Implementation Efforts on the Repositioning of the United Nations Development System

PROGRESS UPDATE on the Implementation of General Assembly Resolutions 72/279 and 76/4 in the context of the Quadrennial Comprehensive Policy Review (QCPR)



UNDP Executive Board Annual Session 2022

UNDP is pleased to provide its Executive Board with an update on its continued support to the repositioning of the UN development system, as mandated by the United Nations General Assembly resolution 72/279 on the repositioning of the United Nations development system (UNDS); the United Nations General Assembly resolution 76/4 on the review of the functioning of the reinvigorated resident coordinator system, including its funding arrangements; as well as in the context of the United Nations General Assembly resolution 75/233 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. The note intends to provide notable developments since the last update on UNDS reform implementation issued in May 2021. The note also complements earlier information provided to the Executive Board on how UNDP continues its engagement in all aspects of the UN development system reform, working in close collaboration with the UN Sustainable Development Group (UNSDG) at the global, regional and country levels, under the leadership of the Deputy Secretary-General, and with the support of the UN Development Coordination Office (DCO). It highlights the efforts steered by UNDP as the Vice-Chair of the UNSDG and the Chair of the UNSDG Core Group, as well as Vice-Chair(s) of the Regional Collaborative Platforms.

KEY DATA

- Support to 120 countries on NDCs.
- National deployment and vaccination plans in 62 countries.
- INFFs being developed in 70 and implemented in 60 countries.
- 41 Cooperation Frameworks (UNSDCFs) incorporating the SERPs/SEIAs.
- 49 CPDs fully aligned to CFs (until 2022).
- **USD 10.6 M UNDP contribution** to RCS cost-sharing in 2022.

KEY RESOURCES

- UNDP Strategic Plan 2022-2025
- Global Dashboard for Vaccine Equity
- Joint Facility for Global Digital Capacity
- Data Futures Platform
- UNDP's INFF Facility
- COVID-19 impact on the SDGs

Spearheading the UNDS Reform through the Implementation of the Strategic Plan

We stand at a precipice, with the enduring impact of COVID-19 on countries' development, the continuous threat of climate change, and multiple emerging geopolitical conflicts around the globe, the attainment of the 2030 Agenda for Sustainable Development is at risk and urgent efforts are needed to bring the Sustainable Development Goals (SDGs) back on track.

The 2020 Quadrennial Comprehensive Policy Review of operational activities for development of the United Nations System (QCPR) recognizes these risks and emphasizes that a whole-of-system response is fundamental to addressing the multidimensional development challenges and attaining the SDGs. The QCPR — as the basis for the collective work of the United Nations Development System (UNDS) — further emphasized the importance of aligning the UN agencies, funds, and programmes' (AFPs') Strategic Plans closely with the SDGs.

UNDP has therefore demonstrated its full commitment to implementing the QCPR mandates and has integrated these commitments, as relevant, throughout its new <u>Strategic Plan 2022-2025</u>. Through its new Strategic Plan, the organization has signified a shift from being "reform ready" to focusing on maximizing results and impact within a repositioned UNDS and across all development contexts.

The Multilateral Organisation Performance Assessment Network's (MOPAN's) <u>external performance</u> <u>assessment of UNDP in 2021</u>, concluded that UNDP handled the UNDS reform- including the RC system delinking- exceptionally well. The MOPAN further highlighted UNDP to have been particularly successful in responding to COVID-19 and to "have shown great resilience and demonstrated new dynamism. Its agility, global reach and on-the-ground presence have proved valuable assets".

While a crisis such as the COVID-19 pandemic underlines the importance of integrated approaches to development, such approaches are not novel to UNDP, given its long and proven track record as a trusted development partner. UNDP provides strategic integration services, working with UN Country Teams and supporting Governments in their formulation of national development strategies and initiatives that are geared to respond to complex development challenges and achieve the SDGs, utilizing a range of global resources, tools and services tailored to country contexts. 'Strategic integration' therefore, relies on a shared understanding of the SDGs, their interlinkages and the ability to transform independent, specialized/sectoral interventions into cohesive and synergistic development offers, based on the demand of partner countries – all of which, we believe, is reflected throughout UNDP's strong engagement with the UNDS and as offered by the new Strategic Plan.

Evidence of this approach and UNDP's integration capacities in practice are highlighted through some of the following examples:

Integrated policy support for sustained recovery from COVID-19

- While the UN framework for the immediate socioeconomic response provided a template for UNCTs'
 Socio-economic response plans (SERPs), their continued rollout- with UNDP as the technical lead on
 the socio-economic response for the UN System, accentuated the UN system's strengths and
 partnerships on social protection innovation and economic resilience, and its strong focus on
 Leaving no One Behind thereby placing human rights and gender at the heart of the UN response.
- 2. The socio-economic response has transformed into a sharper focus on the SDG regress, and the enablers of a future SDG push. The UNDS was therefore more than the sum of its parts through its whole-of-society and whole-of-UN approaches emphasizing social protection innovations across the globe, calling for the necessary fiscal and financial space and accompanying vaccine rollouts on the ground. The 150 COVID-19 Socio-Economic Impact Assessments (SEIAs) in more than 100 countries and the 121 Socio-Economic Response Plans (SERPs) covering 139 countries provide valuable lessons which will need to be built upon by the UNSDG. UNDP's work with UNCTs in 41 countries to ensure the integration of the SERPs into the UN Cooperation Frameworks will be an important contribution in this area.
- 3. To adequately monitor the progress and achievements of UN collective efforts in the socio-economic response to COVID-19 at country level, UNDP and the DCO, in close collaboration with partner UNDS entities, led the development of a COVID-19 Dashboard hosted under UNInfo. 131 UNCTs have reported data on their COVID-19 response through the Dashboard, making this the most comprehensive dataset on the UN response and the first attempt of its kind to report on UN systemwide programmatic outcomes. The experience and lessons learned accrued from the COVID-19 reporting exercise during the past year will further assist the UN System in serving as a model for its collective reporting on work towards delivering on the SDGs.
- 4. UN Common Guidance on Helping Build Resilient Societies developed by UNDP and key UN partners, under the leadership of the UN Climate Principals and at the request of the DSG, aims to strengthen coherence in UN resilience-building efforts at country level in support of Governments' sustainable development objectives, and to integrate a resilience lens into existing policy and programming processes thus advancing common approaches. It also provides a timely reference for implementation of the UN socio-economic, health and humanitarian response framework to COVID-

19, while ensuring that a comprehensive and multi-dimensional approach to risk and resilience appropriately informs the 'new normal' during and after the COVID-19 crisis.

A vision of vaccine equity for all

- 5. The COVID-19 vaccine inequity continues to prolong the pandemic and further deepen its negative consequences¹. Building upon UNDP's COVID-19 offer 2.0 as well as its role as technical lead of the UN's socio-economic response framework and under the leadership of WHO and UNICEF, **UNDP** is actively working with governments, UN entities, civil society, and private sector partners to support national deployment and vaccination plans in 62 countries.
- 6. UNDP- in partnership with UN entities (WHO, UNICEF and UNEP) and private sector partners- is also supporting countries in developing integrated solutions for both health systems and the environment to manage COVID-19 healthcare waste. As access to renewable energy is a key enabler for equitable COVID-19 vaccination, UNDP is working through its COVID-19 private sector facility and partners (e.g. DHL) to link Smart Facilities and Solar for Health solutions with vaccination efforts.
- 7. In collaboration with WHO and the University of Oxford, UNDP has developed the Global Dashboard for Vaccine Equity, which combines the latest information on COVID-19 vaccination with the most recent socio-economic data to illustrate why accelerating vaccine equity is not only critical to saving lives, but also to driving a faster and fairer recovery from the pandemic for everyone, everywhere. Through the use of hyper-local data, the dashboard combines data on the COVID-19 vaccine rollout with socio-economic information to empower policy makers to analyze the challenges related to vaccine inequity in an integrated manner. In partnership with several UN entities and the IMF, this work is currently being expanded to focus on sub-national insights. A key inference has been the contrast between the 72% vaccine coverage in high-income countries and the 15% coverage in low-income countries, which has continued to drive the global economic divergence and foretold much of the Omicron failure —an expected and inevitable consequence of the uneven vaccine coverage.
- 8. Digital solutions are also being implemented for equitable vaccine delivery and strengthened health systems in numerous countries. Building upon the experience of digital solutions for COVID-19 vaccination in Bhutan, India and Indonesia, UNDP supported Malawi with its vaccine deployment plan and Guyana's implementation of a digital platform to support warehousing and distribution functions of the vaccine supply chain. Ghana, Guatemala, Kenya, Nepal, Pakistan, and the Philippines are also among several pilot countries for the 'Hyperlocal Vaccine Analytics/Data for Vaccine Equity initiative'.

The Climate Promise – a promise for a safe and sustainable future through bold climate action

9. UNDP's Climate Promise, a key contribution to the SG's Strategy on Climate Change, remains the largest global offer of support to developing countries on their national climate pledges to the UNFCCC or Nationally Determined Contributions (NDCs). The Climate Promise builds upon UNDP's established track record of supporting governments in designing and delivering on critical climate action under the Paris Agreement. Covering over 120 countries and representing 80% of all developing countries- the Climate Promise leverages expertise from across UNDP while putting into practice the integrated vision of the new UNDP Strategic Plan. Drawing upon UNDP's extensive portfolio of expertise across priorities such as energy, forests, water, resilience, agriculture, health, youth, finance, governance, gender equality and green jobs- it is our commitment to ensure that any country wishing to increase the ambition of their national climate pledge under the Paris Agreement, is able to do so.

¹ Data shows that as of 30 March, 71.8% of people in HICs had received at least one dose of the vaccine, while only 15.2% of people in LICs had received at least one dose of vaccine. In low-income countries, as many as 19 million people need to be vaccinated each week to reach the 70 percent vaccination target by mid-2022, representing an increase by over 800% compared to current rates.

- 10. The Climate Promise significantly contributed to the global momentum of an enhanced quality and increased ambition of NDCs. As of March 2022, 94 Climate Promise countries had submitted revised NDCs, representing 22.21% of global total GHG emissions. Amongst the 94 Climate Promise country submissions to date, 91% have increased their mitigation ambition and 96% have enhanced adaptation. Thus far, ambition for countries supported by the Climate Promise is higher compared to non-Climate Promise countries.
- 11. Partnerships within the UN System and beyond continue to be at the heart of the Climate Promise. UNDP is engaged with over 35 partners at the national, regional and global levels to deliver coordinated and joint support to countries. These include strategic UN partners, specifically the UNFCCC, UNEP, FAO, UN-HABITAT, ILO and the World Bank.

