Repositioning of the United Nations Development System

PROGRESS UPDATE on the Implementation of the General Assembly Resolutions 72/279 and 76/4 and Executive Board Decision 2023/6.

UNDP Executive Board Annual Session 2024

UNDP is pleased to present to the Executive Board its eighth information note, providing an update on the organization's continued support and contributions to the repositioning of the United Nations development system (UNDS). This submission is in line with the Executive Board's oversight functions for the implementation of UNDS reform, as mandated by the UN General Assembly (GA) resolution on the repositioning of the UNDS (72/279); the UN GA resolution on the review of the Resident Coordinator System (RCS), including its funding arrangements (76/4); and falls within the scope of the UN GA resolution on the Quadrennial Comprehensive Policy Review of Operational Activities for Development of the UNDS (75/233). This information note offers a comprehensive overview of UNDP's ongoing contributions to the repositioning of the UNDS since the previous update provided during the Executive Board's annual session in June 2023. Additionally, it addresses the requests from the Executive Board as outlined in its decision 2023/6. Furthermore, as per the GA resolution 76/4 and as requested by the Executive Board, UNDP is pleased to present for the first time the <u>'UNDS reform - checklist for UNDSG</u> entities governing bodies', as annexed to this information note.

In its fifth year of implementing the UNDS reform, UNDP has remained steadfast in its commitment to advancing respective mandates and enhancing coherent support across the UNDS for the acceleration of the 2030 Agenda and the Sustainable Development Goals (SDGs). Recent audits and assessments of UNDP's contributions, including those related to the delinking of RC-RR functions¹, affirm UNDP's exceptional performance and its role in guiding system-wide and corporate adherence to the repositioning mandates of the UNDS. Additionally, the Mid-term Review of the UNDP 2022-2025 Strategic Plan² and the UNDP report on the implementation of the Quadrennial Comprehensive Policy Review (QCPR) in 2023 provide comprehensive evidence of UNDP's ongoing progress and contributions to advancing the 2020 QCPR mandates in collaboration with other UN entities and development partners.

KEY HIGHLIGHTS

- MAF fully implemented.
- Support to 109 countries with their submission of enhanced NDCs.
- 85 countries developing/ using INFFs.
- Over 30 SDG Investor Maps and more than 500 investment opportunities.
- 50 Crisis Risk Dashboards developed.
- Led 9 UNSDG High Impact Initiatives (out of 12).
- US \$ 10.6M. UNDP contribution to UNSDG cost-sharing of RCS.
- US \$ 8.4M. in coordination levy payments to the SPTF.
 34% of RCs originating
- from UNDP.
- 29 CPDs aligned with CFs in 2023 - totaling 113 to date.

Introduction

 In 2023, the escalation of conflicts, emergencies, and the impacts of climate change, compounded by economic and social disparities, continued to pose significant challenges. The ongoing repercussions of the COVID-19 pandemic, the war in Ukraine, conflicts in various regions of Africa, and the recent conflict in Gaza have further complicated the global landscape. Alongside these crises, escalating development challenges such as widening inequalities, insufficient financing for the Sustainable Development Goals (SDGs) and increasing vulnerabilities due to climate change have significantly impeded progress towards achieving the 2030 Agenda



¹ <u>Report of the UN Board of Auditors (UNBOA) - Report on UNDP Financial report and audited financial statements for 2022-</u> Section 4, *Implementation at the UNDP of the reform delinking the UNRC and UNDP RR functions* -

² To be presented at the Annual Session of the Executive Board in June 2024.

for Sustainable Development. UNDP's recent 2023-2024 Human Development Report³ projects that if the global HDI value continues to evolve below the pre-2019 trend, losses will become permanent putting the world off track. With the declines in ODA – directly impacting UN entities' core funding⁴, these and emerging new global challenges test the ability of the UNDS – and of the whole multilateral system – to respond to the multiple development needs of countries in an effective, agile, and impactful way.

- 2. Despite the myriad challenges faced in 2023, the year also marked a significant period of renewed promises, aspirations, and commitments aimed at rescuing and achieving the Sustainable Development Goals (SDGs) by 2030. This revitalized focus underscores a global resolve to address and overcome the obstacles impeding progress, ensuring a concerted and unified effort towards sustainable development. Driven by the Political Declaration adopted at the <u>SDG Summit</u>, renewed commitments to eradicating poverty in all its forms and dimensions, ensuring equitable access to financing for development, and addressing climate change through mitigation and adaptation strategies have been solidified. Additionally, the reaffirmation of commitments to peace and security, along with strengthened partnerships, revives hope for a more promising path in the coming years. These reinvigorated commitments underline a collective determination to steer global efforts toward a more sustainable and equitable future, laying the groundwork for substantial progress as we approach the 2030 target date for the Sustainable Development Goals.
- 3. Guided by the <u>2022-2025 Strategic Plan</u>, its strong commitment to the implementation of the <u>2020 QCPR⁵</u> and the repositioning of the UNDS, UNDP continues to champion corporate and system-wide signature solutions and initiatives, exercising to the fullest its integrator function⁶ and putting its consolidated capacities and offers at the service of the UNDS. The game-changing transformations presented as part of the High Impact Initiatives (HII) in the lead up to the SDG Summit and the emergence of new partnership opportunities is a testament to UNDP's commitment to continuously strengthen system-wide collaboration for the SDGs in an integrated manner. For instance, in partnership with ITU, the <u>HII on Digital Public Infrastructure</u> (DPI) aims to revolutionize DPI in 100 countries by 2030.
- 4. The 2024 Summit of the Future presents a pivotal opportunity to reaffirm and expand upon the vision established at the SDG Summit, focusing on the critical transformations required to achieve the Sustainable Development Goals (SDGs). It is key opportunity to emphasize the necessity of rebuilding trust in an effective, inclusive, and well-resourced multilateral system. It is also an essential moment to catalyze the implementation of the 2030 Agenda for Sustainable Development, addressing key areas such as enhanced cooperation, innovative financing, and integrated approaches to sustainable development. Under the principle of leaving no one behind, UNDP will continue being attuned to the specific challenges and needs of countries in special situations, and people in vulnerable situations. By utilizing a range of global assets, tools and services tailored to country contexts, UNDP promotes a shared UNDS understanding of the SDGs, their interlinkages and the ability to transform independent, specialized/sectoral interventions into cohesive and synergistic development offers.

