



ART Initiative

December 2010

UNITED NATIONS DEVELOPMENT PROGRAMME GLOBAL PROGRAMME DOCUMENT

Project Title:	ART Initiative
Strategic Plan Goal:	Goal 1: Achieving the MDGs and reducing human poverty (cross-cutting development issue)
Strategic Plan Outcome(s):	1.5. Strengthened capacities of local governments and other stakeholders to foster participatory local development and support achievement of the MDGs 5. UNDP meets aid effectiveness standards
Outcome Indicator(s):	<ul style="list-style-type: none"> • Proportion of independent evaluations and surveys that rate UNDP's contribution to poverty reduction and MDG achievement at the local level as positive • Percentage of partners that rate UNDP as effective in improving national aid management capacity
Global Programme Output (s):	1.a. and 1.b.
Expected Output(s) / Annual Target(s):	See RRF
Executing Entity:	UNDP Direct Execution (DEX)
<p>Summary: The ART Initiative (Articulation of Territorial and Thematic Networks of Cooperation for Human Development) is a global initiative championed by UNDP. It supports and promotes the implementation of an operational, administrative and programming framework to facilitate the articulation between the different international cooperation actors interested in supporting national human development processes. ART Framework Programmes at country level are characterised by five key features: (i) promoting the alignment of international cooperation with national/local priorities and development plans; (ii) implementing, planning and coordinating processes for aid effectiveness at the local level; (iii) promoting innovation, capacity development, best practices and knowledge-sharing via South-South, South-North and North-South partnerships; (iv) promoting local economic development within the Framework Programmes; and (v) mobilising partnerships with decentralised cooperation actors and networks, in line with national/local priorities. The main objective of this programme is to enhance the capacity of national and local institutions and actors working in a complementary way at the local level for the achievement of the MDGs and sustainable human development.</p>	

Programme Period: 2010-2013	Total Budget:	USD 80,415,592
Key Result Area (Strategic Plan): MDGs and Poverty	Allocated Resources:	USD 11,897,738
Atlas Award ID: _____	Donor (Spain):	USD 5,097,738
Start Date: 1 Jan 2011	Donor (Italy):	USD 3,200,000
End Date: 31 Dec 2013	Donor (Belgium):	USD 1,400,700
Management Arrangements: Direct Execution	Decentralised cooperation actors:	USD 2,200,000
	UNDP contribution agreements signed	USD 12,000,000
	(deposits expected in 2011/2012:	
	Donor (Spain):	USD 12,000,000
	Unfunded budget:	USD 56,517,854
	In-kind Contributions:	

Agreed by: _____

Date: _____

Sigrid Kaag
Assistant Administrator and Director
Partnership Bureau

Agreed by: _____

Date: _____

Olav Kjørven
Assistant Administrator and Director
Bureau for Development Policy

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LIST OF ACRONYMS

AAA – Accra Agenda of Action
AB – Advisory Board
ART – Articulation of Territorial and Thematic Networks of Cooperation for Human Development/Articulation de Réseaux Territoriaux et Thématiques de Coopération au Développement Humain
AWP – Annual Work Plan
BCPR – Bureau for Crisis Prevention and Recovery
BDP – Bureau for Development Policy
CD – Capacity Development
CDG – Capacity Development Group
CGLU – United Cities and Local Governments
CO – Country Office
CoP – Community of Practice
CSO – Civil Society Organisation
CTA – Chief Technical Advisor
DGG – Democratic Governance Group
EEG – Energy and Environment Group
FAL – Foro Autoridades Locales/Local Authorities Forum
FOGAR - Forum of Global Associations of Regions
KM – Knowledge Management
HLF – High Level Forum
HUB – HUB for Innovative Partnerships
ICT – Information Communication Technologies
LDC – Least Developed Country
LDF – Local Development Fund
LED – Local Economic Development
LEDA - Local Economic Development Agency
LG – Local Governance
LWG – Local Working Group
M&E – Monitoring and Evaluation
MAEC – Ministry of Foreign Affairs and Cooperation of Spain
MDC – Millennium Development Campaign
MDGs – Millennium Development Goals
MIC – Middle Income Country
MV – Millennium Village
NGO – Non-Governmental Organisation
NCC – National Coordination Committee
N-S-S-N – North-South-South-North
PB – Partnerships Bureau
PC – Programme Coordinator
PFM – Public Financial Management
PG – Poverty Group
POPP – Programme and Operations Policies and Procedures
PS – Programme Specialist

QPR - Quarterly Progress Report
RWG – Regional Working Groups
RBx – Regional Bureaus
RSC – Regional Service Centre
RRF – Result and Resource Framework
RWG – Regional Working Group
SC – Steering Committee
SPF – Strategic Partnership Framework
S-S – South-South Cooperation
S-S-N-S – South-South-North, North-South Cooperation
TF – Trust Fund
ToRs – Terms of Reference
TW – Teamworks
UNCDF – United Nations Capital Development Fund
UNCT – United Nations Country Team
UNDAF – United Nations Development Assistance Framework

SITUATION APPRAISAL

Introduction

Created in 2004, and operational since 2005¹, the ART Programme² is a global initiative championed by UNDP, aimed at assisting local communities – and their regional and local authorities – to develop partnerships in support of enhanced national and local capacities for aid effectiveness, decentralisation policies, and improved governance processes. ART Framework Programmes are established and implemented in response to requests received from national governments and/or UNDP country offices (COs). Participants include: donor countries, decentralised cooperation actors³, associations, universities, civil society organisations (CSOs), the private sector and non-governmental organisations (NGOs).

The ART Initiative promotes national ownership, and supports the implementation of a legal, operational, administrative and planning framework that facilitates coherent local and national actions, and the articulation between different international cooperation actors and decentralised cooperation networks interested in supporting human development policies and projects in programme countries. It also promotes a decentralised cooperation modality within a multilateral framework, strengthening horizontal relationships and dialogue between communities from the South and North sharing common interests and challenges as outlined in the Millennium Development Goals (MDGs) platform.

Through the strengthening of national and local capacities for the harmonisation between actors working at the local level, the ART Initiative promotes complementarities between cooperation actors in order to support national and local governments in the implementation of territorial development and decentralisation policies. UNDP's ART programming framework offers a **cross-cutting, integrated and territorial** platform to COs and national stakeholders for: (i) promoting the alignment of international cooperation with national/local priorities and development plans; (ii) planning, coordinating and implementing processes for aid effectiveness at the local level **through its local and national articulating/coordinating structures** ([See Annex II](#)); (iii) promoting innovation, capacity development,

¹ The support provided by ART to sustainable national policies and decentralised cooperation partners grew out of past programme experiences, some carried out since the early '90s by UN Agencies and other organisations (e.g. PRODERE, PDHL, decentralised cooperation programme, etc.)

² Articulation of Territorial and Thematic Networks of Cooperation for Human Development / Articulation de Réseaux Territoriaux et Thématiques de Coopération au Développement Humain

³ The decentralised cooperation is a set of actors, namely cities, regions, institutions and their representatives at local level, non-governmental organisations and the private sector that is increasingly reaching out to its counterparts in other countries in order to tackle compelling development problems. Through the UNDP ART Initiative, a growing number of local, provincial and regional stakeholders is joining the multilateral development cooperation and carrying out activities in support of development processes in partner countries.

best practices and knowledge-sharing via South-South, South-North and North-South partnerships that have the potential to **become tools for accelerating the achievement of the MDGs** ; (iv) promoting local economic development within the Framework Programmes; and (v) building partnerships with decentralised cooperation actors and networks, in line with national/local priorities.

Achievements and Lessons Learned (2005 – 2009)

From 2005 to 2009, UNDP’s ART Initiative carried out in-depth analysis and interventions with a variety of local actors, decentralised cooperation networks, UN Agencies, NGOs, universities and civil society. One of its main achievements has been the facilitation of complementarities between the various actors in support of national processes for local development, reducing the fragmentation of international cooperation at the local level. By focusing on multilevel articulation, multi-donor action and synergies within the decentralised cooperation networks, ART has been contributing to the alignment and sustainability of interventions. **For instance and regarding multilevel articulation, the Initiative fosters the harmonisation between regional and local actions and priorities and at the multi-donor level, it promotes and supports the elaboration of local strategic guidelines for international cooperation by which development assistance and external resources follow national and local development policies.**

(New paragraph) Its successful approach has resulted in an increasing demand by national governments to implement the ART Initiative. Currently, more than 600 regional and local governments, associations, universities, CSOs, NGOs and private sector firms work in a coordinated and complementary way through decentralised cooperation networks established by ART Framework Programmes in 17 countries across Africa, Asia, Eastern Europe and Latin America, comprising more than 46 regions, 22 provinces and 325 municipalities.

