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**Annual report of the Administrator**

## **Annual report of the Administrator for 2021**

### **I. Introduction**

1. In 2021, multiple crises threatened global development gains. The climate emergency escalated. Social unrest and conflict flared. Inequalities deepened. And the coronavirus disease (COVID-19) pandemic continued, devastating lives, diminishing economies. Human choices caused these crises. Human actions can resolve them, as the COVID-19 vaccines ably demonstrated. Complex challenges are not insurmountable, a truth that UNDP witnesses every day through development solutions in every part of the world.

2. The year 2021 put to the test the organizational transformation of UNDP over the period of the Strategic Plan, 2018-2021. It tested the organization's agility, innovation, resilience and ability to respond to complexity. The present report shows that UNDP rose to the challenge, to the benefit of millions of people. In so doing, UNDP showed that it is better placed to drive development in an era buffeted by rapid change.

#### **Box 1. UNDP in numbers**

From 2018 to 2021, 71 million people in 36 countries gained access to essential services

2.4 million rural households in 33 countries benefited from clean, affordable and sustainable energy

Over two years, UNDP provided \$1.6 billion to help countries respond to and recover from the COVID-19 pandemic

43 countries addressed gender-based violence in 2020-2021

Since the onset of the pandemic, 82 countries have adopted over 580 digital solutions, including 71 e-commerce and 149 e-governance systems

3 million people, 47 per cent of them female, benefited from jobs and improved livelihoods in crisis or post-crisis settings in 29 countries in 2021

As the largest contributor to United Nations efforts on the prevention of violent extremism, UNDP in 2021 supported 26 countries to implement national actions plans to address radicalization



Of the 120 countries participating in the UNDP Climate Promise, 92 submitted revised national climate action plans in 2020-2021; 90 per cent stepped up ambition on mitigation and 96 per cent did so on adaptation.

Despite disruptions caused by the pandemic, UNDP programme expenditure reached \$4.8 billion in 2021, the highest level in over a decade

The mobilization of \$3.8 billion in Sustainable Development Goal bonds in 2021 demonstrated the growing reach of UNDP in innovative finance

UNDP met 88 per cent of performance indicators for the United Nations System-wide Action Plan 2.0 on Gender Equality and the Empowerment of Women

The UNDP Accelerator Lab Network reached 115 countries through 91 locations

To date, cumulative 'moon shot' facility investments have reduced the UNDP electricity carbon footprint by 8 per cent while saving \$600,000 a year

UNDP payroll services processed payments for staff of 50 different United Nations entities, part of a commitment to effective, efficient United Nations business operations

## II. UNDP in a world in transition

3. The year 2021 may prove to be the start of a shift in the world. It demonstrated the tremendous promise of technology, through the rapid development of COVID-19 vaccines and the growth of digital solutions, while underlining acute disparities in access that in the worst cases cost lives. The year also showed how quickly development gains can be erased, as millions more people plunged into poverty, as well as how effectively social protection and fiscal injections can help stop the slide. Evidence of the climate emergency rang alarm bells at a fever pitch even as countries and businesses globally moved towards more ambitious cuts in greenhouse gas emissions.

4. In short, many turning points arrived at once. UNDP remained committed to its part in turning them in the right directions, towards societies that flourish. This means a world that is more equal, not less, and where transformation is powerful enough to take root even amid conflict, crisis and fragility. It demands a just transition in societies and economies, moving towards a decarbonized, digital future.

5. For UNDP as an organization, 2021 was a moment of change, marking the last year of the period of the Strategic Plan, 2018-2021 and the preparations for the next Strategic Plan, 2022-2025. Over the last four years, UNDP has undergone its own transformation, sharpening tools and capacities to deliver results in a complex world. Investment in a 'next generation' UNDP has delivered results, in individual lives and across societies. Tens of millions of people have better services, more cohesive communities and greater resilience to shocks. One hundred countries have progressed in putting the Sustainable Development Goals at the heart of national and subnational development plans.

6. In rising to a moment of turbulence but also promise, UNDP drew on steady progress in advancing integrated development solutions to resolve tricky, multidimensional challenges. These connect issues and people, and draw on the power of innovation and technology. The value of this approach was strongly evident in the UNDP \$1.6 billion COVID-19 response, a case study in how the organization is better equipped to navigate uncertainty and complexity.

7. UNDP supported 82 countries to adopt systems for tracking vaccine registration and beneficiaries, and aided the recruitment of 32,000 new health-care workers. In India, an existing digital vaccine intelligence system, developed before the pandemic with UNDP assistance, allowed a rapid pivot to the herculean task of vaccinating 1.4 billion people. The system links nearly 29,000 vaccine cold-chain posts in all districts of the country and by the end of 2021, it had delivered more than 1.4 billion doses. With the World Health Organization (WHO), United

Nations Children's Fund (UNICEF) and other partners on the ground, UNDP is now helping to realize the target of vaccinating at least 70 per cent of the global population against COVID-19 in 2022. Heightened commitment to South-South and triangular cooperation was intrinsic to the UNDP pandemic response, accounting for some 20 per cent of COVID-19 projects in 2020 and 18 per cent in 2021.

8. COVID-19, while dominating headlines in 2021, was not the only UNDP achievement. Almost all 120 countries supported by UNDP through the Climate Promise adopted more ambitious plans for climate mitigation and adaptation. As part of the return to progress towards the Sustainable Development Goals, the UNDP commitment to innovation in mobilizing development finance paid off by leveraging \$2 billion for the Goals in 14 countries, despite pandemic-related fiscal pressures. Its investment in thought leadership included the innovative Gender Social Norms Index. And UNDP was ranked among the top 10 of 70 influential bilateral and multilateral organizations in the *Listening to Leaders 2021* report.<sup>1</sup>

9. As a devastating crisis unfolded in Afghanistan, UNDP drew on the power of its partnerships within the United Nations system and beyond, working with 13 United Nations entities through the Special Trust Fund. To meet essential human needs in 10 provinces, UNDP provided temporary employment for 70,000 workers, benefiting 430,000 people in total. It helped link 25,000 small farmers and traders to markets and provided clean energy to 18,000 households. With the Global Fund to Fight AIDS, Tuberculosis and Malaria, UNDP paid nearly 26,000 non-governmental health workers to keep more than 2,100 health facilities open and serving over 3 million Afghans.

