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**Midterm review of the UNDP Strategic Plan, 2018-2021,
including the annual report of the Administrator for 2019**

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Summary

The UNDP Strategic Plan, 2018-2021, adopted by the Executive Board at a special session in November 2017, set the direction for a “Next Generation UNDP” to help countries achieve the goals of the 2030 Agenda for Sustainable Development. This midterm review, including the annual report of the Administrator, takes stock of progress, identifies challenges and suggests how UNDP can deliver even more effectively in the next two years on the basis of lessons learned.

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I. Executive summary

1. The Sustainable Development Goals remain the world's blueprint for action to end extreme poverty, fight inequality and injustice and protect the planet. They continue to drive all UNDP work, everywhere. As the international community enters the Decade of Action, they are more urgent than ever.

2. The fundamental development challenges remain enormous. Although the number of those living in extreme poverty is dropping, the pace has slowed. Some 600 million people still live in extreme poverty, rising to 1.3 billion when measured by the Multidimensional Poverty Index. Climate change and the increasing digital divide are widening inequalities. Two billion people live in countries affected by fragility and conflict, including 408 million young people, while over 70 million are forcibly displaced. Some 100 million people are pushed into extreme poverty because of health costs. Progress towards gender equality is slowing, public trust in Governments is decreasing and discontent with inequality has intensified. Progress on climate change, environmental sustainability and biodiversity has been modest.

3. The Strategic Plan set out an ambitious agenda to transform UNDP by 2021 into a more nimble, innovative thought leader that is more effective and efficient at using resources to deliver results and a trusted partner in a complex development landscape. This review assesses how far UNDP has come. UNDP is delivering increasingly integrated solutions that operate in all three development settings and across the six signature solutions, underpinned by investment in the Global Policy Network, country support platforms and Accelerator Labs, responding to Governments' demand for solutions to complexity at scale. It is contributing to development policy through seminal reports like the Human Development Report 2019 with its timely focus on hidden inequalities. It is tackling multidimensional poverty with a focus on inclusive governance. It is becoming nimbler and more efficient; financially stable, with a balanced budget and improved productivity; investing in innovation, digitalization and a stronger workforce. Evidence – from partnership surveys to the choices of Governments, vertical funds and international financial institutions (IFIs) – shows UNDP to be a trusted partner. In crisis-affected and fragile countries, UNDP continues to build capacities for prevention response and recovery, strengthening the humanitarian-development-peacebuilding nexus and building resilience.

4. In the process of building “Next Generation UNDP”, some areas have fallen short of their milestones or are experiments still under way. Where challenges arise, for example getting the Global Policy Network and country support platforms up and running, this review examines them. It explains how UNDP plans to do things differently and accelerate implementation in the next two years, reaching the scale and speed that are needed to significantly contribute to the achievement of the Sustainable Development Goals. As the Human Development Report 2019 noted, policymakers “have a battery of choices that...will translate into a lifelong investment in equality and sustainability. Making those choices starts with a commitment to tackling the complexity of human development.” UNDP will continue to tackle complexity through its integrated approach, collaborating with partners across the entire 2030 Agenda, as the United Nations development system (UNDS) reforms intend. The final section of this review describes how UNDP intends to do this, combining breakthroughs at scale with innovative development solutions – working with Governments, sister agencies, multilateral development banks, bilateral and private sector partners. Scale and speed, seizing opportunities while managing risks, are imperative.

5. This report went to publication amidst the COVID-19 pandemic, a crisis of unprecedented magnitude, its full impact still unknown, which illustrates the unpredictability and scale of crises to which UNDP must be ready and is mandated to respond. The crisis is testing the resilience and preparedness of UNDP as it rapidly scales up its response capacity and takes steps to enable its country offices to offer coherent and substantive support to national partners, collaborating closely with resident coordinators and United Nations country teams (UNCTs). The changes that began with the Strategic Plan are making UNDP a stronger, more agile organization, better equipped to deliver a timely, effective response, and, as countries eventually emerge from the crisis, ready to support their recovery and stay on track to achieve the Sustainable Development Goals.

II. UNDP performance

A. Key findings

6. Midway through the Strategic Plan period, the UNDP performance is largely on track and meeting the principal development milestones. The following key findings highlight points of progress, while also indicating where improvement is needed.

Financially stable and more efficient

7. With financial stability a top corporate priority, in 2019 UNDP reversed the deficit and balanced its budget for the third consecutive year.¹ Investments in the business model are making UNDP more connected, effective and nimble. Clustering of shared services is expected to result in cost avoidance of up to \$15 million by 2021, enabling new strategic investments to drive programme performance. Productivity increased, with 91 cents of every dollar now spent on programmes and services for development, up from 88 cents in 2017.

Ahead with UNDS reform

8. Achieving these results while also playing a key role in supporting UNDS reform was a significant challenge. UNDP facilitated a rapid transition to the new coordination function by providing operational support and seconding 63 staff as resident coordinators, while recruiting a new cadre of 127 resident representatives, gender- and geographically-balanced, within a year. UNDP set in motion substantial changes to country office planning, human resources management and operational services for clients, enhancing its contribution to more effective UNCTs. Early feedback suggests that 73 per cent of its partners are confident that UNDP is supporting resident coordinators to strategically reposition the United Nations system at country level.

Power of integration

9. UNDP is becoming more effective at managing complexity. Evidence shows that applying multiple signature solutions to 30-60 per cent of country programme outputs contributes to higher results. Responding to Governments' requests for more coherent support, UNDP is moving from a project- to a portfolio-based approach with a renewed focus on integrated development to deliver whole-of-society solutions. Getting the Global Policy Network and country support platforms up and running has been neither simple nor quick. While some promising platforms are emerging, UNDP now needs to redouble its efforts to share and scale their experience.

