I. Introduction

1. UNDP, UNFPA, UNICEF, UNOPS and UN-Women are pleased to provide their respective Executive Boards with a further update on our engagement in the repositioning of the UN Development System. We remain fully committed to the UNDS Reform and to jointly drive all its remaining work streams forward in close coordination with the United Nations Sustainable Development Group (UNSDG), under the leadership of the Deputy Secretary-General and with the support of the United Nations Development Coordination Office (DCO) and the Transition Team.

2. This paper complements the earlier information notes presented to the Executive Board in the First Regular Session and the Annual Session in 2019. It provides an update on recent developments since June. Additionally, it includes (in a separate annex) a mapping of regional assets and capacities, as requested by the Executive Board for information, in decision 2019/15.

II. Supporting the new Resident Coordinator system

3. UNDP has ensured the smooth transition to a reinvigorated Resident Coordinator System (RCS), especially through facilitating and administering the delinking of the Resident Coordination (RC) function from that of the UNDP Resident Representative (RR).

4. Since 1 January 2019, UNDP has served as the principal operational service provider to the RCS. Under the Service Level Agreement (SLA) signed with the UN Secretariat, UNDP is administering a total of US$ 204m in 2019, providing services to 130 RC Offices (RCOs) and three regional offices of the Development Coordination Office (DCO). To date, a total of US$59m have been expended in service provision, such as managing payroll, benefit and entitlements of 719 RCO staff, including 88 RCs; conducting recruitment of 128 RCO National Officers; providing office space, furniture, transportation and IT services; and supporting RCO premise renovations in 75 countries.

5. UNDP has provided high quality and administratively compliant services, through a dedicated team established to support the day-to-day management of the SLA, working in close coordination with DCO. In June 2019, UNDP rolled out a web-based Service Portal, which serves as a single-entry point for RCOs and UNDP COs for initiating, processing and tracking service requests, and to access financial information, as well as Frequently Asked Questions and guidance notes. The portal also offers space for feedback on services received, with UNDP currently having received 4.3 out of 5 stars in service rating.
6. To align with the new country-level roles and responsibilities set out in the Management and Accountability Framework of the UNDS and the RCS, UNDP has updated the RR job description and is reviewing other accountability and reporting frameworks, including the RR performance goals. UNDP also conducted a joint webinar with DCO for RCs and RRs on the roll out of the MAF, ensuring coordinated messaging and common understanding. Looking ahead, UNDP will contribute to the review of the MAF, building on lessons learnt during the first phase of implementation. We will also engage closely in the development of the regional and global level chapters of the MAF, under the leadership of the Secretary-General’s transition team.

7. UNDP, with its specific role in UNDS reforms, has incurred additional direct and indirect costs related to the reforms. These include, among others, the doubling of cost-sharing contribution (from US$5.14m in 2018 to US$10.3m in 2019), the need to replace an entire cadre of senior Country Office leadership, transition costs directly related to the RC delinking, and the significant increase in servicing new coordination and consultation mechanisms established to implement the reforms. The unprecedented renewal in senior management at country level in 2019 has also entailed added pressures on UNDP’s business continuity and delivery capacities. Transition costs and human resource related liabilities will continue to be incurred for the duration of the UNDP Strategic Plan, over the next two years.

8. Internal communication and coordination on reforms continues to be a high priority. This includes a regular digest for RRs, all-staff newsletters, webinars, as well as an intranet website and helpdesk. UNDP’s inter-bureau ‘Anchor Group’ ensures that contribution to and implementation of reforms are systematically coordinated and implemented consistently across the organization.