10. UNDP has high ambitions for the Strategic Plan, 2022-2025 while knowing first-hand how grave the challenges are. UNDP country offices report that political tensions are delaying critical government policy decisions. An upsurge in violent conflict, from civil unrest to all-out war, diminishes prospects for human security and well-being. Gender equality remains far off. Insufficient data obscure what is known about the Sustainable Development Goals and the best ways to achieve them.

11. The ways forward may not be easy but now is not the moment to retreat from the challenges facing UNDP. It is in fact a time to lean in, be bold and do more. This report highlights how much has already been achieved but equally how more can be done to find integrated development solutions that break through risk and complexity and deliver meaningful results. UNDP has embarked on this path with the new Strategic Plan, knowing there is not even one more day to lose.

## **Box 2. What people are saying about UNDP**

"UNDP has handled the turbulent context of the recent years well. It fully aligned with the 2030 Development Agenda, played a constructive role in United Nations Reforms, and demonstrated great resilience and new dynamism in responding to the COVID-19 pandemic."

—*Multilateral Organisation Performance Assessment*<sup>2</sup>

"A number of the (UNDP Accelerator) Labs have demonstrated the value of collective intelligence approaches to inform more agile, localized and responsible governance. These examples are helping governments make complex systems visible and understand problems closer to real time – enabling them to respond more effectively to localized issues."

<sup>1</sup> Custer, S., Sethi, T., Knight, R., Hutchinson, A., Choo, V., and M. Cheng. (2021). *Listening to Leaders 2021: A report card for development partners in an era of contested cooperation*. Williamsburg, VA: AidData at the College of William & Mary.

<sup>2</sup> Multilateral Organisation Performance Assessment Network (MOPAN), (2021), *MOPAN Assessment Report: UNDP 2020 Assessment Cycle*, Paris.

—*Nesta's Centre for Collective Intelligence Design*<sup>3</sup>

“Usually, managers think about building an ecosystem for innovation.... But UNDP has gone much further, creating a large *network of ecosystems* that revolve around its labs, and building connections with local partners while also helping the labs coordinate with one another. In short, it's solving the acceleration problem with a portfolio mindset, employing the power of the collective, and it's doing so at an unprecedented scale.”

—*Massachusetts Institute of Technology*<sup>4</sup>

“UNDP has achieved excellent outcomes on gender-diverse recruitment, promotion and succession planning.... Genuine support and dedicated resourcing are in place in order to ensure gender diversity and inclusion.”

—*Economic Dividends for Gender Equality*<sup>5</sup>

UNDP efforts to unite diverse partners around Sustainable Development Goal 15 monitoring represent “a commendable example of cross-sectoral and cross-country collaboration among organizations and communities from government, academia, the United Nations, and other stakeholders to develop and validate the broad use of effective Earth observation-based methods and data for more effective monitoring and implementation of Sustainable Development Goal 15 targets.”

—*EO4SDG Initiative in announcing the Group on Earth Observations SDG Award*<sup>6</sup>

“The (SDG Impact) Practice Standards are a vital addition to the impact management landscape, providing organisations with a robust framework for best practice. This strategic partnership with UNDP solidifies our alignment in thinking and allows us to support the rollout and adoption of the standards.”

—*Social Value International*<sup>7</sup>

### III. Progress on the Strategic Plan, measured in millions

12. Despite multiple and intersecting crises related to COVID-19, the climate emergency and political turbulence, UNDP has largely demonstrated resilience, sustaining and even advancing achievements in planned development outputs. Evidence from the 2018-2021 Strategic Plan period pointed to an organization better equipped for the challenges ahead.

13. UNDP in 2021 routinely delivered for millions of people and scores of countries in every part of the world, a fitting conclusion to the Strategic Plan, 2018-2021. Over the past four years, transformative changes were strongly evident across the plan's three outcomes and six signature solutions as indicated by the following results, which are cumulative unless otherwise noted.

14. Under outcome 1, to advance poverty eradication, UNDP assisted 71 million people in 36 countries in obtaining services essential to well-being and dignity, such as water, housing and health care. In 25 countries, 40 million people accessed financial services, gaining resources to improve their lives and spur broader economies. Sixty-two countries now sustainably manage 30 million acres of forests, a critical step towards preserving biodiversity and slowing climate change.

<sup>3</sup> Berditchevskaia, A., Peach, K., Lucarelli, G., Ebelshaeuser, M. (2021). Collective Intelligence for Sustainable Development: 13 Stories from the UNDP Accelerator Labs.

<sup>4</sup> Altman, E., Nagle, F. (2020). Accelerating Innovation Through a Network of Ecosystems in Massachusetts Institute of Technology Sloan Management Review (Summer 2020).

<sup>5</sup> UNDP People for 2030 available at <https://peoplefor2030.medium.com/undp-awarded-edge-move-certificate-for-gender-equality-in-the-workplace-3df283a6dfa0>.

<sup>6</sup> UNDP available at <https://www.latinamerica.undp.org/content/rblac/en/home/presscenter/pressreleases/2021/tres-oficinas-nacionales-del-pnud-reciben-el-premio-geo-sdg-2021.html>.