Digital as an Empowering Force for People and the Planet

- 12. In line with the 2020 QCPR, **UNDP's Strategic Plan identified 'digitalization'** as a key enabler to achieving progress towards the SDGs. The new <u>Digital Strategy 2022-2025</u> lays out a long-term vision for UNDP to help 'create a world in which digital is an empowering force for people and the planet'. UNDP has, therefore, been providing digital transformation support based on a 'whole-of-society approach' in more than 30 countries and will continue advancing cross-sectoral and integrated approaches to digital transformation.
- 13. In support to the SG's Roadmap for Digital Cooperation, and in partnership with ITU, the <u>Joint Facility</u> for <u>Global Digital Capacity</u> which_brings together expertise in areas such as digital literacy and skills training, digital needs assessment, and programmatic support² has been launched in 2021 in order to strengthen the digital capacity of policymakers across the world.
- 14. UNDP is also a leading member of the <u>Digital Public Goods Alliance (DPGA)</u> to accelerate the attainment of SDGs in low and middle-income countries, through the use of digital public goods, open-source data and digital solutions. UNDP co-leads this alliance alongside other UN agencies such as UNICEF, as well as government actors such as BMZ, Norad, and the Government of Sierra Leone.

Accelerating Financing for the SDGs

- 15. UNDP's New Strategic Plan includes a bold new moonshot to promote US \$1 trillion of public and private investment in the SDGs with <u>finance as an integrated offer</u> enabling UNDP's signature solutions. UNDP aims to realize this ambition through its service offers on: (i) <u>mobilising and aligning public finance for the SDGs</u>; (ii) <u>unlocking private capital and aligning business operations for the SDGs</u>; (iii) <u>strengthening SDG impact management and finance tracking</u>; and (iv) <u>developing and implementing Integrated National Financing Frameworks</u>.
- 16. Guided by the ambitions of its Strategic Plan, UNDP continued to leverage finance at scale and to provide technical leadership at the country level to operationalize the Integrated National Financing Frameworks (INFFs)³ for financing SDG-aligned national development plans and NDCs in more than 70 countries⁴. Collaborating with more than 17 UN entities, the EU, IMF, and World Bank and under the political leadership of RCs, financing strategies have been drafted under the leadership of Ministries of Finance, Economy and Planning and in some cases the offices of Presidents and Prime Ministers. The INFFs have emerged as collaborative platforms to bring in partnerships from development partners and International Financial Institutions, thereby helping align technical assistance around public financing and private sector investments to the SDGs through policy reforms,

² UNDP and ITU developed the <u>Digital Transformation Compact</u> for Moldova, which outlines the main gaps and opportunities for digital transformation in the country.

³ Key progress includes the establishment of the Technical Assistance Facility, INFF Knowledge Platform, and INFF dashboard.

⁴ Of these 60 country INFFs have been implemented with support from the Joint SDG Fund.

and opening SDG investment opportunity areas. The **INFFs** have also been centrally linked to countries' NDCs through UNDP's Climate Promise; thereby exemplifying the integrated vision and approach of the UNDP Strategic Plan. In the implementation of the INFFs, UNDP—alongside the World Bank, IMF, ADB, IsDB and AfDB—has supported governments through methodological technical exchanges, policy dialogues, joint technical assistance, and support to SDG financing strategy implementation.

- 17. The recently launched INFF Facility, co-hosted by UNDP, UNDESA and the OECD, and supported by the EU, Italy and Sweden, will build cohesion across these different pathways of support. The facility aims to provide technical assistance to governments and partners at the country level and facilitate collaboration, exchange and access to innovative tools, knowledge and guidance in response to country demand.
- 18. With a focus on greater impact integrity and assurance of practice, UNDP developed the SDG Impact Standards for Private Equity Funds, Standards for SDG Bonds and for Enterprises and with the OECD published the OECD-UNDP Impact Standards for Financing Sustainable Development. The standards have been used in the issuance of nearly US \$5 billion of SDG-aligned bonds and the thematic debt instruments are an integral aspect of the INFFs. For example, with UNDP's support, Mexico became the first country to issue a sovereign SDG bond and to issue a second emission of a 15-year SDG Sovereign Bond for a total value of US \$2.6 billion in 2021. Thematic debt instruments are also an integral aspect of the INFFs, as in the case of Uzbekistan, the INFF process has led to the design and issuance of the SDG Bond.
- 19. UNDP continued to engage with UN entities and key partners to further advance the Secretary-General's Roadmap for Financing the 2030 Agenda for Sustainable Development. As part of these efforts, in partnership with UNICEF, a SDG Finance Flagship Initiative is to be launched to leverage the strengths of the UN entities with the greatest presence on the ground in advancing SDG financing at the country level. Through the Connecting Business Initiative, UNDP and OCHA continued to engage the private sector in disaster management across 13 private sector networks around the world. Furthermore, financing for gender equality has been taken forward with UN Women through the launch of a guidance note on mainstreaming gender equality in INFFs. UNDP and UNCDF also continued to deliver joint service offers to developing countries in advancing their sustainable digital financing ecosystems, which also spearheaded the Dialogues on Global Digital Finance Governance and the SDG-anchored Digital Finance Ecosystem Assessments.
- 20. As part of UNDP's offer on 'Rising Up for SIDS', and in response to the unique context of SIDS and the acute lack of finance exacerbated by the COVID-19 pandemic, UNDP was a lead contributor to the development of a Multidimensional Vulnerability Index (MVI), which helps reassess the eligibility measures for countries' accessibility to concessional financing beyond income level and aims to better capture the vulnerability level of developing countries, particularly SIDS. Utilizing the MVI, UNDP's discussion paper demonstrates that the majority of SIDS are far more vulnerable than their income level alone suggests.