Numerous exchanges of technological, technical, organisational and management innovations and best practices between South-South, South-North, and North-South partners have taken place in the last five years. In addition, the ART Initiative has strengthened Local Economic Development Agencies (LEDAs) as an instrument for generating strategies and plans in support of local economic development in countries such as Albania, Colombia, Dominican Republic, Lebanon, Mozambique, Uruguay and Sri Lanka, and promotes a locally focused development approach to women’s empowerment, in line with UNDP’s gender policies⁴.

Within the context of harmonisation and aid effectiveness, ART Framework Programmes, **which are in line with national strategies seeking to improve upon these issues**, have also contributed to strengthening and implementing the principles of the Paris Declaration and Accra Agenda of Action (AAA) at the sub-national and national levels. **More specifically, the value added ART puts forward lays on facilitating its implementation at the local level. For instance, in support of the partner countries’ own territorialisation of the Paris Declaration and agenda towards the HLF, 2011, ART has foreseen**

⁴ For a good example, see joint UNIFEM-UNDP MyDEL programme in Central America.

promoting the implementation of Aid Effectiveness National Plan at the local level. Moreover, the implementation of the principles of ownership, harmonisation and alignment has been done through the establishment of National Coordination Committees (NCCs) and Local Working Groups (LWGs), in charge of programme management at their respective action levels. In essence, the NCCs and LWG represent a consensus-reaching mechanism between local and national priorities and interests **where different sectors and representatives from national ministries also take part. The multilateral, multi-sectorial and articulation approach is then simultaneously guaranteed through and reflected onto the local guidelines for international cooperation.** As a result of the ART programmes, 17 NCCs have been established.

UNDP's ART Programmes have shown that the joint design and implementation of a coordinated number of actions and initiatives by various local, national and international stakeholders increases the efficiency and the effectiveness of development interventions in comparison to isolated and single projects ([See Annex II on ART's local and national coordinating structures](#)). Furthermore, various actors working within the ART Framework Programmes have demonstrated their commitment to overcoming the multiple administrative and operational constraints **and bottlenecks** that hinder harmonisation at the country level, which has proven to be a key contribution to the achievement of MDG 8: "to develop a global partnership for development." For example, COs, through the various ART Framework Programmes, have developed and succeeded in strengthening their partnership mobilisation capacity, raising more than USD 62 million in addition to USD 64 million raised directly by the HUB Trust Fund (TF) - ART⁵.

Assistance for partner mobilisation strategies and actions has been offered in coordination with the ART Support Offices in Seville and Barcelona (Spain). The cost-benefit ratio, in terms of fund raising and technical assistance on hand, has been the main factor contributing to the Initiative's success. These units offer a space to local authorities to facilitate the mobilisation of decentralised cooperation networks and to identify local management practices and innovations and for this, these units will be maintained and consolidated in the new phase of the ART Initiative.

Alongside ART's headquarters, located at the HUB for Innovative Partnership of UNDP's Liaison Office in Geneva, these units provide several lines of support through: (i) technical and organisational assistance to governments and UNDP COs interested in implementing ART Framework Programmes; (ii) the establishment of decentralised cooperation partnerships between regional and local communities from the North and their counterparts in countries of the South where ART is active; (iii) the coordination and monitoring of jointly identified activities and actions; (iv) the promotion of South-South exchanges and partnerships between countries involved in the programmes; (v) the provision of technical assistance and expertise to ART Programmes in the different action fields (governance, environment, health, education, local economic development, information communication technologies/ICTs) through the identification of specialised partners and networks such as research centres, universities, UN Agencies and NGOs; and (vi) the development of knowledge products and the organisation of specific

⁵ The present fund income was accumulated from 2006 to 2009 ([Annex I](#)).

training/international events to ensure knowledge sharing and the dissemination of best practices, lessons learned and the ART methodology.

Regarding Italy, the decision whether or not to keep the Rome Office, which has existed for 16 years as a result of a cooperation agreement between the Italian government and UNDP, will be left to the senior management of the Organisation, upon the advice of the Partnerships Bureau.

In any case, it is deemed important to maintain a mechanism linking the ART Initiative with the decentralised cooperation networks operating in Italy. Well beyond the funds that it helps mobilise, it contributes to keeping a public opinion debate on the importance of international cooperation. One option could be, based on the close collaboration between ART and the Millennium Development Campaign in Italy, to integrate the interaction with decentralised cooperation actors within the campaign's activity framework.

In terms of partnership mobilisation, the ART Initiative considers outcomes could be enhanced by informing citizens in donor and partner countries about the results, achievements and impact of decentralised cooperation interventions implemented through ART Framework Programmes. To this end, and to increase the effectiveness of information dissemination activities, the ART Initiative foresees strengthening its communication strategy.

In November 2009, the ART Global Forum took place in Seville Spain where more than 300 delegates from different decentralised cooperation networks, as well as from national and local representatives from 30 countries, convened to share the results of four years of implementing UNDP's innovative approach to aid effectiveness at the local level ([See Annex II on the framework programmes' basic characteristics, articulation instruments and structures and working methods](#)). This event highlighted key advances and lessons learned, including successfully building the capacities of regional authorities to assess their own development needs, articulate them into a development strategy, and then, in coordination with national governments, approach specific donors according to their comparative advantage. Consequently, many planning authorities at the central level perceive the approach as adding tremendous value to their work by linking the priorities of local and regional entities, and helping them design a coordinated national strategy. Some of the other highlighted successes were the transfer of experiences and lessons from one developing country to another and the linkage of local and regional governments from the North and South for the promotion of knowledge and innovation sharing for local development.

In addition, a proposal was presented in Seville to create a global ART Advisory Board with representatives from different development partners, civil society groups, local and national governments and the private sector. Continuous consultation between decentralised cooperation stakeholders and partner countries has been another important factor leading to the materialisation of a common platform for actors that would normally operate separately. Such an initiative has now been put at the disposal of territories from the North and the South, and of social and economic actors to share innovations and best practices.

It is worth mentioning that from its inception, the Initiative has had an advisory group, a mechanism allowing partners to share the 'life' of the programme. During the Seville Forum, this group was positively appraised by representatives of partner countries who then recommended its future consolidation and formalisation. Moreover, an audit mission of the Geneva Office carried out in 2010 also underlined its usefulness. Consequently, this advisory group's main role will be to extract lessons learned from across the Initiative and provide specific insights into how to coordinate and implement the best possible solutions to local development challenges. It will be a complementary body to the ART Programme Board where local, national, bilateral and multilateral actors can share their thoughts and strategic vision regarding the programmes' influence at various levels of intervention. The Advisory Board will be an integral part of the 2010-2013 phase, which aims to further mainstream ART into UNDP's policies, architecture and programmes.

Furthermore, ART has been working in close coordination with UNDP's Capacity Development Group of the Bureau for Development Policies (BDP CDG) to position the potential of the decentralised cooperation in events leading to the High Level Forum (HLF) on aid effectiveness to take place in Busan in November 2011. In preparation for such forum, a workshop on "Aid Effectiveness at the local level" was organised in Barcelona in October 2010 to discuss how local actors can better implement the principles of the Paris Declaration at the local level, as well as to appraise the full potential and role of both the local governments and decentralised cooperation partners in the global aid effectiveness debate. As further preparation for the HLF and within the context of the World Social Forum, a second workshop will take place in Dakar to further discussion on aid effectiveness but from the partners/southern countries' point of view.

PROGRAMME STRATEGY

UNDP's ART Initiative will be implemented at the global, regional and country levels.⁶ All activities will then be incorporated into the Annual Work Plan (AWP)⁷ to ensure coherence between the initiatives undertaken at all levels, the achievement of specified outputs, and the integrity of ART's approach and methodology.

ART country-level programmes support national and local governments in the implementation of their national policies for decentralisation, **de-concentration** and local governance.⁸ Building on its network of

6 The design of the programme's strategy has taken into account previous evaluations and lessons learned, such as the ART/PDHL Cuba evaluation, and those presented at the meeting of ART stakeholders in Seville.

7 AWP's will be formulated under the technical support of the Chief Technical Advisors (CTAs) in the COs, discussed and approved by the NCC and will include global, regional and country level activities and interventions.

8 Each one of the 17 countries elaborated its own local/regional guidelines to strengthen national and territorial capacities for the demand-based management of international cooperation. In Africa, the programmes are: ART PAPDEL Mozambique, ART Senegal and ART Gabon (totally finance by the government). In Asia: ART

international cooperation actors, ART establishes specific agreements with the national governments of donor countries and different cooperation partners for single projects, or multi-year framework agreements to support one or more country programmes. These agreements can include the systematic involvement of local administration in decentralised cooperation, as well as the continuing involvement of centres of excellence, universities and other actors in the country. ART also establishes collaboration agreements with regional and local governments for conducting decentralised cooperation activities within the Framework Programmes.