<sup>7</sup> Social Value International available at <https://www.socialvalueint.org/blog/strategic-partnership-with-undp>

15. Under outcome 2, to accelerate structural transformations for sustainable development, UNDP support to countries holding elections resulted in 38 million more people registered to vote in 30 countries, 80 per cent of whom were women. In 34 countries, 32 million people realized legal rights and protection through access to justice.

16. Under outcome 3, to strengthen resilience to shocks and crisis, 3 million people in 2021, half of them women, obtained jobs and better livelihoods in 25 countries facing or recovering from crisis. In recovery programmes designed to smooth the transition from crisis to development, 750,000 women benefited from recovery programmes to rebuild assets and regain livelihoods, strengthening capacities to manage future crises in the process. In 13 countries in 2021, 3 million displaced people benefited from durable solutions aimed at lasting security, freedom of movement and well-being.

17. Over the period 2018-2021, UNDP spent \$18.3 billion of programme resources or 94.4 per cent of the total planned programme expenditure. In 2021 alone, UNDP spent \$4.8 billion of programme resources, the highest level over the last two Strategic Plan periods (2014-2017 and 2018-2021). Of 2021 programme expenditure, UNDP spent \$2.2 billion or 47 per cent on outcome 1, \$1.6 billion or 34 per cent on outcome 2 and \$719 million or 15 per cent on outcome 3.

#### IV. Observations on ‘#NextGenUNDP’ results

18. In the Strategic Plan, 2018-2021, UNDP set out to transition into a ‘next generation’ organization, one equipped for its part in the global drive to realize human and planetary well-being. Through investment in new programmes, people, partnerships and operational systems, UNDP is more agile and effective. It is better attuned to risk and opportunities for rapid change. Today’s UNDP is starting to trigger transformative shifts in systems that define the course of development and the response to crisis, as illustrated by the following observations.

**Observation 1. With Sustainable Development Goal plans in place in many countries, UNDP is helping countries reconfigure development finance through integrated national financing frameworks. These are improving the quality, amount and reach of public funds. Already, 14 countries have put an additional \$2 billion towards achieving the Goals.**

19. More than 70 countries drew on UNDP support to formulate the frameworks in 2020-2021. Thirty-one countries reported that this is the first time they have taken such an approach to devising a formal financial strategy. The frameworks have quickly become launchpads to explore and secure innovative means to fund development. In tandem, the maturing UNDP financing offer and work with upper middle-income countries are catalysing experimentation in development finance, such as through pioneering Sustainable Development Goal and green bonds, despite a globally constrained fiscal context.

**Observation 2. The UNDP investment in digitalization is paying off, with 580 digital solutions introduced in 82 countries since the onset of the pandemic. UNDP is rapidly moving beyond one-off solutions to help countries push digital transformation across their societies and economies. In 16 countries, UNDP assisted the preparation of digital readiness assessments that defined how digital solutions can simultaneously contribute to recovery from COVID-19, achieving the Goals and forming inclusive economies that leave no one behind.**

20. The new UNDP digital strategy for 2022-2025 envisions digitalization as an empowering force for people and planet, a means to hasten progress towards inclusive, ethical and sustainable societies. It operates in tandem with a data strategy that is poised to seize opportunities from the much-needed shifts in data collection arising from digitalization. These include many fresh possibilities for harvesting disaggregated data to respond to diverse human needs.

21. The UNDP Data Futures Platform, built on this architecture, garnered a [DRIVENxDESIGN Award](#) in 2021. The platform produces ready insights into critical current concerns such as vaccine equity and a transition to a green economy. United Nations country teams and Governments use it to model policy options related to the Sustainable Development Goals before

investments are locked in. Since digitalization has also raised concerns including around human rights, privacy and security, UNDP has forged partnerships with the International Telecommunication Union, the Digital Public Goods Alliance and the EDISON Alliance to develop new global norms that will sustain the benefits of technology while protecting people from its risks.

**Observation 3. Climate change is daunting, but UNDP support for the 2020-2021 revision of nationally determined contributions under the Paris Agreement helped set an unprecedented level of ambition. More economies today are on the path of decarbonization and a just transition to a greener, fairer world. Of the 120 countries that UNDP supports through the Climate Promise, 92 submitted revised national climate action plans in 2020-2021; 90 per cent stepped up their ambitions for emission mitigation goals, often across different sectors of their economies, and 95 per cent expanded measures to adapt to climate fallout. Gender featured in 96 per cent of the plans, with twice as many countries committing to steps such as women's leadership in climate decisions and greater access to technology.**

22. Since the true power of national climate plans hinges on rapid, scaled-up implementation, UNDP worked with diverse countries to cost commitments, promote community-led natural resource management and scale up nature-based livelihood solutions. UNDP extended access to clean, affordable and sustainable energy, in total reaching 13.8 million people in rural areas in 33 countries from 2018 to 2021.

23. With energy among the most central elements of a green transition, UNDP partnered with Sustainable Energy for All and the United Nations Department of Economic and Social Affairs in 2021 to orchestrate the first United Nations global summit on energy in 40 years. It galvanized Governments and businesses to pledge \$600 billion for new investments in universal, sustainable energy. UNDP took a bold stand in advocating reform of fossil fuel subsidies, a challenging but climate-critical issue in many countries. UNDP also accelerated a shift to a comprehensive focus on energy systems with new offers on scaled-up finance and renewable energy technology.

**Observation 4. Global momentum to expand social protection systems faltered in 2021 amid pressures on public finance. Yet UNDP maintained its commitment to protect people from risks and open opportunities for livelihoods, partnering with the International Labour Organization (ILO) in 88 countries, while supporting labour-market measures that protected nearly 1 million jobs and assisted some 56,000 small and medium-sized businesses during the pandemic.**

24. UNDP is helping countries to expand their social protection systems towards universal access, such as through formalizing social protection goals in laws and policies and digitalizing national social protection registries. Extensive assistance to health-care systems, including for services related to HIV/AIDS and tuberculosis, lent momentum to post-pandemic efforts not just to restore but to improve essential public services, particularly in remote and rural areas. In supporting micro-, small and medium-sized enterprises, which make up 90 per cent of all businesses and provide over 50 per cent of all employment globally, UNDP focused on those led by women, youth and persons with disabilities.