Fostering Collaboration for Integrated and Sustained Results

Advancing Integrated Policy Advice and Services for SDG Acceleration

21. UNDP continued to build on its investments in advanced SDG analytics, networked learning and systems leadership capabilities to support countries and UN entities with integrated approaches to tackle complex development challenges.

- 22. Building upon UNDP's flagship research on COVID-19 impact on the SDGs, UNDP collaborated with multiple UNCTs⁵ to deepen national analysis and sharpen its policy recommendations. The 'SDG Push' flagship study thereby supported UNCTs and Governments with futures modelling to analyze the potential impacts of policy choices before investments are locked in at the national level. New scenarios are under development to reflect vaccine inequity and a green transition.
- 23. Following the 2020 foundational report⁶, UNDP's second report focused on <u>"Leaving No One Behind: Impact of COVID-19 on the SDGs"</u> which established that the long-term social and economic impacts of COVID-19 are likely to widen the gap between people living in rich and poor countries: with 8 out of 10 people that could fall into poverty by the end of this decade as a result of the pandemic, living in countries with low or medium human development. At the same time, the report shows that a widening poverty gap is not a foregone conclusion, and the analysis offers policymakers alternative scenarios that can help the world even exceed its development trajectory prior to the pandemic.
- 24. UNDP's approach to futures-oriented analytical insights has been further anchored in its open source, collaboration-driven Data Futures Platform, which translates multidimensional data into actionable insights to support data-driven government decision-making at the global, regional, national and sub-national levels, and which continued to grow in reach and sparked collaboration across the UN System. Furthermore, the Fossil Fuel Reform simulator launched in 2021 explores country-level data to understand the implications of fossil fuel subsidies, and how they could practically finance different development priorities.
- 25. Powering integrated approaches aimed at strengthening UNDS integrated policy advice in dynamic contexts requires both knowledge and know-how, as called for by the 2020 QCPR. With this key consideration and under the leading support of UNDP, nine UN entities co-founded the Integrated Policy Practitioners' Network to boost integrated policy making and accelerate SDG implementation. UNDP, together with UNICEF, ILO, FAO, WFP, UN Women, UNFPA, IOM, UNAIDS colead this dynamic space, which has attracted more than 3,000 members. The IPPN, which is hosted on UNDP's knowledge collaboration platform SparkBlue, is also open to external practitioners, offers curated resources including the latest tools, methodologies and trainings, as well as opportunities to join pilot initiatives, contribute expertise in dedicated dialogue spaces and contribute to commissioned research.

Cross-pillar collaboration – Humanitarian, Development and Peace in action

- 26. UNDP's active engagement in furthering cross-pillar collaboration within country programmes is based on a shared understanding of risks and vulnerabilities, and the design of development solutions that target and reduce humanitarian needs and address peacebuilding challenges, while working through area-based approaches.⁸
- 27. Fulfilling UNDP's integrator function in the development system, UNDP has continued to serve as a global lead for steering the community towards a common understanding of collaborative approaches between humanitarian, development and peacebuilding actions to ensure organizations have the knowledge, skills and capacities to translate these approaches into practical

⁵ In Namibia, South Africa, Peru, Moldova, Indonesia and Iraq, support is being provided to integrate the power of analytics, innovation, and finance in determining development pathways with the greatest impact on the SDGs.

⁶ Pursuing the Sustainable Development Goals in a World Reshaped by COVID-Report

⁷ The Data Futures Platform was awarded the <u>'Driven x Design' Award</u> in 2021 and selected as an Honorable Mention in <u>Fast Company's 2021</u> Innovation by Design Award.

⁸ E.g. in Afghanistan, UNDP supports the basic needs of vulnerable populations through the <u>UN Transitional Engagement Framework</u> and focusing on sustaining essential services and preserving community service.

In Chad, in collaboration with OCHA and other UN entities, national authorities, development and humanitarian actors, UNDP facilitated the needs assessments of affected communities in the Lac and Handjer provinces.

In Niger, longer-term efforts focused on refugee situations, including through a needs assessment of socio-economic issues and developing a rapid response recovery plan.

actions. With the aim of promoting complementarity between HDP interventions and building capacities and knowledge amongst key stakeholders, in February 2022 UNDP launched the 'Nexus Academy', which is the first-ever platform to accelerate understanding on the HDP nexus in support of the broader policy discussion stemming from the World Humanitarian Summit and in follow-up to the OECD-DAC Recommendations.

