

MINISTRY OF FOREIGN AFFAIRS OF DENMARK

DANIDA | INTERNATIONAL
DEVELOPMENT COOPERATION



**Strategy for Denmark's
Engagement with the United
Nations Development Programme
(UNDP)**

2014-2018

May 2014



Strategy for Denmark's Engagement with UNDP 2014-2018

MINISTRY OF FOREIGN AFFAIRS OF DENMARK
DANIDA INTERNATIONAL
DEVELOPMENT COOPERATION

The work of UNDP

UNDP has the most comprehensive mandate among all UN agencies, including a unique mandate on democratic governance and peacebuilding and state-building. UNDP is responsible for supporting individual countries and ensuring a coordinated UN development system at country level.

Denmark supports UNDP because

- It has a unique mandate on democratic governance
- It has the ability to engage directly in fragile states
- It connects the three dimensions of sustainable development
- It provides the backbone of the UN development system

Key challenges for UNDP

- Focus on comparative advantages
- Ability to deliver targeted interventions at country level

Denmark will expect UNDP to

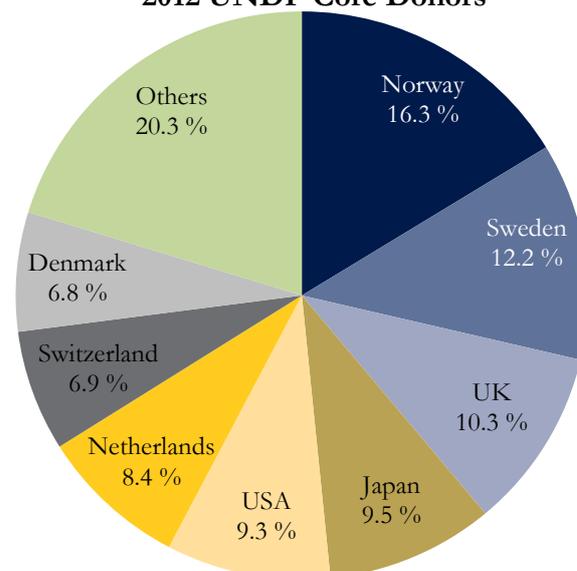
- Support conflict prevention and early recovery
- Promote democratic governance as a way to uphold human rights for all
- Develop integrated approaches to sustainable human development
- Enhance efficiency and effectiveness through reforms
- Fight corruption and manage risks

Denmark will follow-up by

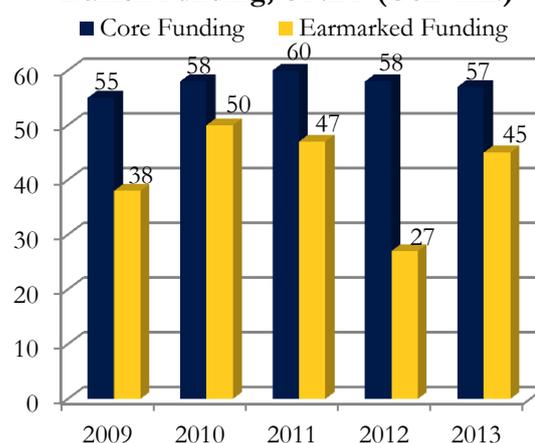
- Monitoring Danish priorities based on UNDP's results framework
- Conducting annual consultations
- Actively participating in the Board
- Engaging with UNDP at HQ, regional and country level
- Undertaking a mid-term review of the Danish strategy

UNDP	
Established	1965
HQ	New York
Country Offices	129
Human Resources	8,000, incl. 56 Danish employees
Financial resources, USD mil. (2013)	Core: 896 Earmarked: 3,800
Executive Director	Helen Clark (New Zealand)
Executive Board (EB) Sessions	January/February; May/June; September
Denmark member of EB	2007-2008; 2009-2012; 2015; 2017

2012 UNDP Core Donors



Danish Funding, UNDP (USD mil.)



1 Objective and priorities

This Strategy for Denmark's Engagement with the [United Nations Development Programme \(UNDP\)](#) forms the basis for the Danish contributions to UNDP, and it is the central platform for Denmark's dialogue and partnership with UNDP. Building on the former Danish bridge-building strategy 2012-2014, it sets out Danish priorities for UNDP's performance within the overall framework established by UNDP's own Strategic Plan (2014-2017). Denmark will work closely with like-minded countries towards the achievement of these priorities. The Strategy will run in parallel with UNDP's Strategic Plan while being 6 months staggered to allow for the full implementation and evaluation of the current strategic plan and the adoption of its successor. The Strategy will thus run from July 2014 through June 2018.

The overall Strategy for Denmark's Development Cooperation, [The Right to a Better Life](#), states that "Denmark will strengthen its cooperation with the multilateral organisations and channel more funds through the multilateral system to promote Danish development policy objectives." This is based on the analysis that the multilateral organisations have important comparative advantages, especially within setting norms and promoting universal human rights. [The Danish Multilateral Development Cooperation Analysis](#) of 2013 outlines four focus areas for this strengthened cooperation: 1) Effective promotion of Danish strategic priorities, 2) Contribution to the post-2015 development agenda, 3) Support to multilateral reforms that enhance results and development impact and 4) At country level, encourage cooperation and strengthen complementarity between multilateral and bilateral efforts. The present strategy will outline how this is taken forward in the Danish cooperation with UNDP while applying a human rights-based approach to development (HRBA) as described in the Right to a Better Life.

Five Priority Areas for Danish support to UNDP 2014-2018 are identified:

- 1) Supporting crisis prevention and early recovery
- 2) Promoting democratic governance as a way to uphold human rights for all
- 3) Developing integrated approaches to sustainable human development
- 4) Enhancing efficiency and effectiveness through reforms
- 5) Fighting corruption and managing risks

The two following sections will provide the background for these areas by giving an overview of UNDP as an organisation and by analysing its strengths and challenges. Section 4 describes the priorities under each area, while the tools to follow-up are covered in Section 5. A budget for future Danish support is provided in Section 6, before the final section describes the most important risks to UNDP's delivery on the Danish priorities.

2 UNDP's mandate, organisation and funding

UNDP is the largest UN development organisation and chair of the [UN Development Group \(UNDG\)](#). UNDP has the most comprehensive mandate among all UN agencies, including a unique and specific mandate on democratic governance and peacebuilding and state-building in post-conflict settings. UNDP has the dual mandate of supporting countries in their individual development challenges and a leadership role in ensuring a coherent and coordinated UN development system at country level. This is consolidated in the [UNDP Strategic Plan for 2014-2017](#), which states that UNDP will promote sustainable human development through

three strategic areas of work: Sustainable Development Pathways; Inclusive and Effective Democratic Governance and Resilience-building.