**Observation 5. Crisis is not an excuse to wait for development transformation. Amid proliferating development emergencies, UNDP as part of the United Nations system has pioneered new and effective strategies to meet immediate needs while seeding transformative paths to peace and development. In Yemen, UNDP delivered essential health, education and energy services for 4.5 million people. In Iraq, restored infrastructure and services have allowed nearly 16 million people to return to normal life, including 5 million displaced persons.**

25. Building on what it has learned, UNDP has developed a new crisis offer that will guide systematic engagement towards the overarching goals of protecting development gains, investing in people's dignity and agency to build hope beyond handouts, and ensuring that humanitarian, peace and development actors are joined up and acting in concert from day one.

26. UNDP also brings heightened attention to risk and prevention into its bedrock development programmes, addressing structural risks and investing earlier in preventive development solutions. The investment of \$42 million in safe elections in 2021 included work with electoral officials to deepen rigorous and transparent electoral management that inspires public trust and social cohesion. UNDP helped 40 countries to use digital and other tools to stop hate speech that increasingly corrodes social discourse and stability.

**Observation 6. Global progress on gender equality is too slow, a reality repeatedly demonstrated by the pandemic. UNDP has come far in its work on gender equality; two thirds of projects include a gender dimension. Moving forward, however, UNDP and its many partners can be more ambitious in dismantling the structural barriers and skewed power relationships that sustain gender discrimination.**

27. The new gender equality strategy for 2022-2025 significantly ramps up expectations for impact, guiding support for countries to shift underlying systems and power structures so they accelerate gender equality instead of continuing to impede it. Early demonstrations of the new way forward include the innovative Gender Social Norms Index with its unique insights on norms that block gender equality in politics, work and education. When the COVID-19 Global Gender Response Tracker, developed by UNDP and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), revealed that less than 20 per cent of pandemic response measures addressed women's economic insecurity, UNDP worked with partners to help close the gap. It spearheaded support for 73 countries to make social protection systems responsive to women's specific vulnerabilities and open more opportunities for women in the labour force.

**Observation 7. Strategic institutional investments made from 2018 to 2021 have shaped and strengthened the capacity of UNDP to act on complex challenges. Over the last four years, UNDP has invested extensively in making processes for risk management and due diligence stronger than ever and robust enough to meet the challenges of the new Strategic Plan. UNDP received a sixteenth consecutive unqualified audit opinion and balanced the budget for the fifth year in a row. Preparations began in 2021 to launch a new enterprise resource management planning system to further improve efficiency, risk management, results and resources planning, monitoring and impact measurement.**

28. Most of the actions recommended in independent country programme evaluations have been completed, with the lessons learned evident in new country programme documents. The quality of decentralized evaluations has also improved. The 'People for 2030' strategy tackled the root causes of complex human resource challenges and delivered a more inclusive environment for all staff, including through measures tackling all forms of discrimination and harassment, sexual harassment and abuse and racism. Today, based on a global staff survey, 86 per cent of UNDP staff say they are inspired to come to work. In 2021, UNDP earned an EDGE Move Certification in recognition of its gender parity achievements, a distinction earned by only one other United Nations organization.

29. Innovation is intrinsic to the way UNDP operates, propelling a shift from projects to portfolios in the Strategic Plan 2022-2025. The portfolios take a systems perspective on development challenges, and by late 2021, 30 countries had used a portfolio sense-making approach, which helped shape several new country programmes. Early investors include the European Union with a commitment of 10 -million euro to apply a portfolio approach to urban transformation in Europe and Central Asia.

**Observation 8. UNDP has successfully navigated the repositioning of the United Nations development system and emerged as a vital operational backbone. In 2021, UNDP doubled cost-sharing for the resident coordinator system. UNDP payroll services processed payments for staff of 50 different United Nations entities, ensuring more effective, efficient United Nations business operations. With UNDP assistance, 119 United Nations country and regional offices finalized 131 business operation strategies, meeting the target of the United Nations efficiency agenda.**

30. The cross-cutting nature of the impacts of the COVID-19 pandemic exemplified the UNDP comparative advantage as an integrator across the policy, programmatic and organizational dimensions of the United Nations system. As the technical lead for the assessments of the socioeconomic impact of COVID-19 conducted in 91 countries, UNDP joined the United Nations Population Fund, UNICEF, UN-Women and other United Nations entities to identify strategies for mitigating the impacts on system-wide results. To learn from this collaboration, UNDP has strengthened its SparkBlue knowledge platform, making it a 'go to' for United Nations staff to connect with each other and external experts. In 2021, SparkBlue hosted global consultations on the strategic plans of six United Nations agencies. Since 2020, it has attracted 230,000 visitors from the United Nations system, governments, academia, businesses and civil society; 16,000 registered users contribute regularly to platform forums.

**Observation 9. UNDP programme delivery for 2021 reached the highest level in more than a decade. Yet the current configuration of funding flows does not meet countries' expectations of UNDP, the aspirations of the Strategic Plan, 2022-2025 or the complex, rapidly changing development needs in the world today.**

31. UNDP can claim impressive accomplishments in poverty reduction. It has delivered gains in protecting human rights and advancing gender equality. While these and many other core development concerns cut across multiple dimensions and effectively go beyond the scope of single initiatives, 88 per cent of UNDP resources are earmarked for projects, limiting the reach and effectiveness of programming. Current funding patterns do not align with the needs of certain contexts, such as countries that are classified as middle-income but face steep cuts in essential services due to heavy debt loads. Under the new Strategic Plan, UNDP will continue an open dialogue with the Executive Board to consider how to redress long-standing funding imbalances and better align funding with countries' development needs.