- 28. UNDP is also supporting UNCTs on joint analyses which bring together the Common Country Assessments (CCA), Humanitarian Needs Overview (HNO), Joint Intersectoral Analysis Framework (JIAF) and donor and other analysis tools. Furthermore, Resident Coordinators have continued to receive guidance and support on Recovery and Peacebuilding Assessments (RPBAs) as well as Post-Disaster Needs Assessments (PDNAs), under the tripartite EU-UN-WB partnership. In addition to the support to country-level RPBAs and PDNAs, UNDP also represents the United Nations in the global support structure for the tripartite partnership (in close coordination with DCO and PBSO).
- 29. At the Principal-level, UNDP continued to co-chair with OCHA the Joint Steering Committee to Advance Humanitarian and Development Collaboration (JSC), which is a critical mechanism in the UN Systems' efforts towards promoting greater coherence of humanitarian and development action in crises and transitions to long-term sustainable development. As an example of this support, in Niger the UNCT received guidance in the development of the CCA, UNSDCF and the Humanitarian Need Overview (HNO)/Humanitarian Response Plan (HRP), which is helping to inform development programming and investments towards addressing the underlying drivers of humanitarian need in the midst of the multiple crises challenging development in the country. The JSC mechanism now includes the UN Integrated Strategy for the Sahel, thereby complementing a regional mechanism working towards similar HDP collaboration objectives in the region.

Partnership Building and Funding Sustainability for the SDGs

UNDP's Engagement in Joint Funding Modalities

- 30. The importance of the Funding Compact has never been so critical. The Funding Compact ambitions put forward a political framework to positively change funding practice and pattern in the UNDS, including commitments to increase the proportions of core, pooled and predictable funding to the system. However, progress has been mixed and falls short on many targets and commitments made.
- 31. With a slow global economic recovery, mounting inflation and debt pressures and the fallout from the Ukraine crisis, the short- and medium-term prospect for development finance 2022 looks increasingly worrisome. Key funding partners are making policy shifts, such as increasing defense spending and cuts to ODA, which could starve the international development system of resources needed to respond to other crises and those that promote action towards the SDGs. The growing trend of tightly earmarked contribution poses an additional threat to the availability of flexible funding to development actors, particularly those in the UN development system. It is therefore, critical for Member States to fulfil their Funding Compact commitments and reciprocate the UN development system for progress made on implementing their commitments.
- 32. The UN development system experienced a sharp decline in its core share of total voluntary contributions from 19.6% in 2019 to 17.2% in 2020¹⁰, far from the 30% target specified in the Funding Compact. Compared to 2020, UNDP witnessed a decline in thematic and pooled funds in 2021, by 33% and 14% respectively. At the same time, UNDP continued to make progress on the

⁹ This included the RPBA for Northern Mozambique and PDNA in Haiti in second half of 2021.

¹⁰ SGR 2022 – Annex – Funding Compact Table: Microsoft Word - Annex-FundingCompact-IndicatorsTable-Ver2b-25Apr2022

- implementation of its Funding Compact commitments, including through enhanced visibility to core funding and other flexible funding sources (thematic and pooled funds).
- 33. To better support countries' critical needs towards the 2030 Agenda, bolster catalytic and integrated approaches within the UNDS and in support of its 2022-2025 Strategic Plan, UNDP continued to manage four Thematic Funding Windows: (i) Poverty and Inequality; (ii) Nature, Climate and Energy; and (iii) Gender Equality and Women's Empowerment, (iv) Governance, Peacebuilding, Crisis and Resilience. These funding windows aim to shift the traditional project-driven approach to a portfolio-driven one, which supports better quality of funding that is less transactional and elevates partnerships through mutual accountabilities and impactful interventions. However, in 2021, contributions through Thematic Funding Windows decreased by 33% to US \$84 million from US \$125 million in 2020.
- 34. Participation in Joint Programmes remains a critical priority for UNDP.
 - o Through the COVID-19 Response and Recovery Fund, UNDP continued to support the UN's collective response to the pandemic, resulting in immediate and successful products tailored to countries' needs. As part of the Fund, UNDP is implementing US \$13.8 million (2020-2021), with interventions under the three pillars of the socio-economic response: (1) suppressing transmission (17% equivalent to US \$2.1 million), (2) mitigating social impact (75% equivalent to US \$9.1 million) and (3) recovering better (8% equivalent to US \$1 million), thus supporting countries' rapid recovery and building back better from the pandemic.¹¹
 - O UNDP's support to the Joint SDG Fund is evidenced through its active participation in the 97 out of the 127 Joint Programmes globally¹², equivalent to \$47.6 million out of \$141.5 million. Also as Chair of the Fund's Steering Committee, UNDP has ensured the strategic design of the Fund's initiatives, such as the launch of a new call for building resilience and ending vulnerabilities in SIDS with a funding envelope of \$30 million. In 2021, under the SDG Financing 'Catalytic Investments' portfolio, UNDP participated in 8 of 10 joint programmes amounting to approximately US \$60.2 million of the total US \$69.5 million. UNDP's interventions under this portfolio have aimed to maximize UNDP's SDG Financing offer in favour of large scale interventions that leverage expanded partnerships and innovations for the SDGs.

Investing in Strategic UNDS Partnerships

- 35. This reporting period has marked a transition year for UNDP, as we continued to recalibrate our capacities to respond to evolving development challenges through the new UNDP Strategic Plan. Scaled-up collaboration with UN partners across the system helped respond to persisting multidimensional development challenges and crises in a more effective way. This direction responds to UNDP's deliberate commitment to the implementation of the 2020 QCPR resolution and the strong push for the acceleration of the SDGs.
- 36. In addition to the aforementioned strategic partnerships, UNDP continued to emphasize its critical partnerships with UN entities to help advance the SP priorities.