III. Strengthening system-wide analysis, planning and reporting

9. The UNSDG’s endorsement of the United Nations Sustainable Development Cooperation Framework (UNSDCF) Guidance is an important step in defining the way the system will work together in support of national development priorities. UNDP was actively involved in developing the Guidance and is now helping prepare its companion pieces. Several initial measures are being undertaken to align UNDP’s programming with the new UNSDCF:

   o Revision of UNDP’s Country Programme Document (CPD) template to better emphasise how UNDP’s programme contributes to the Cooperation Framework, including our comparative advantage in contributing to joint UN results. UNDP’s outcomes have been derived verbatim from UNDAF/Cooperation Framework outcomes since 2014. We are now considering options to further align CPD outputs to Cooperation Framework outputs. A new CPD template will be shared with the EB for approval at the First Regular Session in 2020.

   o Customization of the global best practice certification Managing Successful Programmes (MSP) to strengthen staff capacities for effective programme management in a reform environment. This will also be made available to other UN agencies.

10. UNDP’s contribution to UNDS reform continues to be monitored and tracked through our results tracking systems. At the EB’s Annual Sessions in 2019, UNDP, UNICEF, UNFPA and UN Women reported on a common set of SDG indicators to monitor collaborative contributions to the
SDGs through the implementation of the Common Chapter, as well as on relevant QCPR indicators on organizational effectiveness and efficiency. Through the data cube and UN INFO, UNDP has also supported system-wide mechanisms for tracking results and resources. Efforts are ongoing to automate data transfer from UNDP’s results tracking systems and enterprise resources planning system to the country level Cooperation Framework reporting.

IV. Strengthening joint implementation & support to the SDGs

11. Through GA Resolution 72/279, Member States have mandated UNDP to provide an “integrator function” on the 2030 Agenda, in support of countries and the wider UNDS. With just over a decade left until 2030, we need to support countries tackle their complex development challenges more effectively; to achieve big results, fast, with a focus on systems rather than single sectors.

12. To do so, we have put in place four dedicated streams of work on SDG integration, based on our broad experience supporting countries to deliver on the SDGs:

- **Next Generation Policy and Programming**: supporting countries develop solutions that connect whole of government and society approaches, aligning planning and budgeting, and connecting local and regional innovations and service delivery.
- **Data and Analytics**: identifying root causes and tackling development gaps to ensure no one is left behind, using new and joined-up data and integrated modelling frameworks.
- **Financing**: supporting countries identify innovative ways to redirect public and private contributions towards sustainable development and align investments with the Goals. Our SDG Finance Sector Hub offers a suite of methods and tools.
- **Learning and Innovation**: new ways of doing development that build countries’ capacity to deliver change at scale and deal with the pace of change and uncertainty. Initiatives include the Accelerator Labs Network and UNDP Innovation Facility.

13. Through these work streams, we offer support to countries and partners – including RCs and UN sister agencies – so that together we can tackle complexity more effectively, and in doing so, speed up development impact. In this context, we are offering a one stop shop on SDG integration - sdgintegration.undp.org – which, by the end of the year, will expand into an interactive service platform for development practitioners.

14. A global flagship initiative on SDG integration will be launched in September. Anchored in our Strategic Plan and UNDP’s mandate as an integrator, this is a substantive, programmatic and technical offer to support countries accelerate SDG progress. This includes collaborating with our partners across all levels of government and the UN system; as well as civil society and business communities. UNDP will also continue to play a leadership role, as part of an interagency collaboration, on Mainstreaming, Acceleration and Policy Support (MAPS) engagements.

15. In September 2019, the SDG Primer will be launched to a first cohort of RCs and RRs, providing a foundational overview of the 2030 Agenda. UNDP co-led the development of the Primer, along with DCO, and in liaison with partners in the UNDS. In collaboration with UNICEF, we are also developing a technical learning package to support more advanced MAPS Engagements.
16. In facilitating SDG integration, UNDP will also build and draw on its hosted assets - UN Volunteers (UNV), UN Capital Development Fund (UNCDF), the Multi Partner Trust Fund Office (MPTFO) and the UN Office for South-South Cooperation (UNOSSC). As several of these offer inter-agency services - such as the MPTFO which supports more integrated and cross-UN agency approaches through pooled funding mechanisms - UNDP can support the wider UNDS delivering coherently and collectively on the SDGs. Pooled funding will be advanced and leveraged more, including in support of the humanitarian-development nexus.