## V. Signature solutions

32. The six UNDP signature solutions operate in tandem on the premise that integrated strategies crack complex problems and propel progress towards the Sustainable Development Goals.

### Poverty and inequality

33. Multidimensional poverty, exacerbated by the pandemic, has put years of human development progress at risk. But despite current challenges, UNDP has scaled up efforts to support countries and communities to reduce inequality, realize a job-rich recovery and eradicate poverty in all its forms. Results demonstrate accelerated commitment to innovation, digitalization, partnerships and a whole new level of ambition in development finance.

34. In 2021, 81 countries implemented policies informed by the COVID-19 socioeconomic impact assessments produced by the United Nations development system, with UNDP as the technical lead. These helped to identify and target a much wider group of vulnerable populations, such as through new information materials and services for indigenous and tribal groups in Suriname. In Viet Nam, the Government redefined its multidimensional poverty line, bringing 8 million people into social protection and poverty reduction schemes. Digitalization of social assistance improved the delivery of \$1.4 billion in social protection to over 27 million people, making the system not only more inclusive but also more shock-responsive and resilient.

35. Digitalization has come to the forefront of UNDP support for livelihoods and income security. In India, training on financial and digital literacy and support in making market links helped 31,000 artisans, farmers and microentrepreneurs boost income on average by 19 per cent. UNDP helped establish a registrar's office in the Kenyan Micro and Small Enterprises Authority and provided digital tools to support the formalization of 12,185 firms.

36. To manage supply chain and related economic risks highlighted by the pandemic, UNDP partners with the secretariat of the African Continental Free Trade Area to drive awareness of the value and resilience of shorter supply chains and investment in productive capacities for food and medical supplies. In 10 countries in the Eastern Caribbean, UNDP provided mentoring and



financial assistance to hard-hit smaller tourism businesses. It also spearheaded the ‘future tourism’ project through which people across the industry are rethinking tourism in the face of multiple vulnerabilities.

37. UNDP unleashed an array of development finance innovations in 2021. With UNDP support, Uzbekistan became the first country in its region to issue a sovereign bond for the Sustainable Development Goals. The Government of Indonesia issued its first such sovereign bond for 500 million euros to support social protection, health and education. The Development Bank of Rwanda issued its first green bond to inject \$50 million into renewable energy, clean transportation, sustainable water, waste management and biodiversity conservation. The Mexican Government’s Sustainable Development Goal the first of its kind, is now on its second issuance, having raised over \$1.3 billion. In China, the New Development Bank issued a Goal-linked bond of \$750 million in the domestic bond market, marking the first time that a multilateral development bank applied the UNDP ‘SDG Impact’ Standards for Bond Issuers and SDG Finance Taxonomy (China).

### **Governance**

38. As multiple shocks disrupted and weakened governments and broader societies in 2021, UNDP sustained critical investments in governance systems, with heightened emphasis on those underpinning peaceful, just and inclusive societies. UNDP worked closely with national and local institutions and civil society to develop solutions and pushed for the meaningful participation and leadership of women and youth.

39. UNDP assisted 30 electoral authorities to establish inclusive and transparent electoral processes that foster social cohesion. During snap parliamentary elections in the Republic of Moldova, updated election security systems proved resilient to cyberattacks. Over 420,000 people kept up with the poll by checking real-time data on voter turnout. Earlier UNDP support encouraging women candidates contributed to a historically high 40 per cent share of women in the new legislature. In Honduras, the Electoral Council and Electoral Tribunal used UNDP assistance to effectively manage inclusive elections despite significant political polarization.

40. With the COVID-19 pandemic dramatically accelerating the shift to digital services, UNDP helped the Government of Botswana take forward a national digital transformation strategy through re-engineering public sector business processes and building digital and leadership skills. An initial eight government services were launched. In Tajikistan, 74 civil registration offices made the transition to digitized services, improving vital birth, death and other record-keeping for more than 450,000 citizens. The Pakistani Government created a digital dashboard integrating Sustainable Development Goal targets and human rights commitments as part of deepening accountability for progress on both fronts.

41. To explore and help scale up the most promising national digital innovations, UNDP in 2021 launched Digital X, a virtual ‘scale accelerator’ for digital pilots and high-impact proven projects. It has already surfaced solutions such as a platform to share geospatial data on renewable energy in Africa and small island developing States.

42. UNDP efforts to ease social tensions and deepen democracy also built on support for promoting and protecting human rights, including through better functioning justice, security and human rights institutions. In Cameroon, UNDP collaborated with human rights defenders to record abuses by State actors, which are among the drivers of violent extremism. This contributed to policy changes and a 17 per cent reduction in terrorism incidents. UNDP partnered with UN-Women on the Gender Justice Platform, which supported access to justice and services for over 34,000 people in 14 conflict-affected countries, nearly 90 per cent of whom were women and girls.

43. Corruption weakens the social fabric, underlining the importance of UNDP anti-corruption support to nearly 50 countries. In the Asia-Pacific region, 18 countries and territories formally adopted a political commitment on anti-corruption, the Teieniwa Vision. UNDP built on this momentum in Nauru, where new legislation, the first of its kind in the country, enshrines parliamentary independence.

## Resilience

44. Risks grew exponentially in 2021, and not just from COVID-19. Armed conflicts, disasters, coups, climate insecurity and violent extremism all flared during the year. The sheer amount of crisis reaffirmed the embrace by UNDP of a human security perspective, including through new thought leadership by the Human Development Report Office.