Advancing integrated policy advice and services for SDG acceleration

5. Five years into the implementation of the UNDS reform, UNDP is transitioning from being reform-ready to maximizing development impact and results. This shift is central to UNDP's forward-looking vision, which is consistently applied across all levels and in various development contexts. The focus is on enhancing operational efficiencies, strengthening partnerships, and innovating solutions to ensure that development initiatives are both impactful and aligned with the evolving needs of the communities served. This is underpinned by UNDP's drive towards a future-ready organisation that tackles development challenges through wider partnerships with UN entities and other stakeholders, novel and transformational solutions and policies, and consolidated capacities while adapting its business model towards greater efficiencies, maximization of resources and enhanced scalability. This approach underscores UNDP's commitment to achieving substantial and sustainable outcomes as part of its broader mission under the 2030 Agenda.

³ 2023-2024 Human Development Report, Breaking the gridlock: Reimagining cooperation in a polarized world, March 2023.

⁴ Core contributions decreased from \$591 million in 2022 to \$566 million in 2023.

⁵ See UNDP's 2023 progress report on the implementation of the QCPR.

⁶ GA/Res/72/279

- 6. In the spirit of scaling up strategic partnerships for more impact and results, UNDP works to transform complex challenges into more sustainable and innovative solutions. UNDP's <u>four 'Moonshots' on poverty reduction</u>, <u>access to energy</u>, <u>elections</u>, <u>and SDG financing</u> are organizational ambitions that are unleashing new opportunities at greater speed and scalability in support of the SDGs</u>. For instance, from 2022 to 2023 alone, as part of the Election Moonshot, UNDP worked with Member States in partnership with the Electoral Division in UN DPPA and other UN entities to support 36 elections by over 436 million registered voters achieving 50% of our Elections Moonshot target in the first two years of the Strategic Plan.
- 7. Through multidimensional collaboration streams with different UN entities, UNDP has gravitated its efforts to support the commitments and mobilize resources and capabilities towards the implementation of the SDG Summit outcomes. As such, UNDP extensively led, contributed to the development, and is now supporting the implementation of nine of twelve High Impact Initiatives (HIIs) of the UN Sustainable Development Group (UNSDG). More specifically:
 - UNDP along with DESA is leading on the <u>FutureGov</u> HII to support public sector transformation through technical assistance and cooperation with and between the Global South and the Global North.
 - Building on the success of the Spotlight Initiative, UNDP and UN Women are leading the Spotlight Initiative High-Impact Programme for Violence Elimination by 2030 (<u>HIVE Programme</u>), serving as the bridge for the <u>Spotlight 2.0</u>. UNDP has been supporting the design of the programme, as well as the resource mobilization efforts for the Spotlight 2.0.
 - UNDP, together with UNEP, has co-led the <u>Energy Compacts</u> HII, which generated over 200 Energy Compacts at country level resulting from voluntary commitments made by governments, businesses and CSO partners. Furthermore, UNDP – as the co-chair of <u>UN Energy</u> with UNEP – is promoting effective sector coordination and interagency collaboration for the UN Energy Pledge and will soon launch its <u>Powering</u> <u>Progress initiative</u> in five countries.
 - In support of the <u>Secretary-General's Roadmap for Digital Cooperation</u>, UNDP worked in close collaboration with other UN entities to strengthen support for partners on inclusive digital transformation. As such, UNDP collaborated with ITU across a range of key digital initiatives, including co-leading the HII <u>on Digital Public</u> <u>Infrastructure (DPI)</u> and the <u>Joint Facility for Global Digital Capacity</u>, in addition to co-leading the Technical Support Group for the <u>Thematic Window on Digital Transformation for the Joint SDG Fund</u>, which was launched in 2023 with \$30 million funding.
 - Data plays a critical role as a catalyst for transformations and innovations for the 2030 Agenda and the SDGs, in particular for reaching the most vulnerable and leaving no one behind. Through the <u>HII on Power</u> of <u>Data</u>, UNDP is supporting cutting edge national data partnerships that bring together governments, technology companies, civil society, donors and others for ethical use of data, policy and decision making, acceleration of digital transformation, and driving new economic opportunities for a more equitable and sustainable world.
- As the custodian of SDG 16 and building on its vast convening network and know-how on governance and institutional building – through a joint <u>SDG16 Initiative</u> – UNDP has collaborated with UN entities (UNODC, OHCHR and others) in supporting 51 countries with capacity building on measuring and reporting on SDG 16 indicators with additional regional capacity initiatives reaching 143 countries.
- 9. Through its integrator function, UNDP is leading on a series of system-wide initiatives with a special focus on the UNSDG Six Transitions⁷ aimed at propelling the advancement of the 2030 Agenda and the SDGs at country level. For example, SDG Integration Platforms have been established in collaboration with UN entities, government partners, donors and other stakeholders on the <u>Aral Sea in Uzbekistan</u>, on inclusion and livelihoods in Moldova and national SDG architecture with several joint SDG initiatives in Belarus. UNDP's flagship <u>SDG Push Initiative</u> is put at the service of the UNDS and UN Country Teams (UNCTs) to support integrated policy and regulatory frameworks at country level by leveraging data innovation, systems thinking and futures approaches. The initiative is aimed at building national capacities to zero-in on acceleration pathways for longer-term structural transformations. In 2023, the SDG Push initiative was successfully piloted in five countries (Indonesia, Moldova, Namibia, Peru, and South Africa) through UNDP's continued collaboration with the UN

⁷ 1/. Integrated food systems, 2/. equitable energy access and affordability, 3/. digital connectivity, 4/. jobs and social protection, 5/. education, and 6/. climate change, biodiversity loss and pollution.