17. UNDP is actively engaged in the SDG Joint Fund, including through chairing its Operations Steering Committee. The Fund’s first call for social protection proposals received 114 submissions, with the top 30 being invited to be further developed. A second call for proposals is now under preparation, focused on strategic financing. UNDP’s Finance Sector Hub is supporting this work.

V. Efficiencies

18. UNDP’s full commitment to the efficient and effective use of the valuable resources entrusted to us by Member States and Development Partners goes beyond the implementation of development reforms. We aim to achieve efficiencies through two streams: first, by supporting system-wide efforts through the UNSDG Business Innovations Strategic Results Group (BIG) and, second, through our own internal efficiency measures. We continue to second senior expertise to the BIG project team and contribute substantially to its streams on system wide targets.

19. Through BIG, we have supported, for example:

   o Adopting the principle of mutual recognition across the UNDS, with UNDP being one of the first agencies to adopt this principle. Fourteen agencies have signed-up to date;

   o Development of a Business Operation Strategies (BOS) package which includes an online tool developed and managed by UNDP and a revised BOS Guideline. The package will reduce the amount of time and effort required to develop a BOS, standardize data capture, and improve reporting. Both the online tool and the revised guideline are currently being piloted in seven countries. Global rollout is expected during the third quarter of 2019.

   o Work to advance common back offices – the consolidation of location-dependent activities - with extensive baseline data collection and field visits to six countries is being undertaken by BIG with support of DCO. UNDP will participate in the development of business cases related to potential Common Back Office configurations, with piloting scheduled for the first half of 2020. As to the, UNDP’s offer of location independent services at the global level has been communicated to the BIG project team as part of the integrated support offered by UNDP; and

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1 The Business Operations Strategies is a results-based framework aimed at reducing duplication of administrative tasks at the country level, leveraging collective bargaining power and maximizing economies of scale.
Efforts to prepare for enhanced consolidation of UN offices into common premises is also advancing. The BIG project team has collected and mapped data on UN office locations to guide this work, with piloting proposed this year. Lessons from the piloting will subsequently be turned to revised guidelines for UNCTs. In this work, issues of upfront investments and existing agreements with governments will need to be considered.

20. Our own internal efficiency measures focused on reengineering and simplifying our business processes with the following specific initiatives:

- Significant progress has been made in expanding the scope and scale of operational services provided through a ‘shared service’ modality. Over 2019-2020, the objective is to address audit recommendations, increase efficiencies, reduce costs, and enhance service quality by transitioning 57 services provided through our COs to a global shared service modality. A project team is being recruited, standard operating procedures are being reviewed, business processes analyzed, and IT system enhancements undertaken. Phase 1 begins in 3rd quarter of 2019.

- As a major service provider to the UN system and other partners, UNDP has embarked on a Service Excellence initiative. Service Quality Standards, Service Level Agreements, and Key Performance Indicators have been co-developed with UN recipients of UNDP’s services. New service pricing methodologies are being explored, demonstrating our commitment to the UNSDG principles of transparency and cost effectiveness, and cost recovery. Ways to enhance customer centricity were tested with stakeholders as well and will be implemented by 4th quarter of 2019.

- UNDP is also continuously improving its business practices, with over 100 business process revisions and clarifications in 2018 to date. All are incorporated in our Programme and Operations Policies and Procedures (POPP), which is accessible as a public website and mobile application.

21. UNDP’s comprehensive digital transformation has begun in earnest through the implementation of the Digital Strategy and the appointment of UNDP’s first Chief Digital Officer. An important element of the Strategy is to pursue innovative measures to improve and simplify UNDP’s business processes – thereby creating efficiencies along the way. The first step to building staff capacities was initiated with 1100 staff joining a digital learning programme and seven internal digital pilot projects have also been launched.
22. Looking ahead, UNDP remains firmly focused on **improving its performance** as the operational backbone of the UNDS. A renewed focus on customer satisfaction, combined with efforts to ensure cost effectiveness and transparency, will provide significant benefits for recipients of UNDP’s operational services, and UNDP itself. This will be first and foremost in service of capacity strengthening of national systems and institutions and these operational services will also be available to the common system. UNDP will continue to support the RC system through the development and prototyping of digital platforms, as demonstrated through the UNDP RC system service tracker, and the new BOS tool developed by UNDP.