Climate Promise

10. The Climate Promise illustrates the UNDP goal of transformative change that cuts across sectors. Working with United Nations partners and 102 countries to enhance their nationally determined contributions (NDCs), over 60 countries have activities under way that contribute to the Climate Promise, building on existing portfolios engaging all levels of government and society. While this integrated approach is now the UNDP standard, evidence shows it is not being applied consistently; there is more to do, for example, to better integrate energy with other signature solutions or health with NDCs.

New ways of addressing inequalities

11. The 2018 evaluation of UNDP support to poverty reduction in the least developed countries (LDCs) identified weaknesses in the UNDP approach. Given the centrality of poverty eradication to the 2030 Agenda, and the attention drawn by the Human Development Report 2019 to the most vulnerable people, hidden behind averages, improving performance in this area has been a priority. UNDP continues to champion the use of multidimensional poverty indices and adopted a new 'leave no one behind' marker to track how it is reaching these groups. UNDP is also reorienting its approach to social protection, emphasizing multidimensional vulnerability.

¹ This report should be read in conjunction with the midterm review of the integrated resources plan and integrated budget, 2018-2021 (DP/2020/9).

Accountable, responsive institutions

12. Governance was the largest area of investment for UNDP during 2018-2019, making an impact across all signature solutions. UNDP supported accountable, responsive institutions at national and local levels, focused on deepening social compacts. UNDP is helping to create governance systems of the future, including through digitalization, and closing gaps between people and government. This area received the largest proportion of resources from programme Governments, indicating confidence in UNDP.

Renewed engagement in crisis and fragile contexts

13. Of the 10 largest UNDP programmes, nine are in fragile or crisis-affected countries, accounting for 40 per cent of total programme delivery. A new Crisis Bureau was established as part of the Global Policy Network, focused on comprehensive and integrated solutions to preventing, responding to and recovering from crises, co-leading, with the United Nations Office for the Coordination of Humanitarian Affairs, the work of the United Nations on coherence between humanitarian, development and peace actors. Collaboration increased with the United Nations peace and security pillar on the United Nations prevention and sustaining peace agendas, as well as with multilaterals and development actors to tackle the root causes of crisis and fragility.

Sustained gender focus

14. UNDP was rated one of the best performing United Nations agencies in 2019, meeting or exceeding requirements for 88 per cent of indicators in the System-Wide Action Plan on Gender Equality and the Empowerment of Women. UNDP also scored highly in the Global Health 50/50 Gender and Health Index in 2020. Gender mainstreaming across signature solutions has improved, with 59 per cent of programme expenditure directed to programmes where gender equality was a significant or principal objective. Investment in the latter doubled from 4 to 8 per cent from 2017 to 2019. However, tackling the causes of gender inequality, like entrenched discriminatory norms, and ending gender-based violence are proving to be harder challenges.

Innovation mindset

15. Performance analysis has shown that programmes using innovative approaches are associated with higher results. A sensemaking analysis showed that knowledge in UNDP projects came predominantly from experimentation, and that staff across all age groups favour doing things differently. UNDP invested in building an innovation mindset, reflected in a surge of innovative approaches, initially in governance but now widespread. The Accelerator Lab Network, established across 78 countries in 12 months and recently acclaimed² as the world's top public sector evidence-based policy team, is a flagship illustration of how this was done. Organizational learning and knowledge management need strengthening so that solutions can be shared, replicated and scaled.

Financing the Sustainable Development Goals

16. In 2019, UNDP established the Finance Sector Hub to bring coherence and scale to its work on financing for the Sustainable Development Goals. The hub has developed a series of service offers, with the potential to effect change at scale, from which Governments can choose those best suited to their context. These include integrated national financing frameworks to align public financing to the Goals; "SDG Impact" to bring in the private sector; insurance and risk finance to build resilience from national to individual levels; and exploiting the potential of digital finance.

Investments in scalable digital programmes

17. The potential of digitalization is evident from success stories such as the UNDP collaboration with the Government of Bangladesh to save underserved citizens \$8 billion, 2 billion workdays and 1 billion visits through digitalized public services. To replicate and scale up such approaches, UNDP needs to embed digitalization throughout its work and programme offers. Through its new Digital Strategy, launched in 2019, UNDP is testing new programmatic ventures while also investing in organizational digital literacy and capacity. UNDP and the United Nations Capital Development Fund (UNCDF) are deepening their cooperation to implement the recommendations of the Secretary-General's Digital Finance Task Force and serve some of the 1.7 billion unbanked worldwide.

² Apolitical Group awards, 2019.

Funding model

18. The year 2019 marked a second year of increasing regular resources, up \$17 million from 2017 to \$629 million.³ Regular resources remain critical for UNDP to implement the Strategic Plan, to support low-income countries to eradicate poverty, respond to crisis with agility, try out innovative approaches and fill critical resource gaps in areas such as gender. New analysis shows that programmes using a higher proportion of regular resources achieve higher-level development results.

B. Development results

19. The performance of UNDP is on track, with 20 out of 27 indicators reaching over 90 per cent of the milestones, seven between 60 and 90 per cent and none below 60 per cent. UNDP is using this analysis to improve in areas identified as less well performing.

20. UNDP is delivering across all three development settings identified in the Strategic Plan. Where the focus is on eradicating poverty, 48 million people had better access to basic services. UNDP continued to promote nuanced measurements of well-being that track multiple deprivations, including the Multidimensional Poverty Index. In contexts of accelerating structural transformation, UNDP addressed major trends of slowing economic growth, declining trust in government and persistent gender inequality. UNDP responded with concentrated efforts, enabled by emerging technologies, on governance, health, human rights and rule of law, supporting inclusive, accountable institution-building and youth empowerment. In crisis and fragile settings, where only 18 per cent of States are on track to meet the 2030 Agenda targets on basic needs, UNDP remains a constant partner, providing support for more resilient recovery, while addressing underlying drivers of crisis. In 2019, 5 million people, one third of them women, in 28 crisis-affected countries got a job or a better livelihood with UNDP support.