Resident Coordinators (RCs) and UNCTs, thus steering country-level efforts for SDGs acceleration. The Initiative's success has triggered interest from over 50 countries, as its methodology provides countries with <u>dynamic visualization</u> to chart evidence-based policy decisions with the greatest potential for impact on the SDGs through a comprehensive <u>SDG interlinkage map</u>.

- 10. Efforts at the country level also include enabling countries' investors to direct capital to the achievement of the SDGs. As part of its <u>SDG Investor Maps</u> offer, UNDP continued to identify SDG aligned investment opportunities, with 30+ maps highlighting 500+ investment opportunity areas available on the <u>SDG Investor Platform</u> by the end of 2023.
- 11. As a thought-leadership institution facilitating knowledge and best practices exchange on policy innovation for the SDGs, UNDP supported over 95 countries in their preparations with <u>Integrated SDG Insights reports</u> ahead of the SDG Summit and continued to support the interagency <u>Integrated Policy Practitioners' Network</u> (IPPN), growing in 2023 to nearly 500 registered members and 37 UN entities. In 2023, the IPPN launched under the co-leadership of UNDP, UNICEF and the UNSSC⁸ an e-learning course on "<u>Applying Integrated Policy</u> <u>Approaches to Accelerate the 2030 Agenda</u>" reaching more than 1,270 people from 149 countries last year.
- 12. At the heart of UNDP's Strategic Plan lies its strong commitment to gender equality (SDG 5) with the full recognition of its multiplier effect on the SDGs. To this end, in 2023, UNDP launched EQUANOMICS, a flagship initiative currently supporting 23 countries aiming at making fiscal and care work policies for gender equality to reach UNDP's \$1 trillion SDG Financing Moonshot. Within the framework of EQUANOMICS, UNDP along with UN Women, UNICEF, UNFPA, ILO and OHCHR, have initiated efforts towards the implementation of a joint programme on unpaid care, disability and gender transformative approach in five countries⁹.
- 13. In a world facing surmounting development challenges, financing for the SDGs remains of critical concern. UNDP's trillion-dollar moonshot for SDG financing aims to leverage public and private capital flows ensured through multiple sources of budget alignment, leveraging debt instruments, tax revenue, aligning private capital through SDG impact management with stock exchange and investment funds, among others. This reflects UNDP's continued focus and prioritization in supporting countries to identify ways of unleashing financing opportunities for the SDGs. For example, Indonesia issued in 2023 an SDG Bond in global debt capital raising \$584 million. UNDP's support to the Indonesia bond is part of the <u>Joint Programme on Accelerating SDGs</u> <u>Investments (ASSIST)</u>, implemented along with UNICEF, UNEP and UNIDO, to scale up the government's capacity for new SDG financing opportunities.
- 14. The Integrated National Financing Frameworks (INFFs) are proving to be a catalytic instrument to unleash financing opportunities for countries. So far, INFFs developed in more than 85 countries 50 of those in collaboration with IFIs are yielding concrete gains in terms of catalyzing financing opportunities from all sources. INFFs are also being articulated in support of other national initiatives, such as linking the Global Accelerator national roadmaps with INFF processes in Indonesia, Malawi and Namibia, supporting national public financial management reforms, and identifying financing opportunities in crisis or fragile settings in partnership with the International Network on Conflict and Fragility (INCAF). UNDP's Climate Promise initiative and INFFs are also being connected by featuring Nationally Determined Contributions (NDC) and climate finance into INFFs, with this approach being piloted in 10 countries across Asia, Africa and Latin America.

Driving impact and results through strengthened partnerships

15. The achievement of transformational results and impact at scale requires the whole-of-system approaches by leveraging system-wide mandates, expertise and know-how. Having this understanding at the core of its Strategic Plan and within the broader framework of the QCPR, UNDP had advanced its partnerships with UN entities in support of system-wide interventions at global, regional and country levels. The scope and objectives of such partnerships – from development financing to jobs and social protection, to climate change, to gender equality, among others – are tailored to the development needs at country and regional levels and help attain results across several sectors and domains.

⁸ UN System Staff College

⁹ Programme focus countries: Colombia, Tanzania, Mozambique, Panama and Kenya.