Working with 177¹ countries through a network of 129 country offices and six Regional Service Centres, UNDP maintains the most extensive operational platform for development worldwide. UNDP is further mandated to operationally underpin the functioning of the broader UN system through providing services that include human resources, IT systems etc. In case no other agency is able to respond to demands at country level, UNDP also has a mandate as “provider of last resort” and will deliver the requested support.

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UNDP is funded entirely from voluntary contributions provided by bilateral and multilateral partners and programme countries, which in 2013 totalled USD 4.7 billion. UNDP is, however, faced with a double funding challenge. Firstly, total funding has declined since its peak in 2008 before the financial crisis. Secondly, the share of core resources has fallen to 19 % in 2013, which risks undermining the strategic priorities and fragmenting the work of UNDP and over time impacting its ability to effectively undertake long-term planning and prioritisation.

2.1 Danish support to UNDP

UNDP is one of the largest partners in Danish development cooperation. In 2013, Denmark was UNDP’s 10th largest donor (in terms of total contributions) and has since 2008 remained a top-10 donor to UNDP’s core resources (see Annex 3). Denmark contributed DKK 330 million in core funding to UNDP in 2013 as well as approx. USD 44.80 million in non-core or earmarked funding (preliminary figures). The earmarked contributions are for bilateral country programmes, thematic trust funds and strategic support such as the secondment of Danish nationals. From 2008 to 2013, the five countries receiving the most of Danish earmarked resources were Afghanistan (USD 48.45 million); Somalia (USD 18.75 million); Sudan (USD 14.8 million); Burkina Faso (USD 12.4 million); and Kenya (USD 10.57 million). Denmark has also been a steady contributor to UNDP’s Crisis Prevention and Recovery Trust Fund, having contributed USD 4.15 million in 2012 and at least USD 2.5 million annually since 2008. In addition, Denmark has contributed to the Environment and Energy Thematic Trust Fund (USD 7.71 million in 2011), and the Gender Thematic Trust Fund (USD 1.16 million since 2008).

¹ UNDP operates through 129 Country Offices, which serve a total of 160 countries and territories. UNDP maintains 12 Project Support Offices (these are country offices that have been transformed into ‘Net Contributor Countries’ after completion of their country programmes), eg: Bulgaria, Russia, Slovakia etc. UNDP also operates several Representation Offices in donor capitals (eg: Copenhagen, Brussels, Washington DC, etc.)

A total of approximately 180 UNDP staff members are located in the UN City in Copenhagen, which hosts several UNDP headquarter functions, including global human resources, IT and procurement services, as well as UNDP's Nordic Representation Office. UNDP currently employs 102 Danish nationals, of which 58 are international professional staff and 44 are general service staff. By March 2014, 10 Danish multilateral advisors were seconded by Denmark to UNDP.

3. Key strategic challenges and opportunities

3.1 Relevance to the international development and humanitarian context

In a world where development challenges are increasingly interlinked and where multi-dimensional approaches to sustainable development are in demand, UNDP offers a comprehensive approach to development based on its mandate across sectors. As chair of the UNDG and manager of [the Resident Coordinator \(RC\) function](#) UNDP is also centrally placed in the process of elaborating the [post-2015 development agenda](#)².

There has in recent years been increased focus on the link between peace, stability and development, an area where UNDP is a key player due to its mandate and humanitarian global cluster lead on early recovery. The report of [the High Level Panel on the post-2015 development agenda](#) thus underlined “peace and good governance” as one of five transformative shifts that needs to take place in the post-2015 period.

Furthermore, UNDP is well placed to promote development based on internationally agreed norms and values, including a Human Rights-Based Approach (HRBA) to development as stipulated in the [UN Common Understanding on HRBA](#) from 2003.

3.2 Synergy with Danish development and humanitarian priorities

UNDP's Strategic Plan provides a solid platform for synergy with Danish priorities as stated in The Right to a Better Life. It states that all UNDP outcomes will be pursued through a HRBA, and the notion of inclusivity is underlined throughout the strategy which places particular emphasis on groups that are experiencing the greatest marginalisation. UNDP provides specific advice on strengthening national human rights systems and engaging with the human rights machineries, including through support to the implementation of [Universal Periodic Review](#) recommendations at country level. To enable UN Country Teams to have access to the right resources and analyses at times of impending crises, UNDP has furthermore launched the '[Rights Up Front](#)' Plan of Action. Finally, UNDP has also developed a [Gender Equality Strategy](#) that guides the organisation's work in advocating for the rights of women and girls.

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² UNDP also serves as co-chair of the “UN System Task Team on the Post-2015 UN Development Agenda” and as Secretariat/technical support team for the “Open Working Group on Sustainable Development Goals” and the “Intergovernmental Committee of Experts on Sustainable Development Financing”.

Denmark has for long recognised UNDP’s comparative advantage in supporting effective and accountable governance systems and in promoting the rule of law. UNDP is the only UN development agency with an explicit mandate and focus on governance. UNDP’s close relationship with national governments provides easy access to key government institutions but also places UNDP in a situation where the balance between being a trusted partner and professional policy advisor continuously has to be kept in mind.

The strong focus on crisis prevention and recovery (CPR) through an integrated approach across all outcomes in UNDP’s Strategic Plan aligns well with [Denmark’s Policy towards Fragile States \(2010 – 2015\)](#) as well as the principles in [Denmark’s Integrated Stabilisation Engagement](#). At the global level, UNDP will focus on policy work and dissemination of best practices, while focus at the field level will be on efforts in support of national partners activities related to conflict prevention, early recovery and disaster risk reduction which will help bridge the gap from transition to long-term development interventions. Rapid response through the dispatchment of relevant experts such as “Peace and Development Advisors” in collaboration with the UN Department of Political Affairs within hours of outbreak of civil conflict or a disaster is a target.

In line with Danish priorities, UNDP also promotes “sustainable human development” which combines the concept of multidimensional human development as set out in the [Human Development Reports](#), with the idea of sustainability. UNDP’s extensive country presence underpins the organisation’s important role to leverage the economic, social and environmental dimensions of sustainable development at field level, and UNDP has seen increasing demands for its policy options for these integrated approaches, e.g. through its joint Poverty-Environment Initiative with the UN Environment Programme (UNEP) that provides assistance in mainstreaming poverty-environment linkages on issues like access to energy into national development policies.