21. These three settings are not mutually exclusive; they can and do coexist in the same country and across regions. All three present complex development challenges which signature solutions are designed to address in a systemic way.

Signature solution 1: Keeping people out of poverty

22. As a response to weaknesses identified by the 2018 evaluation of UNDP support to poverty reduction in the LDCs, UNDP has been developing a more integrated offer on poverty that looks beyond income to address other determinants of vulnerability such as gender, health, environmental degradation and climate change, and to build broad new partnerships to promote sustainable livelihoods and jobs, nature-based solutions and more integrated social protection packages.

23. The Human Development Report 2019 raised awareness of how multidimensional inequalities are evolving. UNDP and the Oxford Poverty and Human Development Initiative launched “Handbook: How to Build a National Multidimensional Poverty Index (MPI)” and helped over 30 Governments to do so. For example, in Nigeria, MPI data are being used to target poor households for inclusive health access as part of its National Social Investment Programme that aims to lift 100 million people out of poverty in the next 10 years.

24. UNDP livelihood programmes in over 30 countries went beyond income to include social cohesion, rule of law, justice and security and nature-based solutions. In Bhutan, UNDP helped to expand the livelihood opportunities of 31,567 farmers (over 13,000 of them women) by building resilience to climate change and supporting disaster risk reduction (DRR). The Emergency Community Development Programme in Senegal, which addresses livelihoods from a multidimensional perspective, has been replicated in several African countries. UNDP is supporting efforts in 12 countries to make their commodity production systems more sustainable while addressing rural poverty.

25. UNDP is evolving its approach to social protection to better integrate multiple vulnerabilities. Of the 62 countries where UNDP supported social protection, 18 took steps to cover more people and different vulnerabilities. In the Western Balkans, territorial employment pacts aim to bring marginalized groups into the labour market through integrated services that bridge social assistance and employment. In Peru, the new

³ Including \$12 million pledged but not yet received as at 22 March 2020.

Development Social Inclusion Policy uses the MPI as its main indicator for social protection. In the Asia-Pacific region, UNDP helped countries to invest in climate-linked social protection and promoted the use of MPI measures to further social inclusion. UNDP increased the inclusion of lesbian, gay, bisexual, transgender and intersex persons in national development and promoted their access to HIV and health services in 53 countries.

26. UNDP supports investment in challenging development environments to help to sustain essential services while opening pathways to sustainability. In Yemen, UNDP and the World Bank helped to improve the livelihoods of some 742,000 direct and 4.7 million indirect beneficiaries, creating over 10.7 million work days of emergency employment. UNDP work under the Regional Refugee and Resilience Response Plan for the Syrian crisis integrates livelihoods with social protection, bridging short-term emergency support with resilience-building, supporting over 850,000 refugees and host communities across five countries.

27. As numbers of migrants and displaced people continued to rise, UNDP strengthened its approach to migration as a development issue.⁴ Nearly 3 million displaced people in 13 countries benefited from durable solutions in 2019, enabling refugees, internally displaced persons (IDPs) and host communities to maintain life, livelihoods and dignity. UNDP supports the implementation of the two Global Compacts for Migration and Refugees, offering integrated responses that prioritize conflict prevention and climate change risks. Since 2018, UNDP and the Office of the United Nations High Commissioner for Refugees have partnered in 15 countries on refugee inclusion in economic opportunities, rule of law and local governance, including legal assistance and awareness of rights, for example free legal aid for host communities and refugees in Lebanon.

Signature solution 2: Governance for peaceful, just and inclusive societies

28. UNDP work on governance is anchored in Sustainable Development Goal 16 and the fundamental role that governance and rule of law play in peaceful, just and inclusive societies. UNDP continues to be a trusted partner in this endeavour, with 25 per cent of expenditure on governance coming from programme countries' own budgets. Yet many indicators for Goal 16 are moving in the wrong direction. Governance failures, deficits in fundamental freedoms and lack of trust in formal institutions have held back development and fuelled protests and conflicts.

29. UNDP supported national and local institutions to be more inclusive, accountable and responsive. In Thailand, implementation of the new Public Procurement Act contributed to savings of \$2.5 billion, equal to a 50 per cent pension increase for 9 million people. UNDP, the Global Fund to Fight AIDS, Tuberculosis and Malaria and the World Health Organization (WHO) launched the Anti-Corruption, Transparency and Accountability Alliance for Health to address the \$455 billion annual global losses from health-care fraud and abuse.

30. UNDP focused on enhancing core government functions and service delivery in contexts where governance capacities are challenged, for example supporting core governance functions in the Sudanese transitional government. In Somalia, UNDP helped 20 districts to modernize revenue management to support service delivery. In Yemen, where 80 per cent of people depend on humanitarian assistance, UNDP, the United Nations Children's Fund (UNICEF) and WHO proposed funding for incentives to preserve or restore critical services and sustain capacities for health, water, sanitation and education.

31. UNDP support to electoral processes resulted in 28 million newly registered voters in 23 countries. UNDP worked with 65 parliaments to enhance their legislative and oversight capacities and supported constitutional review processes in 15 countries, including Armenia, the Gambia, Somalia and Tuvalu, with an emphasis on gender equality and women's participation.

32. UNDP supported youth empowerment for sustainable development and peace in over 100 countries and territories. This included support to the political participation of over 100,000 young people in the Colombian peacebuilding process, supporting national and regional youth dialogues in the Asia and Pacific region and ensuring the meaningful participation of youth in Goal 16.⁵

33. UNDP prioritizes the inclusion of vulnerable and marginalized populations in governance systems, both as recipients of services and as agents of change. In Burkina Faso, UNDP supported national authorities in

⁴ UNDP *Scaling Fences*.