- 16. UNDP continued to advance strategic partnerships in response to enduring development impact of COVID-19. As framed under the <u>Global Accelerator on Jobs and Social Protection for Just Transitions</u>, UNDP – in partnership with ILO and as part of the <u>Technical Support Facility</u> – engaged in 23 potential pathfinder countries, ten of which have indicated high-level commitment to the Global Accelerator through their heads of state /heads of government. Additionally, capacity building support is provided to the Governments of Indonesia, Namibia, Malawi, and Albania in drafting their National Roadmaps for the implementation of the Global Accelerator at the national level.
- 17. Under the Leaving No One Behind principle, understanding polarization and ensuring system-wide approaches are tailored to the needs of countries and people especially most vulnerable is of critical importance. In light of this, the UNDP Human Development Report 2023-2024 advances an ambitious metrics agenda with research on new and innovative development indicators that go beyond GDP, beyond averages, and beyond today. Committed to moving forward with advancing the 'beyond GDP' discourse, UNDP in collaboration with UNCTAD and DESA and by leveraging UNDP's accumulated expertise in multidimensional human development indices have been leading on shaping development metrics that respond to the realities of today and help address the specific needs of countries.
- 18. UNDP's partnership with WHO goes beyond joint interventions on COVID-19, HIV, and Universal Health Care. Within the framework of the <u>Alliance for Transformative Action on Climate and Health</u>, in 2023, a new <u>Climate and Health Co-financing Facility</u> was launched – also in partnership with Green Climate Fund (GCF) – supporting and deploying \$122 million in financing to 14 countries in Africa, Asia and Southeastern Europe to mitigate and respond to the health impacts of climate change. This has been possible through leveraging public and private capital and helped promote climate resilient, sustainable, and low-carbon health systems. Also in 2023, 89 countries have been supported by UNDP in partnership with WHO on Non-Communicable Diseases (NCD) prevention and control governance.
- 19. UN Women remains a steady partner of UNDP. Capitalizing on the lessons learned from the <u>COVID-19 Global</u> <u>Gender Response Tracker</u>, UNDP – together with UN Women – launched a catalogue on <u>Promising Practices</u> for <u>Gender Equality: A Catalogue of Practical Solutions from the COVID-19 response</u> offering a suite of policy options to increase gender-responsiveness and build resilience to future shocks. <u>The Paths to Equal Twin</u> <u>indices</u> – also launched with UN Women in 2023 – introduces the Women's Empowerment Index (WEI) and the Global Gender Parity Index (GGPI) as new twin indices across 114 countries.
- 20. UNDP has elevated its partnership initiatives to a new level of cooperation by specifically targeting development challenges and needs identified at regional and country levels. In line with this strategy, UNDP entered into a Cooperation Agreement with UN Women in September 2023. This agreement enhances collaboration opportunities for country offices in Latin America and the Caribbean, focusing on several critical areas: the development of comprehensive care systems, the advancement of parity and women's political participation, the intersection of climate change and gender, the eradication of violence against women and girls, and the strengthening of humanitarian action. This partnership exemplifies UNDP's commitment to addressing gender-specific challenges and promoting equality through tailored, regional initiatives.
- 21. UNDP continued to prioritize and expand its partnerships with new and existing International Financial Institutions (IFIs) to leverage and optimize financing, build resilience against climate change and disaster risk vulnerabilities, and better prevent and respond to crisis. With an 18% increase in 2023 as compared to 2022 through these partnerships, UNDP mobilized \$357.2 million in financing from 14 IFIs for over 39 countries across five regions. 69% of UNDP's collaboration with IFIs took place in 23 fragile and/or conflict-affected countries/situations, such as in Yemen, Afghanistan, Ukraine, Cameroon and Pakistan, among others. In Yemen, for example, UNDP and World Bank's International Development Association have contributed to reinforcing Yemen's Food Value Chains development. In Cameroon, UNDP's partnership with the Islamic Development Bank is supporting to build peace through reconstruction and development of infrastructure to revive economies affected by the conflict.
- 22. UNDP fostered an unprecedented level of partnerships with MDBs in 2023. The <u>first-ever agreement</u> with the Asian Infrastructure Investment Bank (AIIB) was signed at COP28, along with a joint action plan focused on vertical funds' cooperation and impact management. Also, as part of strengthening harmonization across UN entities to expedite collaboration with IFIs, UNDP led alongside with WHO, FAO, UNOPS and IOM the <u>signing of</u>

<u>a 'master agreement'</u> with the **European Investment Bank (EIB)** allowing direct transfer of grants from EIB to UN/DP to support EIB investments with advisory services and/or technical assistance to relevant governments/EIB borrowers. The cooperation is aiming to help advance the Global Green Bond Initiative, small-scale and targeted financing in Ukraine, or health and other social projects in Sub-Saharan African. This partnership is a major system-wide milestone aiming at strengthening the system's agility and collaboration with an IFI, while also hoping to serve as a precedent for our collaboration with other IFIs.

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

- 23. The current global landscape is marked by escalating geopolitical tensions, alarming climate diagnosis, economic uncertainties, and diminishing trust. Cognizant of the importance of bridging the Humanitarian-Development-Peace (HDP) nexus as outlined in the 2020 QCPR, UNDP continued to consolidate and expand its HDP collaboration and joined-up approaches in support of system-wide efforts to ensure development is a central pillar of emergencies/humanitarian situations.
- 24. UNDP also promoted the criticality of interlinkages between traditional HDP approaches and key development challenges, including development financing, climate, or gender-based violence. For example, UNDP led the designing of a Green and Resilience Debt Platform with the European Investment Bank, GCF, and UNCDF and through INFFs supported the operationalization of financing in crisis/fragile contexts in over 50 countries. Furthermore, in 2023, UNDP launched its 'Joint Agenda: From Crisis to Resilience through Sustainable Finance', which recognizes that sustainable finance is essential for countries to reduce risk to prevent crisis, to respond and recover from ongoing crisis, and to build long-term resilience. In addition, through the Stabilization Programme, UNDP supported the Lake Chad Basin region and Mozambique's Cabo Delgado region in close collaboration and coordination with other UN entities.
- 25. To maximize efforts towards joint assessments and enhance country level coordination and response, UNDP as the technical lead for the UN along with the World Bank and the European Union completed 11 joint assessments¹⁰, including in Syria, Türkiye, Myanmar, Mozambique, Malawi, Afghanistan (Asia Development Bank joined this assessment), Belize, Vanuatu, Ukraine, Libya and Azerbaijan. Additionally, UNDP trained more than 520 officials in regional organizations in conducting PDNAs and developing Recovery Frameworks, and more than 15 knowledge products were developed to inform recovery practices including in environment, tourism, and health sectors. A Pandemic Recovery Needs Assessment (PRNA) toolkit was also developed in a collaboration between UNDP, EU and WHO.
- 26. UNDP's <u>Crisis Risk Dashboards</u> (CRDs) implemented in cooperation with 50 UNCTs helped facilitate situational analysis and early warning systems in Nigeria, Papua New Guinea and Sri Lanka, and informed risk-aware programming in Côte d'Ivoire, Ecuador, Malawi and Tunisia. In collaboration with DPPA, DCO and OHCHR, the CRDs efforts have led to a unified regional risk monitoring framework in Asia and the Pacific.
- 27. UNDP continued to serve as a global lead for fostering a common understanding of collaborative approaches between HDP actions and for HDP actors to ensure knowledge, skills and capacities translate into practical actions. Through our active participation in the OECD DAC-UN Dialogue, UN Adherents dialogue on the implementation of the HDP nexus recommendation, and the International Network on Conflict and Fragility, UNDP continues to demonstrate its leadership on the need for development investments in crisis and fragile settings by promoting resilience and recovery. UNDP continues to co-chair (with Oxfam) the Interagency Standing Committee Task Force 4 on Humanitarian-Development Nexus and is actively leading the Financing Working Group as a collaboration between the DAC UN and the IASC TF4. UNDP is also one of the co-chairs of the revised Joint Steering Committee to Advance Humanitarian and Development Collaboration (JSC) along with DCO, OCHA and PBSO.