VI. **Review of agency assets at regional level**

23. UNDP - as a global organization – draws on resources from all levels and locations to analyze, design and deliver SDG solution. Our newly constituted **Global Policy Network** (GPN) best exemplifies how UNDP aligns its policy advisory and programme functions with new and evolving demands. With a clear focus on country level support, the GPN pulls the much-needed resources from the entire UNDP global network, regardless where this expertise is physically located.

24. UNDP’s **worldwide assets** need to be seen in this context. Indeed, while some of UNDP’s capacities may be physically located in “regional” hubs, these are not functionally framed on an exclusive regional basis and as such are not statically deployable for specific regions only. Rather, they function as **country-facing capacities**, closely tied into a wider global- and country level network that can be mobilized and deployed as and when needed. Furthermore, the fact that these capacities happen to be “clustered” in locations that host regional entities or institutional mechanisms is closely tied to UNDP’s firm commitment to pursuing **efficiencies** to the benefit of development programmes, as well as to **reduce response times**, especially when crisis or disaster strike.

25. The primary objective of our **clustered capacities** is therefore to act as a support structure for our Country Offices (COs), providing policy, programme and operational services, and access to global knowledge, best practices, technical expertise and tools. COs can also draw on support in driving innovation and digital solutions, convening of stakeholders, leveraging partnerships, facilitating knowledge sharing, supporting resource mobilization and sharing management advisory services - which UNDP also makes available to UNCTs.

26. UNDP also provides much valued **operational services to other UN entities** at the regional level, and the regional level also serves as a platform from where UNDP hosts and promotes its **affiliated entities**, such as UNV, UNCDF and UNOSSC.

27. UNDP has **five regional programmes**. These are approved by the EB and form an integral part of our Strategic Plan, encompassing a variety of initiatives, such as advancing thought leadership through regional Human Development Reports, collective action against corruption, climate action, preventing violent extremism, migration/displacement, conflict prevention and peacebuilding, technology for citizen engagement and peace, and big data for development.

28. UNDP actively nurtures close **partnerships at the regional level**, with and beyond the UNDS. We work in close partnerships with other UN entities, such as the Regional Commissions, UN
Women, UNFPA, UNICEF, UNHCR, WFP, and UN Habitat, and also work closely with regional entities such as the African Union (AU), the Association of South East Asian Nations (ASEAN), League of Arab States (LAS), European Union (EU), Caribbean Community (CARICOM), and the Regional Development Banks.

29. Availability of such assets at regional level has allowed UNDP to provide faster and specifically defined support to Small Island Developing States (SIDS). In line with our commitment to the SAMOA Pathway and the aspirations of the 2030 Agenda, UNDP is strengthening its programmatic offer to SIDS. UNDP’s operational backbone also continues to be available to UN entities in Multi Country Office (MCO) settings, as needed.

30. In addition, and as requested by the Deputy Secretary-General, UNDP and the United Nations Environment Programme (UNEP) will co-lead an inter-agency working group to develop a more detailed plan to operationalize the proposed recommendations of the Secretary-General to enhance the support provided by the United Nations development system through MCOs. Overall, all these processes will need to consider the outcome of the upcoming SAMOA Pathway High-Level Midterm Review.

VII. Funding Compact

31. ECOSOC’s endorsement of the Funding Compact marked a critical step on our common journey to generate a virtuous cycle of quality funding, efficient, transparent and accountable systems, and sustainable development results. It reflects the value and trust Member States place in the UNDS and the system’s commitment to live up to those expectations.

32. **UNDP has already met a majority of the Funding Compact’s entity-specific targets.** We are committed to maintaining high transparency standards, continuously improving our business model, increasing efficiencies, and improving results reporting. We also are taking concrete steps to enhance the visibility of contributors to core and thematic funding windows, and guiding COs on greater engagement with core, thematic and pooled funding partners on the results of their valued investments.

