitoring methodologies that enabled the pilot provinces to improve targeting of social policies and local budgets and, more important, led to the production of the National Guidelines on Pro-poor Planning and Budgeting, which gave the Government an opportunity to take this methodology to scale across the country.

Notwithstanding the existence of such isolated cases of successful linkage, the overall evidence indicates an overwhelming failure to forge useful micro-macro links. A prominent case is the Millennium Villages Project (MVP) in a number of African countries. This initiative was intended to demonstrate how pro-poor policy can be applied at a concrete level and to capture lessons learned at the community level in order to feed them into policy-making at the macro level. By and large, actual feeding of lessons into policy-making has not happened in any significant way. For example the assessment of the initiative in Nigeria found that the “MVP has to date has made insufficient progress in establishing links to MDG country-led policy, planning, budgeting and reporting processes.”<sup>170</sup>

#### 4.6 FINDINGS ON SUSTAINABILITY

This section evaluates the evidence on the sustainability of UNDP's efforts at poverty reduction. As noted in Chapter 1, the sustainability criterion as used in the present evaluation does not relate to the sustainability of particular UNDP interventions *per se*, but to the sustainability of overall results, in this case a reduction in human poverty, to which

they contribute. Sustainability of UNDP's success in pursuing its goal of poverty reduction is to some extent outside its own control as it depends on extraneous factors such as availability of resources at the disposal of the country, ideological shifts in policy regime, emergence of conflicts and crises, etc. Nonetheless UNDP can do much to facilitate the greater likelihood of sustainability.

It has already been noted that much of UNDP's work related to natural disasters and conflict is preventative. The same is true with work in the areas of environment or HIV/AIDS. All these have strong linkages to poverty reduction. The sustainability of the poverty reduction results to which UNDP contributes is, therefore, reinforced through the strong preventative stance of much of its work. At the same time, it may not be possible to fully assess the sustainability of the results to which UNDP only recently contributed: likelihood of sustainability is, therefore, identified.

The recent development effectiveness review of UNDP<sup>171</sup> prepared by the Canadian International Development Agency (CIDA) noted that findings on sustainability of benefits/results represent a significant challenge to the development effectiveness of UNDP. Although these findings affect UNDP's contribution to poverty reduction, this section will not dwell on the generic findings on sustainability that have been identified in the past but note two important ones also identified in the CIDA report: (a) the absence in some programmes of an explicit programme phase-out strategy and (b) the lack of integrated sustainability considerations in the early stages of programme design. The section will now examine in more detail two findings more specifically related to UNDP's poverty reduction work.

170. Boyd, G., Asiabuka, C., Medupin A., and Osunsanya, A., 'Mid-term Assessment of the Millennium Villages Project in Nigeria at Ikaram/Ibaram in Ondo State and at Pampaida in Kaduna State', February 2009.

171. CIDA, 'Development Effectiveness Review of the United Nations Development Programme (UNDP) 2005-2011', Synthesis Report, April 2012.

**Finding 15. UNDP's ability to firmly embed the notion of human development in the national discourse has increased the chance of sustainability of the results to which it contributes in the area of poverty reduction.**

As already noted, UNDP has been eminently successful in embedding the agenda of human development in the national discourse in the majority of its programme countries and this has helped improve the sustainability of its efforts at poverty reduction. Whether poverty reduction strategies would continue to be pursued in earnest, building on UNDP's contribution, depends to a large extent on national ownership of the principle that development strategies should prioritize overall human development and not just material prosperity in the aggregate.

Once this principle is embraced by national governments, it becomes more likely that UNDP's priority of poverty reduction will also become a government's own priority, and that can become a powerful force in ensuring sustainability of UNDP's efforts even after UNDP itself withdraws from particular lines of activities. The evidence presented earlier demonstrates that UNDP has often succeeded in earning a centre stage for the idea of poverty reduction and human development in national discourses. This is a positive factor towards ensuring the sustainability of UNDP's overall mission of poverty reduction, regardless of whether the specific activities it undertakes are all sustained or not.

UNDP also makes a conscious effort to build bridges with civil society, but partnership with civil society organizations still remains one of the weaker aspects of UNDP's partnership strategy, with negative consequences for sustainability. Sustainability of UNDP's positive contributions in the area of poverty reduction depends crucially on its ability to forge constructive partnership with civil society and the academia who, if sufficiently empowered and sufficiently convinced of the

value of UNDP's approach to poverty reduction, can carry the flag forward even independently of UNDP, if necessary. UNDP realizes this and is increasingly trying to reach out to civil society, achieving notable success in many instances. Initiatives such as the introduction of human development courses in universities and schools of higher education in 17 programme countries<sup>172</sup> are also likely to ensure the sustainability of the dialogue on multidimensional poverty. Yet, on the whole, establishing constructive linkage with civil society organizations often remains one of the weaker aspects of UNDP's partnership strategy.

**Finding 16. Sustainability has also been enhanced in countries where UNDP has succeeded in improving national capacity for pro-poor policy-making. However, evidence for sustained improvement in national capacity is not widely found, especially in the countries where existing capacity happens to be the weakest.**

UNDP makes a serious effort to support capacity development and to foster national ownership in all aspects of poverty-related work, but results are often inconclusive. There are some clear examples where useful capacity has been created in areas crucial for poverty reduction. For instance, in Ecuador some of the government officials who were part of the MDG report team subsequently came to play key roles in the National Secretariat for Development Planning. Similarly, in Guinea, the MDG needs assessment exercise was made possible through strong involvement of government departments, and the training they received in the process has helped create a mass of skilled human resources for future cost assessments. In Lao PDR, while external experts played a major role in preparing the NHDR, officials from the Department of Statistics were also integrally involved in the process – not just in providing the data but also in analysing them. This has helped create sustainable capacity in a poverty-relevant field.

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172. UNDP Human Development Report Office website <[hdr.undp.org/en/](http://hdr.undp.org/en/)>.

In Chile, sustainability of several of the interventions in the area of social equity has been improved through well-targeted capacity development. For example, ministry professionals trained and supervised by the UNDP team were able to carry out assessment of the *Chile Solidario* project. In several other areas, the cooperation between ministry employees and UNDP staff has served to build the capacities of those employees and to improve the methodologies, setting the ground for future ministry action without additional UNDP support.

In Zambia, Sierra Leone, Lesotho, Eritrea and Uganda, capacity has been built at the central and/or intermediate levels for stronger regulation of the microfinance systems. In a few countries, non-profit organizations have been trained so that they can manage long-term micro-credit schemes with a pro-poor orientation (such as the Micro Bankers Trust in Zambia, Enterprise Uganda and the National Union of Eritrean women). One specific example is Senegal, where through UNDP support for creation of the national micro-finance policy 'a wider range of higher quality services are increasingly available, thanks in part to the capacity development of (microfinance institutions) within the particular project (developing standards, business plans, new products, empowerment through partnerships, implementation of the national association of microfinance institutions, data and study publications, and dissemination of the accounting framework'.

Such examples notwithstanding, the more common picture is that although UNDP in principle puts a lot of emphasis on capacity development, very little sustainable capacity

is developed in practice. This is partly due to factors beyond UNDP's control – for example, rapid transfer of government staff between ministries and departments which results in capacity acquired in one sphere being wasted when engaged in other spheres. But partly, the problem is created by a tension between UNDP's multiple objectives. On the one hand, UNDP wants to create national capacity so that others can carry on without further support but on the other it also wants to ensure that outputs are delivered in time and in good quality. The latter compulsion means that, especially when existing national capacity is either non-existent or very weak, UNDP takes it upon itself the responsibility of delivering the output, resulting in a *de facto* conversion of national execution modality into direct execution modality.

Moreover, questions are often raised in evaluations regarding whether participation and interest in training and knowledge transfer can be effectively transformed into full national ownership and institutional transformation over the long term. For example, it is noted in Rwanda, Benin, Mozambique, Liberia, Botswana and Zimbabwe that support for improved poverty measurement and assessment and/or national statistical capacity is probably not capable of being sustained by partner agencies due to understaffing and chronically low budgets for these systems, as well as other systemic institutional challenges. Also, it is noted in Benin that there are no noticeable improvements in data quality and timeliness of some key poverty reporting mechanisms (such as the national HDRs and MDG reports) in spite of the UNDP investments made, possibly due to institutional factors outside UNDP's control.

# CONCLUSIONS AND RECOMMENDATIONS

## 5.1 CONCLUSIONS

**Conclusion 1. UNDP has made an important contribution to national efforts aimed at pro-poor policy development in most of the programme countries where it works. In particular, it has helped strengthen the pro-poor enabling environment for policy-making and this type of support remains a comparative strength for the organization in many countries. Efforts still need to be made to analyse challenges and strengthen approaches to capacity development in order to ensure sustainability of the results to which UNDP contributes.**

A large part of UNDP's upstream activities – usually taking the form of advocacy and policy advice – is broadly consonant with its overriding priority of poverty reduction. The extent to which UNDP's pursuit of its own priority gets reflected in the country's own development goals is not entirely in its own hand, however. Ideological persuasion of the government in power, the influence of other development partners, and the role played by the private sector, civil society and the academia all work together, not always consistently with each other, to shape the goals and priorities adopted by national governments. Considering that UNDP's role is only one of these myriad influences, the impact it has had in shaping at least the declared priorities of national governments across the globe is highly commendable.

In terms of the size of financial resources UNDP directly contributes, it is by no means a major donor in most countries. But in the vast majority of cases, UNDP's influence happens to be disproportionately large relative to the funds it offers, partly

because of the leading role it sometimes plays in supporting national aid coordination efforts and partly because of the reputation it has acquired as a trusted and neutral development partner that is willing to offer help without imposing stringent conditionalities. UNDP has made good use of the confidence and trust it has earned in the process to influence the national discourse on development goals in the image of its own mission.

In some instances, specific ideas and policies advocated by UNDP have found their way into national policy documents such as the PRSP and national development plans. More generally, however, UNDP's contribution has taken the form not so much of suggesting specific policy advice but of creating an enabling environment that is conducive for adopting and implementing pro-poor policy-making by national governments. One major strategy UNDP has pursued to create this enabling environment is to raise awareness of the centrality of poverty reduction through its publications and its dialogue with national stakeholders both within and outside the government. Publications such as the NHDR and MDG report and the seminars and workshops organized around them have played a large part in creating this awareness.

Another part of the strategy is to support national efforts aimed at developing capacities for pro-poor policy-making. There are a number of ways in which UNDP has provided such support – for example, by actively participating in governments' planning processes (e.g., in the preparation of PRSP and national development plans) which has facilitated transfer of knowledge, by strengthening the capacities of national statistical



systems to collect and report data on the multiple dimensions of human poverty, by organizing training for relevant officials, and in some cases facilitating the costing of MDGs. The MAF has helped many countries in their effort to address challenges to achieving the MDGs.

**Conclusion 2. UNDP activities at the country level are often disconnected with overriding commitment to poverty reduction established in corporate strategies. UNDP's programmes and projects across all its focus areas are not always consistently designed around an explicit bias towards the poor.**

Poverty reduction remains the core focus area of UNDP and the principal objective of its work. At the strategic planning level and at the Executive Board, poverty reduction is accorded the status of top priority. But by the time it gets to country level the focus on poverty reduction often becomes diluted. So even though UNDP's overriding priority is poverty reduction, a large part of the activities it undertakes at the country level and the manner in which it undertakes them does not conform to this priority. Many of its activities have only remote connections with poverty, if at all. Examples include border management, helping to write reports on the country's compliance with multilateral environmental agreements, advising on arcane aspects of trade promotion, and so on.

Even the activities undertaken within the poverty portfolio do not always have an adequate pro-poor bias. This is especially true of the projects related to international trade and private sector development. Most of the projects undertaken in these areas are implicitly premised on the 'trickle-down approach' – the idea that the benefits of any generalized expansion of trade and private-sector activities would somehow trickle down to the poor through greater employment opportunities. The problem with this approach is not that the trickle-down process would not work at all but its effect will be limited. Thus, an agency that has explicitly declared poverty reduction as its overriding priority should not be satisfied with the gains that

are possible through the trickle-down process. Its priority demands that it should seek to maximize the gains for the poor by explicitly trying to impart a distinct pro-poor bias to whatever it does. This does not mean that programming should be exclusively targeting the poor, but rather that all programmes and projects give specific consideration to their effects on the poor.

For instance, UNDP should seek to promote not just trade reform in a generalized way but pro-poor trade reform. The importance of adopting a pro-poor bias in trade policies is in fact explicitly recognized by the UNDP Strategic Plan 2008-11: "UNDP has initiated regional trade and development programmes to build national capacity to analyse trade trends and trade policies and their effects on poverty reduction and human development. Such analysis can assist countries in targeting more effective, pro-poor trade policies..." (para 79). In some countries, UNDP's trade-related projects do on paper refer to pro-poor trade reform, but its practice has very little 'pro-poor' element in the kind of reform it seeks to promote. If the idea of pro-poor reform is to be translated into practice, the minimal requirement is to investigate how alternative reform strategies are going to affect the poor and then to propose ways and means of ensuring that the strategy that serves the poor best is in fact adopted. But there is hardly any evidence of such a prior analysis informing any of the projects on trade reform.

Similarly, if UNDP seeks to promote private sector development its priority demands that it should impart a pro-poor bias by paying special attention to the needs of the small enterprises, targeting the most disadvantaged regions and groups, and seeking to promote labour-intensive growth. UNDP typically falls short in all of these areas, a key exception being its contribution towards strengthening the microfinance sector in partnership with UNCDF. UNDP's lack of engagement in the promotion of labour-intensive growth is especially worth noting. If UNDP were to impart a pro-poor bias to private sector development, one would have expected it to carry the



flag of labour-intensive growth since employment creation is the most sustainable means of poverty reduction; and in this campaign it would have forged strong partnership with the one UN agency that has consistently promoted the cause of labour-intensive growth, namely ILO. The need for this partnership is in fact explicitly asserted by *UNDP Strategic Plan 2008-11*: “UNDP will also work with the International Labour Organization to integrate employment strategies for poverty reduction into development strategies...” (para 75). Yet, creating constructive linkage with ILO often remains a challenge.

The majority of activities undertaken by UNDP do have the potential to advance the cause of poverty reduction one way or the other but this potential is not adequately realized. This is particularly true of the activities that fall within the focus areas other than the one on poverty reduction. For instance, activities belonging to the democratic governance area can in principle be undertaken in such a way that not only improves the structure and quality of governance but also creates entitlements for the people, especially the poor and the marginalized groups, and promotes pro-poor service delivery. Similarly, there exists great scope in the environment area to impart a strong pro-poor bias by integrating concerns with environmental protection with the imperatives of strengthening the livelihoods of the poor. In each of these spheres, it is possible to devise programmes in such a way that the goal of poverty reduction is advanced along with the specific thematic goal – for example, by tying governance with pro-poor service delivery, environment and crisis prevention with strengthening of livelihoods, and so on. To some extent, UNDP does that – more in the environment cluster than elsewhere – but it does not do so consistently enough and vigorously enough. More importantly, whatever pro-poor orientation is given to these activities it usually remains confined to the particular focus area, no serious effort being made to coordinate activities

across the focus areas with a view to exploiting the potential synergies between different types of interventions. As a recent evaluation of the Poverty-Environment Nexus in UNDP interventions has correctly noted, UNDP’s recognition of this nexus is confined mainly to the understanding that environment affects poverty; the existence of reverse causality, running from poverty to environment, may be recognized in theory but is often not reflected in its actual work at the country level.<sup>173</sup> Only an integrated approach across the focus areas can ensure constructive exploitation of such two-way causalities. While there are isolated examples where UNDP has imaginatively introduced poverty orientation into its governance, environment, and crisis-related programmes, the more general picture is one of missed opportunities.