45. UNDP increasingly sees the possibility of seeding transformative changes to hasten and sustain recovery from conflict, crisis and fragility. It worked with national institutions in Yemen in 2021 to restore services and create livelihood opportunities for over 352,000 conflicted-affected people. They in turn have begun building productive assets and revitalizing local economies. Complementary support came from a joint United Nations programme that provided 156,000 people with reliable, renewable energy. Better water and sanitation services improved health and the environment for 130,000 people.

46. In Iraq, with support from 29 donors and partners, UNDP offered integrated solutions for stabilization, social cohesion, the return and reintegration of displaced persons and security sector reform that have improved the lives of nearly 16 million people. In 2021, schools, electrical grids, health facilities, housing, roads, bridges and water and sanitation services were rehabilitated through 285 projects. Close engagement with civil society, national and subnational governments and communities helped resolve conflicts and define stabilization and social cohesion priorities for recovery. When concerns emerged around the return and reintegration of displaced persons with perceived affiliations to the Islamic State in Iraq and the Levant, UNDP provided an integrated package of services related to psychosocial support, livelihoods and shelter. It convened local peace committees and tribal, youth and women's community groups to mediate a sustainable process of return and reintegration.

47. As the largest contributor to United Nations efforts to prevent violent extremism, UNDP supported 26 countries to implement national actions plans to address radicalization. These build on evidence collected within and by communities, which details pressing development gaps and social fractures and help define more accurate, effective responses. In the Philippines, grass-roots peacebuilding organizations led by women and youth now work alongside senior government officials on national policies to prevent extremism.

48. The Joint UNDP-United Nations Department of Political and Peacebuilding Affairs Programme on Building National Capacities for Conflict Prevention continued to deploy teams of peace and development advisers. In Côte d'Ivoire, after a team assessed urgent social and human development needs in north-eastern regions rocked by extremist violence, national policy shifted to extend social programmes to these regions. This marked an important turning point in going beyond a primary focus on military actions.

49. All over the world, technology has become a source of instability, but directed in the right ways, it is also a solution. The UNDP-supported Bangladesh Peace Observatory has pioneered the rapid analysis of millions of data points from official crime statistics and online postings to flag grievances motivating extremism. The insights gained have helped protect the Rohingya refugees and manage misinformation about COVID-19. The observatory has proven so successful that through South-South cooperation, the Indonesian Government has established a similar institution.

50. Sustained UNDP investment in Niger has generated significant changes in strategic disaster management. Government officials are equipped to systematically forecast and evaluate post-disaster needs in a country highly vulnerable to climate change, and to rapidly launch recovery plans. In tandem, UNDP has helped build the resilience of rural communities through better management of natural resources, access to energy and improved livelihoods, particularly for young people and women.

## Environment

51. The year 2021 drew the world's attention to the depth of the planetary crisis. One of the most important opportunities to change direction was the lead-up to the review of the Paris Agreement, with the expectation that countries would issue more ambitious nationally determined

contributions. The UNDP Climate Promise seized the moment, supporting a process of setting higher ambitions in 120 countries. The initiative is the world's largest source of support for nationally determined contributions, linking the combined expertise of over 35 partners, including leading United Nations development organizations, the World Bank and the ILO.

52. In Timor-Leste, UNDP assisted the Government in establishing a comprehensive national policy framework to align with a slew of international agreements on the environment and climate. New plans and policies spell out actions to curb and adapt to climate change, diminish pollution and protect ecosystems. With UNDP expertise and finance from the Green Climate Fund (GCF), Timor-Leste is building climate-resilient rural infrastructure and conducting a nationwide mapping of environmental hazards to ground future decision-making in robust data and analysis.

53. By the end of 2021, UNDP was helping 40 countries develop national plans to finance actions to arrest and reverse alarming declines in biodiversity. UNDP worked with the United Nations Environment Programme and the Food and Agriculture Organization of the United Nations to set a new agenda for 'repurposing' harmful agricultural subsidies, since billions of dollars in savings could jump-start the transformation of food systems. Under the UNDP-managed Biodiversity Finance Initiative ('BIOFIN'), 27 countries are now developing plans for repurposing subsidies.

54. All UNDP programmes on the environment integrate mutual support for people and planet. In Costa Rica, UNDP helped adapt 200 communal aqueducts to climate change through a combination of solutions covering infrastructure, community well-being, healthy ecosystems and well-managed risks, with one key result being improved drinking water for 147,000 people. Climate-resilient technology and techniques benefited over 127,000 farmers in Bhutan so they could sustain food security during pandemic-related supply chain disruptions.

## Energy

55. The year 2021 was pivotal for UNDP energy work as it moved beyond a long-standing emphasis on access to energy. UNDP forged stronger links between energy and a spectrum of development issues, in collaboration with the International Renewable Energy Agency, the GCF and the Global Environment Facility (GEF).

56. Flagship programmes such as Solar for Health geared up, delivering reliable electricity through solar energy to over 1,000 health centres and medical storage facilities in 15 countries. In Rwanda, UNDP linked energy access, cleaner air and the protection of forests, providing 11,000 households with energy-efficient cookstoves. These cut risks from indoor air pollution, especially for women and girls, and reduced wood consumption by 60 per cent. In tandem, UNDP worked with forestry officials to restore forests damaged by fuel collection. Over time, this will help achieve both biodiversity and climate goals.

57. UNDP set up the Energy Access and Green Productive Use of Electricity Financing Facility, with the potential to leverage over \$1 billion in private sector investments. The new Carbon Payments for Development Facility coincides with new international agreement on carbon markets.

58. UNDP is helping countries at diverse stages of development to adopt clean energy supplies. With the Mauritian commitment to drawing 60 per cent of energy needs from green sources by 2030 and totally phasing out coal, UNDP has helped introduce new technology that stores renewable energy and ensures that reliable supplies feed into the electrical grid. Through long-standing UNDP policy advice, the Government of China has taken strides towards applying promising fuel cell technologies that burn hydrogen instead of oil and gas. Pilots of commercial vehicles running on hydrogen have expanded from 8 to 45 cities and four large green hydrogen production plants have come online.