33. On multi-year funding, which the Funding Compact anticipates should represent at least half of all contributions by 2023, UNDP is also making notable progress. In 2018, 43% of core contributions came from multi-year commitments, up from 29% in 2017, placing UNDP on track to meet the anticipated target. As part of our Structured Funding Dialogue, we report to the EB on efficiency gains and progress on the implementation of our cost-recovery policies. UNDP, including the Multi Partner Trust Fund Office, also publishes all corporate evaluations on the UN Evaluation Group’s website.

34. **More challenging indicators** relate to the call for rebalancing funding portfolios, particularly regarding core funding and entity-specific thematic funds. In 2018, UNDP received core funding from 52 contributors that accounted for 12% of total funding. This level stands to be one of the lowest among other UN agencies. UNDP received only 1.5% of non-core funding through thematic funds—and the Funding Compact target stands at 6%. Similarly, UNDP received 8% of non-core
resources through inter-agency pooled funds in 2018, and this is slightly above the UN average of 5% but falling short of the 10% target set out in the Funding Compact.

35. UNDP strives to increase its development-related expenditures for joint activities, which stood at 8.4% at end 2018. To this end, we have introduced a joint programme marker to better track and analyse our joint programmes. We are also committed to increase collaboration on joint evaluations from the current 16%. Overall, UNDP is undertaking several initiatives to advance further progress Funding Compact implementation.

36. UNDP has rolled out the 1% coordination levy applied to all tightly earmarked third-party contributions at country, regional, and headquarter levels. Internal UNDP guidance on the activation and management arrangements for its application, especially regarding the agency administered option, has been issued. We have also set-up a levy helpdesk to assist our Country Offices. UNDP will be working with DCO and other UNDS entities to develop a methodology aimed at estimating the cost – to the UN system - of administering and collecting the levy for 2019.

37. The Structured Funding Dialogues are a critical opportunity to address quality of funding, and better match funding to Strategic Plan outcomes. We are committed to continue to strengthen our effectiveness and efficiency in delivering on the Plan, and the Dialogues are important to share progress on mutual commitments – also in the context of the Funding Compact. UNDP looks to the EB to help to protect and grow our core resources, promote flexible thematic funding, and maintain a robust and predictable financial base.

VIII. Conclusion

38. As this information note details, UNDP’s commitment to UNDS reforms stands firm. In this context, we value the role of the UN Sustainable Development Group (UNSDG) and the system’s collective ownership that it represents. The UNDP Administrator plays a central role in this regard, both as the UNSDG Vice-Chair, and the Chair of its Core Group. UNDP is also actively engaged in all UNSDG Strategic Results Groups.

39. Beyond the UNSDG, the UNDP Administrator, and UNDP overall, are closely engaged in a number of mechanisms aimed at driving collaboration and coherence across the UN system in a wide range of areas. This includes the UNDP Administrator vice-chairing, together with the Emergency Relief Coordinator, the Joint Steering Committee (JSC) Advance Humanitarian and Development Collaboration; UNDP Administrator co-chairing, along with USG DESA, the UN System Task Team on HLPF; UNDP Administrator being a member of the Deputy Secretary General’s Climate Core Group and the Climate Principals Group; and UNDP co-chairing the Inter-Agency Standing Committee (IASC) Results Group 4 on Humanitarian-Development Collaboration. UNDP Administrator is also member of the Secretary General’s Executive Committee and Senior Management Group.

40. Looking ahead, UNDP remains steadfast in its role as a key enabler and implementer of reforms – with the overarching objective of improving the lives and prospects of those we serve. Simultaneously, we are accelerating the implementation of our Strategic Plan, pursuing innovation, internal efficiencies, and partnerships to optimally serve Member States. Ultimately the
UNDS reforms are about delivering better for people and planet – and UNDP looks forward to a continued open and constructive engagement with our Executive Board to help deliver on this key criterion of success.