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**Evaluation**

**Evaluation of UNDP contribution to poverty reduction**

**Executive summary**

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## I. Introduction

1. 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.

2. 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 per cent 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.

3. 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 in 2011 and early in 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.

4. 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.

5. 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.

6. 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.

7. 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.

8. 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 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.

## **II. Background**

9. 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.”

10. 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.

11. 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.I) 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.*

12. 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.

13. 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.

### III. Findings

14. **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.

**15. 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.

**16. 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 socioeconomic 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.

17. 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.

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

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 policymaking, 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 policymaking, often in support of national capacities to develop and implement the PRSPs and other national development planning tools.

19. **Finding 5: Where UNDP has gone beyond support to creating a pro-poor enabling environment to direct support to pro-poor policymaking 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.

20. **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.

21. **Finding 7: The contribution of UNDP downstream projects aimed at directly contributing to 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 poor are often not the direct beneficiaries or only loosely indirect.

22. **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.

**23. 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.

**24. 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 sub-national 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 policymaking 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.

**25. 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.

**26. 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

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<sup>1</sup> UNDP, *Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus*, UNDP Evaluation Office, New York, 2010.

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 to the poor, helping people by generating livelihoods and economic opportunities, UNDP was not always successful in promoting a conflict-sensitive poverty reduction strategy.

**27. 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.

**28. 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.

**29. 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.

**30. Finding 16: Sustainability has also been enhanced in countries where UNDP has succeeded in improving national capacity for pro-poor policymaking. 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.

## IV. Conclusions

**31. 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 policymaking 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.**

32. 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.

33. 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.

34. 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 policymaking 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.

35. Another part of the strategy is to support national efforts aimed at developing capacities for pro-poor policymaking. 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.

**36. 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.**

37. 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. 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.

38. 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 and 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.

39. 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.

40. 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.

**41. 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.**

42. 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.

43. 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

<sup>2</sup> UNDP, *Evaluation of UNDP Contribution to Environmental Management for Poverty Reduction: The Poverty-Environment Nexus*, UNDP Evaluation Office, New York, 2010.

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).

44. 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. Secondly, 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.

45. 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 downstream experiments has informed macro-level policymaking 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.

46. 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 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.

47. 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.

## V. Recommendations

**48. 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.**

49. 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 policymaking, 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.

**50. 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.**

51. 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.

52. 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.

53. In addition to the technocratic fixes, there needs to be a change in mindset that complements the above. As noted in chapter II, 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.

**54. 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.**

55. 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. 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.

56. 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.

**57. 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.**

58. 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.

59. 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.

60. 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.