59. UNDP made a global splash in 2021 through a call for ending fossil fuel subsidies that are financing the end of the planet. A short online film with an animated dinosaur warning, "Don't Choose Extinction", captured a billion views. UNDP also set in place a new service to assist countries in negotiating the complexity of fossil fuel reforms. The Fossil Fuel Reform Simulator

explores country-level data to define how subsidies could be channelled towards different development priorities.

### **Gender equality**

60. The COVID-19 pandemic cast the many systemic barriers to gender equality and women's empowerment in sharp relief. With less-secure jobs, women were pushed out of labour markets at higher rates than men. Levels of gender-based violence soared. Making a difficult situation worse, many Governments pursued policy measures for pandemic recovery that were gender-blind, failing to recognize different impacts on women and men. The UNDP—UN-Women COVID-19 Global Gender Response Tracker told the story, revealing that only 19.6 per cent of policy measures addressed women's economic insecurity and unfair burden of unpaid care, even though both are critical to women's ability to recover.

61. Such tendencies have strengthened the case for UNDP to accelerate a shift towards programmes focused on dismantling structural barriers to gender equality. This transition was increasingly evident in 2021 and is now codified as a principal direction in the gender equality strategy, 2022-2025. Learning during the year underscored the need to back the empowerment and equality of women as individuals and to transform social norms, laws, policies and institutions so they uphold women's rights and hopes for progress. One example of this new direction was the insertion of gender equality provisions in nationally determined contributions through the Climate Promise, setting the stage for gender-responsive climate action and gender-responsive development more broadly.

62. Amid the severe economic consequences of COVID-19 for women, UNDP expanded support to 73 countries to make social protection gender-responsive and open opportunities for women-led businesses. In Peru, the Government established a framework for developing a national care system to ensure that women gain the basics of decent work, social protection and essential services. In Argentina, municipal regulations were changed to prioritize care as a human right. In Uganda, UNDP equipped 3,700 women-owned microenterprises with skills and tools to ensure they not only recover from the pandemic but have a chance to thrive in years to come.

63. Ramped-up work to respond to gender-based violence entailed supporting 96 countries to address immediate concerns that arose during COVID-19, such as lockdowns trapping women in homes with abusers. At the same time, UNDP maintained assistance to improve legal frameworks and policies offering lasting protection. Through the European Union—United Nations Spotlight Initiative, UNDP helped mobilize parliamentarians in nine countries to draft or strengthen 84 laws promising a tougher response to gender-based violence. Reforms to the federal penal code in Mexico for the first time covered digital and media violence against women. In Papua New Guinea, the Parliament approved the first dedicated budget allocation to the national strategy to respond to gender-based violence.

## **VI. Partners and resources**

64. With the firm conviction that no single organization can or should solve complex global problems alone, UNDP in 2021 secured important new alliances with traditional and non-traditional partners. It deepened emphasis on partnerships to unlock systemic transformation and demonstrated continued close alignment with national development priorities and aid effectiveness principles.

### **From reform to results**

65. The United Nations system, advanced in its intensive reform, is working together better than ever, capitalizing on each organization's strengths to accelerate the 2030 Agenda for Sustainable Development. The most recent assessment by the Multilateral Organisation Performance Assessment Network echoed the findings of UNDP independent evaluations, which have confirmed that partnerships with other United Nations entities improve programmes and effectively integrate multiple sources of expertise. The evidence suggests that UNDP has

successfully navigated the repositioning of the United Nations development system and is now using the many advantages of United Nations collaboration to deliver more powerful results.

66. In 2021, UNDP scaled up programme partnerships with United Nations entities at all levels, including with members of its own family, the United Nations Capital Development Fund, United Nations Volunteers programme, United Nations Office for South-South Cooperation and the Multi-Partner Trust Fund Office. Collaboration with WHO accelerated the equitable distribution of vaccines. A one-stop global dashboard guided policy decisions by tracking up-to-the-minute data on vaccine roll-outs. Forty-two UNDP country offices performed joint analysis and planning with United Nations country teams in countries affected by disasters or conflicts, the highest number yet. The Multi-Partner Trust Fund attracted the most significant contributions since its creation in 2003 and fuelled a highly coordinated United Nations system response in Afghanistan.

67. In the Sahel, UNDP and United Nations partners work with Governments, non-governmental organizations, the African Union, the Lake Chad Basin Commission, Liptako-Gourma Authority, the Group of Five for the Sahel secretariat and the private sector on breaking cycles of poverty and conflict by cutting the roots of instability and unblocking the region's remarkable potential. The partnership is expanding access to clean, reliable and affordable energy, restoring social bonds in communities affected by governance failures, violent conflict and extremism, tackling climate-related security risks and empowering young Sahelians to start new businesses and inform development discourse in their countries.

68. In 2021, UNDP provided core business services to the resident coordinator system and administered \$60.2 million of United Nations Special Purpose Trust Fund resources. To support United Nations reform, UNDP revised programming tools in line with the management accountability framework and the quadrennial comprehensive policy review of operational activities for development of the United Nations system. This ensured that UNDP country programmes are derived from United Nations Sustainable Development Cooperation Frameworks and fully align with national priorities. Twenty-five country programmes were rated satisfactory and/or highly satisfactory against corporate quality assurance standards.

### **Beyond business as usual**

69. UNDP has developed promising partnerships with the international financial institutions on difficult challenges, particularly climate change. In Nigeria, UNDP mobilized partners including the World Bank and African Development Bank and sponsored national and local dialogues deliberating the urgency of climate action. As consensus grew on the imperative for action, Nigeria became the first major developing country to commit to net-zero emissions. In Indonesia, UNDP worked with the World Bank to help the country prepare for entry to carbon markets. Indonesia also adopted a carbon tax, a breakthrough in finance for the Sustainable Development Goals and climate action.