Funding for Development

28. Amidst challenging and complex development landscape of today, the development funding for the UNDS continues to be increasingly volatile and unpredictable. Despite crossing the \$200 billion mark in Official

¹⁰ Recovery and Peacebuilding Assessment (RPBA) and Post-Disaster Needs Assessment (PDNA)

Development Assistance (ODA) in 2022, the world is observing the dilution in the quality of aid, diversion from core development goals, jeopardizing the effectiveness of global aid mechanisms.

- 29. Notwithstanding these challenges, UNDP continued to accelerate efforts to mobilize quality and flexible funding emphasizing the criticality of core resources, through enhanced transparency, reporting, and visibility of donors. As of March 2024, UNDP received a total of \$5 billion in funding, including approximately \$566 million (or 11.3%) in regular resources (core), which reflects a decline from 2022 (\$591 million). For non-core resources, UNDP received about \$4.4 billion (or 88.5% of the total resource envelope), including the thematic Funding Windows of \$126.3 million and the vertical funds of \$1 billion.
- 30. UNDP continued to ensure transparent reporting to its Executive Board through the publication of the annual <u>Funding Compendium</u>, the Structured Funding Dialogue report (<u>DP/2023/26</u>) presented at the Second Regular Session of the Executive Board, the <u>Funding Windows Portal</u>, <u>Funding Windows Annual Reports</u> and the <u>Transparency Portal</u>.
- 31. As part of the UN system-wide endeavors to improve quality and quantity of funding for development, UNDP has actively engaged in the process of reinvigorating the Funding Compact. By providing substantive inputs and participating in technical discussions, UNDP closely worked with the UN entities to streamline, refine, and improve the commitments and indicators of the Funding Compact 2.0. UNDP looks forward to the upcoming Funding Compact 2.0 as an instrument that reinforces the mutual accountabilities for development funding of both Member States and UNDS entities, and positively streamlines the metrics for monitoring and reporting on its implementation.
- 32. In 2023, UNDP also continued to advance its engagement in pooled funding mechanisms. In order to advance the implementation of global pooled funds at country level, UNDP actively helped country representatives to navigate and utilize global pooled funding mechanisms through technical assistance and capacity building. Nevertheless, transfers from UN inter-agency pooled funds to UNDP amounted to \$213 million in 2023 a 17% decrease from 2022. In the context of overall decrease of contributions to development-related funding, this is due to the reduction in transfers from country-level pooled funds and some global and regional funds, such as the Central African Forest Initiative, the Spotlight Initiative Fund and the Joint SDG Fund. Despite the decrease, nevertheless, UNDP remained the largest recipient (the first in 2023) of inter-agency pooled funds among participating organizations. UNDP's funding from some flagship funds such as the Peacebuilding Fund or the Global Fund for Coral Reefs, increased.
- 33. At the global level, in 2023, UNDP actively supported the advancement and capitalization of the Joint SDG Fund, the Spotlight Initiative, and the Peacebuilding Fund by substantively engaging in the design of calls for proposals of the Joint SDG Fund with the focus on integrated social protection and Leaving No One Behind, SDG Financing Enabling Environment, and Building Resilience and Reducing Vulnerabilities in SIDS windows; by supporting the implementation of 26 national programmes and five regional programmes to ending violence against women and girls as part of the <u>Spotlight Initiative</u>; and by steering interagency coordination with national partners on conflict prevention, peacebuilding, rule of law, access to justice, human rights, disarmament, demobilization and reintegration, and reconciliation with support from the <u>Peacebuilding Fund</u> (UNDP being the largest implementer having received \$73 million in 2022¹¹).

Advancing the repositioning of the Resident Coordinator System

UNDP within the reinvigorated UNSDG

34. In the sixth year of the UNDS reform, we evidence a robust development system applying enhanced coordination approaches, instruments and mechanisms, and advancing efficient models in its operations. The UNDS is fully geared for yielding more strategic and impactful results in support of the SDG acceleration at country level. UNDP has been a critical player and supporter of the advancement of the UNDS reform at all levels by advancing mutual accountabilities and ownership of the system, strategically leading on the major system-wide initiatives, ensuring institutional compliance with all intergovernmental mandates, and providing extensive institutional and financial resources for the consolidation of UNDS reform results at all levels.