⁵ "16x16 initiative" supporting 16 youth organizations advancing Sustainable Development Goal 16.

issuing 12,913 birth certificates and national identity cards, helping to ensure access to basic services and rights. UNDP, the International Labour Organization and the International Disability Alliance led the formation of the United Nations Disability Inclusion Strategy. UNDP supported the Government of Cambodia to develop and adopt a five-year National Disability Strategic Plan to address the barriers facing its 1.6 million persons with disabilities, involving 75 disabled people's organizations. In Bolivia, UNDP assisted the Government in guaranteeing indigenous peoples the right to self-determination.

34. UNDP supported strengthening human rights systems in over 50 countries and enabled 7 million people in 27 countries to gain access to justice. UNDP supported 17 countries through the Global Focal Point on Rule of Law and the tripartite partnership between UNDP, the Office of the United Nations High Commissioner for Human Rights and the Global Alliance for National Human Rights Institutions which advanced national capacity-building and global human rights advocacy. The UNDP Business and Human Rights initiative, promoting the private sector as a duty bearer, provided support to 11 countries in Asia. In 89 countries UNDP supported reform of discriminatory laws and policies.

Signature solution 3: Crisis prevention and increased resilience

35. By 2030, around 80 per cent of the world's poorest people could be living in fragile and conflict-affected contexts. To respond to acute global volatility that undermines the resilience of people, communities and institutions, UNDP has scaled up its integrated prevention and peacebuilding programming offer at global, regional and country levels.

36. Partnerships and joint programming for conflict prevention and peacebuilding are central to UNDP work. Some \$40 million of Peacebuilding Fund expenditure (56 per cent of the total) went through UNDP in 2019. Through the Joint UNDP-United Nations Department of Political and Peacebuilding Affairs Programme on Building National Capacities for Conflict Prevention, peace and development advisers and teams deployed to nearly 50 countries. UNDP remains the largest contributor to United Nations work on preventing violent extremism, working in 34 countries to address its root causes.

37. In 2019, the Global Programme on Strengthening the Rule of Law and Human Rights supported nearly 40 conflict- and crisis-affected contexts through partnerships across the United Nations system. UNDP advanced the discourse on gender justice in the Arab States through a report on gender equality before the law covering 18 countries. In partnership with the Global Focal Point on Rule of Law and the United Nations Multidimensional Integrated Stabilization Mission in the Central African Republic, UNDP supported the establishment of the Special Criminal Court in that country.

38. UNDP has helped 2.5 million people to access early warning systems and climate or disaster information, and 54 countries to mainstream climate adaptation and DRR in national and local development plans. A tripartite agreement with the German Federal Ministry for Economic Cooperation and Development and the Insurance Development Forum aims to deliver risk finance solutions to 20 high-priority countries by 2025, including sovereign risk insurance for countries vulnerable to climate change, with the industry committing \$5 billion of risk capital. To support preparedness and risk reduction, UNDP provided integrated support to over 20 countries to revise their national and local DRR strategies.

39. UNDP supported the donor conference in Mozambique which mobilized \$1 billion for reconstruction and recovery after Cyclone Idai. Methodological adaptation of post-disaster needs assessments is being supported in 13 countries and over 1,500 disaster management and recovery practitioners have been trained.

40. UNDP supported national institutions through mediation and dialogue processes with a gender-sensitive approach. In partnership with the Clingendael Institute, 90 mediators from 36 countries were trained as insider mediators. Another 38 mediators from 26 countries became trainers themselves to ensure sustainability of national capacities.

41. As co-chair of the Joint Steering Committee to Advance Humanitarian and Development Collaboration, UNDP supported new approaches in the Lake Chad basin countries. This included new joint analysis through recovery and peacebuilding assessments in Burkina Faso, Cameroon and Nigeria and joint planning frameworks in Chad. In Burkina Faso, UNDP provided coordination and technical support for the Prevention and Peacebuilding Assessment, the first conducted in a preventive rather than post-conflict setting.

42. UNDP continues to be an essential partner for stabilization in crisis countries. UNDP launched the Regional Stabilization Facility in the Lake Chad basin as a rapid response mechanism to help local authorities curtail the capacity of Boko Haram; improve community safety and security; restore infrastructure and basic services; and provide livelihood opportunities. Since 2015 the Funding Facility for Stabilization in Iraq has facilitated the return of 4.6 million IDPs. Rehabilitation of infrastructure for transport, health, education and basic services has benefited 8.5 million Iraqis (half of them women), while another 33,000 benefited from cash-for-work activities. Through the UNDP Stabilization Facility for Libya, the capacities of 40 municipalities to deliver essential public services were strengthened.

43. Jobs and livelihoods remain a core part of UNDP recovery and resilience work. In Afghanistan, Iraq, the Syrian Arab Republic and Darfur, Sudan, integrated programmes focused on livelihoods, social cohesion, local government, rule of law, justice and security. The UNDP-World Bank Emergency Crisis Response Project in Yemen is building resilience through a multidimensional approach of improving livelihoods, restoring basic social services infrastructure and providing renewable energy. The partnership delivers urgent assistance while preserving institutions and investing in livelihoods, the foundations of peace and human security.

44. Through Crisis Risk Dashboards in 20 countries, UNDP ensures that multidimensional risk factors are addressed across development settings by connecting analysis to programming, conflict prevention and peacebuilding and connecting governance to DRR and recovery.

Signature solution 4: Environment: nature-based solutions for development

45. Fifty per cent of the Sustainable Development Goal targets are directly linked to how natural resources are managed. Implementing the goals of the United Nations Decade on Ecosystem Restoration would cost \$800 billion but deliver \$9 trillion in benefits. UNDP works through integrated programmes to leverage the huge potential of nature-based solutions to tackle development challenges at scale.