To what extent UNDP’s general failure to adopt a distinctly pro-poor stance in its projects and programmes stems from the failure of its staff to subjectively internalize the demands of UNDP’s overriding strategy is difficult to judge. It is, however, possible to identify a number of objective factors that contribute to this failure. First, one of the unintended consequences of UNDP’s well-earned reputation of being the most trusted development partner in many countries is that the governments frequently call upon UNDP to undertake all kinds of projects on which the government may be keen but other development partners are not. More often than not, UNDP obliges by complying with the request even when it may not have any particular expertise in the area or the proposed activities do not conform to its own priority. Second, since UNDP’s core funding is generally inadequate to carry out the wide range of tasks it tends to undertake, it has to be constantly on the lookout for funds from external sources. This compulsion entails acceptance of projects that may be highly relevant from the donor’s point of view but not necessarily from the point of view of UNDP’s priority. Linked to

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173. UNDP Evaluation Office, ‘Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus’, New York, 2010.

the first point, in many MICs the donor may be the government. Third, the practice of dividing up UNDP's country programmes into a number of separate portfolios, one of which is designated as the poverty portfolio, reduces the incentive and dilutes the motivation of the staff responsible for the other portfolios to integrate poverty concerns into their respective activities.

**Conclusion 3. The contribution of UNDP interventions to national poverty outcomes is seriously compromised by the absence of adequate support to learning from its interventions about what works and why. This in turn is caused in large part by the absence of a structure of incentives that would encourage systematic collection, monitoring and evaluation of evidence on the actual changes in people's lives as a result of interventions.**

The only way an organization such as UNDP, which does not contribute a huge amount of financial resources to national development efforts, can make a substantial and sustainable impact on poverty reduction is by contributing knowledge, which others with greater resources can potentially exploit. To some extent, UNDP does that, for example, by disseminating global knowledge products that have helped popularize relevant concepts such as human development, poverty-environment nexus, and so on. UNDP country offices themselves also create valuable knowledge products such as NHDRs and statistics related to MDGs and human development. But on the whole UNDP performs poorly in providing support to its national partners to extract and utilize knowledge based on the lessons that can be potentially learned from its interventions at project and policy levels. This weakness in extracting knowledge from its own experiences – for example, from effective use of evaluations – is one of the major factors that stand in the way of creating synergies between interventions across focus areas, forging constructive links between downstream and upstream activities, and enabling successful adaptation and up-scaling of innovative experiments.

The lack of learning at the country level can be attributed in some cases to the rapid turnover of staff at the country offices causing loss of institutional memory. But the problem is much more fundamental than that – the culture of learning about what works, why and for whom is either weak or non-existent in most country offices. Weak learning at the country level will result in weak cross-country, regional and global level learning as well. This is odd because UNDP is supposed to be a result-oriented knowledge-based organization, and systematic collection, monitoring, and evaluation of results are the essential building blocks for constructing knowledge products based on experience. The fact that UNDP is nevertheless weak on learning stems from two main factors (as identified by numerous evaluations).

First, quite often the results are defined in terms of inputs or outputs rather than final outcomes in terms of impact on poverty in its multiple dimensions. In consequence, not enough information is generated on the relevant outcomes that would help the office to learn what works and what does not for poverty reduction in particular contexts. Second, whatever information exists on results is not systematized and distilled into forms which others – both within and outside UNDP – can subsequently use for designing new and more effective programmes for poverty reduction. At the same time, the tendency of UNDP's country programmes to spread themselves thinly adds to the transaction costs that are inevitably associated with learning.

Integration is desired not only across portfolios but also between downstream and upstream activities within and across the portfolios. The really important issue here is not so much the balance of upstream and downstream as the integration between them. For example, a relevant question could be whether a certain mode of service delivery that has been found to be effectively pro-poor in downstream experiments has informed macro-level policy-making regarding local governance for better service delivery. General speaking, the point is that if downstream activities are undertaken as stand-alone interventions, without making a serious attempt to

apply the lessons learned from the ground level to the formulation of upper level policies, a great opportunity is missed for maximizing the impact of such interventions. Unfortunately, this happens quite frequently in UNDP's downstream activities. There are notable exceptions, where ground-level experience has been fruitfully used to formulate pro-poor higher level policies, but on the whole UNDP needs to pay greater attention to this aspect.

There is another aspect of downstream interventions where greater attention will pay rich dividends. It has to do with enhancing the likelihood that successful innovative projects will be adapted and up-scaled. It is widely recognized, including within UNDP itself, that however successful individual projects are their impact on poverty will be purely transitory if they do not leave any legacy after their termination. One of the best ways of ensuring good legacies, and leveraging UNDP's limited resources, is to create the conditions that are conducive for up-scaling innovative projects. The up-scaling does not need to be carried out through UNDP projects; in fact UNDP need not even be directly involved with the subsequent interventions, but it must make all possible efforts to facilitate the process – by helping national partners distil the lessons learned, by transmitting the knowledge to others in a usable form, and by actively seeking out willing and capable actors who would take on the responsibility of applying the lessons on a larger scale. Unfortunately, UNDP does not perform this task very well, with the result that many of its innovative activities disappear without leaving a legacy. Greater attention to this aspect will help maximize the impact of its interventions in poverty reduction.

UNDP's ongoing work in support of scaling up should be commended but the learning factor is essential for the success. Learning about not only what works, why and for whom is essential but if scaling up of successful activities is to lead to successful results, it is essential to identify the contextual factors as well: 'best practice' may not be best in every context. Successful learning also requires a change in mindset where learning becomes the primary objective not the

development contribution itself. At the same time the fear of failure must be eradicated as learning from failure is extremely important. It also requires a far greater commitment to evaluation, not just in country offices but in headquarters bureaux.

## 5.2 RECOMMENDATIONS

**Recommendation 1. UNDP should forge stronger links with national stakeholders, especially civil society and academia, to ensure that the ideas and lessons it propagates through its flagship documents such as NHDRs and MDG reports may influence the national policy agenda.**

While UNDP has been highly successful in embedding the cause of poverty reduction and human development in national discourses, it has achieved much less success in ensuring that the ideas and policies it propagates, for example through NHDRs and MDG reports, are actually incorporated into concrete policies adopted by national governments. To some extent, this is expected because as a development partner UNDP can only have a limited influence on policy-making, which depends on many other factors beyond UNDP's control. But this cannot be accepted as an excuse for being satisfied with the status quo, because ideas are of no use unless they are put into practice. While recognizing that there are limits to what it can do, UNDP should make stronger efforts to influence policy-making, by utilizing the goodwill and leverage it enjoys in most countries as the most trusted and neutral development partner. For this purpose, UNDP needs to build stronger partnerships with relevant national stakeholders such as the civil society and the academia because, in the final analysis, it is the debates, dialogues and campaigns conducted by concerned nationals, rather than the advocacy of outsiders, that would shape national policies. UNDP should build bridges with them not only by involving them in some of its activities such as preparation of NHDRs and MDG reports, as it currently does to some extent, but also by trying to nurture and empower them in ways that are most effective in particular contexts.

**Recommendation 2. Programmes and projects undertaken by UNDP should be designed with explicit pro-poor bias, always trying to add specific elements that would enhance the likelihood that the poor will benefit more than they otherwise would through general development interventions. Activities where it is impossible to introduce such an explicit pro-poor focus should be kept to a bare minimum and should only be taken up under strict guidelines with the strategic objective of leveraging the resources and ensuring the goodwill that UNDP will need in order to advance its mission of poverty reduction.**

In whatever UNDP does it is likely that some benefits will come to the way of the poor, even if nothing special was done to privilege the poor as beneficiaries. But if that is all UNDP is aiming for, then it is not taking its poverty-reduction priority seriously. Respect for the priority demands that in everything UNDP does it should consciously try to build in specific elements that would ensure that the benefits that flow from its interventions will accrue disproportionately to the poor, i.e., there must be a bias in favour of the poor. Imparting a deliberate pro-poor bias to everything UNDP does should be an overriding concern across its interventions. To ensure a sharper focus on this area, indicators of success in poverty reduction should be made explicit in all project documents, indicating precisely how the bias is to be imparted in the specific context and how the contribution to poverty reduction is to be monitored and evaluated. This shall allow UNDP to better measure its impact at all levels, and provide a more accurate basis for assessing its impact on helping to reduce poverty at beneficiary level. Such an approach will also help UNDP to improve its own monitoring and evaluation systems.

Many UNDP country programmes include a subset of activities that have very remote connection with poverty, if at all. For an organization that has been entrusted with the task of poverty reduction as its overriding priority, this raises concerns about how resources are directed. In its defence, UNDP has argued that it has often had to undertake non-pro-poor activities to bolster its inadequate core resources, and to use such activities to help it seek funds from

agencies for which poverty reduction may not be the primary concern. The UNDP response should also be understood in the context that this has also been done to maintain the goodwill of national governments which often call upon UNDP as the development partner of the last resort to carry out an assortment of tasks that other agencies are not keen to take up. While there is some validity to this argument, and to that extent, it may be acceptable to include some general-purpose activities without any direct connection with poverty, the implication in practice is that many of UNDP activities over the years have resulted in less of an explicit connection with poverty. This means that there may need to be a reflection as to whether UNDP continues to project itself as a poverty-addressing institution, in the main. Unless this changes, in the immediate term such activities should be kept to a minimum, and undertaken within strict guidelines about what proportion of staff and other fixed resources can be devoted to them so that UNDP's primary mission is not compromised.

In addition to the technocratic fixes, there needs to be change in mindset that complements the above. As noted in Chapter 2, UNDP's Strategic Plan 2008-2013 is quite explicit in recognizing that each of the focus areas can and should contribute towards poverty reduction. In some country offices, the reason this recognition does not get reflected in much of UNDP's work is the existence of a separate cluster on poverty reduction. Poverty must be everybody's concern; and every focus area must justify *ex ante* the activities it undertakes by spelling out the likely contribution to poverty reduction and evaluate its performance *ex post* by using the observed contribution as one of the evaluative criteria. In some circumstances, the existence of the poverty cluster may reduce the incentive as well as the compulsion for integrating poverty concerns across the interventions by encouraging the idea among staff involved in other focus areas that poverty is somebody else's concern. Country offices need to address the challenge of ending the compartmentalization of poverty-reduction activities while ensuring that the capacities to facilitate the introduction of a pro-poor bias across all activities are in place.



**Recommendation 3. UNDP country offices should strengthen efforts to create more effective integration between thematic clusters and stronger partnerships with UN agencies, especially in terms of ensuring a sharper focus on non-income dimensions of poverty.**

The interventions that UNDP undertakes in the areas of livelihoods, governance, environment and crisis prevention and recovery are often potentially complementary with each other, but these complementarities are not fully exploited by UNDP. The strategies to improve livelihoods would have a better chance of success if they are embedded in a system of governance that empowers the people and creates entitlements that people can defend through participation in the processes of governance. On the other hand, efforts to improve the system of local governance would have a better chance of success if people were convinced that better governance would contribute positively to their lives and livelihoods. Similar two-way complementarities exist between all the focus areas. In fact, potential synergies may extend even further to involve more than two focus areas. For instance, attempts to combine environmental protection with sustainable livelihoods may be strengthened by linking them with participatory local governance. UNDP's current practice fails to exploit these synergies fully as it tends to remain confined too narrowly to the respective focus areas. Greater efforts must be made to integrate activities among the focus areas so that the poverty-reducing potential of all the areas can be harnessed together in order to achieve an outcome that is greater than the sum of the parts.

Since ILO is specifically mandated to promote the cause of employment and labour standards, and since the income dimension of poverty is crucially dependent on the creation of productive employment opportunities for the poor, it would seem logical to suppose that UNDP and ILO would be comrades in arms in the fight against poverty. A good deal of cooperation between the two organizations does in fact take place at global

and regional levels (as noted in the findings), but UNDP's country programmes are conspicuously weak in building partnerships with ILO. A serious effort must be made to remedy this weakness, including building and extending existing partnerships such as those in post-conflict situations. One possibility is to set up a funding mechanism such as the MDG Fund that can enable UNDP and ILO to undertake joint initiatives in support of labour-intensive growth. As for non-income dimensions of poverty, the natural allies of UNDP would be sister UN agencies such as UNICEF, UNFPA, WHO, UN Women and UNV, working together in the areas of education, health, gender empowerment and volunteerism. In practice, however, UNDP often has very little cooperation with UNICEF and WHO on the ground, usually based on the argument of division of labour. But if UNDP is to take seriously the multidimensionality of poverty, it cannot wash its hands off the non-income dimensions on the grounds that other agencies are dealing with them. Among all the UN agencies, UNDP is unique in being entrusted with the task of dealing with human poverty in all its dimensions, and as such it has an obligation to build strong partnerships with all other agencies that deal with some specific dimensions of poverty.

**Recommendation 4. Downstream activities should mostly be undertaken with the explicit strategic objective of contributing to something bigger than what those activities can deliver on their own – by way of learning lessons for up-scaling or feeding into upstream policy advice relevant for poverty reduction. UNDP should incorporate into its system of performance evaluation for both its staff and its activities specific provisions that explicitly spell out the means as well as incentives for institutionalized learning so that lessons learned from successes and failures in each of its activities can feed into everything that UNDP does – both across portfolios and over time.**

There is an ongoing debate within UNDP on what constitutes the right balance between upstream and downstream activities and there has been a tendency in recent years to tilt the balance



in the upstream direction. While this tendency may be justified, there remains the question of precisely what purpose the downstream activities, to the extent they are undertaken, are supposed to serve. By their very nature, downstream activities would generally be targeted towards particular groups of population. Even if such activities succeed in conferring the desired benefits to the target population, by themselves their impact on poverty at the aggregate level is bound to be negligible because the target population will seldom be large enough to make a substantial difference to the bigger picture. In general, the only way they can have a larger impact is if the lessons learned from them – from both successes and failures – are systematically used to up-scale the interventions more effectively covering a larger swathe of the population, or to feed policy advice at the upstream level.