70. At the second Finance in Common Summit, attended by over 500 public development banks, UNDP launched an offer on sustainable finance. The Sustainable Finance Hub provided tailored partnership opportunities to more than 20 private sector arms of development banks, including FMO (Netherlands), Swedfund (Sweden) and Proparco (France).

71. UNDP has worked to meet a high bar on oversight in its partnership with the GEF, resulting in the 2021 renewal of accreditation. Its accreditation with the GCF was upgraded after UNDP acted on audit and assessment recommendations.

72. The Strategic Plan, 2022-2025 emphasizes expanding alliances with the private sector, a mandate that country offices are already testing and taking forward. A UNDP partnership with Stanbic Bank Uganda launched the Youth4Business Innovation and Entrepreneurship Facility, which has provided more than \$3 million in grants and incubation support to over 7,500 youth-owned small and medium-sized enterprises.

73. Stronger collaboration with strategic partners such as Microsoft, Samsung, GSMA (the mobile network operators' association) and Vodafone, among others, took up work on digital capabilities, inclusive connectivity and responsible technology. The UNDP Maritime SDG

Accelerator partnership is engaging with maritime companies to develop new business solutions that align with the Sustainable Development Goals. The UNDP COVID-19 Private Sector Global Facility engages the International Chamber of Commerce, the United Nations Global Compact, PwC, Microsoft and DHL.

74. UNDP media mentions surpassed 50,000, up 174 per cent. Articles and blog posts in the UNDP top 14 media targets reached 5 billion people globally.

### **Finance at a turbulent moment**

75. In a difficult funding climate, UNDP in 2021 continued to enjoy dedicated support from partners. Their willingness to entrust UNDP with their resources made development impacts possible. UNDP received \$5.4 billion in total contributions, including \$647 million in regular resources (core) funding. Unfortunately, the share of regular resources funding remained at 12 per cent of total resources, far below the funding compact goal of 30 per cent. Despite its efforts and positive recognition as a valued partner by 82 per cent of partner organizations, UNDP saw the number of contributors to regular resources decline from 49 in 2020 to 43. A high share of earmarked other resources undercuts the effectiveness of UNDP in the current complex environment for development and its ability to meet the expectations of Member States.

76. Investment through thematic funding windows decreased by 33 per cent and contributions from United Nations inter-agency pooled funds declined by 14 per cent from 2020 with the shift of the management of humanitarian funds to the United Nations Office for the Coordination of Humanitarian Affairs. Declines in regular resources, thematic and pooled funds, however, were largely mitigated by increased contributions from vertical funds and government cost-sharing of 18 per cent and 15 per cent, respectively. UNDP received \$308 million from 12 international financial institutions in 2021, comprising \$121 million in direct grants primarily for fragile and conflict-affected contexts, and \$187 million through government financing to support loan implementation, including for the COVID-19 response. This amount exceeded the \$249 million in total received in 2020. In 2021, a significant 79 per cent jump in indirect contributions reflected stronger demand for UNDP support for loan implementation.

77. UNDP deeply appreciates its top contributors to regular resources.<sup>8</sup> The #PartnersAtCore campaign continued to enhance the visibility of these contributions, responding to the funding compact commitment to increase visibility for results achieved with flexible funding. The campaign was tied to key international events and connected to results from the Sustainable Development Goal integration initiative, Accelerator Labs and climate action. UNDP locked in multi-year agreements for regular resources contributions with nine Member States and thanks the Governments of Belgium, Qatar, Sweden and Turkey for recently renewing such agreements. These are critical to ensure the predictability of funding and align with funding compact commitments. The partnership with the Government of Qatar, including to support the UNDP Accelerator Labs network, resulted in increased political and financial support, diversifying support beyond Development Assistance Committee members. The Governments of Germany and Italy also provided important contributions to the Accelerator Labs.

78. Given the decline in quality funding across the United Nations development system, UNDP engaged with key Member States and United Nations partners to make a stronger case for regular resources and flexible funding based on funding compact commitments. In 2021, UNDP collaborated with the United Nations Development Coordination Office to host funding dialogues among Member States and United Nations entities, underscoring the importance of regular resources, flexible, multi-year and pooled funding for quality results.

<sup>8</sup> The top 10 contributors to regular resources, in order of contribution, are the Governments of Germany, the United States of America, Sweden, Japan, Norway, Switzerland, Netherlands, Canada, the United Kingdom and Denmark.

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## VII. The way to a future-smart UNDP

79. As many countries begin their recovery from the pandemic and regain lost ground on the Sustainable Development Goals, UNDP is becoming a future-smart organization, ready for its part in supporting more inclusive and sustainable development. The Strategic Plan, 2022-2025 will continue to work on the six signature solutions, where country needs are greatest and the capacities and role of UNDP in the United Nations system add the most value. But UNDP has also upped the ante to no less than transformation. In moving from projects to portfolios, from analog to inclusive digital, from reactive to flat-out innovative, UNDP will act, learn, adapt and deliver. It will make full use of its integrated development solutions, which are equipped for risk and geared to rapid progress.

80. Being future-smart, coupled with a solid track record of achievement, gives UNDP the confidence and capability to aim high. That is why the Strategic Plan, 2022-2025 calls for great ambition. Through its programmes, advocacy and close partnerships, UNDP will strive towards the goals of 100 million people leaving multidimensional poverty, clean energy for 500 million people, support for 800 million people to take part in elections, and \$1 trillion in public and private finance for the Sustainable Development Goals. These are ambitious commitments, maybe even ‘moon shots’. But that is what it will take to get the Goals back on track. As an integral part of the United Nations, UNDP will deliver in standing with countries to achieve, for everyone, the promise of the global goals.

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