The ART Initiative will continue to support the strengthening and development of national and local capacities for local planning cycles and the management of international cooperation and aid effectiveness at the local level. It will also continue to promote local economic development, democratic governance and a territorial approach to human development. It will foster those national decentralisation and regional/local development policies that include regional and local authorities and institutions as key development actors. Capacity development activities will be held to facilitate national and sub-national stakeholders' participation in the design of local development plans and guidelines, thereby making them responsible for their own development processes.

In this way, and leaded by the partner countries' own governments, it will direct and align activities and resources of involved stakeholders toward priority sectors and to overcome bottlenecks hindering the achievement of the MDGs. In those countries where the MDG Acceleration Framework (MAF) has been put in place to systematically identify and address development constraints delaying progress on the MDGs, ART will seek out to create synergies and concrete actions at the local level for the achievement of the countries' own MDG priorities. In Colombia, both the ART methodology (ART-REDES programme) and the MAF have been applied in departments and municipalities in support to local development action plans and following local priorities. The result has been the acceleration MDG attainment at the local level through the identification of key interventions, solutions and partner roles.⁹

The Bureau for Development Policy HQ will support programme implementation and will provide joint cross-practice capacity development activities for national and sub-national institutions and stakeholders on, for example: international cooperation management, local planning cycles, regional strategic guidelines, and local economic development (LED). Assistance will also be offered on capacity needs assessments, institutional development, and accountability frameworks through policy, knowledge management, monitoring and evaluation, and reporting advisory services. Interventions will be country specific, tailored to local conditions and based on the countries' needs as identified in their national plans.

GOLD Indonesia and ART GOLD Sri Lanka. In the Balkans: ART GOLD Albania and ART GOLD Kosovo. In Latin America: ART Bolivia, MyDEL (Guatemala, Honduras, El Salvador, and Nicaragua), ART REDES Colombia, PDHL Cuba, ART Dominican Republic, ART Ecuador, ART Uruguay, and ART El Salvador. In the Mediterranean: ART GOLD Lebanon, ART GOLD Syria and ART GOLD Morocco. Moreover, the ART Mauritania and Nicaragua programmes are at its start-up phase.

⁹ See Section on Colombia in the UNDP's Report on "[Unlocking progress: MDG acceleration on the road to 2015. Lessons from the MDG Acceleration Framework pilot countries.](#)" September 2010

Interventions planned at the country level will continue to be delivered through the current ART Framework Programmes, and will include: (i) planning, monitoring and evaluation; (ii) implementation of multi-donor and multilevel Annual Work Plans (AWPs)¹⁰; (iii) scoping, and design of Framework Programmes in new countries; (iv) capacity development activities for national and sub-national institutions and stakeholders; and (v) mobilising decentralised cooperation networks in line with national/local priorities.

The ART Initiative will also address key cross-cutting issues such as inclusive participation and women's empowerment in all its global and regional activities, and more specifically at the country level through the Framework Programmes. This cross-cutting component will ensure that activities at all level of intervention take into account gender implications and have access to the gender advisory services as needed.

Both the Millennium Villages (MVs) initiative in Sub-Saharan Africa and the UNCDF in less developed countries (LDCs) support local communities and promote local development for the achievement of the MDGs. In about 20 LDCs, UNDP and UNCDF support democratic governance initiatives which create the conditions for sustainable development and poverty reduction. Given their encouraging progress, these local-level experiences can provide constructive lessons learned for the establishment of collaborative activities within the Framework Programmes, under the COs' guidance. The ART initiative will prioritise articulation with UNCDF and other UN agencies on the ground and on equal partnership basis at country level. **This articulation, along the joint work carried out through the framework programmes, show how harmonised and complementary actions at the local level have the potential to become tools for accelerating the achievement of the MDGs in terms of poverty reduction, women economic empowerment and the establishment of partnerships for development that respond to the demands of each community.**

ART Initiative activities at the regional and global level will consolidate UNDP's leadership role in supporting aid effectiveness, local governance and other thematic areas prioritised by COs, whilst remaining aligned with national development plans and policies. At the regional and global levels, ART will support the development and maintenance of global tools and knowledge products in cutting-edge areas, an innovative policy agenda, and the development of a community of practice including the UN, decentralised cooperation actors and national partners.

At the regional level, and in collaboration with UNDP's Regional Service Centres (RSCs), the activities will focus on the exchange of good practices, peer networking, and knowledge creation and dissemination in all regions through South-South cooperation.

¹⁰ The Annual Work Plans (AWPs) are designed at the local level and approved by the National Coordination Committees and the CAP, which in return are aligned to the Country Programme and the United Nations Development Assistance Framework (UNDAF).

At the global level, and in collaboration with BDP HQ, support will be provided through: (i) policy and technical assistance to COs, and local and national partners throughout the design, implementation, **consolidation**, monitoring and assessment stages of national-level Framework Programmes **according to the Initiative's eligibility criteria (See Annex IV)**; (ii) the development of knowledge products distilling ART's key lessons learned to inform UNDP's policies and strategies; and (iii) the facilitation of exchanges and dissemination of innovations and best practices between donor/partner countries (N-S-S-N) at the regional and/or global levels.

UNDP's partnership base, which includes decentralised cooperation actors and bilateral donors working at the local level in line with the Paris Declaration, will be expanded and strengthened through: (i) partnership and resource mobilisation efforts in collaboration with partners in donor countries (for instance, the Millennium Campaign); (ii) the consolidation and expansion of partnership networks among decentralised cooperation actors in donor countries working within ART Framework Programmes; (iii) collaboration with UNDP's Communications Office on statements, press releases and other media-related events on ART activities, including actions aimed at direct reporting to citizens from partner countries and sub-national governments; (iv) participation in forums and events on international and decentralised cooperation and human development in order to expand knowledge and extend partnership networks; (v) the development of specific guidelines and rules for partnerships with decentralised cooperation partners, and their integration into Programme and Operations Policies and Procedures (POPP); and (vi) the organisation of events and multi-party dialogues related to aid effectiveness and harmonisation of decentralised cooperation at regional and/or global levels, including activities in preparation for the High Level Forum (HLF) 2011 in South Korea.

On the **donor/partner front**, the ART Initiative promotes aid effectiveness through the joint participation of donors, partners, national and sub-national governments and stakeholders in local and national development processes. **To this end, the Initiative uses a fund mobilisation strategy that seeks out to new donors, more decentralised cooperation networks and innovative fundraising mechanisms that will put in place in the next Art phase.**

Programme Objectives

The main objective of this programme is to enhance the capacity of developing countries to identify their development needs at the national, regional and local levels. This will be achieved through the implementation of an operational, administrative and planning framework that facilitates complementary interventions from the different international cooperation actors interested in supporting the human development processes as devised by the countries themselves.

The initiative will harvest the full potential of international development decentralised cooperation actors and networks in programme countries, both at the national and sub-national levels.

At the local level, specific objectives include:

- Promoting the achievement of the Millennium Development Goals and the implementation of the principles on aid harmonisation and effectiveness stated in the Paris Declaration.
- Improving the effectiveness of international cooperation through a multilateral and multi donor programme framework, promoting joint and participatory planning and investment practices for local development in cooperation with decentralised cooperation actors, and in line with national decentralisation policies.
- Systematising and sharing knowledge, lessons learned and capacities for the promotion of ART Framework Programmes amongst all possible UNDP COs and RSCs, in order to maximise ART's impact beyond programme countries.
- Enhancing local stakeholders' capacities to manage international cooperation, including partner mobilisation (particularly decentralised cooperation actors), in line with national and local priorities, pre-identified good practices in prioritised thematic areas, and available funds. **Examples can be found in the existing 14 framework programmes that have consolidated their respective multi-level and locally led articulation instruments (NCCs and LGWs) and have also elaborated local guidelines for international cooperation.**
- Enhancing the capacities of national and sub-national governments and stakeholders in key areas such as: local economic development, local governance, capacity development, water, and HIV/AIDS, in line with UNDP's 2008-2013 Strategic Plan. This will be done through relevant interventions within UNDP's four areas of focus, i.e.: poverty reduction, democratic governance, crisis prevention and recovery, and/or environment and sustainable development.
- Contributing to countries' MDGs platform through the integration of different thematic work streams at the local level (e.g. local economic development, gender, water, HIV, climate change¹¹, ICTs, local governance, prevention and post-conflict reconstruction under the guidance of the COs). This approach will facilitate the broad participation of decentralised cooperation networks so as to increase impact, improve aid effectiveness, and reduce costs.