Currently, most downstream activities do not serve this broader objective; they are mostly carried out as stand-alone projects whose benefits, if any, often disappear with the termination of the project. This compromises both the efficiency with which UNDP uses its scarce resources and the sustainability of its contribution. UNDP should, therefore, make it mandatory that all its downstream activities are undertaken with the explicit objective of learning lessons from them – in a form that can be used by others. The project documents must be required to specify clearly what kinds of lessons are expected to be learned and the project termination reports must be required to distil the lessons learned and articulate them in a succinct form. Both the specification of expected lessons

and the distillation of actual lessons should be accomplished through widespread consultation within the country office as a whole, preferably in conjunction with external experts, both within and outside the government.

Downstream activities are not the only area where UNDP demonstrates a distinct lack of learning. The problem is in fact quite pervasive, involving upstream activities as well. The absence of an adequate learning has been repeatedly noted by numerous evaluations of UNDP's country programmes, as has the lack of a results-oriented culture in the organization. This is a serious impediment to maximizing UNDP's contribution to poverty reduction, or any other objective for that matter. Sometimes some committed individuals have tried to make a difference, but the task of changing a deeply ingrained culture cannot be left to individual efforts alone. It is a systemic problem in the sense that the incentives that UNDP offers – in the form of sanctions and rewards – do not encourage systematic learning on the part of its staff in the country offices. The solution must be systemic as well. UNDP must find ways of altering the incentive structure by revising the criteria by which UNDP evaluates the performance of its staff and their activities. Accountability procedures may have to be set up at different levels, i.e., at the levels of individual staff members, focus area teams and the country office as a whole, so that individually and collectively the staff members find it in their interest to ensure learning from experience and transmission of the lessons learned.

# TERMS OF REFERENCE

## A. RATIONALE AND PURPOSE OF THE EVALUATION

The Evaluation Office (EO) of the United Nations Development Programme (UNDP) conducts thematic evaluations to capture evaluative evidence of UNDP's overall contribution to national development results at the global, regional and national levels, in particular its contribution to the Millennium Development Goals (MDGs). Conducted within the framework of the UNDP Evaluation Policy, this evaluation assesses the overall role and contribution of UNDP to poverty reduction across its programme countries.

Despite remarkable progress achieved since the Second World War, especially in parts of Asia, abject poverty remains widespread in many parts of the world. According to the World Bank \$1.25 a day poverty line (2005 prices), there are still 1.4 billion people living in poverty, although this represents a decline from the 1.9 billion in 1981. But poverty is not simply a lack of adequate income: it is a multidimensional phenomenon that represents the deprivation of one's ability to live as a free and dignified human being with the full potential to achieve one's desired goals in life. Although more difficult to measure, various indicators of multidimensional poverty (for example, the Multidimensional Poverty Index) suggest that much needs to be done. As a result of this context poverty reduction remains at the centre of United Nations work in development and is one of the core focus areas of UNDP.

The evaluation of UNDP's contribution to poverty reduction was first included in the EO programme of work approved by the Executive Board in June 2009. The evaluation will be conducted in 2011 and will be presented to the

Executive Board in 2012. It has two broad goals: first, to facilitate greater accountability of UNDP to the Executive Board and other stakeholders in UNDP's work; and second, to learn lessons from experience that can be used to improve UNDP's performance in the future. In turn, the evaluation has four objectives:

- To assess the role and contribution made by UNDP to poverty reduction through making judgements according to clear evaluation criteria. This will support the goal of accountability.
- Identify the factors that have affected UNDP's contribution, answering the question of why UNDP has performed in a certain way. This will support the learning goal of the evaluation.
- Reach conclusions concerning the contribution across the scope being examined.
- Make recommendations for improving UNDP's contribution, especially for incorporation into the new UNDP Strategic Plan.

Since the start of the second UNDP Multi-Year Financing Framework (MYFF) in 2004 until 2008 UNDP spent more than \$4.7 billion on activities aimed at the MYFF and Strategic Plan poverty reduction goals. This represents approximately 26 percent of total programme expenditures during this period. But given the multidimensional nature of poverty, the actual financial contribution towards reducing poverty, including interventions considered in the areas of governance, environment and crisis prevention and recovery, is considerably more. In this context, the overall questions being asked by the evaluation are as follows:

- What has UNDP done to support national efforts aimed at poverty reduction in programme countries (effectiveness)? What has been the quality of that contribution (efficiency and sustainability)?
- What have been the factors that explain this performance?

## B. SCOPE OF THE EVALUATION

UNDP does not seem to have adopted a formal definition of poverty. Yet, it is clear from parts of the Strategic Plan 2008-2013 that what UNDP espouses is a broad capability-based notion of development and poverty rather than a narrowly income-focused one. Thus it emphasizes that “UNDP should take a human development-based approach to programming”. It then goes on to explain, “This means that all UNDP policy advice, technical support, advocacy, and contributions to strengthening coherence in global development must be aimed at one result: real improvements in human lives and in the choices and opportunities open to them.” This is clearly tantamount to adopting a multidimensional capability-based approach to development. When translated into the context of poverty, this approach leads to the concept of human poverty, in which poverty is defined as lack of certain basic capabilities such as the capabilities to be free from hunger, to be able to live a life free from avoidable diseases, to be able to participate effectively in the life of a community, and so on. The Strategic Plan explicitly refers to this concept when in its Development Results Framework it declares its first goal to be “Achieving the MDGs and Reducing Human Poverty”. The concept of human poverty will, therefore, be at the core of the evaluation.

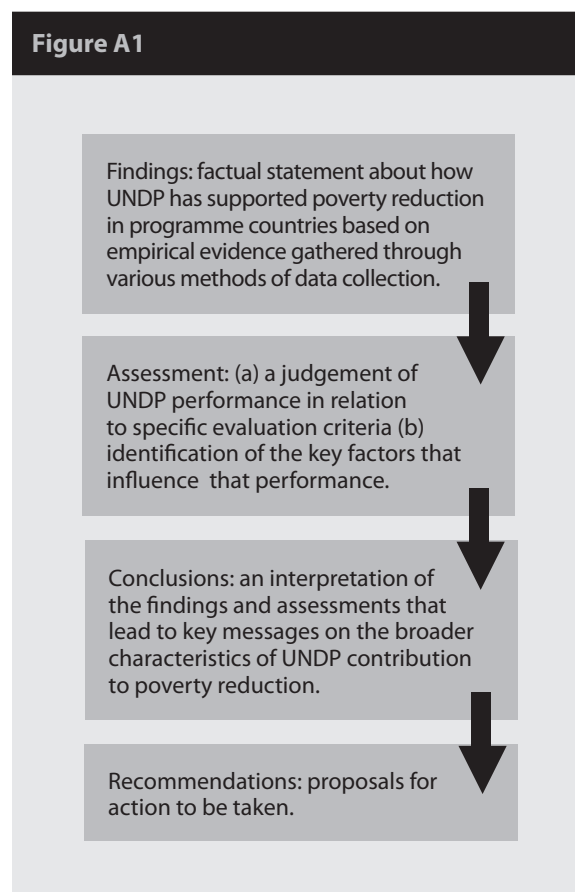
The evaluation will focus on UNDP’s actions at the country level, examining what UNDP has contributed with all its resources including country-level engagement with regional, global and other UNDP programmes. It will look at those interventions within the UNDP-defined ‘poverty theme’ as well as beyond it. In other words it will examine all UNDP actions that relate to poverty reduction even if primarily covered by other themes such as governance and the environment. The evaluation

will focus on the period 2000-2010 but also look further back in terms of learning, for example, in an attempt to identify long-term contribution, where appropriate and possible.

## C. EVALUATION APPROACH AND METHODOLOGY

**Overall approach and methodology.** The evaluation criteria are at the core of methodological approach. Within the defined scope, the evaluators will collect data and make assessments according to criteria. At the same time they will identify the factors that have influenced UNDP’s performance and will, therefore, contribute to learning about why UNDP performed as it did. Once this has been done, it is possible to draw conclusion about UNDP’s contribution to poverty reduction and to identify appropriate and implementable recommendations. The following diagram illustrates this approach.

**Figure A1**



**The key evaluation criteria.** Evaluation criteria are used to make a judgement about UNDP's performance and overall contribution. Each criterion has an associated question that attempts to explain the meaning of the criterion. These criteria form the basis of the accountability goal of the evaluation. The following evaluation criteria are proposed:

- **EFFECTIVENESS:** How effective has UNDP been in contributing to the reduction of human poverty at the country levels?
- **EFFICIENCY:** Has UNDP made the best use of its resources in making this contribution?
- **SUSTAINABILITY:** How successful was UNDP in promoting greater sustainability of the results to which it contributed?

**Factors to be examined.** In examining UNDP's performance by criterion, the evaluation will try to explain why UNDP has been successful or not (i.e., supporting the learning goal of the evaluation). In so doing a number of factors can be identified that can be used to explain UNDP's performance. If the evaluation criteria indicate the values of the organization in determining the ideal ends of its work (effective interventions that are efficient in the use of resources and contribute to sustainable results), the factors examine the means to achieve these ends.

A set of factors has been identified following a basic review of issues and posed as evaluation questions. Having a small set of evaluation questions does not mean that other factors are ignored but the purpose is to ensure that the evaluation addresses the priority concern of the organization and its key stakeholders. The precise nature of the explanatory factors and associated questions needs to be developed during the inception phase of the evaluation following stakeholder consultation but the following are some initial examples.

#### ■ **Effectiveness**

- How appropriate is UNDP's approach to the specific context in the programme

country? For example, the choices between approaching poverty reduction through the lenses of inequality/equity, social inclusion/exclusion, reduction/eradication, multidimensional/money-metric measures, etc.

- Has UNDP introduced a deliberate pro-poor bias in its programming and project design?
- Has UNDP specifically addressed the gender dimensions of poverty?
- Has UNDP maintained the right upstream-downstream balance in each specific context?
- Have UNDP's partnership (civil society/private sector/local government/parliament/international development partners/UN) affected performance?
- Did UNDP have access to and draw upon the wider body of research on poverty reduction, including country-specific research and evaluation?

#### ■ **Efficiency**

- Did UNDP facilitate the replicability of small-scale pilot interventions?
- Did UNDP facilitate macro-micro linkages between its interventions and policy makers?
- Did UNDP exploit synergies between the different focus areas in addressing multidimensional poverty?

#### ■ **Sustainability**

- Did UNDP specifically address vulnerability, resilience, etc., in the design of its programmes and projects?
- Did UNDP do enough to support capacity development among national implementation partners?
- Did UNDP engage in appropriate partnerships with national organizations?
- Did UNDP include appropriate exit strategies in its activities?



**Methodological challenges.** The evaluation is subject to two well-known challenges that will need to be addressed during the detailed design phase. The first concerns providing accountability: how can we hold UNDP accountable when its overall contribution is the sum of hundreds of projects and other activities spread around 166 countries within 135 programmes together with the activities of HQ units, regional programmes, etc.? The second challenge involves attribution, especially in the context of renewed donor interest in results, attributing funds to results, and to impact in particular. In many cases the link between UNDP's intervention and the actual change in people's lives is inevitably long term. For example, improving poverty monitoring will allow policy makers to use evidence to improve the policies in favour of the poor.

Given the broad range of types of interventions undertaken by UNDP in addressing multidimensional poverty, developing an overall theory of change for UNDP's poverty-reduction efforts would be extremely complicated. Nonetheless, by breaking down the programmes into different categories, *transmission mechanisms* that illustrate the logic behind UNDP's interventions can be established. For example, through examining the mechanisms for different types of intervention, such as:

- Untargeted/broadly targeted knowledge products. For example, the annual HDRs or the knowledge products produced by BDP.
- Support to establishing a pro-poor enabling environment. For example direct policy advice, capacity to develop pro-poor policy (e.g., poverty monitoring), capacity to plan, to budget, etc.
- Direct interventions aimed at reducing human poverty. For example, support to microfinance services, public works, etc.

**Data collection and analysis.** Data is collected in direct response to the evaluation criteria and questions. Rather than start with country studies, the overall approach will be to first fully utilize

to the extent possible the existing documentary evidence. This will come from an analysis of data, from UNDP's internal and financial and results sources, decentralized evaluations, independent evaluations, etc. Country studies will then be used to deepen the analysis. The key is to focus on evaluative evidence where it exists. The following represents an initial list of data collection methods and analytical tools related to core data sources:

- **Desk review:** To help understand what UNDP is doing in terms of poverty reduction, its strategies and approaches, a first step is a desk review of two core sets of documentation:
  - Corporate policy and strategy documents, e.g., MYFFs, Strategic Plan, policy notes, etc.
  - Corporate self-assessments, e.g., ROARs, annual reports, etc.
  - Corporate financial data
  - Country-level programming documents (CPD, CPAP, reviews, UNDAFs, CCA, etc.)

This information will allow the evaluation team to undertake a portfolio analysis: a detailed examination of UNDP's portfolio of activities covering both finance and performance as well as map the policy and strategy changes over the period being examined.

- **Meta-analysis of existing evaluations:** There is a large amount of existing evaluative evidence that should be utilized. A meta-analysis across a broad range of evaluations is, therefore, proposed as an early step in the data collection process.
  - **META-ANALYSIS OF ADRS:** The EO has produced more than 50 ADRs (including those to be finalized in early 2011), the vast majority of which have specific sections on poverty reduction.
  - **META-ANALYSIS OF DECENTRALIZED EVALUATIONS:** The ERC lists 76 outcome evaluations and 296 project evaluations in the area of MDGs and poverty reduction. Efforts will need to be made to ensure only those evaluations of acceptable quality are used.

- **META-ANALYSIS OF INDEPENDENT THEMATIC EVALUATIONS:** All of the recently-completed thematic evaluations have direct relation to the poverty evaluation.
- **UNDP HQ and Regional Service Centre interviews** covering key informants in regional bureaux, the Executive Office and other HQ units, especially BDP.
- **Country studies:** Country studies will be used to deepen the analysis when answering the evaluation questions. The case studies will address specific issues identified through earlier analysis.

## D. EVALUATION MANAGEMENT AND PROCESS

**Evaluation management. Quality assurance/enhancement.** The evaluation will be subject to a quality assurance process, the core of which is the advisory panel. The panel will help the director of the UNDP Evaluation Office address the complex methodological challenges associated with evaluating results and assessing the specific and distinct contribution of UNDP to the achievement of national development results. The panel will engage in the process from the early stages and will review all deliverables of the evaluation, including the concept note, term of reference, inception reports, draft and final evaluation reports. In addition, the role of the panel is to enhance the overall quality of the evaluation through increasing the credibility of the thematic

evaluations by providing independent, technically sound evaluation advice.

**Partnerships and stakeholders.** To facilitate greater utilization of the evaluation by UNDP, the EO will establish a reference group that will bring together the key UNDP stakeholders in the process. The reference group will be responsible for reviewing the concept note, ToR and inception report from the perspective of ensuring an appropriate scope and process thereby facilitating greater use of the evaluation once the report is complete. The reference group will be made up of staff from UNDP HQ units (BDP, RBx, etc.), country offices from across the five regions and, possibly, from other UN organizations such as UNDESA. The evaluation team will also participate in informal meetings of the UNDP Executive Board to discuss the concept and results of the evaluation, again with the objective of facilitating greater use of the evaluation by programme and donor countries alike.