¹¹ Representing 32% of the total budget.

- 35. UNDP remains a strong supporter of the reinvigorated Resident Coordinator System (RCS) and recognizes the importance of the RCS funding sustainability and predictability to continue ensuring the expected impact of the repositioned UNDS. With the continuing trend of reduced funding for development, nevertheless, finding the balance between ensuring adequate and flexible programme development funding and coordination resources without hindering entities' programme funding remains of critical importance for the attainment of the 2030 Agenda, and as supported by the fully operationalized UNDS reform. Customization of coordination capacities to countries' contexts should guide the system's ability to nimbly adapt and more effectively leverage UN entities' existing capacities and expertise on the ground.
- 36. As the largest single UNDS-entity contributor to the UNSDG cost-sharing arrangement, UNDP continues to ensure its timely disbursement of its annual contribution of \$10.6 million, also following the approval of its Executive Board in 2023. While UNDP is fully committed to the effective functioning of the RCS, it is concerned that under the current context of decreasing core resources, UNDP's contribution comes at the expense of the expected outcomes under its Strategic Plan.
- 37. For 2023, UNDP collected and transferred \$8.4 million of the 1% coordination levy, totaling \$19 million contribution to the <u>Special Purpose Trust Fund</u> (SPTF) inclusive of the UNSDG cost-sharing contribution. As was noted by the Board of Auditors in their 2019 report¹², the levy has impacted the availability of funds for programming and generated significant transaction costs for its management. UNDP, therefore, encourages the application of the coordination levy at source to help mitigate the transactional cost and its impact on programme resources.
- 38. UNDP remains fully compliant with the Management and Accountability Framework (MAF), as a central pillar in the advancement of the UNDS reform and continues to enforce and monitor its implementation at all levels. More specifically, UNDP ensured:
 - Full alignment and derivation of its Country Programme Documents with the UN Sustainable Development Cooperation Frameworks (CFs) – 113 to date¹³, as is ensured through internal compliance mechanisms and confirmed by the UN Resident Coordinators.
 - Implementation of the dual reporting model, with all UNDP Resident Representatives (RRs) reporting on their centrally assigned annual performance goal for their contributions to the work of the UNCTs. As part of the annual assessment exercises, RCs are requested by UNDP Regional Directors to provide feedback on RR performance.
 - Advancement of partnership opportunities within UNCTs and with other stakeholders, including through active engagement and often leadership of joint programmes implementation, steering joint UNCT initiatives and supporting coordinated approaches at country level.
 - Putting its integration capacities at service of RCs and UNCTs, including by offering UNDP's strongest assets in the development of multi-stakeholder partnerships with IFIs, the private sector and others, the application of catalytic and innovative approaches on data analytics, multidimensional poverty and socioeconomic and financing tools and approaches.
 - Active engagement in the UNCT programming cycle, development of Common Country Analysis (CCA) and Cooperation Frameworks, leading country-level Results Groups, and contributing to the annual planning (through UNInfo) and reporting exercises (through <u>annual UNCT Results Reports</u>).
- 39. At the regional level, as Co-Vice Chair of the Regional Collaborative Platforms (RCPs) along with the Regional Economic Commissions, UNDP (through its Regional Directors) plays a critical stewardship role in uniting regional level leadership, supporting strategic programming at country level, leveraging regional capacities to address transboundary development challenges, and driving operational efficiencies agenda at the regional level. UNDP also plays an articulating role in expanding partnerships at the regional level with other regional platforms and institutions on key development issues. As a leading entity of many Issue-based Coalitions (IBCs), UNDP is able to put forward its expertise, resources and methodologies at the services of RCs and UNCTs to address complex and multidimensional development challenges.

¹² For the year ended 31 December 2019 (A/75/5/Add.1)

¹³ 29 new and approved CPDs aligned to the CF in 2023.