Project Outputs and Activities

At Country Level

- Output 1:** Strengthened national and local capacities for the achievement of the MDGs, through the harmonisation between actors working at the local level.
- Planning, Monitoring and Evaluation of ART Framework Programmes.
 - Implementation of multi-donor and multilevel AWP for each country.
 - Scoping, presentation and design of new Framework Programmes under the eligibility criteria established for ART.
 - Conducting capacity development activities for national and sub-national institutions and stakeholders: RWG/LWG, international cooperation management, local planning cycles, regional strategic guidelines, and local economic development.

¹¹ Complementarily working with the TACC project.

- Joint programming with decentralised cooperation networks and stakeholders in line with the national/local priorities identified in the Framework Programmes.

At Regional and Global Levels

Output 2: ART approach incorporated into UNDP's practice architecture in line with the 2008-2013 Strategic Plan.

- Provision of policy and technical support to CO and local and national partners throughout the design, implementation, monitoring and assessment stages of national-level Framework Programmes.
- Development and distribution of knowledge products distilling ART Programme key lessons learned to inform UNDP development policies and strategies.
- Facilitation of exchanges and dissemination of innovations and best practices between donor/partner countries (N-S-S-N), ensuring linkages and integration of different UNDP practices at the global, regional and national levels.

Output 3: UNDP's partnership base with decentralised cooperation actors, bilateral donors, and institutions working in line with the Paris Declaration expanded and strengthened.

- Conducting partnership and resource mobilisation efforts in collaboration with ART partnership units in donor countries.
- Consolidation and expansion of partnership networks linking decentralised cooperation actors in donor countries operating within ART Framework Programmes.
- Collaboration with UNDP's Communications Office on statements, press releases and other media-related events on ART activities, including actions aimed at direct reporting to citizens of partner countries and sub-national governments.
- Participation in forums and events on international and decentralised cooperation and human development in order to expand knowledge and extend partnership networks.
- Development of specific guidelines and rules for partnerships with decentralised cooperation partners, and their integration into POPP.
- Organisation of events and multi-party dialogues related to aid effectiveness and harmonisation of decentralised cooperation at regional and/or global levels, including activities in preparation for the HLF 2011 in South Korea. **This means to foster activities for the decentralised cooperation to take part in the aid effectiveness debate and can contribute to the ongoing work key partners are carrying out such as the OECD Working Party on Aid Effectiveness and its clusters and the UN Development Cooperation Forum.**

RESULTS AND RESOURCES FRAMEWORK

<p>Intended Outcome as stated in the Country/Region/Global Results Framework:</p> <ul style="list-style-type: none"> ▪ Goal 1: Achieving the MDGs and reducing human poverty (cross-cutting development issue): <ul style="list-style-type: none"> 1.5. Strengthened capacities of local governments and other stakeholders to foster participatory local development and support the achievement of the MDGs. 5. UNDP meets aid effectiveness standards.
<p>Outcome Indicator as stated in the Country/Region/Global Programme Results and Resources Framework, including baseline and target:</p> <ul style="list-style-type: none"> ▪ Proportion of independent evaluations and surveys that rate UNDP’s contribution to poverty reduction and MDG achievement as positive. ▪ Percentage of partners that rate UNDP as effective in improving national aid management capacity.
<p>Partnership Strategy:</p> <ul style="list-style-type: none"> ▪ UNDP will work closely together with national/local governments and various stakeholders at all levels (global, regional and national) in order to facilitate effective partnerships (especially decentralised cooperation networks), capacity building, aid effectiveness at the local level, technical exchange, and funding in support of national policies for local development in participating countries. ▪ UNDP will also ensure that such partnerships are reflected globally through the compilation and dissemination of policy tools and knowledge products for local development.
<p>Project title and ID: ART Initiative</p>

**Detailed CO ART Programme implementation costs and activities to be defined individually.

Output	Indicators	Activities	Inputs	Amount
1. Strengthened national and local capacities for the achievement of the MDGs, through the harmonisation	<p>1.1) Number of ART Framework Programmes developed, including ART strategic guidelines, linking local, national and global interventions and stakeholders</p> <p>Baseline: 14 countries have developed Framework Programmes linking local, national and global interventions and stakeholders</p> <p>Targets: 2011: 4 additional countries develop Framework Programmes</p>	<ul style="list-style-type: none"> • Planning, Monitoring and Evaluation of ART Framework Programmes • Implementation of multidonor and multilevel AWP for each country • Scoping, presentation and 	<ul style="list-style-type: none"> - Staff/ART Team - CO AWP 	USD 68,756,920

Output	Indicators	Activities	Inputs	Amount
between actors working at the local level	<p>linking local, national and global interventions and stakeholders 2012: 2 additional countries develop Framework Programmes linking local, national and global interventions and stakeholders 2013: 5 additional countries develop Framework Programmes linking local, national and global interventions and stakeholders</p> <p>Source of Verification: ART Annual Report</p>	<p>design of new Framework Programmes under the eligibility criteria established for ART¹²</p> <ul style="list-style-type: none"> • Conducting capacity development activities for national and sub-national institutions and stakeholders: RWG/LWG, international cooperation management, participatory local planning, regional strategic guidelines, and local economic development • Mobilisation of the decentralised cooperation networks and joint programming amongst ART stakeholders in line with the national/local priorities identified in the Framework Programmes 		
	<p>1.2) Number of ART Framework Programmes under national ownership¹³</p> <p>Baseline: 2 Framework Programmes under full national ownership</p> <p>Targets: 2011: 3 additional Framework Programmes achieve full national ownership 2012: 3 additional Framework Programmes achieve full national ownership 2013: 2 additional Framework Programmes achieve full national ownership</p> <p>Source of Verification: ART National Reports; official national documents</p>			
	<p>1.3) Percentage of ART Framework Programmes that include gender equality and women's empowerment in their plans</p> <p>Baseline: 15% of Framework Programmes include gender equality and women's empowerment in their plans</p> <p>Targets: 2011: 25% of Framework Programmes include gender equality and women's empowerment in their plans</p>			

¹² For eligibility criteria, please see [Annex IV](#).

¹³ National ownership: process by which national governments effectively take leadership over the ART method and approach as reflected/expressed in the domestic strategies and institutional arrangements that seek to align external development, aid assistance and resources to national development policies, and harmonise national, regional and local priorities and actions.

Output	Indicators	Activities	Inputs	Amount
	<p>2012: 40% of Framework Programmes include gender equality and women's empowerment in their plans 2013: 70% of Framework Programmes include gender equality and women's empowerment in their plans Sources of Verification: ART National Reports</p> <p>1.4) % of AWP's of ART national programmes budgets executed Baseline: An average of 60% of ART national programmes' budgets executed Targets: 2011: 65% of ART national programmes budgets executed 2012: 70% of ART national programmes budgets executed 2013: 80% of ART national programmes budgets executed Source of Verification: Atlas</p>			
2. ART approach incorporated into UNDP's practice architecture in line with the 2008-2013 UNDP Strategic Plan	<p>2.1) Number of knowledge products produced on decentralised cooperation and aid effectiveness within a multilateral framework Baseline: 4 knowledge products produced Targets: 2011: 2 additional knowledge products produced 2012: 2 additional knowledge products produced 2013: 4 additional knowledge products produced Source of Verification: ART TW user group</p>	<ul style="list-style-type: none"> • Provision of policy and technical support to COs, local and national partners throughout the design, implementation, monitoring and assessment stages of national-level Framework Programmes • Development and distribution of knowledge products distilling ART Programme key lessons learned, to inform UNDP development policies and strategies • Facilitation of exchanges and dissemination of innovations and best practices between donor/partner countries (N- 	<ul style="list-style-type: none"> - Staff/ART Team Travel - Workshops - Consultants - Grants - Publications - Miscellaneous 	USD 2,775,736.33
	<p>2.2) Number of ART national case studies produced Baseline: 2 ART national case studies produced Targets: 2011: 1 additional ART national case study produced 2012: 2 additional ART national case studies produced 2013: 4 additional ART national case studies produced Source of Verification: ART TW user group</p>			
	<p>2.3) Number of ART practitioners contributing to existing and future CoP and networks Baseline: no ART practitioners contributing to existing CoP and networks</p>			