**The evaluation phases.** The evaluation process from concept note to presentation of the final report will take approximately 14 months and will be divided into six distinct phases:

- **PREPARATORY PHASE:** The purpose of this phase is to get everything ready to start the evaluation. The main activities and outputs include the preparation of a concept note, a ToR and identification of the evaluation team leader (plus possibly other members of the core evaluation team), the advisory panel

**Table A1. Tentative timetable**

Phase	Responsible	Estimated time-frame
Preparatory	Task manager (TM)	February-May 2011
Inception	Team leader (TL)	June-July 2011
Data collection - desk review and meta-analysis	Evaluation team (ET)	August 2011 to January 2012
Final analysis and synthesis	ET/TL/TM	February 2012
Preparation of report and review	TL/TM	March to May 2012
Presentation to the Executive Board	Evaluation Office	Early September 2012

and the reference group. Some data collection and analysis important for completing the evaluation design will also be undertaken.

- **INCEPTION PHASE:** During this phase the core evaluation team will interpret the ToR and add details to the process and approach in an inception report that will guide the rest of the evaluation. The report will be discussed by the advisory panel and reference group. At this stage, other team members will be recruited as appropriate.
- **DATA COLLECTION:** The data collection phase will be relatively long and will be based on a wide variety of data collection methods as set out in Section D above.
- **FINAL ANALYSIS AND SYNTHESIS:** Once data has been collected and initial assessments made, final analysis and synthesis can be undertaken leading to the development of the key conclusions of the evaluation exercise.

- **REPORTING:** Once the analysis is complete the team leader will prepare the evaluation report. The report will be subject to two sets of review (a) comments from the UNDP EO and the advisory panel; (b) comments from UNDP stakeholders and comments resulting from an informal meeting of the UNDP Executive Board. The final draft will incorporate comments from these reviews.

**Process risks.** There are also a number of risks to implementation that could result in delayed submission of the evaluation to the UNDP Executive Board:

- Finding appropriate consultants and advisory panel members in the time-frame.
- Undertaking country studies in a time-frame suitable for country offices.

## Annex 2

# PEOPLE CONSULTED

### **UNDP BUREAU FOR DEVELOPMENT POLICY**

Boesen, Nils, Director, Capacity Development Group

Diop, Ngone, Policy Adviser, Gender Group

Jahan, Selim, Director, Poverty Group

Kjorven, Olav, Assistant Administrator and Director

Mukherjee, Shantanu, Policy Adviser (microeconomics), MDG Support Team, Poverty Group

O'Malley, Jeffrey, Director, HIV and AIDS Group

Wang, Xiaojun Grace, Poverty Practice Manager, Poverty Group

### **UNDP REGIONAL BUREAUX**

Nair, Shashikant, Programme Specialist, Regional Bureau for Asia and the Pacific

Nanthikesan, Suppiramaniam, Monitoring and Evaluation Adviser, Regional Bureau for Africa

Odusola, Ayodele, MDGs Adviser, Regional Bureau for Africa

Petinatto, Stefano, Policy Adviser, Regional Bureau for Latin America and the Caribbean

### **OTHER HEADQUARTER UNITS**

Bayriyev, Serdar, Coordinator (M&E), BCPR

Hall, Jonathan, Policy Specialist, HDRO

Fyfe, Andrew, Evaluation Specialist, UNCDF

### **UNDP COUNTRY OFFICES**

(COUNTRY STUDIES IN BHUTAN, DOMINICAN REPUBLIC, ETHIOPIA, JORDAN AND ARMENIA)

The five country studies interviewed persons from the UNDP country office, members of the UN country team, international development partners, government officials and representatives of national civil society organizations.



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# THE EVALUATION FRAMEWORK

<b>1. Effectiveness: How effective has UNDP been in contributing to the reduction of human poverty at the country levels?</b>	
1.1 How appropriate is UNDP's approach to poverty in the specific context of the programme country? For example, depending on the country context, did UNDP approach poverty reduction through the lenses of inequality/equity, social inclusion/exclusion, reduction/eradication, multidimensional/ money-metric measures, etc.?	How appropriate is UNDP's concept and working definition of poverty given the specific context in the country? Is it in line with the needs of the poor and/or partner governments? Do COs respond to national definitions or try to impose a perception of corporate concepts?
	What precisely has UNDP done in middle-income countries to help identify specific interventions that could reduce persistent inequalities?
1.2 Has UNDP introduced a deliberate pro-poor bias in its programming and project design?	Has UNDP supported the formulation and implementation of national development plans with a pro-poor bias?
	In its support to the private sector, what has UNDP done to ensure that (a) private sector growth is employment-intensive, and (b) small and micro-enterprises can overcome the traditional obstacles they face in accessing markets and financial services?
	How successfully has UNDP support to trade analysis and trade promotion led to the adoption of a pro-poor stance in trade policies?
	In what way has UNDP assisted governments to expand access to financial services for the poor?
	What kind of interventions have been supported by UNDP to ensure participation by the poorest groups, and by poor women in particular, in governance and service delivery?
	Has priority been given to the concerns and interests of poor people, especially poor women, while attempting reform of access to justice and rule of law?
	Have UNDP interventions in climate change programmes been designed and implemented with particular focus on poor men and women?
	Have UNDP interventions for the protection of biodiversity made adequate attempts to protect the interests of the poor?
	How successfully have the UNDP-supported Small Funds Programmes involved the poor people, and poor women in particular, in a participatory process to protect their environment in such a way that the concern for sustainable environment can be reconciled with the concern for sustainable livelihoods?
	Has UNDP been able to make energy and environmental services more accessible to the poor and to poor women in particular?
	How have UNDP's activities under crisis prevention and recovery adopted specific strategies for promoting the cause of women and other vulnerable groups?



1.2 (cont.)	Has UNDP's support to the prevention of HIV/AIDS explicitly targeted the poor, especially poor women?
	Have UNDP's gender-related activities (for example, gender budgeting, support to women entrepreneurs, creating awareness against domestic violence, etc.) been conscious of the particular needs and vulnerabilities of poor women?
	Did UNDP exploit synergies between the different focus areas in addressing poverty?
1.3 Has UNDP undertaken adequate upstream activities, tailored to the specific country context, to support the establishment of a pro-poor enabling policy environment?	How well has UNDP been able to support awareness-building regarding the synergies between the economic dimension and broader dimensions of human development?
	How well has UNDP been able to support the analysis of trade-offs between different sectors – especially the human development sectors and the rest?
	What kind of interventions in regulatory frameworks has been supported by UNDP with a view to enhancing the access of the poor to public services?
	Have the 'needs assessment' and 'MDG costing' exercises actually been applied to influence and shape development strategies? What new policies emerged out of these exercises?
	Have the resource requirement of development plans been informed by the MDG costing exercises?
	Have national capacities been developed to carry out 'high quality analytics' and to draw policy conclusions from them?
	How successful has the Poverty-Environment Initiative (PEI) been in helping national environmental policies to recognize the significance of poverty-environment nexus and to act upon that recognition?
1.4 How well has UNDP used its partnerships (with civil society/ private sector/ local government/ parliament/ international development partners/ UN) to improve its performance, and in particular to address the concerns with non-income dimensions of poverty?	How well has UNDP performed in its role of overall coordination and harmonization process involving the donor community in the pursuit of pro-poor development strategy?
	How exactly has UNDP collaborated with ILO to ensure that development strategy focuses centrally on employment generation as the primary means of poverty reduction?
	How well has UNDP engaged with other UN agencies to address the non-income dimensions of poverty such as health, education, vulnerabilities, discrimination, powerlessness, etc.?
	How well has UNDP engaged with, and contributed towards the strengthening of, civil society organizations in its effort to sensitize policy makers to the need for addressing the problem of human poverty in general and empowerment of the poor in particular?
1.5 Did UNDP country offices draw upon the wider body of research on poverty reduction, including country-specific research and evaluation as well as global knowledge products created by UNDP at central and regional levels?	How has the support of HQ and Regional Service Centres affected UNDP's contribution at the country level?
	How have existing evaluations been used by UNDP country offices to learn lessons from within the country and beyond?
1.6 What other factors have determined the effectiveness of UNDP's interventions?	

<b>2. Efficiency: Has UNDP made the best use of its resources in making this contribution?</b>	
2.1 Did UNDP facilitate the replicability of successful small-scale pilot interventions?	Was the potential for replication included in the design?
	Was an evaluation of the intervention included in the design?
	Was national ownership strong enough to increase the likelihood of replication if successful?
2.2 Did UNDP facilitate macro-micro linkages between its interventions and policy makers?	Was the potential for feeding lessons into policy-making included in the design?
	Was an evaluation of the intervention included in the design?
	Was national ownership strong enough to increase the likelihood of lessons for policy-making?
	Was the timing appropriate to ensure lessons could be used by policy makers?
2.3 Did UNDP focus its programme on results aligned with its comparative strengths rather than spreading itself too thinly?	Has UNDP explicitly identified its comparative strengths in the country?
	Are UNDP's downstream activities driven more by resource mobilization concerns than by UNDP's comparative advantage?
	Has UNDP balanced its programme – as between downstream and upstream activities – in accordance with its comparative strength in each area?
2.4 What other factors have determined the ability of UNDP to leverage its interventions?	
<b>3. Sustainability: How successful was UNDP in promoting greater sustainability of the results to which it contributed?</b>	
3.1 Did UNDP specifically address vulnerability, resilience, etc., in the design of its programmes and projects?	Has UNDP invested adequately in crisis prevention and recovery?
3.2 Did UNDP do enough to support capacity development among national implementation partners?	Have national capacities been developed to carry out 'high quality analytics' and to draw policy conclusions from them?
3.3 Did UNDP engage in appropriate partnerships with national organizations?	Was partnership development for sustainability included in the design of UNDP interventions?
3.4 Did UNDP include appropriate exit strategies in its activities?	Were exit strategies included in the design of interventions?
3.5 What other factors have determined the sustainability of UNDP's contribution?	

## Annex 5

# PROGRAMMES COVERED BY DATA COLLECTION

RBA		RBAP		RBAS	RBEC	RBLAC
COUNTRY STUDIES						
Ethiopia		Bhutan		Jordan	Armenia	Dominican Rep.
ADR META ANALYSIS						
Benin	Mozambique	Afghanistan	Mongolia	Djibouti	Bosnia and Herzegovina	Argentina
Botswana	Nigeria	Bangladesh**	Nepal	Egypt**	Bulgaria	Barbados/OECS*
Burkina Faso	Rwanda	Cambodia	PNG	Libya	Georgia	Brazil
Congo (D.R.)	Senegal	China**	Philippines	Somalia	Montenegro	Chile
Congo (Republic)	Seychelles	Fiji*	Samoa*	Sudan	Moldova	Colombia
Ghana	Uganda	India**	Sri Lanka	Syria	Serbia	Costa Rica
Liberia	Zambia	Indonesia	Thailand	Tunisia	Tajikistan	Ecuador
Malawi		Lao PDR**	Timor-Leste	UAE	Turkey**	El Salvador
		Maldives	Viet Nam	Yemen	Ukraine	Guatemala
					Uzbekistan	Guyana
						Honduras
						Jamaica**
						Nicaragua
						Paraguay
						Peru
DECENTRALIZED EVALUATION META ANALYSIS						
Angola	Mauritius	Pakistan		Iraq	Albania	Bolivia
Central African Republic	Mauritania			Lebanon	Azerbaijan	Cuba
Chad	Namibia			Saudi Arabia	Croatia	Uruguay
Eritrea	Sierra Leone				Kazakhstan	
Gambia	South Africa				Kyrgyzstan	
Guinea	Tanzania				Turkmenistan	
Guinea Bissau	Togo					
Kenya	Zimbabwe					
Lesotho						
PROGRAMMES NOT COVERED						
Burundi Cape Verde Cote D'Ivoire Equatorial Guinea Guinea Comoros Gabon Madagascar Niger Sao Tome Swaziland		Iran		Algeria	Belarus	Belize
		Malaysia		Bahrain	Kosovo	Haiti
		Myanmar		Kuwait	FYRO Macedonia	Mexico
		North Korea		Morocco	Romania	Panama
					Russia	Surinam
						Trinidad Tobago
						Venezuela

\* indicates a multi-country programme \*\* indicates countries covered by a second ADR

## Annex 6

# DECENTRALIZED EVALUATIONS USED IN META-ANALYSIS

Country	Type	Focus area	Date	Title
<b>Regional Bureau for Africa</b>				
Angola	Project	Poverty/MDGs	2008	Rapid Response Fund
Central African Republic	Outcome	Poverty/MDGs	2010	Promotion de la stratégie de réduction de la pauvreté dans la perspective des OMD
Chad	Outcome	Poverty/MDGs	2008	Evaluation à mi-parcours du projet d'entrepreneuriat coopératif
Eritrea	Outcome	Gender	2011	Outcome Evaluation of the Joint Programme on Gender Equity
Gambia	Outcome	Poverty/MDGs	2009	Evaluation of MDG-Based Pro-Poor Policies and Partnerships
Guinea	Project	Poverty/MDGs	2011	Evaluation du projet d'appui au renforcement des capacités de planification et de mise en œuvre des politiques et programmes en vue de l'atteinte des OMD en Guinée
Guinea Bissau	Project	Poverty/MDGs	2010	Evaluation finale du Programme d'Appui à l'Emergence et au Développement du secteur de la Microfinance - PAED/MF
Kenya	Project	Governance	2007	Final Evaluation of SIDA Funded Projects on Human Rights and Civic Education
Lesotho	Project	Poverty/MDGs	2008	Promotion of Youth Employment
Mauritius	Outcome	Poverty/MDGs	2011	Evaluation of the Programme Based Budgeting (PBB) and Sector Strategies component in the Country Programme 2009-2011
Mauritania	Outcome	Poverty/MDGs	2010	Evaluation finale du Cadre Stratégique de Lutte contre la Pauvreté (CSLP)
Namibia	Project	Energy	2011	Namibia Renewable Energy Programme Phase II (NAMREP)
Tanzania	Outcome	Poverty/MDGs	2008	Impact of Strategic Support to Zanzibar Poverty Reduction Programme
Togo	Country Programme	All	2010	Evaluation à mi-parcours du CPAP
Sierra Leone	Project	Poverty	2009	Development of a Sustainable Pro-Poor Financial Sector in Sierra Leone
South Africa	Project	Environment	2010	Biodiversity Conservation and Sustainable Development Project (Cape Action People Environment, C.A.P.E.)
Zimbabwe	Outcome	CPR	2011	Enhanced Livelihoods and Recovery and Disaster Risk Reduction Integrated in Development Planning