¹¹ In Zimbabwe, through the "Empowering Women through Safe, Resilient, Gender Responsive Food Markets and Systems in Response to COVID-19" initiative, UNDP – alongside UN Women and ILO – is supporting the empowerment of vulnerable women marketers to strengthen the recovery and resilience from the socioeconomic shocks of the pandemic.

In Djibouti, through the "Climate Resilient, Women Centric Economic Empowerment for Inclusive and Greener Post COVID-19 Recovery", UNDP collaborated with the Ministry of Social Affairs to empower women and enhance their entrepreneurship and leadership skills by providing and improving micro-, small-, and medium-scale enterprises.

¹² As an example, in Uruguay, UNDP will be working with UNIDO and UN Women to leverage US \$68.1 million, with an initial investment of US \$11 million, to support the country's second energy transition by decarbonizing the industry and transportation sectors. In Fiji, UNDP with UNCDF and UNEP are establishing a US \$50 million 'Coral Reefs and the Blue Economy' blended finance facility to foster public-private partnership and investments for 30 marine protected areas.

- Placing an emphasis on a human-centered approach through innovative social protection mechanisms, job creation, and digitalization, UNDP worked closely with ILO to develop a common roadmap for the UN Secretary-General's Global Accelerator on Jobs and Social Protection for Just Transitions and launched a Joint Global Initiative on Fostering Pathways to Formality. As a result, 88 countries have been supported in the design, launch, and mobilization of resources for social protection measures in response to the pandemic.
- o Furthermore, UNDP worked closely with partners inside and outside the UN system to complement humanitarian responses advocating for the criticality of longer-term development interventions being considered in step with the immediate response to humanitarian needs. In this regard, under the leadership of the Resident Coordinator and in collaboration with the UNCT, an inter-agency Special Trust Fund for Afghanistan (STFA) was established in partnership with 17 UN entities¹³, to provide a coordinated and coherent platform to support the implementation of the ABADEI strategy.

37. Partnerships with UN entities have also continued to be advanced at the regional and country levels.

- In the Asia and Pacific region, a joint publication on 'Responding to the COVID Pandemic: Leaving
 <u>No Country Behind</u>' produced with partners, such as WHO, ADB and ESCAP triggered policy
 debates often contributing to policy changes at the country level.
- At the country level, multi-stakeholder partnerships, including with UN entities, have led to important results. For example in Egypt, the National Climate Change Adaptation Plan is jointly supported by UNDP, FAO, UNESCO, and WFP. In Lebanon, UNDP is working with FAO, UNICEF, and UNHCR to develop social protection programmes to address the increasing vulnerability and rising poverty in the country. In Pakistan, UNDP is providing technical assistance to the country's Digital Health Strategy and coordinating with USAID, UNICEF, UNFPA and WHO to mobilize resources with private telecom partners.

Advancing the Repositioning of the Resident Coordinator System

Ensuring Implementation of the Management and Accountability Framework (MAF)

- 38. UNDP continues to actively support the implementation of the Management and Accountability Framework, consolidating good practices on the ground and following up on areas of concern. With the adoption of the new MAF in September 2021, UNDP held a series of MAF sensitization sessions with UNDP senior managers to collectively review, reflect, and understand the new MAF provisions to ensure implementation and compliance at all levels. UNDP's analysis of MAF implementation to date confirms that UNDP is fully compliant with its provisions.
- 39. At the country level, UNDP has ensured full alignment of its Country Programme Documents (CPDs) with the UN Sustainable Development Cooperation Frameworks, including by adopting CF outcomes verbatim into UNDP's CPDs. Under this approach, 49 new CPDs are now fully aligned with CFs in substance and sequence.
- 40. Given certain specificities for UNDP, it has been agreed in collaboration with DCO to further update the process of alignment of programming instruments/CPDs with Cooperation Frameworks, so as to continue strengthening the implementation of the UNSDCF guidance and to address some of the identified challenges and lessons learned. While recognizing the well-established approval mechanisms of CPDs by entities' Executive Boards, UNDP Country Offices in close coordination with RCs ensure appropriate timelines are factored into the development and sequencing of CPDs and

¹³ As of March 2022: UNDP, UNFPA, UN Habitat, UNCTAD, ITC, UNIDO, ILO, UNODC, UNHCR, UN Women, IOM, UNESCO, FAO, UNOPS, UNCDF UNMAS, and WHO

- CFs. Furthermore, UNDP's respective internal guidance on the preparation of country programmes has reiterated the requirement of RC's confirmation of CPD derivation from the UNSDCF.¹⁴
- 41. UNDP has also ensured full compliance with the dual reporting model as mandated by Member States per the UNDS Repositioning resolution 72/279 to date, all UNDP RRs have a mandatory performance goal on their contribution to the UNCT's work, and their job descriptions recognize the RC's leadership role. Furthermore, RCs are requested to provide feedback on RRs' contributions to the UNCT's work.