Output	Indicators	Activities	Inputs	Amount
	<p>Targets: 2011: 20% of ART practitioners contribute to CoP/networks 2012: 40% of ART practitioners contribute to CoP/networks 2013: 60% of ART practitioners contribute to CoP/networks Source of Verification: Aid Effectiveness and Local Governance CoP</p> <p>2.4) Number COs and Bxs which include ART in their planning Baseline: 14 COs include ART in their planning Targets: 2011: 17COs and 1 Bx include ART in their planning 2012: 20 COs and 2 Bx include ART in their planning 2013: 22 COs and 3 Bx include ART in their planning</p> <p>2.5) Number of S-S initiatives under UNDP's architecture implemented through ART Framework Programmes Baseline: 10 S-S initiatives implemented through ART Framework Programmes Targets: 2011: 5 new S-S initiatives implemented through ART Framework Programmes 2012: 5 new S-S initiatives implemented through ART Framework Programmes 2013: 10 new S-S initiatives implemented through ART Framework Programmes Source of Verification: ART National Reports</p>	S-S-N), ensuring linkages and integration of different UNDP practices at the global, regional and national levels		
3. UNDP's partnership base with decentralised cooperation actors and institutions working in line with the Paris	<p>3.1) Number of international cooperation partners participating in ART Framework Programmes in line with the priorities identified in local and national development plans Baseline: 600 participating international cooperation partners Targets: 2011: 650 participating international cooperation partners 2012: 700 participating international cooperation partners 2013: 750 participating international cooperation partners</p>	<ul style="list-style-type: none"> • Conducting partnership and resource mobilisation efforts in collaboration with ART partnership units in donor countries • Consolidation and expansion of partnership networks linking decentralised cooperation actors in donor 	<ul style="list-style-type: none"> - Staff/ART Team Travel - SSA - Workshops - Grants - Consultants - Communications 	USD 3,622,101.97

Output	Indicators	Activities	Inputs	Amount
Declaration and Accra Agenda expanded and strengthened	<p>Source of Verification: ART National Reports</p> <p>3.2) ART Advisory Board established and providing advice to ART Steering Committee</p> <p>Base line: no ART Advisory Board established</p> <p>Targets: 2011: ART Advisory Board established 2012: ART Advisory Board operational 2013: ART Advisory Board consolidated</p> <p>Source of Verification: ART SC minutes; Advisory Board's ToRs</p>	<p>countries operating within ART Framework Programmes</p> <ul style="list-style-type: none"> • Collaboration with UNDP's Communications Office on statements, press releases and other media-related events on ART activities, including actions aimed at direct reporting to citizens of partner countries and sub-national governments • Participation in forums and events on international and decentralised cooperation and human development in order to expand knowledge and extend partnership networks • Development of specific guidelines and rules for partnerships with decentralised cooperation partners, and their integration into POPP • Organisation of events and multi-party dialogues related to aid effectiveness and harmonisation of decentralised cooperation, at regional and/or global levels, including activities in preparation for the HLF 2011 in South Korea 	<ul style="list-style-type: none"> - Publications - Miscellaneous 	
	<p>3.3) Number of projects/interventions developed jointly with UN Agencies and Programmes</p> <p>Base line: projects/interventions developed within 11 ART Framework Programmes with other UNS Agencies</p> <p>Targets: 2011: 10% increase in joint UN projects/interventions developed within ART Framework Programmes 2012: 20% increase in joint UN projects/interventions developed within ART Framework Programmes 2013: 30% increase in joint UN projects/interventions developed within ART Framework Programmes</p> <p>Source of Verification: ART Annual Report</p>			
	<p>3.4) Number of donors contributing to ART</p> <p>Base line: 7 donors contributing to ART</p> <p>Targets: 2011: 1 new donor contributing to ART 2012: 1 new donor contributing to ART 2013: 1 new donor contributing to ART</p> <p>Source of Verification: TF report by BOM (Atlas)</p>			
	<p>3.5) Percentage of partners exclusively employing ART National Reports for their reporting needs</p> <p>Base line: 7 partners exclusively employ ART National Reports for their reporting needs</p> <p>Targets: 2011: 10 additional partners exclusively employing ART</p>			

Output	Indicators	Activities	Inputs	Amount
	<p>National Reports for their reporting needs 2012: 13 additional partners exclusively employing ART National Reports for their reporting needs 2013: 15 additional partners exclusively employing ART National Reports for their reporting needs Source of Verification: ART National Reports</p> <p>3.6) Number of policy round tables and meetings at regional and global levels bringing together national/local government bodies, community leaders, UN agencies, policy makers, and academia to discuss the challenges of decentralised cooperation and opportunities for aid effectiveness and local development Base line: 20 round tables and meetings have been held at regional and global levels Targets: 2011: 5 additional round tables/meetings held 2012: 7 additional round tables/meetings held 2013: 7 additional round tables/meetings held Source of Verification: ART Annual Report; Meetings' Minutes and records</p>			
Programmable Resources				USD 75,154,758
GMS (7%)				USD 5,260,834
Total Budget				USD 80,415,592

MANAGEMENT ARRANGEMENTS

The ART Global Initiative will be directly executed by UNDP's Bureau for Development Policy (BDP) and Partnership Bureau (PB) in New York and in Geneva, in consultation with donors and other partners. This joint implementation framework takes advantage of BDP and PB's resources and capabilities.

In terms of the basic distribution of management functions, the optimal internal synergies could be achieved by:

- Implementation of policy, programming, knowledge management, regional support and global activities by BDP in New York and in RSC's.
- Partnerships management and resource mobilisation implemented by PB, which has a proven track record in terms of partnerships in support to the territorial approach to development. The ART team will have a close working relationship with the HUB within the context of UNDP's overall work on decentralised cooperation, and for this reason remains based in Geneva. The ART Coordinator (Programme Coordinator) will occupy a BDP funded Senior Policy Adviser position and as such, would report on substance and policy to BDP (with reporting lines within BDP to be clearly specified) and on strategic partnerships and resource mobilisation to the Director of the Geneva Office.
- Field level components programmed and implemented by UNDP country offices through ART Framework Programmes and the respective AWP's, following ART programming criteria. The implementation/execution modality will be decided according to local conditions and under the full responsibility of the UNDP Resident Representative or his/her delegate (i.e. Country Director)
- Overall implementation rests under the leadership of the ART Programme Coordinator (PC), guided by the strategic direction provided by the ART Programme Board.

At the strategic level, and in line with UNDP's programming guidelines, the ART Global Initiative will be managed by a Programme Board, which, for the purposes of this document, is known as the ART Programme Board.

The ART Programme Board provides overall leadership and direction to the ART Initiative. The ART Programme Board is the decision-making authority with user and supplier interests represented. It will ensure the integrity of the ART Initiative and the coherence between the programmed actions at the national, regional and global levels. The ART Programme Board's main responsibilities will be to provide and assure: policy and programme guidance, a resource mobilisation strategy, monitoring and evaluation of the global programme, and a partnership strategy.

Specifically, the ART Programme Board:

- Will discuss and approve the ART Global AWP, formulated and submitted by the ART Global Programme Coordinator (PC) and the preceding year's ART report. This Global AWP will also

include the activities and results planned by ART projects at the country level. The Programme Board will review the documents and in case of deviations will consider their approval as appropriate and beneficial for AWP. The national ART AWP will be approved by the Program Boards at the national level.