Country	Type	Focus area	Date	Title
<b>Regional Bureau for Arab States</b>				
Iraq	Outcome	Governance, CPR, Poverty	2009	Outcome Evaluation of UNDP Governance, Crisis Prevention and Recovery, and Poverty Reduction Initiatives in Iraq
Lebanon	Outcome	CPR	2008	Outcome Evaluation: Conflict Prevention and Peacebuilding
Saudi Arabia	Outcome	Poverty/MDGs	2009	Outcome Evaluation of UNDP Support for National Strategies Reflecting Vision 2025 in Terms of Pro-Poor and Sustainable Development Policies, Enhancing the Labour Sector and the Cost-Effective Delivery of Public Services
<b>Regional Bureau for Asia and the Pacific</b>				
Pacific Island Countries <sup>175</sup>	Project	Poverty/MDGs	2009	Evaluation of the Process of Compiling National MDG Reports in Pacific Island Countries and Capacity to Measure and Monitor Development Performance
Pakistan	Project	CPR	2008	Evaluation of UNDP's Earthquake Programme
<b>Regional Bureau for Eastern Europe and the CIS</b>				
Albania	Project	CPR	2007	Evaluation of the Albanian Mine Action Programme
Azerbaijan	Outcome	Poverty/MDGs	2010	Decent Employment Increases in the Non-Oil Sectors, Particularly for Vulnerable People
Croatia	Country Programme	All	2009	Country Programme for Croatia 2007-2011 Mid-Term Evaluation
Kazakhstan	Outcome	Environment	2006	Evaluation of the Sustainable Development Outcome of the Programme of UNDP-Kazakhstan
Kyrgyzstan	Outcome	Poverty/MDGs	2008	Mid-term Evaluation of Poverty Reduction (local initiatives and pro-poor policy development) Outcomes
Turkmenistan	Outcome	Poverty/MDGs	2006	Statistical Outcome Evaluation
<b>Regional Bureau for Latin America and the Caribbean</b>				
Bolivia	Outcome	Poverty/MDGs	2011	Evaluación del Outcome 22 Promoción del enfoque de desarrollo humano
Cuba	Other	Poverty/MDGs	2008	Evaluación Externa al Programa de Desarrollo Humano Local (PDHL)-Cuba
Uruguay	Project	Governance	2011	Programa de Desarrollo y Gestión Municipal (PDGM IV)
<b>Bureau for Development Policy</b>				
Multi	Project	Poverty/MDGs	2009	Evaluating the Results of Poverty and Social Impact Analysis (PSIA) on National Policy Making
Other				
Multi	Multiple Projects	Poverty/MDGs	2005	Review of UNDP Microfinance Portfolio

175. Covered by an ADR and, therefore, not included in the RBAP count of decentralized evaluations.



## Annex 7

# UNDP INDEPENDENT THEMATIC EVALUATIONS REVIEWED

Year	Evaluation
2012	Evaluation of UNDP Partnership with Global Funds and Philanthropic Foundations
2012	Evaluation of UNDP Contribution to Strengthening Electoral Systems and Processes
2011	Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: the Poverty-Environment Nexus
2011	Evaluation of UNDP Contribution to Strengthening National Capacities
2011	Evaluation of UNDP Contribution to Strengthening Local Governance
2011	Evaluation of UNDP Contribution to Disaster Prevention and Recovery
2011	Evaluation of UNDP Contribution at the Regional Level to Development and Corporate Results
2008	Evaluation of UNDP Role and Contribution in Energy and Environment
2008	Joint Evaluation of the GEF Small Grants Programme
2008	Evaluation of UNDP Contribution to South-South Cooperation
2007	Evaluation of National Human Development Report System
2007	Evaluation of UNDP Assistance to Conflict-Affected Countries
2006	Evaluation of UNDP's Role and Contribution in the HIV/AIDS Response in Southern Africa and Ethiopia
2006	Evaluation of Gender Mainstreaming in UNDP
2003	Millennium Development Goals Reports: An Assessment
2003	Evaluation of UNDP's Role in PRSP Process
2003	Assessment of Micro-Macro Linkages in Poverty Alleviation: South Asia

## Annex 8

# UNDP POVERTY REDUCTION STRATEGY THROUGH ITS PLANNING TOOLS

Plan		MYFF 2000-2003	MYFF 2004-2007	Strategic Plan 2008-2013
<b>Goal</b>				<i>To strengthen national and local capacities to achieve inclusive growth, reduce poverty and inequality and halt the spread of HIV/AIDS.</i>
<b>Strategy</b>				<i>Eradicating poverty through development, equitable and sustained economic growth and capacity-building.</i>
<b>Components</b>	Policy	Promote pro-poor macro-economic and sectoral policies and national anti-poverty plans	MDG country reporting and poverty monitoring	Promoting inclusive growth <sup>176</sup> , gender equality and achievement of the MDGs
			Pro-poor policy reform to achieve MDG targets	
	Local	Promote entrepreneurship and access of the poor to microfinance	Local poverty initiatives, including microfinance	
		Promote employment and foster skills among the poor	Private-sector development	
		Support the capacity of the poor and civil society for self-organization and the development of alliances	Civil society empowerment	
	Global		Globalization benefiting the poor	Fostering inclusive globalization <sup>177</sup>
	HIV/AIDS	Strengthen the capacity of governments and vulnerable groups to take preventative measures to reduce the impact of health epidemics such as HIV/AIDS.		Mitigating the impact of HIV/AIDS on human development
	Gender		Gender mainstreaming	
	ICTD		Making ICTD work for the poor	

176. To UNDP's International Policy Centre on Inclusive Growth (IPC-IG), inclusive growth is both an outcome and a process. On the one hand, it ensures that everyone can participate in the growth process, both in terms of decision-making for organizing the growth progression as well as in participating in the growth itself. On the other hand, it makes sure that everyone shares equitably the benefits of growth. <[www.ipc-undp.org](http://www.ipc-undp.org)>

177. Through its inclusive globalization work, the poverty practice seeks to further the understanding of how developing countries are affected by the policies of the international community in areas such as international trade, foreign direct investment, official development assistance, intellectual property rights, technology transfer, indigenous knowledge and migration.

## Annex 9

# PROGRAMME EXPENDITURE BY MYFF (2004-2007) AND THE STRATEGIC PLAN (2008-2013)

Table A1. Programme expenditure 2004-2007 by MYFF (2004-2007) Service Line (US\$ thousands)										
	2004		2005		2006		2007		Total 2004-2007	
	Programme Expenditure	% of total 2004	Programme Expenditure	% of total 2005	Programme Expenditure	% of total 2006	Programme Expenditure	% of total 2007	Programme Expenditure	% of total 2004-2007
SL1.1 - MDG country reporting and poverty monitoring	76,572	14%	145,556	17%	158,574	15%	179,388	17%	560,090	16%
SL1.2 - Pro-poor policy reform to achieve the MDGs	215,987	38%	141,742	17%	211,096	20%	212,470	21%	781,295	22%
SL1.3 - Local poverty initiatives including microfinance	153,257	27%	358,552	42%	415,463	40%	418,796	41%	1,346,068	39%
SL1.4 - Globalization benefiting the poor	33,339	6%	60,235	7%	46,972	4%	33,364	3%	173,910	5%
SL1.5 - Private sector development	13,358	2%	8,376	1%	26,363	3%	34,120	3%	82,217	2%
SL1.6 - Gender mainstreaming	8,986	2%	53,658	6%	85,973	8%	88,215	9%	236,832	7%
SL1.7 - Civil society empowerment	26,882	5%	31,051	4%	46,123	4%	29,805	3%	133,861	4%
SL1.8 - Making ICTD work for the poor	33,659	6%	43,755	5%	57,585	5%	35,628	3%	170,627	5%
SL1.9 - Outcome outside service lines	694	0%	1,357	0%	850	0%	660	0%	3,561	0%
<b>Total</b>	<b>562,734</b>	<b>100%</b>	<b>844,281</b>	<b>99%</b>	<b>1,048,997</b>	<b>99%</b>	<b>1,032,446</b>	<b>100%</b>	<b>3,488,458</b>	<b>100%</b>

**Table A2. Programme Expenditure 2008-2011 by Strategic Plan (2008-2011) by Key Results Area and Corporate Outcome<sup>178</sup>**

	2008 expenditures		2009 expenditures		2010 expenditures		2011 expenditures		Total 2008-2011	
	Total	%	Total	%	Total	%	Total	%	Total	%
<b>Result Area 1 - Promoting inclusive growth, gender equality &amp; MDG achievement</b>	<b>\$933,318</b>	<b>73%</b>	<b>\$813,910</b>	<b>72%</b>	<b>\$820,018</b>	<b>73%</b>	<b>\$901,274</b>	<b>74%</b>	<b>\$3,468,520</b>	<b>73%</b>
1. MDG-based national development strategies promote growth and employment, and reduce economic, gender and social inequalities	\$380,454	30%	\$404,767	36%	407214	36%	\$430,350	36%	1,622,785	34%
2. Enhanced national and local capacities to plan, monitor, report and evaluate the MDGs and related national development priorities, including within resource frameworks	\$204,840	16%	\$160,031	14%	133511	12%	\$121,388	10%	619,770	13%
3. Policies, institutions and mechanisms that facilitate the empowerment of women and girls strengthened and implemented	\$4,583	0%	\$4,458	0%	3936	0%	\$5,925	0%	18,902	0%
4. Macroeconomic policies, debt-sustainability frameworks, and public financing strategies promote inclusive growth and are consistent with achieving the MDGs	\$68,198	5%	\$18,545	2%	19826	2%	\$24,954	2%	131,523	3%
5. Strengthened capacities of local governments and other stakeholders to foster participatory local development and support achieving the MDGs	\$161,375	13%	\$102,860	9%	82581	7%	\$130,080	11%	476,896	10%
6. Policies, strategies and partnerships established to promote public-private sector collaboration and private-sector and market development that benefits the poor and ensures that low-income households and small enterprises have access to a broad range of financial and legal services	\$76,408	6%	\$85,482	8%	147708	13%	\$148,551	12%	458,149	10%
United defined corporate outcomes	\$36,300	3%	\$37,767	3%	25242	2%	\$40,026	3%	139,335	3%
<b>Result Area 2 - Fostering inclusive globalization</b>	<b>\$38,620</b>	<b>3%</b>	<b>\$35,560</b>	<b>3%</b>	<b>\$31,225</b>	<b>3%</b>	<b>\$14,500</b>	<b>1%</b>	<b>119,905</b>	<b>3%</b>
<b>Result Area 3 - Mitigating the impact of AIDS on human development</b>	<b>\$267,449</b>	<b>21%</b>	<b>\$260,735</b>	<b>23%</b>	<b>\$257,408</b>	<b>23%</b>	<b>\$274,819</b>	<b>23%</b>	<b>1,060,411</b>	<b>22%</b>
<b>Unit defined key results</b>	<b>\$36,881</b>	<b>3%</b>	<b>\$28,045</b>	<b>2%</b>	<b>\$17,894</b>	<b>2%</b>	<b>\$20,376</b>	<b>2%</b>	<b>103,196</b>	<b>2%</b>
<b>Total</b>	<b>\$1,276,268</b>	<b>100%</b>	<b>\$1,138,250</b>	<b>100%</b>	<b>\$1,126,545</b>	<b>100%</b>	<b>\$1,210,969</b>	<b>100%</b>	<b>\$4,752,032</b>	<b>100%</b>

178. ERBM CO Tree

# THE EXPLICIT POVERTY ORIENTATION OF STRATEGIC PLAN EXPECTED OUTCOMES

## Goal 1. Achieving the MDGs and reducing human poverty

1. **MDG-based national development strategies** promote growth and employment, and reduce economic, gender and social inequalities
2. Enhanced national and local capacities to **plan, monitor, report and evaluate the MDGs** and related national development priorities, including within resource frameworks
3. Policies, institutions and mechanisms that facilitate the empowerment of women and girls strengthened and implemented
4. Macroeconomic policies, debt-sustainability frameworks, and public financing strategies promote inclusive growth and are **consistent with achieving the MDGs**
5. Strengthened capacities of local governments and other stakeholders to foster participatory local development and **support achieving the MDGs**
6. Policies, strategies and partnerships established to promote public-private sector collaboration and private-sector and market development that **benefits the poor** and ensures that low-income households and small enterprises have access to a broad range of financial and legal services
7. Enhanced national capacities to integrate into the global economic system and to compete internationally, consistent with the **achievement of the MDGs** and other internationally agreed development goals
8. Strengthened national capacities to negotiate and manage development finance, including aid and debt, consistent with the **achievement of the MDGs** and other internationally agreed development goals
9. AIDS responses integrated into poverty reduction strategies, **MDG-based national development plans**, and macroeconomic processes
10. Strengthened national capacity for inclusive governance and coordination of AIDS responses, and increased participation of civil society entities and people living with HIV in the design, implementation and evaluation of AIDS programmes
11. Policies and programmes implemented through multi-stakeholder approaches to protect the human rights of people affected by AIDS, mitigate gender-related vulnerability, and address the impact of AIDS on women and girls
12. Strengthened national capacities for implementation of AIDS funds and programmes financed through multilateral funding initiatives, including the Global Fund to fight AIDS, Tuberculosis, and Malaria

## Goal 2. Fostering democratic governance

1. Civil society, including civil society organizations and voluntary associations, and the private sector **contribute to the MDGs** in support of national planning strategies and policies
2. Electoral laws, processes and institutions strengthen **inclusive participation** and professional electoral administration
3. Access to information policies support accountability and transparency
4. National, regional and local levels of governance expand their capacities to reduce conflict and manage the **equitable delivery of public services**
5. Legislatures, regional elected bodies, and local assemblies have strengthened institutional capacity, enabling them to represent their constituents more effectively



## Goal 2. Fostering democratic governance (cont.)

6. Effective, responsive, accessible and fair justice systems promote the rule of law, including both formal and informal processes, with due consideration on the **rights of the poor, women and vulnerable groups**
7. Strengthened capacities of national human rights institutions
8. Strengthened national, regional and local level capacity to mainstream gender equality and women's empowerment in government policies and institutions
9. Strengthened national-, regional- and local-level capacity to implement anti-corruption initiatives

## Goal 3: Supporting crisis prevention and recovery

1. Solutions generated for natural disaster risk management and conflict prevention through common analysis and inclusive dialogue among government, relevant civil society actors and other partners (i.e., UN, other international organizations, bilateral partners)
2. *Disaster*: Strengthened national capacities, including the participation of women, to prevent, reduce, mitigate and cope with the impact of the systemic shocks from natural hazards
3. *Conflict*: Strengthened national capacities, with participation of women, to prevent, mitigate and cope with impact of violent conflict
4. Early post-crisis resumption of local governance functions
5. *Disaster*: Post-disaster governance capacity strengthened, including measures to ensure the reduction of future vulnerabilities
6. *Conflict*: Post-conflict governance capacity strengthened, including measures to work towards prevention of resumption of conflict
7. Gender equality and women's empowerment enhanced in post-disaster and post-conflict situations
8. *Conflict*: Post-crisis community security and cohesion restored
9. Post-crisis socio-economic infrastructure restored, employment generated, economy revived; affected groups returned/reintegrated