Advancing the Efficiency Agenda

- 40. Advancing the <u>SG's Efficiency Agenda</u> remains one of UNDP's priorities in support of the UNDS reform. UNDP's commitment is evidenced through its extensive and active engagement in the implementation of the Efficiency Agenda roadmap, the implementation and monitoring of the Business Operations Strategies (BOS) at the regional and country levels, the roll-out of Common Back Offices (CBOs), advancement of the Global Shared Services (GSS), and significant human and financial capital invested in business operations platforms and optimization efforts.
- 41. As one of the critical pillars of the Efficiency Agenda, implementation of the Business Operations Strategies is at the heart of the UNSDG efforts. UNDP continues to ensure the full implementation and periodic review of BOS by leading the development of BOS 2.0 and engaging as the Chair of the Operations Management Teams (OMTs) in 59 countries. Since the delinking and up until the end of 2023, UNDP developed and maintained a fully functional BOS 2.0 online platform prior to its migration to the <u>new BOS¹⁴ platform</u> hosted in UNInfo by DCO. This in-kind contribution from UNDP is the evidence of UNDP's commitment to and significant investments in the implementation of the Efficiency Agenda.
- 42. UNDP has also provided extensive contributions to the advancement of the Common Back Offices (CBO), including by steering CBOs in Vietnam and Brazil two out of six prioritized countries expected to establish CBOs by May 2024.
- 43. The implementation of Global Shared Services has also remained at the center of UNDP's efforts in the advancement of the SG's Efficiency Agenda. With the 2019-2023 expansion of UNDP's <u>Global Shared Services</u> <u>Centre (GSSC)</u>, UNDP now provides centralized Human Resources services to a range of UN entities and is working to expand its Finance Payment offerings to other UN entities by utilizing UNDP's extensive network of Country Offices, which enforces the ability to make payments across 153 countries. Also, to improve interagency collaboration in the field, UNDP launched a new partnership with the UN Mobility UN Booking Hub, which resulted in over 1500kg CO2 carbon savings from rideshare trips globally and over \$100,000 in time savings across 37 locations in 26 country offices.
- 44. According to the 2024 Secretary-General's Report, UNSDG entities reported a total realized efficiency gain of \$553 million in 2023, a 37% increase from the previous year (\$405 million). UNDP's total entity-specific efficiencies are estimated at \$19.4 million, primarily driven by UNDP's strategic initiatives in corporate digitalization. UNDP's efficiencies further reflect the optimization of its GSS offers, investments in new energy efficiency projects, and its digital and operational transformation efforts in HR and IT. Additionally, collaboration in business operations activities at a country level through BOS implementation resulted in \$23 million efficiency gains, mainly driven by common administration services. These efficiencies, while not cost savings and in the context of decreasing development funding, allow UNDP to continue enhancing its internal transformations and, most importantly, ensure more resources are available for programme-related purposes.
- 45. In line with its Strategic Plan 2022-2025, UNDP continued concerted efforts to optimize its corporate systems resulting in further rationalization of business processes and greater efficiencies. These efficiencies reflect the benefits of using SharePoint and DocuSign, standardizing IT infrastructure and using teleconferencing applications. UNDP, also, continued to invest in a corporate digital ecosystem by advancing:
 - A Service Management Platform (UNall), which covers +250 service lines;
 - A Corporate Planning, Customer Relationship Management System (Quantum+), to strengthen UNDP monitoring of engagements with and results thereof a large variety of partners; and
 - An upgraded ERP (Quantum) system launched in early 2023 with seven other UN entities, leading to increased efficiency, improved results and resources planning, monitoring and impact measurement.
- 46. As the principal operational service provider to the RCS since 2019, UNDP continued to provide high-quality operational services to Resident Coordinator Offices (RCOs). Between 2019-2023, UNDP administrated a total budget of \$456 million of the SPTF and supported RCOs with services funded through locally mobilized resources. In 2023, UNDP administered \$18.6 million of the SPTF resources in service provision to RCOs. As of 1 January 2024, following the exit of the Global MOU, UNDP will continue to provide services to RCOs through

¹⁴ BOS external data dashboard.

local Service-Level Agreements (SLA), which will include services primarily related to premises, facility management, common services and transportation services.

Progress in the implementation of the MCO review recommendations

- 47. In line with its commitments to support Small Island Development States (SIDS), UNDP has made substantial investments in advancing Multi-Country Offices (MCO), also ensuring that its support and programmes are aligned with and respond to the evolving needs of countries. The <u>Rising Up for SIDS Offer</u>, the <u>SIDS Data Platform</u> and tailored financing strategies in the areas of climate, blue economy and digital transformation primarily, are among UNDP's signature investments and interventions in response to the MCO review recommendations. The review of the SAMOA Pathway (2024-2024) in May 2024 and the outcome document of the new SIDS agenda play a key role in continuing to finetune UNDP's offer to SIDS in MCO contexts.
- 48. In the Caribbean, UNDP continued to increase on-the-ground capacities through the development and implementation of the Caribbean Action Plan (CAP), designed to strengthen the delivery of transformative results on the ground. Also, in support of advancing digitalization for SIDS, UNDP is actively supporting governments in the region to diagnose, develop and advance their digital agendas with the completion of eight digital readiness assessments (DRAs) that will inform the development of national digital strategies.
- 49. In the Pacific, the MCO underwent a strategic review in 2022/2023 to ensure alignment of the office capacities with the ambitious new 5-year <u>Multi-Country Programme Document for the Pacific (2023-2027)</u> presented in 2023. The new Multi-Country Programme, covering 14 Pacific Island countries and territories, aims to scale up UNDP's comprehensive SIDS offer in the region. UNDP is further fostering south-south collaboration among Micronesian countries on elections, supreme audit institutions, environment and digital democracy as well as providing thought leadership on climate security and enhancing climate resilience interventions. These efforts are strategically bolstered by investments in strategic communications.

Consolidating the regional dimension of the UNDS reform

- 50. In parallel to all institutional efforts at global and country levels, UNDP continues to support the advancement of the UNDS reform at the regional level with positive results achieved to date. All regions have consolidated their strategic vision, the establishment of Issue Based Coalitions (IBCs) and regional tailored working groups – inclusive of regional rosters of expertise in support of RCs/UNCTs needs, SDG Knowledge Management Hubs, and, among other initiatives. Additionally, the annual regional forums for sustainable development have proven to be an important space for strategic dialogue between RCPs and Governments exchanging know-how and lessons learned, identifying new areas of collaboration, and addressing specific regional or cross-boundary development challenges and needs for collective effort.
- 51. While extensive progress has been consolidated in each region tailored to specific needs and priorities of the countries, the following are some of the key milestones achieved in 2023:
 - In the Africa region, UNDP's leadership of four Opportunity and Issue Based Coalitions (O/IBC) in collaboration with UN entities is expanding advocacy, policy advice, technical assistance through field-based and virtual support, in areas of inclusive growth, economic transformation, climate and food systems, as well as peace, security and human rights. As part of these efforts, the O/IBC on inclusive and economic transformation supported five countries¹⁵ in their formulation and validation of their AfCFTA Strategies. Efforts towards strengthening data and statistics for the SDGs, enhanced the <u>Africa UN Data for Development Platform</u> with improved country level data and led to the development of a UN Africa Data and Statistics Strategy. In 2023, with UNDP's support the RCP supported UNCTs engagement with African Union members for the Africa Climate Summit and COP 28.
 - In the Arab region, UNDP facilitated the alignment of the IBCs to the six SDGs transitions. Following this
 reengineering, UNDP will serve as a co-convenor of three IBCs in the areas of climate change, biodiversity
 loss, and pollution, recovery and reconstruction, and the Regional Economists Network. UNDP has also
 actively engaged in the implementation of the <u>Maharat platform</u> comprising profiles of regional technical
 expertise available in support of UNCTs.
 - In the Asia Pacific region, the work of the RCP with UNDP's support in collaboration with other UN entities

 has further strengthened support to countries through efforts such as the preparation of the <u>SDG16</u>