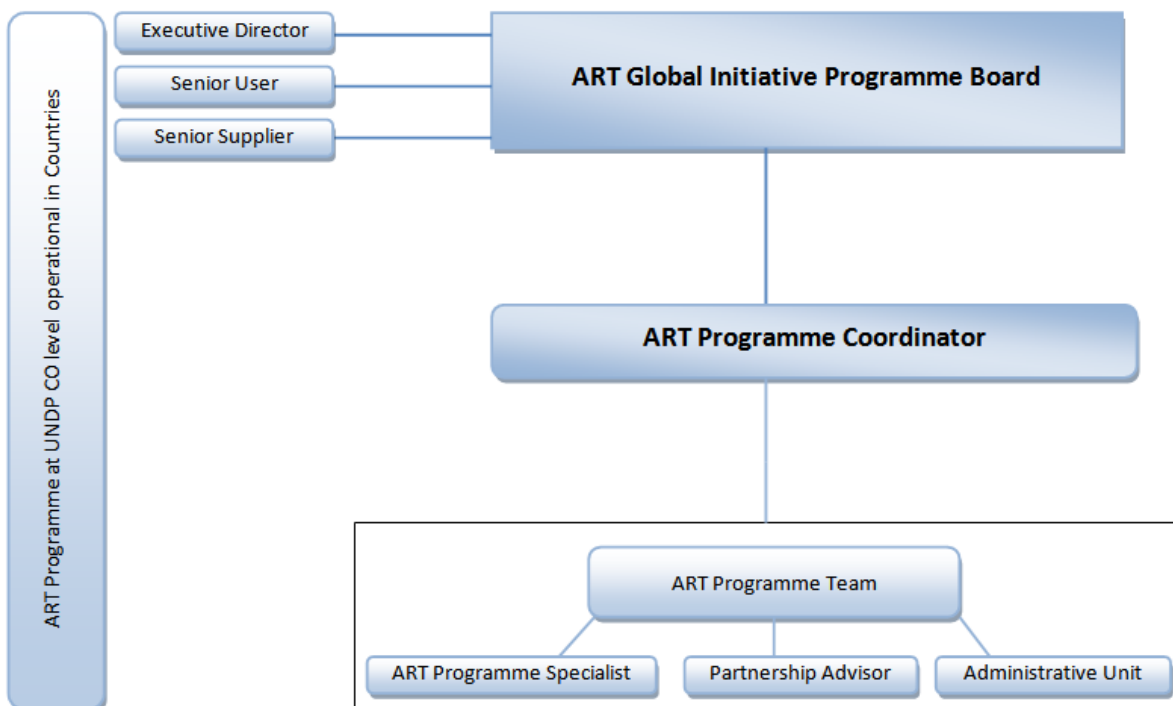
- The AWP will identify prospective countries where ART will be launching formulation missions and establish the spending limits for the country, regional and global level components, taking into account the eligibility criteria established for the ART Initiative.
- The ART Programme Board will provide guidance and recommendations when required by the ART PC.
- Upon reaching a consensus, the Programme Board could propose modifications, reviews and/ expansion of the various longer-term programme activities identified and described in this document.
- The ART Programme Board will monitor the progress and track delivery of both individual activities financed by the Fund and the Fund as a whole; and commission, when needed, the undertaking of additional monitoring and evaluation of Fund activities, in accordance with UNDP regulations and rules, policies and procedures and UNDP's evaluation policy.
- The ART Programme Board will be comprised by the following members:
 - Executive: Director (or Delegate) of the Bureau for Development Policy and the Director (or Delegate) of the Partnership Bureau;
 - Senior User: Two Representatives of the 5 UNDP Regional Bureaux;
 - Senior Supplier: The Directors of the Democratic Governance and Capacity Development Groups (or Delegates)/BDP; the Director of Division for Resources Mobilisation/PB; the Director of UNDP Liaison Office in Geneva/PB;
 - Other donors and partners: Represented by members of the ART Advisory Board.
- The co-Chairs will establish the membership of the Programme Board and organise its meetings. Additional participants at meetings, observers or technical experts may be invited at the discretion of the co-chairs, subject to the agenda of the meeting. UNCDF will be invited to join the ART-Programme Board when it discusses ART activities in LDCs.
- The ART Programme Board will meet in person at least once a year and more often if required. It may also conduct its business through a virtual network. It will provide guidance and recommendations when required by the Programme Coordinator.
- The ART Programme Board will delegate day to day management of the ART programme to the PC.
- The PC performs the function of a secretary to the Programme Board and is an ex-officio member. It will prepare and disseminate, on a timely basis, the agenda for meetings and all supporting documentation ahead of the meeting.. The agenda, proceedings and all decisions of the Programme Board meetings will be duly recorded. Programme Board minutes will be also circulated to other UNDP Bureaux involved in the implementation of the programme and to UNCDF for LDCs.

- Under the strategic direction of the ART Programme Board, the Programme Coordinator (PC) will be responsible for overall programme implementation and coordination of policy and programmatic support to country level ART implementation. With the support of the Programme Specialist (PS) and the ART Team, The PC manages the ART Global Initiative overall, to ensure that global, regional and country level ART AWP work is implemented. The PC ensures the day-to-day management and decision-making for the ART, as well as ensuring that the ART Global Programme produces the outputs and results specified in this document, in compliance with the required standards of quality and within the objectives of the ART Global Initiative, limits of time and cost. The PC will support the Programme Board in ensuring the integrity and coherence of the programmed actions between the national, regional and global levels.
 - Under the guidance of the PC, the PS will follow-up/ensure the design of the ART Global Annual Working Plans at global, regional, level. The PS will work closely with the COs' CTA to ensure the programming criteria in the AWPs.
- 1) In support of the Programme Board's responsibility for the strategic direction of the programme, the ART Global Initiative will make use of an Advisory Board (AB).
 - The ART Advisory Board will be comprised of institutions of excellence in the field of local development, democratic governance and capacity development that are under the ART Global Initiative and that represent a diverse range of regional and substantive experiences. Donors and recipient countries will be invited to join as well.
 - The Advisory Board will be consulted periodically by the ART Global Initiative Programme Coordinator to elicit an external view on questions of programme priorities, strategy, unexpected developments, monitoring, evaluation and other areas in which an independent and unbiased opinion would be useful.
 - The Advisory Board will support the ART Programme on subjects related to strategic coordination and harmonisation among involved stakeholders. It represents all the different shared interests and actions implemented with the programme partners (i.e. UNDP, donor countries, recipient countries, decentralised cooperation partners, territories of the recipient countries, CSOs, universities, etc.). The ART Advisory Board members will serve in their institutional capacity and will do so pro bono.
 - 2) The country components will be implemented by the respective UNDP COs with the support of the ART CTAs at the country level, in consultation with the ART Global Initiative Programme Coordinator and the Regional Bureaux, and in line with the approved country level AWP formulated by the COs under the ART programming framework.
 - 3) The ART Team will provide the technical, financial and administrative support and partnership mobilisation to effectively deliver the ART Global Initiative. The ART staff will report to the Programme Coordinator who will maintain a close working relationship with the HUB within the context of UNDP's overall work on decentralised cooperation and remains based in Geneva. The ART Team is composed of three distinctive functional sections, namely:

- ART Policy and Programme Support.
- ART Financial and Administrative Support.
- ART Partnership Support.

4) Partnership mobilisation support will be delivered by the ART Partnership staff, supervised under the direct management of the PC. Partnership staff, acting in the territory of the donor countries, will mobilise the decentralised cooperation and other international cooperation actors interested in coordinating their action in support of the local AWP's formulated and approved at country level.

Proposal of the ART Global Organisational Chart



Management of Donor Contributions to ART Global Programme

As per the Terms of Reference for the Trust Fund, donors will be encouraged to provide un-earmarked contributions to the ART Window, part of the Trust Fund but, depending of their expression of interest, they can provide earmarked contributions to specific ART Framework Programmes at country level or to ART regional activities through earmarked contribution agreements.

Management of Contributions to ART

Contributions to the ART Global Initiative, contributions from decentralised cooperation partners and contributions from traditional donors, will be channelled through the TF.

In accordance with UNDP's policies and procedures for cost recovery, a 7% GMS fee will be applied to all donors' contributions.

- GMS on funds allocated in support of Global/Regional/International activities and initial-new CO investments will be recorded in the applicable extra-budgetary income accounts according to the Global GMS distribution formula.

- GMS on funds allocated in support of the UNDP CO AWP will be reflected on each cost sharing sub line in the budget. The associated extra-budgetary income will be determined and recorded at year-end as part of the cost sharing apportionment exercise according to the hybrid distribution formula and based on expenditures recorded.
- Costs incurred under the Implementation Support Services (ISS) should be recovered on National (NEX) and Direct Execution (DEX), UN Agency and NGO executed projects. Country offices should build all related costs into the budget by charging specific budget lines.
- Interest accrued on deposits will be credited on an annual basis to the BDP/PB Trust Funds. Under the overall management of ART PB the utilisation of the accrued income will be utilised according to the approved ART Programme annual budget.

MONITORING AND EVALUATION

The ART Initiative will be subject to UNDP's current monitoring and evaluation procedures and any additional policies and procedures agreed to by the implementing agents, the project partners and UNDP.

The main goal of all monitoring and evaluation exercises is to identify good practices and lessons learned, and incorporate these to improve the ART Initiative. The evaluation will examine whether the various actions reflected on the Results and Resources Framework (RRF) are achieving their foreseen objectives, their relevance and coherence, their contribution to the principles of aid effectiveness and any other aspects of interest which may provide useful information for evidence-based decisions.

Some of the methods that will be used for monitoring progress include:

- Regular Programme Board meetings to ensure good planning, follow-up and results focus;
- Annual Programme Reports to rate output to outcome progress and make decisions on policy issues;
- Programmed monitoring and evaluation (M&E) activities, and dedicated funds set aside in the AWP for conducting them;
- Joint monitoring and evaluations with partners (bilateral and decentralised cooperation actors);
- Teamworks used for continuous planning, monitoring and evaluation (P&M&E) purposes;
- An Issue Log shall be activated in Atlas and updated by the Project Manager to facilitate tracking and resolution of potential problems or requests for change;
- The Policy Coordination Committee will ensure the P&M&E activities;
- A mid-to-final term review will take place during the third year of the programme to assess the programme towards achieving its target goals, to document pilot case studies and lessons learned for dissemination.