3.3 Synergies with Danish bilateral development cooperation

Danish bilateral embassies cooperate with UNDP within areas such as judicial reform, capacity building of parliaments, support to human rights institutions and to elections processes. Likewise, there are synergies with Denmark’s support to regional and protracted crisis in priority countries such as Afghanistan, South Sudan, and Somalia, as well as the regions of the Sahel and the Horn of Africa, where Danish bilateral presence is either limited or non-existing. Furthermore, UNDP plays a significant role as implementing agency to several vertical funds that draw on UNDP’s wide-ranging presence at country level, including the [Global Environment Facility](#) (GEF) and the [Global Fund to Fight AIDS, Tuberculosis and Malaria \(GFTAM\)](#).

3.4 Performance and results

In the Danish Multilateral Development Cooperation Analysis of 2013 UNDP was found to be among the most effective organisations and was also rated high in terms of relevance to Danish policy priorities. UNDP was considered best practice regarding poverty reduction and among the most important organisations at country level, although with great variation between different countries. Serious concerns were raised, though, in relation to the broad nature of

UNDP undertakings and the need to focus on areas of comparative advantage and ensuring a stronger link between corporate and country level priorities. Furthermore, it was highlighted that the cooperation between UNDP and the World Bank in post-conflict settings could be strengthened.

The [British Multilateral Aid Review \(MAR\) of 2011](#) rated UNDP positively as good value for money, while the follow-up [MAR Update of 2013](#) ranked the organisation at a low level in terms of progress on reform priorities. Some of the issues raised in the latter report were the need for stronger evidence of improvements in developing countries; improvements in administrative efficiency, the quality of staffing, particularly in fragile states, results reporting capacity; and the delivery of a more explicit approach to cost control and effectiveness.

In 2012, UNDP's organisational effectiveness was assessed by [MOPAN](#) (Multilateral Organizations Performance Assessment Network). Overall the assessment was positive, including on UNDP's coordination role within the UN system. Some recurring issues were pointed at, including: bureaucracy and administrative inefficiencies as a key area for improvement; lack of translation of commitment to management for results into perceived or documented changes; challenge of developing robust results frameworks while remaining responsive to country priorities and demands, and need for further attention to reporting on results achieved.

In terms of performance at country level, Danish bilateral embassies recognise the important role for UNDP as the manager of the UN coordination function and with a strong capacity for providing technical expertise and knowledge. There are signs that the Strategic Plan 2014 – 2017 has moved the agency towards more focused interventions, but the challenging funding situation continues to divert UNDP's attention towards mobilising funds instead of tuning in on policy and technical discussions with national and development partners which is considered UNDP's comparative advantage. Furthermore, it is noted that UNDP in some context could improve its coordination with other partners outside the UN family, including bilateral donors and civil society.

UNDP's annual reporting shows that progress have been made on most of the outcome indicators at country level. In areas such as “natural resource management” and “energy and environmental services” in average 90 % of the 2013 targets had been reached by the end of 2012, while the same number was only 73 % and 77 % for “disaster risk reduction” and “participatory democracy” respectively. From the analysis of these numbers, UNDP recognises that their comparative advantages are best pursued through programmatic, integrated interventions deliberately designed to inform policy. To improve the documentation of this, corporate results reporting need to be further strengthened to better reflect the link between UNDP activities and the higher level results. UNDP has made efforts to improve this in designing its Integrated Results and Resources Framework 2014-2017 (see Section 5.1)

In general, UNDP recognises that there is room for improvement in the areas of managing for results, tackling bureaucracy and in addressing administrative inefficiencies. A structural reform process is currently under way at the global and regional levels to ensure that UNDP is staffed

and positioned to provide support and oversight services to its country offices in order to promote the delivery of results at country level. Overall staffing numbers at the headquarter (HQ) and regional levels will be reduced by approximately 10 %. However, the requirement to move services to the regional level will impact on more staff and the overall reduction in UNDP's footprint at the HQ-level will be closer to 30 %. In addition, UNDP has introduced expenditure control mechanisms to contain and further reduce expenditures. UNDP also continues to develop its Annual Business Plans (ABP), which aim to improve the organisation's overall management for results i.a. by providing a comprehensive overview of the total corporate level of resources. In terms of securing a more focused organisation, progress has been made in the Strategic Plan 2014-2017. While the plan covers a range of development challenges the number of priority outcomes has been reduced to 7, down from 25 in the previous strategic plan. Efforts have also been made to reduce the number of country level projects and outcomes to focus more on core strengths. Adding to this, the UNDP Administrator has indicated that management will encourage a more restrictive application of the "provider of last resort" mandate.

4 Priority Areas and intended results of Danish support (2014-2018)

Based on the analysis above, Denmark will over the coming four year period focus its cooperation with UNDP on the five Priority Areas detailed below. While Denmark stays fully committed to the Strategic Plan of UNDP as a whole, the Priority Areas are selected to highlight the most important agendas from a Danish perspective. They all fall within the comparative advantages of UNDP and Danish development priorities. With a particular focus on these and with the Danish human rights-based approach to development as the underlying frame of reference, Denmark will hold UNDP accountable for delivering on its stated commitments through the organisation's own reporting and monitoring mechanisms, not least the Integrated Resource and Results Framework (IRRF). At the same time, Denmark will advocate for the further strengthening and prioritisation of the below areas in the consultations with UNDP (see Section 5).

Denmark will expect UNDP to...

- Support conflict prevention and early recovery
- Promote democratic governance as a way to uphold human rights for all
- Develop integrated approaches to sustainable human development
- Enhance efficiency and effectiveness through reforms
- Fight corruption and manage risks

Priority area 1: Supporting conflict prevention and early recovery

UNDP's work in crisis situations falls within two overall areas – natural disasters and conflicts. The latter of these will be the main priority for Denmark, who will focus on UNDP's assistance to preserve and advance human development by strengthening national and local capacities to prevent, mitigate and recover from the effects of violent conflicts. Conflict prevention is part of outcome 5 of the UNDP Strategic Plan with an emphasis on addressing poverty, inequalities and exclusion, which often drives conflicts, through promoting justice, transparency, voice and participation and building institutions that contribute to the peaceful resolution of conflicts like well-functioning and accessible courts. Early recovery is mainly covered in outcome 6 of the Strategic Plan, which entails that UNDP will respond rapidly to serious outbreak of conflicts. UNDP's role and value added in early recovery is to ensure that long term development views

are reflected and that transition from humanitarian interventions to development efforts is strengthened in close collaboration with the World Bank, relevant UN departments, and humanitarian organisations. A focus area for Denmark is to ensure gender sensitive crisis interventions which UNDP pursues through its [Eight-Point Agenda for Women's Empowerment and Gender Equality in Crisis Prevention and Recovery](#).