## Goal 4: Managing energy and the environment for sustainable development

1. Strengthened national capacities to mainstream environment and energy concerns into national development plans and implementation systems
2. Countries develop and use market mechanisms to support environmental management
3. Strengthened capacity of developing countries to mainstream climate change adaptation policies into national development plans
4. Strengthened capacity of local institutions to manage the environment and expand environment and energy services, **especially to the poor**

# MANAGEMENT RESPONSE TO THE EVALUATION OF UNDP'S CONTRIBUTION TO POVERTY REDUCTION

## I. CONTEXT AND BACKGROUND

1. This report summarizes the response of UNDP management to the evaluation of the organization's contribution to poverty reduction. The evaluation, mandated by the Executive Board in its decision 2009/11,<sup>179</sup> was conducted in late 2011 and early 2012.
2. Poverty is a complex human development challenge with many faces. For most of history, poverty had been accepted as inevitable. Traditional modes of production were insufficient in giving an entire population a comfortable standard of living. In the modern age, poverty has been increasingly seen as a morally unacceptable state of destitution, triggering intense concern, public policies, social protection and state investments trying to eradicate it or at least alleviate its cruellest impacts. Historic progress has been made in the past century and in recent years. The current generation has witnessed the most important improvement ever in the condition of the poor worldwide. However, no society can pride itself on having found the solution to the poverty problem; and the international community is certainly far from eradicating poverty from the face of the earth. Poverty manifests itself in various forms from *total destitution* (dispossession of everything), *absolute poverty* (life below certain

deprivation thresholds), *relative poverty* (inequality, or relative needs of the poor compared to assets of the non-poor) and *vulnerability* (exposure to shocks and lack of resilience). Poverty has evolved from being generalized, except for the very few, to becoming the stigma of certain groups of people, sometimes very numerous, specific parts of a society and some areas of a country. Poverty literature notes poverty disparities between women and men, between old and young in the same household, between regions, between rural and urban habitats, and between isolated and connected parts of a territory. As opposed to mobile societies, where education and work allow for climbing the social ladder, *inter-generational poverty* has been described as deprivation transmitting itself from one generation to the next. Poverty is, by all means, *multidimensional*: it is not only inadequacy of income and wealth, but also deprivation in terms of health, knowledge, lack of security and non-participation. The poor enjoy less intensely, if at all, their human rights, their freedom and their human dignity, which are all diminished by their extreme needs.

3. Given the complexity of poverty, its history and the experience of combatting it in different societies over time, it is now

179. In its decision 2009/11, the Executive Board approved the programme of work of the Evaluation Office, which includes the evaluation of the UNDP contribution to poverty reduction.

widely held that there is neither an easy nor a straightforward solution to it – there is no single solution or set of social policies that, if applied, will result in poverty reduction. It all depends on context, types of problems and priorities. One school of thought has defended the approach of *targeted interventions*, zooming in on the poor themselves, or even further, on the poorest of the poor, to provide the services, income or assistance they lack. Another social policy approach has advocated the creation of *enabling environments* for poverty reduction. There is consensus among social scientists that the multidimensionality of poverty requires a multidimensional intervention – on *direct poverty issues* such as deprivations in income, health, education and basic social services; but also on *non-poverty dimensions* such as security, participation, human rights, equality, non-discrimination, freedom and human dignity. In the final analysis, successful poverty interventions would have to be *transformational* – transforming lives of people and societies to attain higher human wellbeing. It would have to encompass measures to remove the obstacles that prevent the poor from leading a life they value, accessing services and having choices. There is general agreement that public policy interventions exclusively focused on mitigating the impacts of poverty may alleviate temporarily the suffering of societies' least privileged but they do not tend to offer a sustainable solution for the long term.

## II. UNDP AND POVERTY REDUCTION

4. UNDP work on poverty reduction focuses on transformational change through public policy interventions that help to modify the social, cultural and economic conditions that created poverty in the first place. In her foreword to the 2011 UNDP publication *Case Studies of Sustained and Successful*

*Development Cooperation – Supporting Transformational Change*, the Administrator said, “Our goal is to support transformational change which brings about real improvements in people’s lives”. In the experience of UNDP, policies that have the greatest impact on poverty are not necessarily those that are the most narrowly pro-poor and targeted. In many cases, the focus on pro-poor policies has diverted attention from policies that have the most broad-based, sustainable effects against poverty. UNDP work on poverty reduction towards transformational change is based on a belief in universalism, universal rights, universal coverage and access to social services, which is anchored in a recognition of the complexity of the development process – the longer-term context of it (it is a marathon rather than a sprint), the whole-of-society type of intervention (it is a treatment for general wellbeing rather than micro-surgery). Gender equality, sustainability and the rights-based approach are its bedrock. As stated by the Administrator in the above-mentioned publication: “The human development perspective, the values of the Millennium Declaration and the result orientation of the Millennium Development Goals (MDGs) and other internationally agreed development goals shape our contribution to development”. Ultimately, empowerment of people and resilience of nations is the transformational goal that UNDP aims to achieve.

5. Towards the goal of transformational change in the context of poverty reduction, the UNDP *theory of change* represents a holistic, pragmatic and consistent approach that impacts the lives of people, particularly the most vulnerable. The theory of change presents an end-result of an empowered, resilient and equitable society. Some of its major building blocks are:
  - Supporting policy work, programmes and projects in a strategically focused set of areas – *direct poverty-focused concerns* (MDGs), *poverty-related issues*

(gender equality) and *non-poverty themes* (participation) that have the greatest impact where there is the greatest gap in terms of enjoyment of rights;

- Upstream policy work – contributing to creating an enabling environment and direct policy support at the country level;
  - Supporting a combined approach of diagnosis, interventions and implementation to country-level poverty challenges;
  - Scaling up successes from local-level interventions;
  - Institutionalizing policies and programmes within national strategies to ensure national ownership and sustainability of results.
6. UNDP comparative advantage in poverty reduction is grounded in its holistic, multi-dimensional and cross-practice approach, its track record in advocacy, policy, programmatic and knowledge management work and its wider country-presence and credible broad-based partnership with multiple stakeholders. As a global development organization, the UNDP *differentiated advantage* and critical added value is its ability to bridge the gap between global agenda-setting and country realities. UNDP country-level work benefits from its global perspective and experience as well as its interregional dissemination of knowledge and lessons learned. Evidence gathered on the ground in turn facilitates consensus building on the global development agenda, which it influences bottom-up.

### III. MANAGEMENT RESPONSE TO THE EVALUATION FINDINGS AND RECOMMENDATIONS

#### OVERVIEW

7. As UNDP embarks on the development of its next strategic plan 2014-2017, this evaluation and its management response will serve as important reference points for

articulating poverty reduction priorities for the future. These priorities will consolidate on-going UNDP poverty work – direct-poverty focused, poverty-related and non-poverty themes with critical implications for human poverty. They will continue to be anchored in a broader perspective of human dignity, empowerment and resilience and embrace human development and human rights. They will aim at transformational change in the lives of people and nations with a clear identification of a theory of change and commitment to monitor, assess and evaluate results. The organization's meaningful contributions to national partners' achievements in poverty reduction and the MDGs across sectors, themes, institutions and practices will provide important lessons for the future, as will successful examples of scaling up pilot initiatives for greater scope and transformational change. At the same time, UNDP will incorporate into the thinking for the next strategic plan priorities related to challenges on how to better articulate pro-poor theories of change with national partners, establish stronger evidence bases from which to monitor progress, and ensure that all pilot initiatives supported by UNDP have built-in mechanisms to extract lessons in order to inform policy-makers and scale up.

8. UNDP management welcomes the evaluation and appreciates the lessons that it provides for continuous organizational improvements. Some recommendations of the evaluation are consistent with other thematic evaluations, such as those on the UNDP contribution to local governance and capacity development and the poverty-environment nexus. Therefore, implementation of management responses to other relevant evaluations is crucial for addressing some of the issues confirmed through this evaluation.
9. UNDP appreciates the sound methodology of the evaluation, combining evaluative evidence with country studies. The

evaluation report is comprehensive. It has analysed the themes logically and presented the analysis, findings and recommendations in a structured way. The discussion on the global poverty context and the analysis of the UNDP strategic response in a historical perspective provide important context to the report's assessments and recommendations.

10. UNDP management is encouraged by some of the report's findings, which are consistent with the organization's own understanding of a pragmatic, flexible approach to: (a) advancing the poverty reduction agenda by adapting to country-specific contexts; (b) effectively influencing the poverty reduction agenda from the multidimensional perspective of human development in national fora on socio-economic development, increasing the chance of sustainability of poverty reduction results; and (c) effectively supporting national efforts aimed at developing capacity for evidence-based, pro-poor policy-making. One main finding of the report is that UNDP is a pioneer in providing national societies, regional alliances of nations and the international community (especially through its global, regional and national human development reports) with analytical capacity to better understand the phenomenon of poverty and thereby with sharper tools to develop public policies to combat it, monitor the impact of interventions and evaluate its relative success in alleviating the plight of the poor.
11. UNDP management recognizes the importance of tracing the proposed theory of change in the context of poverty reduction (as elaborated in paragraph five) through proper empirical evidence and assessment. This requires using the appropriate monitoring and evaluation framework, creation and identification of baselines and targets, mobilizing quantitative and qualitative data and ultimately using all of these for assessing the effectiveness of UNDP contributions to national results. UNDP management takes note of these issues and commits itself to

address them in a better and constructive way in future UNDP work on poverty and in developing its strategic plan.

## TARGETED VERSUS HOLISTIC

12. A central thesis that runs through the evaluation report is that a pro-poor approach is what is needed for addressing the issue of poverty. This has several critical implications. First, it represents a thesis of targeting, which proposes a very narrow approach to a hugely complex problem (mainly targeted interventions for the poor and, within them, the poorest of the poor). Second, it suggests that a solution to poverty reduction (a recipe that has proven to work) exists, but has not been sufficiently used by UNDP. Third, it fails to recognize that, apart from *direct poverty-focused work*, both *poverty-related* and *non-poverty streams* of work may also have very powerful impact on poverty reduction, particularly when a multidimensional view of poverty is taken. UNDP considers it vital to work directly with the poorest segments of society and for them. It defines this kind of work as a necessary but insufficient condition to poverty eradication. But more importantly, it considers that targeted policies make better sense and are more effective in the context of a broader universal social rights anti-poverty strategy. A narrowly understood targeting thesis suggests that pro-poor labelling of every initiative is a must in order to have impact on poverty reduction; it ignores the broader comprehensive approach that combines direct poverty-focused initiatives with non-poverty sustainable human development initiatives. The evaluation detects a problem that UNDP understands and acknowledges: the frustrating lack of impact of some anti-poverty policies over the short term. But while this diagnostic may be accurate, the attribution of the causes fails to fully appreciate that comprehensive social change is needed to change the fate of the poor, not only policies addressed to reduce their sufferings. This more integrated approach is what



guides the work of UNDP. Perhaps the larger point is whether, in its documented assumptions (as part of the theory of change) at the country level, UNDP articulates the pro-poor elements of its work. Equally important is how UNDP works with national counterparts to monitor the effectiveness of their approaches, even when UNDP is not working directly 'through the poverty lens'.

13. While many UNDP poverty programmes and projects are geared towards micro-level interventions for poor people and poor places, the major rationale is to scale them up and/or bring their experiences and lessons learned to the macro-level in order to inform and influence policies. At the same time, *what works and why* in poverty reduction is not well established, particularly given the specificities of the national context. In suggesting that UNDP work should have a pro-poor focus, the evaluation report does not take stock of the organization's evolution in an array of technical assistance and development services that it offers to Member States. Having begun as a classic project-based development organization – a North-South financial resources transfer channel – it is today much more of a knowledge organization, a South-South development experience broker and an upstream policy advisor and macro-level designer. The evaluation's narrow understanding of how poverty reduction programmes should be offered might have led the report to the conclusion that knowledge about *what works and why* in poverty reduction is generally well established but is somehow missed by UNDP. In the same vein, the evaluation report indicates that because of the absence of a long-term vision, UNDP has focused more on processes and lacks an incentive structure for learning. The reality, however, is much more

nuanced and complex. National circumstances and contexts matter; there are no one-size-fits-all solutions. UNDP sees the issue not as the absence of support to learning but rather as multi-fold challenges to translating or applying lessons learned from specific national contexts into others. With regard to long-term vision, the UNDP core human development paradigm – which is articulated regularly in global, regional and national human development reports (HDRs) and reflected in the organization's programmatic work – does indeed constitute such a vision and strategy that guide the UNDP programme to put people at the centre of development. The on-going challenge is to translate such a vision into initiatives that result in higher-level impact and sustainability that is owned and relevant for each country setting. This is the quintessential challenge for all development actors, and UNDP has its share of success and failure in this regard. However, UNDP continues to be seen by a large number of countries as a very trusted partner to make this transformation happen.

14. The broader approach UNDP pursues in the area of poverty reduction has solid analytical and policy grounding in the literature. The Stiglitz-Sen-Fitoussi Commission on the Measurement of Economic Performance and Social Progress emphasized that poverty is a multidimensional phenomenon that goes well beyond income, and effective poverty reduction efforts must look at a variety of functions.<sup>180</sup> Through their in-depth work, Akire and Foster (2009) reached that same conclusion.<sup>181</sup> Research by Ravallion and Chen (2007) and Thomas et al. (2000) have shown how the most effective poverty reduction policies go beyond service delivery and income support and why macro-level

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180. Stiglitz, J., Sen, A. and Fitoussi, J. P. (2009) "Report by the commission on the measurement of economic performance and social progress": [http://www.stiglitz-sen-fitoussi.fr/documents/rapport\\_anglais.pdf](http://www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf).

181. Alkire, S. and Foster, J. (2009) "Counting and multidimensional poverty measurement", *Journal of Public Economics*: <http://www.ophi.org.uk/wp-content/uploads/OPHI-wp32.pdf?cda6c1>.

policies are critical to realize the transformational potential of poverty reduction.<sup>182</sup> The importance of institutions in the broader approach has been proved by the studies of Keefer and Knack (1996) and Kaufman (2003): there cannot be effective poverty reduction without capable, inclusive and responsive institutions.<sup>183</sup> Mosse (2010), Hickey and Bracking (2005) and Moore (2001) have shown that individual agency matters: there cannot be effective poverty reduction without empowerment of people and a human rights-based approach.<sup>184</sup> On the other hand, while it is well recognized that a narrow targeted approach may benefit some groups of poor or vulnerable sections of a society or some disadvantaged areas, in many cases it keeps people at a low-level equilibrium trap just above the poverty line and fails to ensure further graduation, economic progression and social mobility. For example, the literature of micro-finance evaluations strongly points to such conclusions – for example, Murdoch and Haley (2002), Khandaker (2000) and Holcombe and et.al. (1997).<sup>185</sup>

## MULTIDIMENSIONAL TRANSFORMATIONAL CHANGE

15. To better illustrate how a broad multidimensional universal rights-based approach has achieved *transformational change* in poverty reduction, the UNDP results oriented annual report (ROAR)

2011 highlights two telling interventions. In Albania, targeting Roma and Egyptian communities who, as a result of long-standing social exclusion and marginalization, live in the vicious circle of poverty, UNDP supported the participation of Roma and Egyptians in: (a) developing local infrastructure and strengthening civil society organizations; (b) accessing rights through civil registration, employment skills, training and awareness raising in community policing and health-related issues; and (c) strengthening capacities of local and central institutions to implement and monitor programmes in support of vulnerable communities (National Action Plan of Roma Decade). Local level implementation of national programmes targeting vulnerable communities has been ensured through the revitalization of regional coordination committees that assess social needs and establish subordinated technical teams for Roma, initially in four regions. These inter-disciplinary teams are able to identify local needs of Roma and Egyptians, plan for public resources to address them, gather local information and statistics, and feed them to the Government. In turn, this helps the process of implementation and monitoring of measures envisaged in the National Strategy for Improving the Living Conditions of the Roma Minority and the Action Plan for the Decade of Roma. Building on this positive example, the Government expanded this model to six regions with a higher concentration of Roma communities.