46. UNDP launched the Climate Promise in 2019 to support 100 countries (now 102) to enhance their NDCs by 2020. Colombia has obtained 15 commitments from companies regarding zero deforestation and emission reductions. The Chilean voluntary carbon footprint platform for the private sector, HuellaChile, has been adopted by Costa Rica and Peru. As part of efforts to engage society, UNDP has developed a mobile phone game, Mission 1.5,⁶ giving an entirely new audience the chance to vote on their preferred solutions to climate change.

47. UNDP enabled countries to access over \$1 billion from vertical funds in 2018-2019. These grants leveraged an additional \$1.2 billion of private and public finance for 91 countries from IFIs, United Nations entities, the private sector and Governments. Funds mobilized in 2019 from the Global Environment Facility (GEF), Green Climate Fund (GCF) and Adaptation Fund are expected to benefit 37 million people through integrated initiatives designed to avoid approximately 275 million tons of carbon dioxide emissions (equal to taking 59 million cars off the road for a year) and protect over 84 million hectares of landscapes and marine habitats. UNDP continues to strengthen linkages between vertical funds and other support for sustainable livelihoods and rural development, including through broader partnerships.

48. Beyond enhancing the NDCs, some \$142 million was mobilized from vertical funds in 2019 to support national adaptation to climate change. In Zambia, a GCF-financed project is building climate resilience and agricultural value-chain systems, increasing food security, health and livelihoods of some 70,000 farmers. In India, \$100 million was mobilized to support ecosystem-based adaptation for vulnerable coastal populations and national policy and coordination for coastal resilience. In the Marshall Islands, \$20 million was mobilized to support climate-resilient solutions to water insecurity.

49. UNDP leverages existing resources for nature-based solutions. Through the Biodiversity Finance Initiative, UNDP supports 35 countries in developing financial plans to safeguard nature and natural capital, including repurposing nature-impacting subsidies. Of the nearly 3,000 community-driven initiatives on the environment financed by the GEF Small Grants Programme in 2019, 35 per cent were led by women. UNDP supported over 20 countries in leveraging funding for forest-based solutions to climate change (REDD+).

⁶ In the game's first month there were 78,596 downloads.

50. In 2019, UNDP launched a comprehensive offer for small island developing States covering the blue economy, digital transformation and climate action, with a cross-cutting focus on finance. The Pacific Islands Oceanic Fisheries Management initiative demonstrates the potential of a blue economy, making an impact far beyond fisheries. The contribution of tuna fishery to the gross domestic product of the 14 Pacific island countries increased from \$300 million to \$500 million; direct employment in fisheries increased from 12,000 in 2013 to nearly 22,500; and all four tuna species are being fished sustainably.

Signature solution 5: Clean, affordable energy

51. Access to clean and affordable energy is a springboard to increased resilience and poverty alleviation; UNDP support resulted in access to clean, affordable and sustainable energy for 1.2 million households in rural areas and 1.4 million women-headed households.

52. Over \$100 million was mobilized for more than 50 countries from GEF and other climate funds as the entry point for broader development impact, including through the reduction of barriers to increased use of renewable energy. For example, in Belarus, where there was virtually no private participation in the power generation sector, UNDP helped to create the conditions for private sector investment and leveraged \$40 million of private financing for a wind farm.

53. Renewable energy promises to be part of the solution to the challenges of rapid urbanization. Working with municipalities in Egypt, UNDP is supporting the increased use of distributed generation capacity in cities like Cairo through grid-connected rooftop solar cells. In the Republic of Moldova, UNDP enabled solar-powered charging stations for electric vehicles. Through the UNDP-Global Fund partnership, 652 health facilities in eight countries are running on solar energy. In Malawi, South-South cooperation with the United Republic of Tanzania and Zambia has improved collaboration among energy regulators and improved policy coherence in the clean energy “mini-grid” sector.

54. UNDP leverages the ability of UNCDF to deploy loans and guarantees that benefit small enterprises and local governments in LDCs, including a partnership with the Development Bank of Ethiopia and the Government to guarantee \$1.1 million in loans to 12 renewable energy small and medium-sized enterprises, and a \$10 million UNCDF-issued guarantee in the Gambia which attracted commercial co-investment in a 10.5 megawatt solar power plant.

55. Sustainable energy interventions can be effective enablers when integrated into broader development interventions. In the Democratic Republic of Congo, a small hydroelectric turbine in Lake Kivu provided power for agricultural processing, creating jobs, affordable electricity and new sources of income. The challenge facing UNDP is to replicate and scale such examples so that energy interventions are woven across development strategies, coupled with thought leadership on politically difficult reforms around fossil fuel subsidies and carbon pricing.

Signature solution 6: Gender equality

56. Gender equality is increasingly reaffirmed as the driving engine for transformative development. Progress towards implementing the UNDP Gender Equality Strategy, 2018-2021 is strong, with 11 of 15 gender-responsive development indicators meeting or exceeding their targeted milestones in 2019.⁷ Yet progress toward reaching Sustainable Development Goal 5 by 2030 is slowing. The Human Development Report found faster progress for basic capabilities such as voting and self-employment, but slower progress for enhanced capabilities such as political and business leadership.

57. UNDP has been pursuing initiatives that accelerate structural transformation, working with partners, especially the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), across all the signature solutions. In 2019, 59 per cent of programme expenditure was directed to programmes which had gender equality as a significant or principal objective, up by more than 10 per cent since 2018. With UNDP support, 23.4 million women gained access to basic services, financial services and non-financial assets. Democratic governance remained hugely influential in progressing towards more egalitarian societies; 48 per cent of voters registered through UNDP electoral support programmes were women.