Priority area 2: Promoting democratic governance as a way to uphold human rights for all

Developing countries are faced with a wide array of intersecting challenges that can only be effectively addressed by safeguarding the rights of everyone to express their views and influence policy. Denmark sees a central role for UNDP in supporting the systematic building of national capacity to promote inclusive economic, social and political systems with particular attention to the active engagement of women. These endeavours include technical advice on election processes; legal reform; capacity building of parliaments, political parties and civil society; and the rollout of systems to counter corruption and foster public awareness and oversight of public spending. Furthermore, Denmark will focus on UNDP's assistance to countries in meeting international and regional Human Rights commitments through the development of the capacities of National Human Rights Institutions. Finally, governance is also about the capacity of institutions to lead the development process and deliver basic services throughout society in a non-discriminatory manner.

Priority area 3: Developing integrated approaches to sustainable human development

Operating on a broad mandate at the heart of the UN Development System, Denmark sees UNDP as uniquely placed to connect the various dimensions of sustainable development. UNDP thus provides assistance to programme countries in designing and implementing development pathways that can advance human development by tackling the connected issues of poverty, inequality and exclusion while transforming productive capacities, avoiding the irreversible depletion of social and natural capital and lowering risks arising from external shocks. The overarching aim is to improve the resource endowments of the poor and enable their prospects for employment and livelihoods. At the global level, Denmark will encourage UNDP to actively support international processes such as the discussions on the post-2015 development agenda by providing analysis and data and building consensus through advocacy around the future development framework.

Priority area 4: Enhancing efficiency and effectiveness through reforms

As described in Section 3.4 above, UNDP has with the adoption of the Strategic Plan started a structural reform process. This is strongly supported by Denmark and should enable UNDP to reduce costs and use its resources more efficiently to effectively deliver visible and measurable support for programme countries in achieving their development goals. Greater efficiency and effectiveness should also include strengthening result based management and focusing efforts on areas of comparative advantages. Denmark will keep pushing UNDP towards more realistic budgets and focused interventions and supports a more restrictive application of the "provider of last resort" mandate. In addition, UNDP have stressed that it will prioritise innovation, replication opportunities and lessons learned in programme development, management and review so that results achieved with assistance from UNDP can be sustained over the long

term. Denmark will provide special support to innovation activities in UNDP as described in Section 6 below. UNDP also plays a key role in promoting UN system wide coherence, which will be pursued through more strategic UN Development Assistance Frameworks, implementation of the “[Delivering as One Standard Operating Procedures](#)”³ at the country level and strengthening of the RC-system – all efforts that are strongly supported by Denmark.

Priority area 5: Fighting corruption and managing risks

UNDP’s ‘Anti-Fraud Policy’ commits the organisation to prevent, identify and address all acts of fraud against UNDP through raising awareness of fraud risks, implementing controls aimed at preventing fraud, and establishing and maintaining procedures applicable to the detection of fraud. The organisation also strives to practice good “risk management” in accordance with its Enterprise Risk Management Framework. This will be done through equipping offices with the necessary guidance for identifying and assessing risks; mainstreaming risk management as an integral part of result-based planning; and increasing risk awareness among staff members and stakeholders. UNDP should also continue to play an active role in fostering joint UN approaches to risk management, including in the establishment and strengthening of Risk Management Units, which constitute a shared resource among UN agencies, tasked with analysing risks, vetting implementing partners, and supporting the design of mitigation measures.

5 Follow-up on Danish priorities

On the basis of the priorities specified above, Denmark will over the strategy period continue to pursue an open and constructive dialogue with UNDP. An important forum for this will be the Annual Consultations between Denmark and UNDP at ministerial or ambassadorial level. These consultations will be used to follow-up on the cooperation over the past year and discuss the way ahead. Another avenue is the [UNDP Executive Board](#), where Denmark engages actively, even in years when it is not a formal member. In addition, Denmark will continue to cooperate closely with the Nordic and other like-minded countries regarding UNDP issues including through regular coordination meetings prior to important discussions and decision making. The engagement with UNDP also extends to the regional and country level. UNDP’s presence in Copenhagen serves as an important platform for cooperation, and Danish bilateral representations will engage with UNDP offices in the field on issues of joint interest.

Denmark will follow-up by...

- Monitoring Danish priorities based on UNDP’s results framework
- Conducting annual consultations
- Actively participating in the Board
- Engaging with UNDP at HQ, regional and country level
- Undertaking a midterm review of the present strategy

Denmark will monitor the progress made within the Danish priorities on the basis of the monitoring framework included in Annex 4⁴ which is aligned to UNDP’s own results

³ Guidelines for UN Country Teams to “Deliver as One” with a clear focus on simplification and streamlining of processes and instruments and acceleration of business practices reform.

⁴ UNDP’s Integrated Results and Resources Framework will be updated and adjusted continuously to reflect the latest available information. The Danish monitoring framework will be adjusted accordingly.

monitoring described below. Reporting will be done in accordance with the “[Guidelines for Management of Danish Multilateral Development Cooperation](#)” by the Danish UN Mission in collaboration with relevant entities at capital and at country level. It will draw on UNDP’s Annual Report, as well as UNDP’s own Mid-Term Review of the Strategic Plan (scheduled for 2015-2016). Based on this, Denmark will undertake a separate mid-term review of the present strategy.

5.1 Monitoring and Evaluation (M&E) in UNDP

The UNDP “[Integrated Results and Resources Framework](#)” (IRRF) (Annex 2) translates the Strategic Plan into results that allow UNDP and stakeholders to monitor achievements, learn lessons, and hold the organisation accountable for the funds entrusted to it. Results in the IRRF are divided into three levels with corresponding indicators. The overall aim of UNDP’s efforts is to contribute to the impact of “eradication of poverty and a significant reduction of inequality and exclusion”. UNDP will pursue this through the achievement of the seven outcomes in the Strategic Plan. The concrete deliverables of UNDP to this end are specified in several outputs connected to each outcome. Accompanying the IRRF are “theory of change” documents that describes UNDP’s contribution to each outcome area. Guidance has been provided to country offices in formulating Country Programme Documents (CPDs) that are compliant with the design parameters of the Strategic Plan. UNDP is also working to strengthen results frameworks within CPDs and to integrate stronger country level monitoring to ensure that the IRRF stays grounded at the country level, as recommended by independent evaluations.