¹⁵ Mozambique, South Sudan, Guinea Bissau, Sao Tome and Principe and Central African Republic.

profile, and the SDG16 Roundtable during the 11th Asia Pacific Forum for Sustainable Development, the development of a policy brief on <u>Meaningful Youth Engagement in Climate Action in Asia and the Pacific</u> (in collaboration with ESCAP, UNFCCC/RCC). Additionally, as part of IBCs, UNDP together with ESCAP, UNICEF and ILO, under the Action Plan to Strengthen Regional Cooperation on Social Protection, assisted Cambodia, Maldives, Mongolia, and Philippines to identify key gaps and strategies to achieve more comprehensive and inclusive social protection systems.

- In Europe and Central Asia, the revamping of Issue-based Coalitions (IBCs) and other regional interagency
 groups led to strengthening the demand / supply mechanism under the RCP in support of RCs/UNCTs. The
 RCP advanced in the establishment of the Knowledge Management Hub, which now supports the web
 presence of the UN system in Europe and Central Asia and provides enhanced features for the IBCs and
 groups to disseminate information, reach out to stakeholders and offer support services. The RCP also
 provided support to the revision of the regional BOS and steered the implementation of the BOS 2.0
 guidance and online tool.
- In Latin America and the Caribbean, the RCP sharpened its thematic focus and simplified its operating procedures by launching the <u>RCP LAC 2.0</u>. Strengthened engagement between the RCP and RCs/UNCTs has led to the identification of 52 support requests from 14 RCs/UNCTs across the region addressing regional, cross-boundary or country level issues. As part of its strategic vision for the region and with the aim of consolidating partnership opportunities with key stakeholders, the RCP is advancing its engagements with IFIs and regional integration institutions (CARICOM, SICA, etc.), while also leveraging key regional conferences (G20 in Brazil; SIDS4 in Antigua and Barbuda) to advance regional priorities.
- 52. The regional dimension of the UNDS reform is bearing fruit with RCPs focusing on each region particular development challenges and needs. UNDP's leadership has been pivotal in meeting the expected ambition and advancing the agreed mandates by investing significant human capital, technical expertise and knowledge in the establishment of structures, mechanisms, and platforms leading to coherent regional support for transformational results at country level. While the consolidation of the regional mandates has been rolled at different pace, its progress is on track, mandates are being fulfilled and results are visible.

Conclusion

The year 2023 witnessed a reinvigorated international commitment to confront the pressing development challenges of our time, driven by the collective aspiration to forge a future that is sustainable, inclusive, just, and prosperous for both people and the planet. The Political Declaration from the SDG Summit delineates an ambitious yet achievable roadmap for the upcoming seven years, aiming to transform these global commitments into tangible outcomes. UNDP has embraced this direction through its unequivocal support to the UNSDG six transitions and four engine rooms as catalytic enablers to meet the SDG targets by 2030 and will ensure its expertise and capacities are fully dedicated to this objective.

At the mid-point of its Strategic Plan, UNDP has demonstrated its extensive contributions to the 2030 Agenda and the SDGs, as is also underpinned by its corporate commitment to the repositioning of the UNDS and the 2020 QCPR. Extensive programme investments in crisis, climate, inequality, financing for the SDGs, among others, as well as operational and human capital investments in system-wide processes and mechanisms, are the testament of UNDP's commitment to the UNDS reform at all levels. To continue consolidating the UNDS reform benefits for greater impact and results, it is crucial that adequate, flexible, and predictable development funding for countries remains at the center of advancing the SDGs.

Lessons learned to date on the implementation of the UNDS reform prove the eminent need to center the discussions and efforts at the country level (UNCTs and governments) around the acceleration of the SDGs. With the Cooperation Frameworks at the foundation of UNCTs' programming engagement, underpinned by solid CCAs and through the use of futures-oriented approaches, political will is required to shift the focus of the UN system from processes and mechanics of the UNDS reform to consolidating and concentrating its efforts on the acceleration of coherent support for the attainment of SDGs by 2030.

While the Management Accountability Framework (MAF) is universally adopted across all levels within UNDP, its application and implementation can vary, influenced by interpretation and dynamics at the country level. **The**

upcoming review of the MAF by the UNSDG will be an opportunity to further strengthen the UNDS' mutual accountabilities on the implementation and advancement of the UNDS reform.

The Summit of the Future, along with the forthcoming Quadrennial Comprehensive Policy Review (QCPR) for 2024, coupled with the Secretary-General's UN 2.0 vision and the Quintet of Change, collectively offer a transformative opportunity for the UNDS. This alignment is poised to significantly enhance the UNDS's support for strengthening multilateralism, positioning it as the pivotal strategy for achieving the commitments of the 2030 Agenda. UNDP will continue to leverage its extensive network of leadership capacities, technical expertise, and resources to further advance the UNDS reform towards the envisioned ambition – with the ultimate goal of achieving the 2030 Agenda and by acting "with urgency to realize its vision as a plan of action for people, planet, prosperity, peace and partnership, leaving no one behind".

Annex: UNDP reporting on the UN development system reform checklist, in response to the EB decision 2023/6.