⁷ See the annual report on the implementation of the Gender Equality Strategy, 2019.

58. UNDP contributed most effectively to preventing gender-based violence when tackled as part of a complex development challenge. UNDP helped 17 countries to establish frameworks to prevent and respond to gender-based violence, partly through Spotlight, a global multi-year partnership between the European Union and the United Nations to eliminate all forms of violence against women and girls by 2030.

59. UNDP met or exceeded 88 per cent of performance indicators in the United Nations System-Wide Action Plan 2.0. By the end of 2020, 79 country offices will be certified with the Gender Equality Seal, certifying performance in delivering transformative results for gender equality. Over 750 companies in 16 countries have already been certified.

60. On the twentieth anniversary of Security Council resolution 1325 (2000) on women, peace and security, UNDP must invigorate its efforts to enhance women's leadership in crisis prevention and recovery. The first step is the new Gender and Recovery Toolkit. UNDP will implement recommendations of the Secretary-General's High-Level Task Force on Financing for Gender Equality and will establish financial targets for gender programming. In preparation for the twenty-fifth anniversary of the Fourth World Conference on Women (Beijing+25), the global UNDP campaign "Time for Gender Equality" will tackle discriminatory norms and gender bias.

The power of integration

61. Countries face increasingly complex, often unprecedented, development challenges that require whole-of-government solutions. Governments want to work with UNDP to develop and implement these integrated solutions. The latest UNDP performance analysis confirms the value of an integrated approach.

62. The UNDS reforms are grounded in integration. Resident coordinators are responsible for orchestrating UNCTs towards common country goals through United Nations Sustainable Development Cooperation Frameworks (UNSDCFs). UNDP supports this collective effort through its integration offer: a programmatic function offered to the country to co-create and operationalize development solutions across sectors in pursuit of common goals, focusing on four related entry points:

(a) Integrated policy and programming. UNDP helped 103 countries to establish intragovernmental Sustainable Development Goal coordination structures, budgets, monitoring and evaluation frameworks and platforms for "whole-of-society" approaches. These build on UNDP leadership of the inter-agency Mainstreaming, Acceleration and Policy Support approach;

(b) Data and analytics. UNDP supported 11 countries in using the International Futures model tool to assess and plan for possible scenarios over multiple sectors and time horizons;

(c) Sustainable Development Goal financing. UNDP helped countries to plot innovative paths to financing development through 28 completed and 13 ongoing development finance assessments. A UNDP-United Nations-European Union initiative supported integrated national financing frameworks, under way in 19 countries, to align public financing to the Goals. UNDP and the Organisation for Economic Co-operation and Development (OECD) are leading the development of a global sustainable finance framework to accelerate the flow of public and private resources;

(d) Investments in learning and innovation are helping UNDP and partners to understand synergies and trade-offs between policy choices and across sectors.

63. Underpinning its integration offer are entities hosted by UNDP – United Nations Volunteers (UNV), the Multi-Partner Trust Fund Office, UNCDF and the United Nations Office for South-South Cooperation – as well as new "next generation" initiatives: the Global Policy Network, Accelerator Labs and country support platforms.

64. Sixty country support platforms have been established, of which 40 are becoming true "integration engines". Four early adopters (North Macedonia, Pakistan, Paraguay, Somalia) exemplify the defining features of a platform. For example, the Islamabad Urban Platform was established to address systemic challenges requiring multisectoral responses, creating a large-scale co-creation infrastructure where civil society, public institutions and the private sector work together. Local institutions had tried to tackle challenges of economic growth and water conservation sectorally, with limited impact. The platform is now connecting with initiatives beyond Pakistan and similar platforms have been replicated in the country's major cities.

65. These new ways of working are being applied to complex challenges less easily addressed through conventional approaches. In Uruguay, UNDP assembled an unconventional team – experts in impact investing, social protection and climate economics – to brainstorm with the regional government and local communities on how to leverage a major prospective investment towards a sustainable, digital, knowledge-based economy. Addressing the causes and effects of depopulation in Serbia and tackling the environmental crisis and its socioeconomic implications in the Aral Sea are other examples of UNDP using cross-disciplinary teams and systems approaches. As part of its new Digital Strategy, UNDP has identified initiatives with scalable potential. In Ecuador, UNDP connected small cacao producers to the global market through a chocolate bar, traceable to its origins via blockchain technology. This is now informing a global initiative to connect millions of sustainable producers to global value chains.

66. UNDP is gradually building the institutional capacity needed to provide the quality of collaboration its partners expect, but this is not easy. Real challenges exist in dismantling long-standing siloes and developing a new organizational culture. Not all the country support platforms are yet truly transformative; some are more akin to rebranding. There is much more to do to improve the connection between country offices, support platforms, the Global Policy Network and the Accelerator Labs to share lessons and scale successes.

Partnerships for the Sustainable Development Goals

67. Some 3,100 partners working with UNDP in 140 countries responded to the 2020 partnerships survey. The results show that UNDP continues to be viewed as a valued partner and key actor supporting the achievement of the Goals. Partners highly value the support of UNDP tailored to national development priorities and its technical expertise, programme and project implementation and communication with partners.

68. New partnership agreements are under way with 10 United Nations agencies. Beyond formal joint programming which accounted for 8 per cent of programme expenditure, an additional 14 per cent involved activities with other United Nations entities and 15 per cent involved South-South and triangular cooperation.

69. Good progress continued in the six areas of collaborative advantage of the common chapter of the strategic plans of UNDP, UNICEF, UNFPA and UN-Women, as outlined in annex 3. A survey conducted as part of the 2020 evaluability assessment of the common chapter found that 100 per cent of staff surveyed considered the common chapter either a key driver or a positive influence for improved collaboration among the common chapter agencies. Nonetheless, while collaboration between the four agencies is solid and growing, the imperatives of UNDS reform require collaboration across the entire system and the utility of the common chapter as a separate initiative should be reviewed in that context.