The evaluation arm of UNDP operations is the Office of Evaluation (EO) which is an independent office responsible for global strategic and thematic evaluations, as well as regional and country programme evaluations. The EO steers the governance and accountability functions of UNDP’s evaluation efforts, conducts independent evaluations and sets standards to ensure the quality hereof. Furthermore, the EO supports the harmonisation of the evaluation function across the UN system and hosts and supports the secretariat of the UN Evaluation Group. The EO has in general been commended for its work and it is continuously striving to improve the quality of data production and analysis using modern techniques to strengthen the reliability and validity of qualitative derived findings. Furthermore, an international advisory panel for quality assurance has been established to ensure that the work of the EO is internationally and professionally referenced, thus furthering the credibility of evaluations and ensuring that key principles of independence, transparency, accountability and learning are reinforced.

6 Preliminary Budget Overview

Budget (mil. DKK)	2014	2015*	2016*	2017*
Core funding	330	330	330	330
Innovation	15	15	TBD	TBD
Earmarked funding	TBD	TBD	TBD	TBD
Total	345	345	330	330

* The numbers for 2015-2017 are preliminary and subject to parliamentary approval.

As a supplement to the core budget contribution Denmark will, as a new initiative, contribute to innovation in UNDP through an innovation facility of DKK 15 million yearly in 2014-2015. The purpose is to fund key pioneering and innovative activities or approaches in headquarters and/or in the field and with a special focus on the Danish Priority Areas.

7 Risks

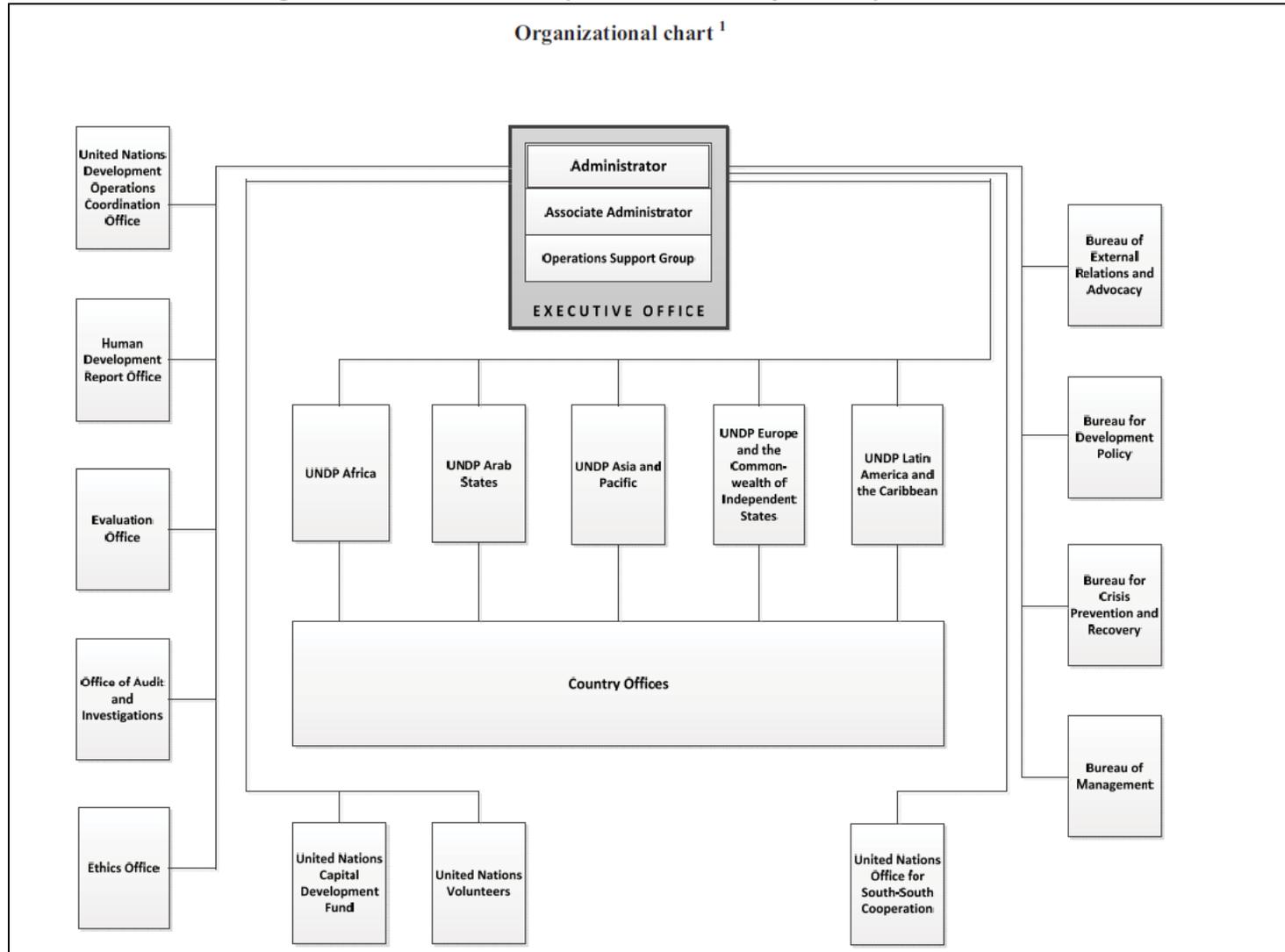
For UNDP to deliver on Danish priorities it is assumed that it will experience a conducive external environment and that the risks and challenges listed below will be mitigated.

Imbalance between core and ear-marked funding: The ratio between core funding and earmarked funding has become increasingly imbalanced during the past decade and is now 19 % to 81 %. The organisation and the Executive Board have responded by increasing cost recovery rates from 7 to 8 % to better reflect the administrative costs related to activities funded by earmarked contributions. In order to increase transparency, UNDP has also elaborated integrated budgets that cover activities financed both from core and earmarked funding. Nonetheless, UNDP might find it increasingly hard to implement its Strategic Plan effectively and undertake its core operations, including its less visible support operations for the UN development system at large. Effective fundraising through outreach to all Member States and identification of new contributors will therefore be important.