Efforts towards the SG's efficiency agenda and Support to functioning of Resident Coordinator Offices

- 42. UNDP has ensured its continuous and active support to the advancement of the SG's Efficiency Agenda in terms of strategic leadership, technical assistance, and dedicated UNDP capacity (including the secondment of staff) to advance the Business Operations Strategies (BOS), Common Premises, Local and Global Cost Shared Service Centers, and other operational services to the RCS.
- 43. In addition to the critical support that UNDP provides to the implementation of Business Operations Strategies (BOS) in 131 countries, as part of its contributions to the UNDS reform efforts, **UNDP** has provided significant support to the development and maintenance of new demands on the online BOS platform.
- 44. UNDP has also helped accelerate entities' collaboration on Supply Chain Management and mainstreamed the provisions of the "Mutual Recognition" principles, which enable more active collaboration among UN entities.
- 45. Given the emphasis on the delivery of Global Shared Service Centers as well as on balancing local and global shared services efforts, UNDP's significant contributions to the UNSDG efforts have included the mapping of existing shared services across the UN system, thereby expanding the range of new location-independent shared services with high potential for efficiency gains.
- 46. While the importance of the business efficiency agenda continues to be fully recognized and advanced by UNDP, the organization also firmly believes that agency-specific monetary efficiency gains should continue to be used for programme implementation and re-invested within the incurring agency. While some of the reported savings are notional amounts in terms of cost avoidance and not available for re-investment, in 2018-2021, UNDP's investments in institutional performance allowed the re-purposing of an estimated US \$506 million from what would have been institutional expenditures into programmatic investments.
- 47. UNDP is finalizing the implementation of a new Enterprise Resource Planning (ERP) system Quantum. Developed and shared with seven partner entities (UNFPA, UNWOMEN, UNITAR, UNSSC, UNU, UNCDF, UNV), Quantum will enable the effective provision of required services to these entities through the utilization of a shared planning and delivery management system.
- 48. As the principal operational service provider to the RCS since 2019, UNDP has continued to provide high-quality operational services to Resident Coordinator Offices (RCOs). During this reporting period, UNDP has administered US \$437.4 million of the UN Special Purpose Trust Fund (SPTF) resources, including US \$60.2 million in 2021 and US \$41.8 million in 2022.
- 49. UNDP continues to provide the highest cost-sharing contribution of any single UNDS entity to the funding of the RC System. For the 2022-2023 period, UNDP's annual contribution increased from US \$10.3 million to US \$10.6 million¹⁵. It is important to underscore the challenges that any further increases in UNSDG cost-sharing contributions (taken from UN entities' core funding) will result in,

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¹⁴ As per the provisions of the MAF, the RC's feedback remains strictly limited to alignment to the UN Cooperation Framework priorities and should not be considered a technical review of the CPD.

¹⁵ Representing 1.44% of UNDP's 2022 approved core budget.

- particularly through the redirection of UNDP funding from delivering on its Strategic Plan towards the RC System, which would effectively diminish UNDP's organizational capacity to address programme countries' development needs.
- 50. Building on the recent intergovernmental negotiations on the RCS funding, **UNDP notes that** proposals to increase the 1% coordination levy would further jeopardize UNDP's and the UNDS's programming and delivering results on the ground, as it will lead to further reductions in core and programme resources.
 - O UNDP estimates that it spends an equivalent of 12% of total levy contribution in order to finance administrating the coordination levy at the country, regional and global levels. The Report of the Board of Auditors on the financial statements of UNDP¹⁶, indicated that the Board's own analysis had confirmed that in practice the collection of the levy reduced the funds available for programming. The Board also noted that, while the levy should be an additional one per cent to the contribution amount, during negotiations funding partners decided to deduct the levy from the initially envisaged contribution amount. Consequently, the final contribution amount was lowered so that the initially envisaged contribution amount could cover both, the levy and the contribution.

Consolidating the Regional Dimension of the UNDS Repositioning

- 51. UNDP regional bureaux continued to lead the organization's active participation in the operationalization of regional reforms adapted to specific regional contexts. Under the overall direction of the Regional Collaborative Platforms (RCPs) Chair/the Deputy Secretary-General, UNDP Regional Directors continued to support the strategic direction of the RCPs in their role as Vice-chairs with the Regional Economic Commission (RECs), thereby ensuring high-quality regional support for country-level processes, such as CCAs and UNSDCFs.
- 52. In Africa, the RCP has made considerable progress in consolidating institutional structures, rolling out support from the Opportunity/Issue Based Coalitions to countries and the African Union Commission. Response to RCs/UNCTs' requests for support saw a peak in the period June 2021 to March 2022, with concrete results delivered at country level (e.g. in Ghana, the 'Beyond Aid' Strategy was developed; and in Malawi, support was provided to the development of the COVID 19 recovery strategy).
- 53. In Latin America and the Caribbean, the RCP initiatives aimed at strengthening institutional capacities, building a strong evidence base for policy making, and facilitating multi-stakeholder partnerships, as well as ensuring synergies and collaboration with RCs and UNCTs. The RCP made strides in reinforcing its activities on climate change and resilience; crime and violence; equitable growth; governance and institutions; and human mobility, with gender equality and empowerment of women and girls, and youth as cross-cutting issues, and ensured the deployment of expertise through the Issue Based Coalitions (IBCs) (e.g. to Haiti, and Central America, Colombia, and Mexico).
- 54. **In Europe and Central Asia**, the RCP further mobilized regional capacities to respond to regional and country needs with system-wide technical support, advocacy, and policy solutions to achieve shared goals. Progress was made towards the establishment of a regional knowledge management hub to provide consolidated access to knowledge products and expertise for the regional UN system. The knowledge hub will feature access to the UNECE <u>Knowledge Hub on Statistics for SDGs</u>, and the <u>dashboard and database of SDG indicators</u>.
- 55. **In Asia Pacific**, the <u>2022 Asia and the Pacific SDG Progress Report</u> was released and the <u>SDG Gateway</u> continues to offer consolidated data on SDGs at the country level. The Regional <u>Knowledge</u>

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¹⁶ For the year ended 31 December 2019 (A/75/5/Add.1)

- <u>Management Hub</u> increased its outreach in 2021, comprising of an extensive collection of knowledge products.
- 56. In the Arab States, the RCP is consolidating its new regional architecture, which is focused on promoting policy dialogues for the achievement of the SDGs, use of data and evidence-based diagnoses, development of common advocacy strategies, as well the facilitation of regional dialogues in support of transboundary and national level issues.