70. Partnerships with IFIs are helping to deliver results at scale. UNDP received from development banks over \$676 million in grants and loan implementation support, 50 per cent more than in the previous biennium. Partnerships with the European Investment Bank for support to the Sustainable Development Goals, Asian Development Bank on SDG Implementation Snapshots and with the African Development Bank and the African Union Development Agency on a digital Guide for Integrated Planning are supporting countries' Sustainable Development Goal planning and budgeting.

71. Other partnerships leveraging support for the Goals include the UNDP-OECD initiative Tax Inspectors Without Borders, increasing tax collection by an additional \$532 million via tax auditing of multinationals in low- and middle-income countries since 2016. UNDP supported the Government of Indonesia in issuing its first green Sukuk (Islamic bond) for the retail domestic market which raised \$310 million. Other private sector partnerships magnify UNDP advocacy, raising public awareness as well as funds. The Samsung Global Goals app – installed on 4.5 million phones, with 1 million active users – lets users donate for the Goals, and the Lion's Share, awarded a Grand Prix at the 2019 Cannes Lions Festival of Creativity, raises funding for animal conservation.

Resources

72. Contributions to regular resources from government funding partners increased from \$612 million in 2017 to \$624 million in 2018 and \$629 million in 2019. Multi-year commitments to regular resources increased by 16 per cent from \$271 million in 2018 to \$363 million in 2019. Evidence shows that offices with a higher proportion of regular resources funding achieved higher performance. Forty-three per cent of the projected four-year resource plan has been invested – equal to \$9 billion in programme expenditure over 2018-2019. Resource contributions reached 97 per cent of the planned midterm level.

73. Programme Governments' cost-sharing contributions, \$1.82 billion in 2018-2019, remain vital to UNDP efforts to support national priorities. Vertical funds remain significant (18 per cent of contributions), underpinning UNDP efforts to build nature-based solutions.

74. Government partners increased their contributions to the UNDP thematic funding windows by 54 per cent from \$67 million in 2018 to \$103 million in 2019. UNDP engagement in pooled funding through the Multi-Partner Trust Fund increased to some \$452 million in 2019 from \$357 million in 2018.

UNDS reforms under way

75. With the adoption of General Assembly resolution 72/279 of 31 May 2018 on the repositioning of the UNDS in the context of the quadrennial comprehensive policy review of operational activities for development of the United Nations system, UNDP had to adjust to a major shift in its operating environment. UNDP completed its immediate responsibility of handing over the coordination function to the United Nations Secretariat on time by 1 January 2019, with 63 staff seconded as resident coordinators. A new generation of UNDP country office leaders (127 representatives and 144 deputy representatives) was appointed during this delinking process. UNDP remains the largest single United Nations entity contributor to the resident coordinator system, with an annual contribution of \$10.3 million. UNDP contributed \$2.5 million to the Special Purpose Trust Fund in 2019.

76. UNDP managed the risks of delinking and other reforms through careful corporate governance, including continuous risk monitoring and active internal communication. The internal audit of the delinking process gave these measures its top rating (satisfactory). A senior management "Anchor Group" has met weekly since early 2018 to drive coherent action on reform.

77. The Strategic Plan had readied UNDP for some of these changes. UNDP took additional steps in 2019 to ready its country offices for strong engagement in the design of the new UNSDCF, setting up multidisciplinary teams to support country offices from the beginning of joint planning processes and revising its country programme document to highlight its contribution to joint, outcome-level change. Representatives' job descriptions and training were updated to match their new UNCT responsibilities, as outlined in the new management accountability framework.

78. UNDP developed an online platform to improve the quality of UNCT business operations strategies and reduce their development time from six months to eight weeks. As the main service provider to the resident coordinator system, UNDP developed an online platform that tracks quality and timeliness of services, rated by its users at 4.24 out of 5 stars. Beyond reform, UNDP served as the operational backbone of the United Nations, disbursing \$3 billion in payroll, over half on behalf of partner agencies; providing \$95 million in travel services and \$618 million in procurement; and managing more than 200 shared services.

79. The 2020 partnerships survey showed that 73 per cent of respondents were satisfied that UNDP is supporting resident coordinators to strategically position the United Nations system at country level; 75 per cent see UNDP as advocating a common United Nations position on important development issues; and 74 per cent were satisfied that UNDP is contributing to analysis and evidence collection underpinning the work of the United Nations.

C. Institutional performance

80. The UNDP institutional performance remained solid; 31 of 36 indicators reached more than 90 per cent of their milestones, four indicators met between 60 and 90 per cent of their milestones and one is below 60 per cent.

81. UNDP is becoming more agile, innovative and efficient. In the 2014-2017 Strategic Plan period, UNDP drew on an additional \$200 million approved by the Executive Board for management activities. In 2018-2019, even while absorbing the costs of implementing UNDS reforms, tighter financial discipline and greater drive for efficiency enabled UNDP to avoid drawing on \$49 million approved by the Executive Board for similar purposes in the 2018-2021 integrated resources plan/integrated budget.

82. Since 2017, financial stability has been ensured by reining in costs. For example, \$7.5 million was saved on travel through leveraging joint purchasing power with other agencies. A new travel request system cut processing times by almost half and saved 109,000 hours in 2019, equivalent to over \$867,000. By redeploying staff to the field, \$11.7 million was saved on headquarters office costs from 2017 to 2019.

83. As a result, UNDP balanced its institutional budget in 2019 for the third year in a row. The proportion of regular resources used for institutional budget activities decreased from 38 to 36 per cent compared to the previous period, shifting an additional \$19.5 million to development programmes. The UNDP management efficiency ratio continues to exceed its milestones, although it should be noted that as a result of the delinking and adherence to the Executive Board-approved cost classification targets, the ratio was adjusted in 2019.