182. Ravallion, M. and Chen, S. (2007) "China's (uneven) progress against poverty" *Journal of Development Economics*, 82(1) 1-42, and Thomas, V, Dailami, M., Dhareshwar, A., Kaufmann, D., Kishor, N., López, R. and Wang, Y. (2000) *The Quality of Growth*, Oxford University Press.

183. Knack, S. and Keefer, P. (1995) "Institutions and economic performance: cross-country tests using alternative institutional measures." *Economics and Politics* 7:3, 207-27, and Kaufmann, D. (2003) "Rethinking governance: empirical lessons challenge orthodoxy. Available at SSRN 386904.

184. Mosse, D. (2010) "A relational approach to durable poverty, inequality and power", *The Journal of Development Studies*, 46(7), 1156-1178, and Hickey, S. and Bracking, S. (2005) "Exploring the politics of chronic poverty: from representation to a politics of justice?" *World Development* 33(6), 851-865.

Moore, M. (2001) "Empowerment at last?" *Journal of International Development*, 13(3), 321-329.

185. Murdoch, J. and Haley, B. (2002) "Analysis of the effects of microfinance on poverty reduction", Working Paper no. 1014, New York University, Wagner Graduate School of Public Service, New York; and Khandaker, S. (2000) "Effectiveness of microfinance for poverty reduction – the case of Bangladesh" (mimeo); and Holcombe, S., and Xu Zianmei (1997) "Microfinance and poverty alleviation: UN collaboration with Chinese experiments" (mimeo).

16. Another example of transformational change pursuing a broader approach is the UNDP Programme of Assistance to the Palestinian People (PAPP). According to the ROAR 2011, PAPP launched the second phase of the Deprived Families Economic Empowerment Programme (DEEP), based on the past three-year intervention that graduated approximately 7,000 families by the end of 2011 from deep poverty into economic self-reliance. The second phase offers microfinance and seed capital schemes for 12,000 micro enterprises owned by youth, women and people with disabilities. On a strategic and regional level, DEEP was recognized in 2011 by the Organization for Islamic Countries as a successful model to be replicated in neighbouring countries.
17. Even for UNDP work in direct poverty-focused areas, its MDG Acceleration Framework (MAF) initiative represents a broader tripodal approach combining diagnosis, interventions and implementation to face country-level human poverty challenges. Endorsed by the United Nations system, MAF is a flexible, agile framework for identifying constraints, selecting needed interventions from those empirically proven to work and rolling out necessary actions, resulting in national MDG action plans. Five aspects need to be highlighted – *first*, the initiative is nationally owned and anchored in national development priorities and plans (for example, Lao People's Democratic Republic); *second*, rolled out in 44 countries in all developing regions, its identified bottlenecks, priorities and entry points range from poverty and hunger (Togo) to maternal mortality rate (Uganda) to women's empowerment (Cambodia) to housing (Belize), to HIV/AIDS (Ukraine) to youth employment (Bhutan) to energy (Ghana) and disabilities (Costa Rica); *third*, MAF has also been rolled out in small island states (Tuvalu) as well as at sub-national levels (Colombia, Ethiopia and the Philippines); *fourth*, countries have provided their own resources in support of implementation of the MDG action plan (Niger has allocated \$35 million domestic resources); and *fifth*, countries are implementing MDG action plans. A recent review of joint programmes supported by the MDG Achievement Fund, in which UNDP has been significantly engaged, shows that they have directly contributed, at medium or high levels, to 342 policy instruments, including policies, legislation and action plans. Three out of four of these instruments are national in scope and contribute to the scalability of development interventions and increasing coverage of services.
18. MAF work is also a concrete example of a coordinated United Nations system-wide support to countries, in contrast to the lack of such coordination raised as a concern in the evaluation report. Depending on MAF focus, the lead is taken by the organization with the mandate and capacity. For example, in Uganda, as the focus is maternal mortality rate, the lead is provided by the United Nations Children's Fund (UNICEF) and the World Health Organization (WHO), while in Belize the lead is provided by the United Nations Human Settlements Programme (UNHABITAT) as the acceleration priority is in housing. MAF also provided a platform for combining various UNDP focus areas into country-level action. For example, MAF work in Ukraine is a joint intervention supported by the poverty and the HIV/AIDS practices and MAF work in the Lao People's Democratic Republic is developed by poverty and democratic governance experts.
19. MAF experience directly mitigates the potential for dichotomy that the evaluation report perceives in UNDP policy work between *contributing to the policy environment* and *direct support*. In fact, MAF, and many other experiences, including UNDP work in HIV/AIDS, biodiversity, gender and post-crisis recovery, confirm the relative effectiveness of combined policy and direct support. UNDP trade work is also effective in providing direct policy support. For example, in Mali, the mango export business is crucial for the country's economy and for empowerment of poor women, since a large number of them work in mango orchards. But insect-plagued harvests prevented Mali from exporting its commodity to European markets and maximizing earnings. UNDP provided policy advice on measures needed to meet international export standards. Because of this direct support, mango exports from Mali

reached 12,676 tons in 2008, up from 2,915 tons in 2005, and generated \$30 million in additional revenue, securing a significant benefit for poor women in Mali.

20. Over time, in the area of poverty reduction and MDG achievement, UNDP has been significantly successful in *advocacy* – both programme and policy advocacy; *assessment* (both needs and progress assessments); *planning and policy formulation* (MDG-based national development strategies); *implementation for inclusive development*, and *building resilience*.<sup>186</sup> According to the UNDP Partners Survey 2009, 95 per cent of UNDP partners considered the organization a critical partner in contributing to the MDGs. In advocacy, UNDP has had global impact in policy advocacy (for example, the publication *What Will It Take to Achieve the Millennium Development Goals: An International Assessment*, which by bringing evidence to the global level informed and influenced the 2010 MDG review), regional policy advocacy (for example, the publication *Achieving the MDGs in an Era of Uncertainty: Asia-Pacific Regional Report 2009/10*) and country level advocacy. More than 400 MDG country reports have identified MDG achievements, gaps and disparities and influenced country-level policy formulation. Global, regional and national human development reports have also been effective instruments for advocacy purposes. For example, in the Lao People's Democratic Republic, the fourth national human development report on employment and livelihoods guided the formulation of the country's seventh five-year plan, focusing on job creation.
21. On assessment, planning and policy innovations, UNDP supported governments in Bangladesh, Bhutan and Mongolia in conducting MDG needs

assessments for MDG-based national development plans. In China, UNDP made important contributions to poverty reduction by integrating the MDGs into the country's vision and planning of a *Xiaokang* society<sup>187</sup> at national and local levels and by strengthening links between fiscal reforms and poverty reduction. By 2009, a national *Xiaokang* indicator system (including HIV and governance indicators) was finalized and tested in 15 provinces. The contributions of UNDP have not been limited to the MDGs at the national level but also extended significantly to localizing MDGs. In Mexico, the state of Chiapas enshrined the MDGs as the guide for social policy in their state constitution, which obliged local government and the state legislature to appropriate 33 per cent of the budget to the MDGs. This has resulted in effective pro-poor policies, investments that favour indigenous peoples and women, and sent a message across the country in favour of the MDGs as a focus of overall development efforts. In Egypt, UNDP helped with a monitoring and evaluation framework for poverty alleviation in the country's 1,000 Village Initiative. In Jamaica, a highly-indebted country under considerable fiscal stress (even before the crisis), a government initiative supported by UNDP resulted in domestic debt restructuring that released \$479 million per year, for the next 10 years, for investment in human development outcomes.

22. On implementation for inclusive development, UNDP support to Chile contributed to the design of the country's social protection strategy and UNDP played a pioneering role in implementing multifunctional platforms providing modern energy services to poor households in West Africa (Burkina Faso and Mali). In Bangladesh, UNDP implemented a pilot project over a three-year period (2008-2010), which has improved the lives of 24,000 women throughout

186. See document DP/2011/22 for the mid-term review of UNDP results on poverty reduction and MDG achievement under strategic plan 2008-2013.

187. The vision of *Xiaokang* Society is one in which most people are moderately well off and enjoy a comfortable life. This Confucian concept, originated from *Classics of Poetry* about 2,500 years ago, has recently been revived as the development goal of China to be reached by 2020. It aims not only to achieve economic prosperity but also to ensure broad-based distribution of wealth among its people.



the country and has lifted at least 12,000 people out of extreme poverty. The number of food shortage days has dropped from 119 to four per year and as much as 91 per cent of women are now able to send their children to school, compared with 57 per cent before their involvement in the project. Women's income levels have also increased 2.5 times while their savings have increased from 189 taka to over 7,500 taka. A total of 17.9 million workdays were generated through the programme resulting in 25,000 kilometres of improved roadways connecting isolated communities to vital services such as schools, markets and hospitals. The model has been recognized as one of the best examples of poverty alleviation in Bangladesh by a European Union mid-term evaluation.<sup>188</sup> As a result of the demonstrated success and a carefully crafted year-long advocacy effort, UNDP was able to achieve a major policy breakthrough. The Government is now formulating a comprehensive social safety net strategy and putting its own resources into scaling up the model nationwide in order to offer a safety ladder to women who need it the most. In India, UNDP supports government in the operationalization of the National Rural Employment Guarantee Act. Support includes communications, advocacy and social mobilization; social audit to ensure transparency and accountability; participatory planning for preparing needs-based projects; and monitoring and evaluation, including management information systems for enhancing efficiency and effectiveness.

23. While not all pilots lead to successful models, they should inform future policy decisions. At the same time, UNDP considers scaling up successful pilots one of the most important approaches for achieving transformational change. It can also be one of the more challenging. But UNDP is actively learning from examples and beginning to codify them. In India, for example, a pilot UNDP programme funded by the IKEA

Foundation in 500 villages in the northern Indian state of Uttar Pradesh with a grant of \$7.5 million is successfully reaching approximately 50,000 women to strengthen their abilities to become catalysts of change. In order to scale up the women's empowerment model initiated from this pilot, recently the IKEA Foundation pledged approximately \$40 million to empower 2.2 million poor rural women across 20,000 villages in India. In Cambodia, the scaling up of effective pilots is built into the programme framework of the Cambodia Climate Change Alliance. The Alliance coordinates all climate change initiatives and provides an arena for sharing experiences and best practices among government, civil society and the broader community of practice.

24. The UNDP multidimensional approach to addressing poverty is evident in the organization's approach to gender, democratic governance, biodiversity and crisis. While under-assessed in the evaluation, UNDP has a solid track record in programming with a gender lens. Gender equality is intrinsically and inherently valuable, and instrumentally important for the reduction of multidimensional poverty. For example, the *Asia-Pacific Human Development Report of 2010* provided a compelling case for accelerating women's empowerment to secure sustainable poverty reduction. In several countries, MDG action plans, developed through MAF, have focused on gender issues – women's empowerment (Cambodia), poverty among women (Togo), maternal mortality rate (Ghana and Uganda). In the Indian state of Rajasthan, UNDP supported the state government to initiate gender-responsive budgeting, so that more resources are geared towards women's wellbeing. In Colombia and Rwanda, with UNDP assistance, gender equality policies were integrated into national development

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188. Landell Mills Ltd. (2010) "Mid-term evaluation of the Rural Employment Opportunities for Public Assets project", sponsored by the European Union, Dhaka.



plans with a view to reduce human poverty. UNDP work on women and climate change has had impact on girls' school enrolment, sharing of domestic chores, protection of livelihoods through early warning and awareness and better household energy practices.

25. UNDP democratic governance work is geared towards human development and poverty reduction. For example, in Yemen, UNDP, jointly with the United Nations Capital Development Fund (UNCDF), has been supporting local government to implement effective decentralization reforms in the areas of planning, budgeting and basic service delivery with the objective of reducing human deprivation in poverty pockets while ensuring that the benefits go to girls and women. In Guatemala, the human rights approach has been used to improve basic health services available to poor people. Since 2009, a baseline survey was conducted to: identify capacity gap and other causes for the lack of health services in the communities of Chipajche and El Tumbador, reorient the health services to cater to the needs of the poor, and set up an accountability framework. The poverty focus of these initiatives is clear.
26. Another area with strong poverty-related results is biodiversity. Many of the world's 1.2 billion people living in severe poverty depend directly on biodiversity and healthy ecosystems. Nature's goods and services are the lifeline for their livelihoods and subsistence, and therefore the poor stand to suffer disproportionately from potential perturbations to fragile ecosystems. UNDP work in biodiversity has supported the modification of production practices in a range of sectors, including agriculture, fisheries and forestry (sectors that the poor are especially dependent on); managed investment and improved governance in protected areas, where 272 million hectares of protected areas have benefited from UNDP intervention; and helped sustainable forest management, affecting a total area of 1.1 million hectares.

In addition, the \$700 million UNDP-Global Environment Facility (GEF) Adaptation Portfolio helps national governments secure adaptation finance and develop and implement adaptation strategies, including elements that are ecosystem-based. The GEF Small Grants Programme, implemented by UNDP, has successfully demonstrated that supporting communities (often indigenous) in their efforts to achieve more sustainable livelihoods is not only possible, but also extremely important for achieving global environmental benefits. In all these areas of work, poverty is affected in three important ways by: (a) maintaining and improving ecosystem services and improving access and benefit-sharing arising from the sustainable use of these services; (b) generating income through broader value-added opportunities (for example, a range of biodiversity products); and (c) creating jobs (for example, production of biodiversity-friendly products and tourism). A concrete example of the poverty focus of UNDP biodiversity work comes from Botswana where, through its project "Building Local Capacity for Sustainable Use of Biodiversity in the Okavango Delta", poor households have had access to natural resources and Okavango Delta households were able to supplement their incomes in-kind to an extent equivalent to about \$1,500 per year (in 2005 terms).