Misuse of funds: The Strategic Plan acknowledges the increasing risks in the environments where UNDP operates due to insecurity and lack of capacity of national institutions to manage and implement programmes. UNDP aims to promote “resilience” by building national capacity for managing risks. As mentioned under Priority Area 5, the organisation also works to strengthen internal procedures for managing risks. This will be important along with the effective application of the Anti-Fraud Policy in order to counter and follow-up on all suspicions of misuse of funds.

Political impediments: Successful support for democratic governance and human rights efforts in any programme country rests on UNDP’s ability to become a trusted partner to the national government. In some countries the fine balance between being a trusted partner and a professional and impartial operator can prove to be challenging, also due to the fact that the UN Resident Coordinator has to be approved by the national government to reside in the country. UNDP is aware of this challenge and seeks to address it by providing strategic support to NGOs, local entities, parliaments, South-South modalities of knowledge sharing etc., and in facilitating nationally-driven dialogues that allow local actors to take the lead in owning the process. At the same time, UNDP will have to maintain a constructive dialogue with national authorities, also on politically sensitive issues.

Annex 1: UNDP Organisational Chart (As of February 2014)



Annex 2: UNDP Strategic Plan 2014-2017 Integrated Results and Resources Framework

UNDP Strategic Plan 2014-2017 Integrated Results and Resources Framework

IMPACT												
Eradication of poverty and significant reduction of inequalities and exclusion												
RR: \$621 OR: \$3,468			RR: \$311 OR: \$2,601		RR: \$373 OR: \$3,121		RR: \$62 OR: \$520	RR: \$104 OR: \$867	RR: \$207 OR: \$3,468		RR: \$186 OR: \$1,561	
Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded			Outcome 2: Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance		Outcome 3: Countries have strengthened institutions to progressively deliver universal access to basic services		Outcome 4: Faster progress is achieved in reducing gender inequality and promoting women's empowerment	Outcome 5: Countries are able to reduce the likelihood of conflict and lower the risk of natural disasters, including from climate change	Outcome 6: Early recovery and rapid return to sustainable development pathways are achieved in post-conflict and post-disaster settings		Outcome 7: Development debates and actions at all levels <u>prioritise</u> poverty, inequality and exclusion, consistent with our engagement principles	
OUTPUTS												
(Changes directly resulting from UNDP's Products and Services)												
Outputs (1.1~1.5)		Outputs (2.1~2.6)		Outputs (3.1~3.6)		Outputs (4.1~4.5)		Outputs (5.1~5.6)		Outputs (6.1~6.4)		Outputs (7.1~7.7)
<i>*Total unlinked (RR: \$207; OR: \$1,736)</i>												
UNDP												
ORGANISATIONAL EFFECTIVENESS AND EFFICIENCY												
RR: \$437 OR: \$262 Development Effectiveness	Management Results							RR: \$371 OR: \$0.0 UN Development System Coordination				
Improved accountability of results	RR: \$450 OR: \$649 Field/country office oversight, management and operations support	RR: \$61 OR: \$21 Corporate oversight and assurance (internal audit, investigations and corporate evaluations)	RR: \$16 OR: \$15 Leadership and corporate direction	RR: \$71 OR: \$124 Corporate financial, information & communication technology and administrative management	RR: \$94 OR: \$108 Corporate human resources management	RR: \$46 OR: \$71 Corporate external relations and partnerships, communications and resource mobilization	RR: \$42 OR: \$69 Staff and premises security	UN development system leadership and coordination				
Special Purpose (Capital Investments and non-UNDP operations administered by UNDP)—RR: \$92; OR: \$231												

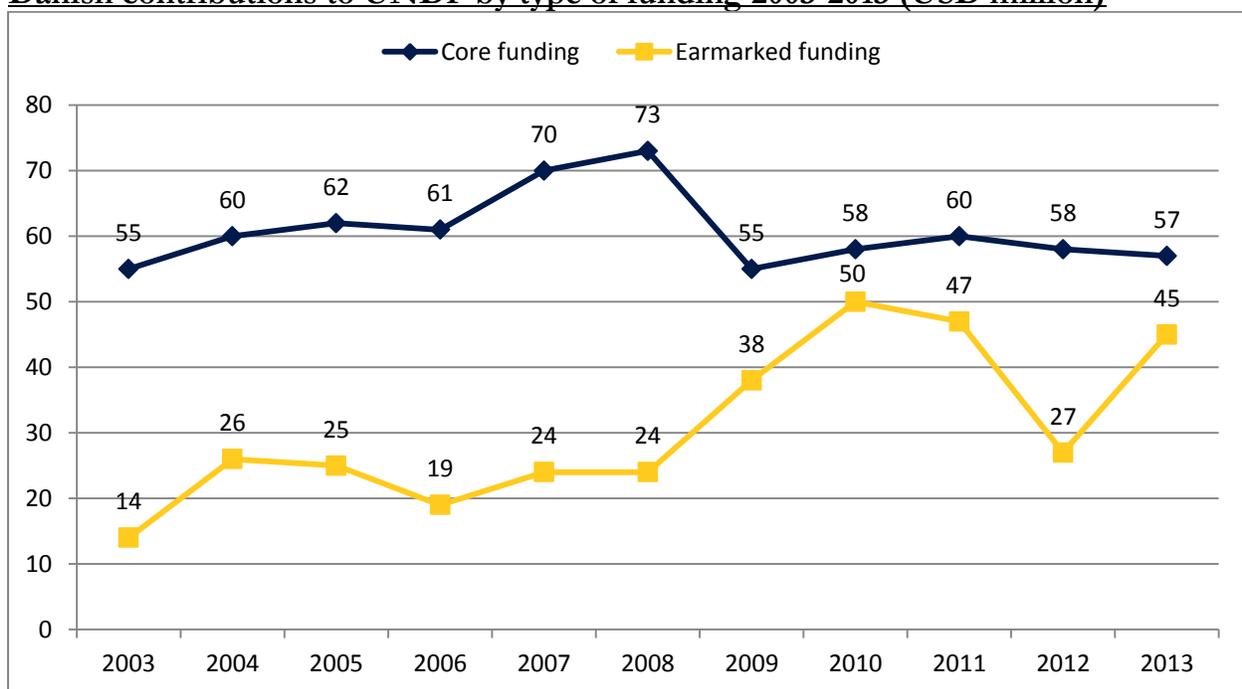
Note: Resources are in millions of US Dollars; RR-Regular Resources; and OR-Other Resources.