In terms of reporting, and in accordance with UNDP's accounting and reporting procedures, the programme team will produce the following monitoring reports for review and clearance by UNDP and cost-sharing partners:

- **Annual Review Report:** an Annual Review Report shall be prepared by the Project Manager and shared with the Project Board. As a minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the Quarterly Progress Report (QPR) covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review:** based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will become the final assessment. This review will be driven by the Programme Board and may involve other stakeholders as required. It shall focus on reviewing progress made towards the achievement of specified outputs, and evaluating their alignment to appropriate outcomes.

All Programme activities will be closely monitored at their respective level of responsibility by BDP, PB, RBx, RSCs, and the UNDP Country Offices. Due to the increasing importance of decentralised cooperation for UNDP's work on local development, a final evaluation of the ART Initiative will be undertaken at the end of the programme period to identify lessons learned and apply these to possible ensuing assistance activities.

LEGAL CONTEXT

The partnership agreement will cover the following areas:

- References to system-wide coherence and various general MOU's UNDP and the other funds and programmes have signed
- Rationale and objective for joining forces
- UN funds and programmes participation in the Project Supervisory Board
- Coordinated contact with donors
- Contributions of each UN fund and programme to achieving the outputs of the project

UNDP will undertake all reasonable efforts to ensure that none of the funds received are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN Organisations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.

Consistent with the Article III of the Standard Basic Assistance Agreement, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency.

The executing agency shall:

- Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- Assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

Risk Log

#	Description	Category	Impact & Probability Level	Countermeasures / Management Response
1	Global financial and economic crisis diverts attention from development financing	Financial	If the decentralised cooperation official development assistance (ODA) is reduced, the cooperation programmes and activities may have less resources to develop activities at the global and country levels P = 2	<ul style="list-style-type: none"> Resources allocated for communication and resource mobilisation purposes
2	Perception of decentralised cooperation actors as "small donors" can raise expectations about the magnitude of funding opportunities overshadowing its strategic value	Strategic	Mistaken perceptions could reduce the added value provided by decentralised cooperation and discourage participation in ART multilateral frameworks Loss of UNDP credibility vis-à-vis donors/partners P = 3	<ul style="list-style-type: none"> Establishment of a clear communication strategy Quality assurance and monitoring activities by BDP/PB ART Advisory Board recommendations to inform the ART Programme Board's agenda
3	Change of political context at national level due to change in government	Political	Delayed implementation and obstacles to national ownership Withdrawal of donors/partners P = 2	<ul style="list-style-type: none"> CSOs and private sector included as stakeholders in ART Framework Programmes Continued dialogue with COs to explore options for minimising risks Local working groups strengthened as decision-making and consensus creating forums
4	Duplication with other UNDP and/or UN initiatives working on local development at the sub-national level	Operational	Cost efficiency of aid decreased P = 2	<ul style="list-style-type: none"> Projects reviewed and supported from HQ and Bureaux Levels, in consultation with other UN programmes Joint programming with other UN agencies and programmes at the sub-national level ART Framework Programmes will be demand-driven and based on national and local development plans
5	Management of decentralised cooperation contributions	Operational	Increase in ART administrative and transaction costs and loss of flexibility due to different reporting	<ul style="list-style-type: none"> Advocate for un-earmarked contributions from ART partners

	(high cost, resource intensive)		requirements from partners P = 3	<ul style="list-style-type: none"> • Streamlining of reporting requirements
6	UNDP's administrative and legal procedures are unsuitable for the requirements of decentralised cooperation	Operational	Decentralised cooperation actors channel their ODA without a framework, reducing aid effectiveness and the benefits of working within a multilateral framework P = 3	<ul style="list-style-type: none"> • ART will advocate for the development of UNDP's tools and methodologies to reflect decentralised cooperation's legal and institutional constraints

ANNEX I ART DONORS AND CONTRIBUTIONS

Contributions to UNDP ART come from national bilateral and decentralised cooperation partners from sub-national levels of government. Current donor countries include: Belgium, Greece, Italy and Spain. Other donors, such as Sweden, Switzerland, Canada and the European Union (Europe Aid, Social Cohesion Funds, and URBAL), have made direct contributions to programmes at the CO level. ART has also established strong partnerships with several European decentralised cooperation networks, which include CSOs, NGOs and academic institutions, totalling more than 600 governmental and non-governmental partners.

The Strategic Partnership Framework (SPF) with Spain outlines the overarching partnership between this country's Ministry of Foreign Affairs and Cooperation (MAEC), the Spanish Agency for International Development Cooperation (AECID), and the United Nations Development Programme (which identifies UNDP as a key partner of the Spanish government's multilateral assistance initiatives. This SPF is aligned with UNDP's development approach, as set forth in the 2008-2013 Strategic Plan¹⁴.

A series of strategic thematic and cross-cutting areas of engagement have been identified and prioritised and will be pursued by this Framework, including the ART Initiative which is considered an effective instrument for addressing specific capacity development needs at local and regional levels, by following a territorial approach to human development for the achievement of the MDGs. Through the progressive mainstreaming of the ART Initiative within UNDP's regular programming, the Organisation facilitates the articulation between the different international cooperation actors interested in supporting countries' human development. MAEC will continue to support UNDP's ART Initiative for promoting local economic development, democratic governance and a territorial approach at local level. Globally, the resources mobilised for ART Framework Programmes during the 2005-2009 period totalled USD 172,679,465.00, of which:

- USD 63,937,523.00 were mobilised and distributed through the ART Trust Fund
- USD 60,741,942.00 were directly mobilised by the COs.

¹⁴ 2010-2012 Strategic Association Framework between the Spanish Ministry of Foreign Affairs and Cooperation and the United Nations Development Programme.

Total Funds Mobilised 2005-2009

Beneficiaries	Donors/Partners contributing to Trust Fund	Trust Fund (in USD)	CO Level (in USD)	Total Transferred to COs 2005-2009 (in USD)	Expenses in support global activities per country	Total Programmed (in USD)
HUB -ART TF	All donors and partners	63,937,522.57				4,286,139.00
CO MOROCCO	AECID Italy, Belgium, Spanish and Italian partners		778,543.00	3,976,395.89	445,000.00	1,558,368.00
CO URUGUAY	AECID, DC ¹⁵ Spanish and Italian partners		1,278,034.00	2,780,675.14	43,200.00	1,155,799.00
CO CUBA	AECI, Canada, Switzerland, EU, DC Spanish and Italian partners		5,873,445.00	3,138,183.38	595,081.76	619,251.00
CO BOLIVIA	Italy, AECID		1,000,000.00	1,669,000.00	281,942.00	3,040,668.00
CO COLOMBIA	Italy, AECID		38,400,000.00	1,957,547.00	46,000.00	2,147,156.00
CO DOMINICAN REP.	Italy, AECID		8,850,000.00	1,448,989.37	316,015.00	1,052,436.00
CO ECUADOR	AECID, Canada, DC Spanish and Italian partners		1,523,287.00	2,225,327.11	23,700.00	1,267,182.00
CO LEBANON	Italy, Belgium, AECID, Spanish and Italian partners		4,301,920.00	7,244,962.41	1,945,536.73	1,658,127.00
CO SRI LANKA	AECID, DC Spanish and Italian partners		1,200,000.00	3,671,274.70	429,417.38	1,133,735.00
CO INDONESIA	AECID and Italian partners		60,000.00	1,629,858.73	15,000.00	1,071,991.00
CO MOZAMBIQUE	AECID and Spanish partners			1,952,005.51	46,000.00	1,332,114.00
CO GUATEMALA	AECID			61,663.87		635,615.00
CO GABON	UNDP, Gabon Government		2,000,000.00			
CO ALBANIA	Italy			2,471,265.00	450,410.60	3,400,897.00
CO SERBIA	Italy			270,779.00	79,218.61	
CO SENEGAL	AECID and Spanish partners			450,000.00	89,000.00	2,729,059.00

¹⁵ DC : decentralised cooperation

Beneficiaries	Donors/Partners contributing to Trust Fund	Trust Fund (in USD)	CO Level (in USD)	Total Transferred to COs 2005-2009 (in USD)	Expenses in support global activities per country	Total Programmed (in USD)
CO KOSOVO	Belgium		500,000.00			
CO SYRIA	AECID					646,581.00
New ProDoc formulation	All donors and partners					1,254,478.00
GRAND TOTAL		63,937,522.57	60,741,942.00	34,947,927.11	4,805,522.08	28,989,596.00
			123,679,464.57			63,937,523.11

ANNEX II THE BASIC CHARACTERISTICS OF ART FRAMEWORK PROGRAMMES

National and local coordination structures

At a central level, the Framework Programmes are managed by a **National Coordinating Committee** (NCC), formed by the government with the participation of the UNDP, other United Nations agencies and the donors involved. The NCC orients various projects and contributions towards a programme logic, thereby generating marked improvements in the outcome and impact of international cooperation. The Framework Programmes provide the opportunity to translate the donors' willingness to coordinate – expressed insistently at various institutional levels – into an effective operating strategy.