84. UNDP is using these efficiency gains to invest in higher quality services to enable staff to work more effectively on programming. The global shared services initiative or clustering is consolidating 57 country office processes in finance, human resources and procurement, which will address up to 65 per cent of country-level audit issues. By the end of 2021, a significant proportion of the estimated \$15 million in cost avoidance is expected to be realized.

85. Improvements are also under way in UNDP programme practices towards more outcome-focused, risk-informed programming. In 2018, UNDP introduced more flexible instruments to deliver results and enable adaptive management. Roll-out of a customized Managing Successful Programmes certification is supporting 1,200 staff to manage for strategic outcome-level change, anchored in the UNSDCF, as well as building core skills in risk management, benefits management and stakeholder engagement.

86. UNDP is investing in stronger networks of policy and innovation. The Global Policy Network now includes 8,800 colleagues connected in communities of practice, plus a global pool of 5,000 experts in 110 areas of expertise. The deliberately unconventional teams of the Accelerator Labs – 72 per cent of them brand new to the United Nations and 24 per cent repatriates returning to their countries – include entrepreneurs, engineers and data scientists.

87. The UNDP Digital Strategy will improve delivery through client-facing platforms and more efficient business practices. Over 20 per cent of staff have completed a learning programme on digital transformation, while another 500 are enrolled in digital masterclasses. UNDP applied artificial intelligence to results data for the first time in 2019 to generate insights to support evidence-based policy and programme design. UNDP was awarded a FutureEdge 50 Award for developing a global incident response and threat hunting cybersecurity platform.

88. UNDP is committed to reducing its carbon footprint, avoiding \$600,000 in energy costs and offsetting 70,000 tons of carbon dioxide equivalent annually. The “Greening UNDP Moonshot” accelerates the organization’s climate neutrality commitment to reduce its greenhouse gas emissions by 25 per cent by 2025 and 50 per cent by 2030.

89. The People for 2030 strategy includes steps to create a rewarding, safe and inclusive workplace. While UNDP maintained gender parity among staff, gender parity in middle management and the representation of staff from programme countries at D1 level and above need improvement. UNDP has strengthened its

commitment to preventing sexual exploitation and abuse and sexual harassment, through a comprehensive strategy and action plan.⁸

90. In 2019, UNDP hosted 2,671 UN Volunteers, 17 per cent more than in 2018. At the 2019 United Nations/International Organizations Career Development Roundtable, UNV and UNDP won the award for Innovation in Recruitment for Young Professionals with Disabilities. Targets established for the share of International Professional staff from programme countries were exceeded at almost every level.

III. Lessons learned and the way ahead

91. This midterm review draws on evidence to indicate how UNDP will adapt its approach in the remaining period of this Strategic Plan and thereafter, to reach the speed and scale necessary to achieve the Sustainable Development Goals. To do this, UNDP will:

- (a) Intensify its support to countries in planning, monitoring, localizing and financing the Goals, leveraging its integration offer and the integrator assets built over the last two years, including the “rising up for small island developing States” offer;
- (b) Intensify focus on Goal 16 as a critical enabler for delivery of the 2030 Agenda, including local interventions to promote social cohesion;
- (c) Continue to address lessons from the 2018 evaluation of the UNDP contribution to poverty reduction in the LDCs to strengthen integrated solutions to multidimensional poverty, including through social protection, and fully embedding inequality reduction and leaving no one behind across programmes;
- (d) Move beyond a focus on women’s participation to systematically address the roots of gender inequality and discrimination;
- (e) Maximize development results through applying appropriate combinations of the signature solutions to address complex development challenges, using performance analysis;
- (f) Raise the level of ambition in nearly all 2021 development results targets;⁹
- (g) Collaborate within UNCTs on the design and implementation of new UNSDCF, intensify efforts towards joint programmes and activities and continue to expand targeted partnerships.

92. Following two years of experimentation to build the “Next Generation UNDP”, the organization must now exploit the potential synergies across the Global Policy Network, Accelerator Labs, country platforms and offices, to share and systematize lessons learned and strengthen knowledge management. Artificial intelligence, blockchain and other technologies present new opportunities for UNDP to address the challenges described in this report, even as the increasing digital divide, cyberthreats and other aspects of digitalization present their own challenges. The People 2030 strategy is already building a stronger workforce, but to address the multifaceted and evolving development challenges facing its partners, investing in the UNDP workforce, the organization’s most valuable asset, will be a high priority.

93. Learning from audit and evaluation remains essential. Following the Executive Board’s adoption of the revised evaluation policy in 2019, the Independent Evaluation Office and UNDP management are working to strengthen decentralized evaluation for improved evidence-based programming. While UNDP received its fourteenth consecutive unqualified (clean) audit opinion from the United Nations Board of Auditors for 2018, the UNDP Office of Audit and Investigation continued to assess UNDP as “partially satisfactory/some improvement required” in 2019 in relation to governance risk and control mechanisms. A recently concluded internal study will help to identify where UNDP should invest in building the skills, incentives, culture and governance mechanisms required to successfully manage risks.

94. The UNDP funding model, based on 13 per cent regular resources and 87 per cent other resources, has implications for the effectiveness of UNDP country programmes. Short-term project funding undermines investments required for long-term sustainability. Donor priorities do not always match national development

⁸ See annex 6.

⁹ See annex 1.

needs. A concentration on implementing vertical fund programmes may detract from important cross-cutting initiatives in areas like gender and governance. The performance finding that regular resources contribute to higher results demonstrates the catalytic impact of regular resources funding for the entire 2030 Agenda. As UNDP adheres to its commitments in the Funding Compact and continues to diversify the funding base, its agility, responsiveness and effectiveness depend on these flexible resources.