Annex 3: UNDP Financing

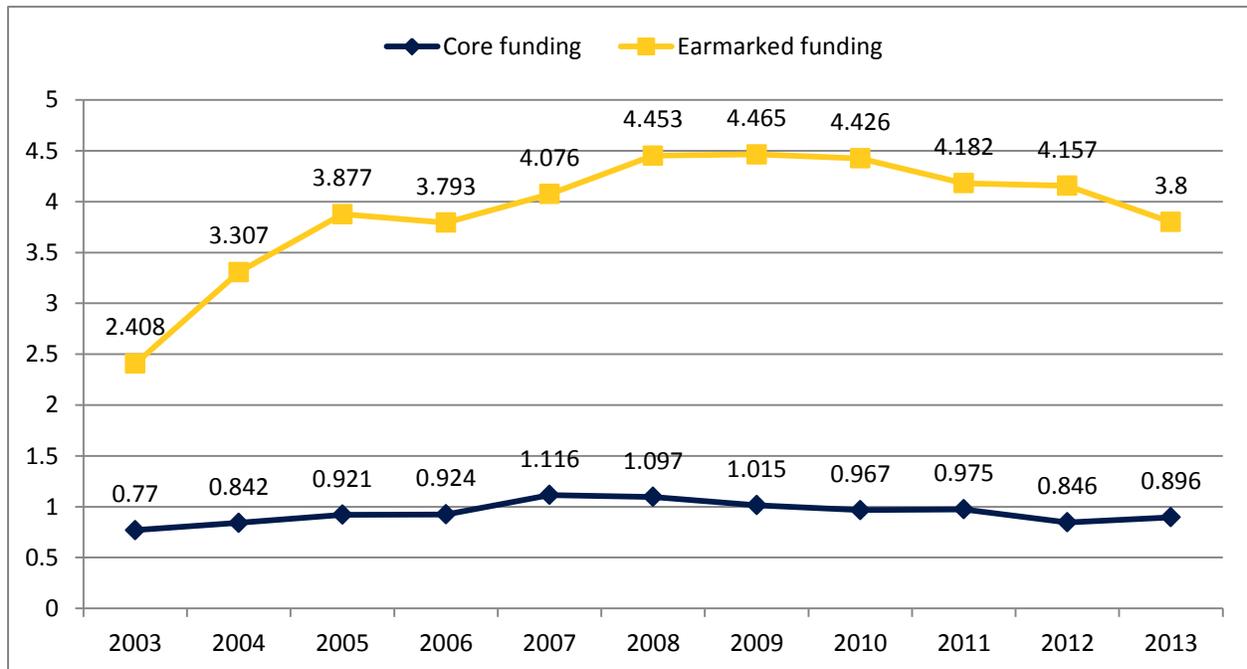
Danish contributions to UNDP by type of funding 2008-2013

Year	Regular resources (DKK mil.)	DK's Regular Resources Ranking	Other Resources (USD mil.)	Denmark's Other Resources Ranking	Total (USD mio)	DK's Total Ranking
2008	350.00	7 th	23.54	12 th	96.61	10 th
2009	320.00	8 th	38.14	10 th	93.09	10 th
2010	320.00	7 th	49.62	9 th	107.57	9 th
2011	320.00	7 th	46.89	10 th	107.34	8 th
2012	320.00	8 th	27.47	13 th	85.14	10 th
2013	330.00	9 th	44.80	11 th *	101.34	10 th

Danish contributions to UNDP by type of funding 2003-2013 (USD million)



Total contributions to UNDP by type of funding 2003-2013 (USD billions)



Annex 4: Danish results framework

Priority area 1: Supporting conflict prevention and early recovery		
Intended outcomes (Selected from the UNDP IRRF)	Intended Results (Selected from the UNDP IRRF)	Indicators (Selected from the UNDP IRRF)
<p>Countries are able to reduce the likelihood of conflict (linked to SP Outcome 5)</p> <p>Early recovery and rapid return to sustainable human development pathways are achieved in post-conflict and post-disaster settings (SP Outcome 6)</p>	<p><u>IRRF Output 5.6:</u> Mechanisms are enabled for consensus –building around contested priorities, and address specific tensions, through inclusive and peaceful processes.</p>	<p><u>IRRF Indicator 5.6.2:</u> Number of mechanisms for mediation and consensus building that have the capacities to perform core function</p> <p>(IRRF Indicator 5.1.3): Number of conflict risk assessments that are informing development planning and programming in key development sectors</p>
	<p><u>IRRF Output 3.4:</u> Functions, financing and capacity of rule of law institutions enabled, including to improve access to justice and redress</p>	<p><u>IRRF Indicator 3.4.1:</u> Number of people who have access to justice in post-crisis setting (disaggregated by sex)</p>
	<p><u>IRRF Output 6.1:</u> From the humanitarian phase after crisis, early economic revitalization generates jobs and other environmentally sustainable livelihoods opportunities for crisis affected men and women</p>	<p><u>IRRF Indicator 6.1.1:</u> Number of women and men benefitting from emergency jobs and other diversified livelihoods opportunities within six to eighteen months after a crisis, disaggregated by vulnerability groups</p>
Priority area 2: Promoting democratic governance as a way to uphold human rights for all		
Intended outcomes (Selected from the UNDP IRRF)	Intended Results (Selected from the UNDP IRRF)	Indicators (Selected from the UNDP IRRF)

<p>Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance (SP Outcome 2)</p> <p>Countries have strengthened institutions to progressively deliver universal access to basic services (SP Outcome 3)</p>	<p><u>IRRF Output 2.1:</u> Parliaments, constitution making bodies and electoral institutions enabled to perform core functions for improved accountability, participation and representation, including for peaceful transitions</p>	<p><u>IRRF Indicator 2.1.1:</u> Number of Parliaments, constitution making bodies and electoral institutions which meet minimum benchmarks (to be defined) to perform core functions effectively</p> <p><u>IRRF Indicator 2.1.2:</u> Proportion of eligible voters who are registered to vote, disaggregated by sex, age, and excluded groups</p>
	<p><u>IRRF Output 2.2:</u> Institutions and systems enabled to address awareness, prevention and enforcement of anti-corruption measures across sectors and stakeholders</p>	<p><u>IRRF Indicator 2.4.2:</u> Number of civil society organizations/networks with mechanisms for ensuring transparency, representation and accountability</p>
	<p><u>IRRF Output 2.3:</u> Capacities of human rights institutions strengthened</p>	<p><u>IRRF Indicator 2.3.1:</u> Number of countries with operational institutions supporting the fulfillment of nationally and internationally ratified human rights obligations</p>
	<p><u>IRRF Output 2.6:</u> Legal reform enabled to fight discrimination (legal empowerment of the poor)</p>	<p><u>IRRF Indicator 2.6.1:</u> Number of countries where proposals for legal reform to fight discrimination have been adopted (e.g. people affected by HIV, PLWD, women, minorities and migrants)</p>
	<p><u>IRRF Output 3.1:</u> Core functions of government enabled (in post conflict situations) to ensure national ownership of recovery and development processes</p>	<p><u>IRRF Indicator 3.1.1:</u> Number of countries with restored or strengthened core government functions (to be defined)</p>
<p>Priority area 3: Developing integrated approaches to sustainable human development</p>		