The NCC identifies which regions in the country are to be involved in the Framework Programme. It does it on the basis of national priorities and interest expressed by the donors involved. Within the regions (or departments or provinces) and their municipalities, **local working groups** are formed. Public, associative and private actors from the area participate in the working groups along with local representatives of the central ministries and state structures. The local working groups are responsible for drawing up action plans for funding through international cooperation contributions; these are brought together in the periodic national operating plan of the Framework Programme.

The NCC and the local working groups programme the use of resources made available through international cooperation, working to make them complement resources included in the public budget. In this way, the projects acquire greater sustainability, while the methodologies adopted for bringing actors together progressively influence current modes of programming public expenditure, and also help to orient private investment.

The NCC ensures that local initiatives are in line with national development policies. It is also responsible for disseminating the most effective work methods to other parts of the country and for promoting the involvement of new donors. The local working groups coordinate how initiatives are carried out in order to avoid overlaps and gaps, and they maintain contact with those donors present in the area.

Areas of action

ART works in the following complementary areas using an inter-sectoral approach:

- Governance: improvements in public administration; support to local institutions for programming territorial development; training of local administrators and technicians; advocacy for rights and for active citizenship; agreement mechanisms to improve the rapport between institutions and social actors; promotion of a gender approach and of local innovations in all areas of action.
- Environmental protection and territorial planning: plans and projects for the valorisation of the territory's historical and cultural heritage; plans and projects for the sustainable and rational use of natural resources, for the improvement of the urban habitat, for the production and distribution of clean energy, for communications and transport, for the reduction of vulnerability to natural disasters.

- Local economic development: devising of plans for valorising local potential and of projects capable of creating employment opportunities for all social groups and improving the territory's competitiveness; promotion of collaboration between public and private actors through the economic development agencies, which provide integrated services to local enterprises and cooperatives, strengthen the territory's chain of competitive value and promote international partnerships and outside investment.
- Local health and welfare systems: devising of integrated plans and projects for improving the population's health and social wellbeing; improvement of the organisation of basic services and programmes in order to make them accessible to rural populations, to people lacking social security coverage and to the most vulnerable groups.
- Local basic education and training systems: devising of integrated plans and projects for facilitating access to school for all children; creating links between schools and the territory; adapting education programmes to specific cultural settings; improving professional and university training; disseminating the culture of human development.

Local level working methods

The regional and municipal working groups play a fundamental role in promoting participation in the programming and management of development activities. The working method involves the following stages:

- At the regional level, working groups launch a process to deepen knowledge of the territory, its resources and potentials, and of the problems that need resolving; they organise thematic subgroups for the various areas of action, and research and studies deemed necessary are conducted; they organise seminars and training courses to improve the skills of public, associative and private actors in participatory planning and management of development.
- At the municipal and grassroots level, working groups carry out a similar process for acquiring knowledge of the territory and defining priorities, using methods that favour the participation of urban and rural populations and of vulnerable groups; documents are produced for programming the use of international resources, which include improvements in services in order to make them accessible to the entire population, and development projects that enable the valorisation of local resources as a whole.
- A synthesis of the municipal programming process is carried out at the regional level, where a document is drawn up to plan the use of available and potential international cooperation resources (*Strategic Guidelines or regional and local plan for international cooperation*). In this way, international cooperation contributes to the processes of strategic and participatory planning.
- During the programming process, there is also a document produced for distribution that describes the territory's characteristics, highlighting its natural resources, human potential, historical heritage, culture and main problems (e.g. unemployment, migration, disadvantaged areas, vulnerability within the territory and its social structures). The document also indicates those initiatives, identified in the plan, for which the local community would like to establish

development partnerships with international actors in order to work toward the Millennium Development Goals. The document is called *Strategic Guidelines* and is used to attract and direct international partners.

- The projects identified through this process are implemented valorising local management skills.

The local working groups coordinate and guide visits of representatives of cooperation organisations interested in establishing development partnerships: bilateral donors, decentralised cooperation partners, universities, private sector enterprises, NGOs and others. In the course of the visits, the parties agree on specific projects to be carried out in the context of the regional and local plan for international cooperation.

ANNEX III CAPACITY DEVELOPMENT IN SUPPORT OF EFFECTIVE LOCAL GOVERNANCE AND LOCAL DEVELOPMENT

This is an indicative list of specific activities for capacity development, which can be applied to specific settings based on situation analysis and consultations with programme stakeholders:

Policy

- Scoping of institutional arrangements at the sub-national level and providing evidence based policy choices on the institutional architecture best suited to deliver on the programme mandate.
- Advice on and design support for Special Measures for capacity development under circumstances such as post-conflict or, in support of special outcomes such as design of gender-responsive CD strategies.
- Engaging in the national policy dialogue on optimal institutional arrangements for achieving programme results.
- Engaging in policy dialogue at the national level for donor coordination and alignment behind national frameworks. Connecting these to regional platforms for aid effectiveness
- Engaging in policy dialogue at the national level on the use of country systems in planning, procurement and monitoring – technical support for such at the national level. Connecting these to global benchmarks.

Implementation

- Technical backstopping services to optimise the institutional arrangements at hand.
- Provision of specific training related to CD, i.e. the ‘how to’ for specific project partners and other stakeholders, including ART CTAs.
- Tools and technical support for diagnosing the capacity assets and gaps of state and non state actors in the provision of local services for MDGs and other programme outcome areas.
- Direct support to local institutional reform, facilitating CD strategies that address the institutional needs of local authorities for improved service delivery and other programme objectives.
- Leadership capacity development for programme stakeholders and support for human resources management capacities.
- Improvement of coordination and sector-wide approaches, where applicable.
- Capacity development for planning, procurement and monitoring and evaluation, as applicable to programme objectives.
- Donor coordination arrangements and aid tracking support at the sub-national level integrated within the national public financial management (PFM) framework.

- Capacity development support for programme stakeholders managing block grants/direct- or sector-budget at the sub-national level.

Reporting

- Capturing of and reporting on capacity development results, both in the policy change and the implementation support domains.

Lessons Learned and Knowledge Sharing

- Provision of analytical research pieces on what has worked and what has not, for specific programme outcomes, from a capacity development perspective. Capturing innovation and using these for mutual learning.
- Documentation of relevant country level case-studies on capacity development, and dissemination through knowledge platforms and country support missions.
- Peer review, learning through Communities of Practice (CoPs), institutional twinning, and South-South exchange of solutions.

ANNEX IV ELIGIBILITY AND PROGRAMMING CRITERIA FOR PARTNER COUNTRIES

ART Programme Eligibility Criteria for Partner Countries

- 1) Political will from the National Government.
- 2) Request from UNDP CO.
- 3) Demonstrated commitment through the allocation of human, technical and/or financial resources.
- 4) Political will from sub-national governments evidenced during the presentation mission;
- 5) Agreement of the UNDP CO and the National Government that the ART programming framework represent an added value able in strengthening national plans for local development.
- 6) Potential mobilisation of decentralised cooperation actors/networks.
- 7) Potential interest of decentralised cooperation actors/networks.
- 8) Acknowledgement by National Government of the linkages between local development and the sub-national level of government (through, for example, decentralised cooperation policies).
- 9) Guaranteed funds for the starting-up of the Framework Programme (provided by a bilateral donor, National Government and/or decentralised cooperation actors).

ART Criteria for Fund Allocation to Framework Programmes at the Country Level

- 1) Triennial Framework Programme formulated and signed by the national government
- 2) Activation of instruments and mechanisms of the operational Framework Programme, including:
 - National Coordination Committee
 - Municipal and Provincial Working Groups
 - Strategic Guidelines (territorial analysis and priorities)
 - Local Programming Cycles
 - Appointment of Chief Technical Advisor (CTA)
- 3) Decentralised cooperation actors operating in line with the priorities identified in the Strategic Guidelines, and reflected in the previous year's Report and current year AWP.
- 4) Results of the Framework Programme in terms of national ownership.
- 5) Annual Report drawn up, discussed by the NCC and sent to the ART Initiative's International Office, UNDP Liaison Office in Geneva.
- 6) Rate of financial implementation of the previous year AWP.
- 7) Current year PO formulated and approved by the NCC.
- 8) Initiation of global activities.
- 9) National funds committed to the programme.
- 10) Multidonor nature of the Framework Programme.
- 11) Multi-agency character and number of programmes or projects articulated in the Framework Programme