Strengthening capacities in support of Multi-Country Offices (MCOs)

- 57. UNDP continues to support the implementation of the MCO review recommendations (General Assembly Resolution 74/297), including through entity-specific initiatives aimed at scaling up policy support and MCO capacities.
 - In the Pacific, a new UN Pacific Strategy is being developed for 2023-2026 to improve coordination and ensure the delivery of tailored support to countries and territories covered by the Pacific MCOs.
 - In the Caribbean, the new Multi Country Sustainable Development Framework (MSDF) 2022-2026 helps uplift the system's support to address SIDS multifaceted vulnerabilities.

UNDP within the reinvigorated **UNSDG**

- 58. Under the Chairmanship of the Deputy Secretary-General, the UNDP Administrator continued to actively serve as the UNSDG Vice-Chair as well as the Chair of the UNSDG Core Group, in support to the reinvigorated UNSDG.
- 59. In early 2022, UNSDG Core Group members have underscored the importance of this mechanism and highlighted its active support to the UNSDG in the areas of the COVID-19 socioeconomic response, the continued consolidation of the UNDS reform, SDG Financing, Climate and Biodiversity, as well as consolidating efforts to advance Cooperation Frameworks, all identified as the most valued work progressed by the Core Group and its subsidiary mechanisms.
- 60. UNDP, as a trusted development partner and through its ability to utilize its multisectoral and multidisciplinary foundations for the benefit of the entire UNSDG, continued to provide strategic support and substantive contributions to the UNSDG, the UNSDG Core Group and its Task Teams and subsidiary mechanisms.

Conclusion

- 61. In 2021, COVID-19 continued to exacerbate challenges to countries' recovery and development efforts, coupled with other political, humanitarian and climate-related crises. Even with the compounding challenges faced, the UN Development System has demonstrated its ability to come together to ensure greater efficiency and more impactful development results. The new-generation Strategic Plans of UNDP and its sister UN agencies, funds and programmes¹⁷ evidence entities' strong political, organizational and results-driven commitments to repositioning the UNDS, while responding to the intergovernmental mandates emanating from the 2020 QCPR, the RC System review, and other system-wide mandates.
- 62. As also reflected in the Secretary-General's Our Common Agenda, we are at an inflection point in history. To accelerate and scale up progress towards the SDGs, the UN system must deliver evidence-based, integrated policy and programmatic support that is driven by country demand and adapted to context. UNDP has carefully considered the nature and scope of its engagement in Our Common

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¹⁷ UNFPA, UNICEF, UN Women and WFP

- **Agenda and will be guided by alignment with our Strategic Plan commitments**, but also our mandate, expertise, resources, and capacities. UNDP is encouraged that Our Common Agenda has a strong **forward looking/future-oriented perspective**, as it aligns well with the spirit of UNDP's new Strategic Plan 2022-2025 which is particularly focused on 'advancing the future of development'.
- 63. UNDP has a long and proven track record of supporting governments in connecting the dots on complex sustainable development issues and developing integrated solutions to those challenges. Our aim is to further strengthen this integrated policy support by seeking opportunities for a more systemic approach, for example through Integrated National Financing Frameworks and Development Finance Assessments, that can help governments build institutional resilience to solve future development puzzles as well as solve current problems.
- 64. UNDP will continue to put its capacities and experience at the service of UNCTs, under the overall steer of RCs, to support the UNDS' ability to transform sectoral interventions into integrated, synergistic development offers that respond to partner countries' demands. UNDP's contributions to this system-wide collaboration includes expertise to advance cross-sectoral programming; data, analytics and foresight to contribute to integrated analysis for CCA/CF processes; tools for futures modelling and simulations; system-wide offers on integrated policy solutions; development financing approaches; and innovative, evidence-based programmatic approaches.
- 65. Through its 2022-2025 Strategic Plan, UNDP has elevated its ambitions in support of the UNDS reform through fostering partnerships with UN entities for more impactful results that better help address countries' multidimensional challenges. Partnerships with the private sector, civil society and other key stakeholders remain at the core of UNDP's work to ensure more impactful, catalytic, and viable funding development initiatives/programmes. This transformative vision, as outlined in UNDP's Strategic Plan, sets the new direction of UNDP's commitment and accelerated implementation of the UNDS reform, within the framework of the 2020 QCPR.
- 66. In our efforts to consolidate and advance on the UNDS reform, we are also committed to accelerating the implementation of the 2020 Quadrennial Comprehensive Policy Review. As such, UNDP will continue to lead system-wide efforts by leveraging its experience across development contexts and working with a variety of partners to develop integrated solutions on inclusive and sustainable recovery from COVID-19, finance, climate change, digital inclusion and advancing collaboration across the humanitarian, development and peacebuilding spheres.