Intended outcomes (Selected from the UNDP IRRF)	Intended Results (Selected from the UNDP IRRF)	Indicators (Selected from the UNDP IRRF)
<p>Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded (SP Outcome 1)</p> <p>Development debates and actions at all levels prioritize poverty, inequality and exclusion, consistent with our engagement principles (SP Outcome 7)</p>	<u>IRRF Output 7.3:</u> National development plans to address poverty and inequality are sustainable and risk resilient	<u>Indicator 7.3.2:</u> Number of countries with evidence of policies, regulations and standards being implemented at national and sub-national levels in response to the agreed post-2015 agenda.
	<u>IRRF Output 1.1:</u> National and sub-national systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment- and livelihoods-intensive	<u>Indicator 1.1.4:</u> Number of countries in which public and private development investments are informed by cross-sector assessment to maximize social, environmental and economic benefits over the medium to long term
	<u>IRRF Output 4.5:</u> Measures in place to increase women's access to environmental goods and services (including climate finance)	<u>Indicator 4.5.2:</u> Number of countries with targeted measures delivering increased access for women to environmental goods and services.
	<u>IRRF Output 7.7:</u> Mechanisms in place to generate and share knowledge about development solutions	<u>Indicator 7.7.1:</u> Evidence (e.g. number of citations, downloads and site visits) of Human Development Reports contributing to development debate and action.
Priority area 4: Enhancing efficiency and effectiveness through reforms		
Intended objective (Selected from the UNDP IRRF)	Intended Results (Selected from the UNDP IRRF)	Indicators (Selected from the UNDP IRRF)

<p>Improved accountability of results (Objective 8 linked to IRRF ‘Development Effectiveness’)</p> <p>Leadership and corporate direction (Objective 9 linked to IRRF ‘Management Results’)</p>	<p><u>IRRF Cost Classification: Development Effectiveness – “Improved Accountability of Results”:</u> Programme effectiveness enhanced for achieving results through quality criteria and quality assurance processes</p>	<p><u>IRRF Organizational Effectiveness and Efficiency Indicator 1:</u> Percentage of country programme outcomes reported as on track or achieved</p>
<p>Corporate external relations and partnerships, communications and resource mobilization (Objective 12 linked to IRRF ‘Management Results’)</p>	<p><u>IRRF Cost Classification: Management Functional Clusters – “Corporate Oversight and Assurance”:</u> Management action on evaluation and audit findings taken to improve efficiency and effectiveness</p>	<p><u>IRRF Organizational Effectiveness and Efficiency Indicator 19:</u> Implementation rate of agreed actions in evaluation management responses</p>
<p>UN development system leadership and coordination (Objective 13 linked to IRRF ‘UN Development System Coordination’)</p>	<p><u>IRRF Cost Classification: Management Functional Clusters – “Leadership and Corporate Direction”:</u> UNDP leaders foster a working environment in which staff are engaged, leading to improved performance</p>	<p><u>IRRF Organizational Effectiveness and Efficiency Indicator 22:</u> Percentage of project outputs that are aligned to corporate outcomes</p>
	<p><u>IRRF Cost Classification: Management Functional Clusters – “Corporate Financial, Information & Communication Technology and Administrative Management”:</u> UNDP is an efficient and cost-conscious organization</p>	<p><u>IRRF Organizational Effectiveness and Efficiency Indicator 25:</u> Percentage of total UNDP expenditure on management activities spent on travel costs.</p>
	<p><u>IRRF Cost Classification: Management Functional Clusters – “Corporate External Relations and Partnerships, Communications and Resource Mobilization”:</u> UNDP recognized as a development partner of</p>	<p><u>IRRF Organizational Effectiveness and Efficiency Indicator 35:</u> Size and trend in funding from government and non-government partners</p>

	choice by its partners	
	<u>IRRF Cost Classification: Coordination – “UN Development System Leadership and Coordination”:</u> Greater progress on coordination, leadership and management of the Resident Coordinator System	<u>IRRF Organizational Effectiveness and Efficiency Indicator 43:</u> Percentage of UNDP partners satisfied with UNDP leadership of the Resident Coordinator System <u>IRRF Organisational Effectiveness and Efficiency Indicator 46:</u> Number of country offices that are applying the Standard Operating Procedures, or components of it.
	<u>IRRF Output 7.6:</u> Innovations enabled for development solutions, partnerships and other collaborative arrangements	<u>Indicator 7.6.2:</u> Number of pilot and demonstration projects initiated or scaled up by national partners (e.g. expanded, replicated, adapted or sustained).
Priority area 5: Fighting corruption and managing risks		
Intended objective (Selected from the UNDP IRRF)	Intended Results (Linked to UNDP policies)	Indicators (Drawn from the UNDP Integrated Work Plan and Executive Board Commitments)
Corporate oversight and assurance (internal audit, investigations and corporate evaluations) (Objective 14 linked to IRRF ‘Management Results’)	Tools and mechanisms to identify, assess and mitigate risks are established and applied at all levels	(IWP): Risk management tools are incorporated into UNDP’s Integrated Work Plan
Field/country office oversight, management and operations support (Objective	Organizational, financial, and operational accountability, effectiveness of internal	(EB): Continued public disclosure and reporting to the Executive Board of the

<p>15 linked to IRRF (Management Results)</p>	<p>controls, prevention, detection and investigation of fraud and malpractice, and the promotion of organizational integrity are ensured in accordance with UNDP's anti-fraud policy</p>	<p>annual report on internal audit and investigations prepared by the Office of Audit and Investigations</p> <p>(EB): Continued public disclosure and reporting to the Executive Board of the annual "Financial Report and Audited Financial Statements and Report of the Board of Auditors"</p>
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