27. The evaluation asserts that "by far the larger part of the [environmental] portfolio fails to integrate successfully poverty concerns with the environmental ones" (page 64). UNDP management strongly feels that the evaluation failed to acknowledge the full range of UNDP projects that successfully address the poverty-environment nexus: water governance programmes, impacting access to water and water management policies and governance structures; work on chemicals and waste which impacts on health; and a number of initiatives related to climate change. Programmes such as the Poverty Environment Initiative clearly link poverty reduction

aims and environmental issues and are carried out in a cross-practice way, bringing together UNDP expertise from environment, poverty reduction, governance, gender and capacity development teams at the country, regional and global levels. The Integrated Drylands Development Programme also operates with the poverty-environment nexus at the centre of its approach. The work of the Montreal Protocol, of which UNDP is a main implementing organization, integrates environmental and equity concerns while promoting human development. Indeed, countries select UNDP as the GEF or MLF implementing agency primarily because of UNDP technical knowledge and experience in delivering multiple development benefits. UNDP work in the water sector is conspicuously absent in the evaluation report. For instance, the UNDP-GEF portfolio in water and ocean governance covers 100 countries representing an investment of over \$700 million, achieving multiple development benefits in addressing sustainable management of oceans, trans-boundary surface and ground waters, and integrated water resource management. This is not only a portfolio that supports water as a clean resource: it is an intervention that has the poor at its heart because they are the ones who least enjoy clean water and most need water resources to earn their income.

28. The evaluation suggests that climate change issues might overshadow other environmental problems that threaten the livelihoods of the poor more directly and immediately, and indicates that UNDP should give priority to the latter. UNDP disagrees with this assertion and is unsure on what source or evidence it is grounded. First, climate change actions are complementary to other environmental areas of work. Second, there are clear links between climate change adaptation and mitigation actions with poverty reduction. The impacts of climate change are already being experienced by the world's poor and constitute a concrete threat to development goals. Many climate change mitigation efforts have immediate

benefits for communities that undertake them, such as the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD), which helps to protect forest-based livelihoods at the same time as storing emissions in forests. In a similar vein, renewable energy efforts provide sustainable solutions for local communities.

## THE ISSUE OF SCALING UP

29. With regard to the evaluation's comments regarding the effectiveness of UNDP downstream work and scaling-up, UNDP has recognized that its codification and learning practices, and aspects of the funding and project model, have led to uneven performance in building durability into project results, including scaling up. This is one reason why these areas were added to the strategic development effectiveness results matrix of the strategic plan at the mid-term review and are being acted on and monitored more closely to ensure they are more explicitly included in the next strategic plan. At the same time, it should be noted that the organization's support to many local-level initiatives has led to significant results for poverty reduction. The ROAR 2011 reports that in Mongolia the microfinance initiative supported by UNDP and UNCDF has served more than 64,000 borrowers, 87 per cent of whom are poor or near poor and 53 per cent of whom are women. In Mali, multi-functional platforms (a UNDP-supported innovation for providing modern energy services to poor women in rural areas) have served 5.5 million individuals who had scarce if any access to the power grid. The MDG Achievement Fund supported a culture and development programme in Turkey, based in one of the poorest provinces, which combines formulating a tourism plan with developing the capacity of local entrepreneurs – a good example of upstream support combined with downstream action. United Nations Volunteers (UNV) is another key partner in

local level poverty reduction initiatives with 1,700 volunteers involved in UNDP poverty projects, combining social volunteerism and poverty reduction expertise.

30. On scaling-up, three concrete examples are worth citing. In China, the UNDP-supported Agriculture Extension Special Task Force (AESTF) programme uses demand-driven, market-oriented mechanisms to link farmers directly to improved technology, new business models and product markets. Based on local innovation in the southern part of China in 1998, with UNDP support for scaling-up since 2006, it has grown to cover over 1,800 counties, benefitting over 60 per cent of its large rural population. By 2009, the average annual income of farmers benefitting from AESTF services increased by 67 per cent compared to their income levels in 2006 – a 24 per cent higher increase than the national increase. In Nepal, the UNDP Rural Energy Development Programme (REDP) is extending access to renewable energy in rural areas by helping to build supporting policies, institutions and capabilities at the national, district and community levels. Initiated as a local pilot in 1996, it has since been replicated in all districts of Nepal through a decentralized, community-based approach. The success of the REDP model had a large influence on the Government's 2006 rural energy policy, stressing the importance of involving local people in planning and developing rural energy schemes. The project has subsequently supported the Government's Alternative Energy Promotion Centre (AEPD) to implement the policy with rural energy development sections and units established nationwide.
31. In the Philippines, UNDP, through a joint United Nations programme, supported mainstreaming climate risk reduction into national and local development, planning and regulatory processes and the testing of six integrated adaptation approaches with the potential for scaling up. Since its launch in

2008, the programme has produced vulnerability and adaptation assessments of 43 provinces through the Philippines Meteorological Bureau that have led to: (a) development of a national framework for action to respond to climate change-related health challenges; (b) integrating climate change into the Philippine Development Plan, with environment and climate change identified as one of five priority areas for budgeting and a new cabinet cluster within the Office of the President on integrity of the environment and climate change adaptation and mitigation; and (c) established 70 climate change adaptation facilities to address agricultural adaptation options. The Government is now scaling up innovative practices from the United Nations joint programme and as a result climate projections undertaken in 69 provinces and crop insurance schemes that take account of climate change are expanding beyond the original municipalities.

#### IV. CONCLUSION

32. UNDP management takes note of the evaluation's conclusions and recommendations, and will follow up in a way that informs the future direction of the organization's poverty work. Experiences have shown that relatively easy policy wins in tackling poverty are being exhausted – those focused on ensuring sound macroeconomic management and improving the allocation of resources for investment. Complexity, stress and risk come together to confront countries with the task of understanding fully their options for development and making their own difficult policy choices, often under constrained circumstances, for poverty reduction. There are two vital dimensions, among others, to this task. *First*, there is the technical ability and institutional depth to assess, clarify and articulate policy choices, not least of all the social, economic and environmental costs, benefits and trade-offs that are inevitable in a world of scarce resources. *Second*, there is the need

to engage with and win the support of the public for policy change, especially the tough reforms essential to combat corruption, raise efficiency and secure inclusion – a job made easier or more intractable depending on whether or not a country possesses the social, political and institutional capital essential to forging agreement and navigating perilous transitions without serious social disruption.

33. Taking the long-term view, planning and investing accordingly, with an eye not just on economic dimensions but also on social, political and environmental dimensions, will be central to the achievement of sustainable human development. But it will be tough to accomplish. Institutional lag is increasingly

becoming a hard constraint to development. The shortfall is most acute in government, especially further down the management chain and tiers of administration, although specifics vary depending on country context. Institutions need to modernize to get ahead of the curve rather than fall further behind. All these shape the future challenge for UNDP poverty work, to which UNDP is fully committed and for which it is getting prepared.

34. The annex on the following pages outlines the key actions proposed in response to the evaluation's main recommendations, complementing actions already proposed in responses to the other relevant evaluations.

**Recommendation 1: UNDP should forge stronger links with national stakeholders, especially the civil society and the academia, to ensure that the ideas and lessons it propagates through its flagship documents such as NHDRs and MDG reports may influence the national policy agenda.** While recognizing that there are limits to what it can do, UNDP should make stronger efforts to influence policy-making, by utilizing the goodwill and leverage it enjoys in most countries as the most trusted and neutral development partner. For this purpose, UNDP needs to build stronger partnerships with relevant national stakeholders such as the civil society and the academia because, in the final analysis, it is the debates, dialogues and campaigns conducted by concerned nationals, rather than the advocacy of outsiders, that would shape national policies. UNDP should build bridges with them not only by involving them in some of its activities such as preparation of NHDRs and MDG reports, as it currently does to some extent, but also by trying to nurture and empower them in ways that are most effective in particular contexts.

**Management response:** Engagement of civil society and academia has been a normal practice of UNDP in the organization's substantive work as well as programmatic exercises at the country level. For example, the NHDRs have systematically involved the academia and research institutions at the national and sub national levels. In India, the Human Development Report for West Bengal was led by academics in the Jawaharlal Nehru University. The Country MDG Reports engage civil society and private sector. In programmatic activities like MAF at the country level, involvement of multi-stakeholders in the roll-out is a pre-requisite. The Result-oriented Annual Report (ROAR) of UNDP has recently introduced questions to request country offices to report on partnership and engagement profile, which includes civil society and academia. UNDP will take further actions to ensure systematic engagement of multi-stakeholders in the processes of its substantive and programmatic work.

Key action(s)	Time-frame	Responsible unit(s)	Tracking*	
			Comments	Status
1.1 Include engagement of civil society and academia as a critical step in Knowledge Product Quality Assurance procedures.	By second quarter 2013	BDP, regional bureaux, country offices, HDRO		
1.2 Report on partnership and engagement with civil society and academia in Result-Oriented Annual Report (ROAR)	On-going	Country offices, regional bureaux, BDP, OSG, BERA		
1.3 Support countries develop over 40 "3rd-generation" MDG reports serving as evidence to inform the post-2015 development agenda, with guidance on engaging civil society and academia.	2013-2014	BDP and regional bureaux		



**Recommendation 2: Programmes and projects undertaken by UNDP should be designed with explicit pro-poor bias, always trying to add specific elements which would enhance the likelihood that the poor will benefit more than they otherwise would through general development interventions.** Activities where it is impossible to introduce such an explicit pro-poor focus should be kept to a bare minimum and should only be taken up under strict guidelines with the strategic objective of leveraging the resources and ensuring the goodwill that UNDP will need in order to advance its mission of poverty reduction.

**Management response:** With the organizational commitment to human development, dedication to elimination of poverty and concrete actions on bringing in poverty focus in various focus areas, UNDP has been on that track. The challenges here are three-fold consolidation of the above approach, a broad-based integration of poverty focus across areas and also in more country programmes and developing country-level staff capacity to ensure such integration. More concerted actions in terms of diagnostic assessment tools, methodologies and frameworks, guidance notes, practice tool kits, dissemination of lessons learned from real programme would be undertaken. This would help conceptualizing and designing appropriate programmes for poverty-focused initiatives in different focus areas, developing required implementation plans and rolling out the necessary monitoring and evaluation exercises.

Key action(s)	Time-frame	Responsible unit(s)	Tracking*	
			Comments	Status
2.1 Develop guidelines and a practical tool kit with project examples of how to design pro-poor programme in the area of democratic governance, energy and environment, HIV and AIDS, and crisis prevention and recovery.	By fourth quarter 2013	BDP, BCPR, LRC together with country offices		
2.2 a. Ensure designated capacity in poverty clusters (teams) in the country offices, regional service centres, and headquarters to advise and support other practices to design, monitor, implement, and evaluate programmes with explicit pro-poor bias. b. Poverty teams in crises countries and in regional service centres acquire skills on UNDP programming in crises response with a focus on (environmentally sustainable) livelihoods and economic recovery programming, including linkages with other practice areas such as crises governance and conflict prevention	By fourth quarter 2013  By fourth quarter 2013	Country offices, regional bureaux, BDP, BCPR  Country offices, regional bureaux, BCPR		
2.3 Include pro-poorness and environmental sustainability as one of the criteria in Project Appraisal Committee checklist.	By third quarter 2013	OSG, regional bureaux, country offices		
2.4 Analyse programmes that are cross-cutting multiple practice areas and contributing to poverty reduction, such as MAF programmes in different thematic areas, to tease out the successful factors and lessons learned.	By second quarter 2014	Country offices, regional bureaux, BDP, BCPR		

**Recommendation 3: UNDP country offices should strengthen efforts to create more effective integration between thematic clusters and stronger partnerships with UN agencies, especially in terms of ensuring a sharper focus on non-income dimensions of poverty.**

**Management response:** On both fronts, as mentioned earlier, actions are on track, but further measures would be initiated. For example, in crises countries, UNDP will promote a stronger integration between thematic clusters, particularly the crisis prevention and recovery and the poverty reduction and environment clusters, in adopting integrated post-conflict and post-disasters recovery frameworks as well as designing and implementing programmes. On the second front, MAF roll-out provides a unique platform for collaborating with other UN agencies on non-income aspects of poverty – e.g. with FAO and WFP on hunger and food security (Central African Republic and Niger), with UNFPA and WHO on maternal mortality rate (e.g. Ghana and Uganda). Efforts on both fronts would be strengthened, consolidated and institutionalized.

Key action(s)	Time-frame	Responsible unit(s)	Tracking*	
			Comments	Status
3.1				
a. Continue supporting multi-practice and multi-agency joint initiatives that aim at building synergies to achieve poverty reduction results, such as MAF, integrated strategy of local governance and local development, Poverty Environment Initiative.	On-going	Country offices, regional bureaux, BDP, BCPR		
b. In at least three crises countries UNDP will promote a stronger integration between thematic clusters and collaboration with key partners under the Global Facility at country level by:	By fourth quarter of 2013	Country offices, regional bureaux, BCPR		
i. adopting integrated post-disaster or post-conflict country and recovery analyses;				
ii. jointly designing and implementing (CPR and poverty reduction clusters) sustainable livelihoods and economic recovery programmes.				
3.2 Develop new joint initiatives with other UN agencies as needed in advancing poverty reduction agenda.	On-going	UNDP, UNCDF, UNV, and relevant UN agencies		

**Recommendation 4: Downstream activities should mostly be undertaken with the explicit strategic objective of contributing to something bigger than what those activities can deliver on their own – by way of learning lessons for up-scaling or feeding into upstream policy advice relevant for poverty reduction.** UNDP should incorporate into its system of performance evaluation for both its staff and its activities specific provisions that explicitly spell out the means as well as incentives for institutionalized learning so that lessons learned from successes and failures in each of its activities can feed into everything that UNDP does – both across portfolios and over time.

**Management response:** UNDP has been undertaking concerted efforts for scaling up and the micro-macro linkages. The organization will further consolidate it in various focus areas and processes. In this regard, the organization has recently strengthened the knowledge base in promoting scaling-up agenda, aiming at feeding lessons learned into upstream policy advice. On the second issue, UNDP has been working on an integrated resource-results framework, including financial and human resources and measurable quantitative and tangible qualitative results. The issue of incentive mechanisms with clear transparency and accountability framework is also being addressed.

Key action(s)	Time-frame	Responsible unit(s)	Tracking*	
			Comments	Status
4.1 Roll out the guidance on scaling-up development programmes for transformational change to over 30 countries covering all regions.	By fourth quarter 2014	Regional bureaux, BDP, BCPR		
4.2 Launch and disseminate e-learning platform on scaling-up with practical guidance and relevant examples from all practices.	By fourth quarter 2013	BDP, BCPR, LRC		
4.3 Design and implement incentives linked with resource allocation and result recognition to support country office learning culture.	By second quarter 2013	Regional bureaux		
4.4 Establish in at least three crises countries solid M&E systems (baselines, monitoring services and impact evaluations) for UNDP recovery initiatives to improve accountability to crises affected population, make the case with national and international actors for transition from humanitarian to development interventions, and effective capturing and sharing of lessons learned.	By third quarter 2013	Country offices, regional bureaux, BDP, BCPR		





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