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Annual report of the Administrator

**Report of the Administrator on results for 2018 and
progress on the Strategic Plan, 2018-2021**

Contents

<i>Chapter</i>	<i>Page</i>
I. Executive summary	2
II. UNDP performance in 2018: 10 observations	3
III. What do we want to achieve?	5
IV. What do we want UNDP to be?	13
V. The way forward	16

Annexes (available on the [Executive Board website](#))

1. Integrated results and resources framework and report card
2. Joint report on implementation of the common chapter of the strategic plans of UNDP, UNFPA, UNICEF and UN-Women
3. Report on implementation of General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system
4. Report on the results achieved by the United Nations Office for South-South Cooperation in 2018
5. Update on general management services cost-recovery waivers
6. Contributions from Member States to regular resources, 2018



I. Executive summary

1. The sustainable development results UNDP achieved in 2018 tell the story of an organization on the move: accelerating local action for global change while pushing the boundaries in how we think, deliver, invest and manage to drive progress towards the Sustainable Development Goals. This report presents those results in terms of the two questions raised in the Strategic Plan, 2018-2021: what do we want to achieve, and what do we want UNDP to be?
2. Against the first question, in 2018, as a result of UNDP collaboration with 170 countries and territories, 31 million people had better access to the services they need to tackle poverty; 21 million people registered to vote; 4 million people living in or recovering from crisis got a job or improved their livelihoods; 27 million people were stronger in the face of climate change; and 256 million tons of carbon emissions were cut, the equivalent of taking over 50 million cars off the road for a year.
3. These sustainable development results, achieved with over 900 government, international, private, financial, academic and civil society organizations, accounted for \$4.6 billion of UNDP programme delivery in 2018 – the highest in five years. Committed to collaboration and coherence, UNDP, the United Nations Population Fund, the United Nations Children’s Fund and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) started implementing the common chapter of their strategic plans in 2018. See annex 2 for the joint report on the implementation of the common chapter.
4. Against the second question, we embarked on a major shift in the way UNDP works. In line with repositioning the United Nations development system and the results of 15 years of evaluation,¹ we reinvigorated the UNDP human development and multidimensional poverty approaches and partnerships, and designed and applied new ways to be creative, collaborative and courageous in advancing integrated progress towards the Goals, from the Global Policy Network and accelerator labs to country support platforms.
5. UNDP achieved these results while powering United Nations reform, taking over 4,000 legal, financial and security steps to delink the resident coordinator and resident representative roles and doubling its cost-sharing contribution to the resident coordinator system, costs met through efficiencies. Just over 90 cents of every dollar spent went to programmes and services to achieve development results, up from 88 cents in 2017.
6. UNDP balanced its budget for the second year in a row, restoring the financial viability of the organization, while resources increased by 6 per cent with the support of 134 Governments. And with a gender-balanced, geographically diverse cohort of resident representatives, half of all UNDP staff are now women.

¹ The Independent Evaluation Office (IEO) undertook a synthesis of 105 independent country programme evaluations conducted between 2002 and 2017 in 93 countries.

II. UNDP performance in 2018: 10 observations

7. The Strategic Plan established that UNDP works across three development settings, with six integrated signature solutions delivered through country and global platforms. The plan responds to two questions: what do we want to achieve, and what do we want UNDP to be? In 2018, UNDP delivered results on both, accelerating local action to drive global change while embarking on a major shift in the way it works. A review of these results gives rise to 10 interesting observations.

The Sustainable Development Goals

8. The 2030 Agenda for Sustainable Development and the Sustainable Development Goals now drive UNDP work across all development settings. Local action in 2018 enhanced national ownership of the Agenda, helped to embed the global Goals in Governments' day-to-day plans and long-term visions, and connected the dots between the different parts of complex development challenges.

9. With its unique capacity to work across all sectors, UNDP helped half of the countries and territories in the world – 97 in total – to make the Goals relevant at home. Requested by Governments, it invested in national accountability, supporting the voluntary national reviews of 28 countries at the high-level political forum on sustainable development. Through 30 development finance assessments in 2018, UNDP helped nations to plot new, innovative paths to financing their development priorities.

Integrated results

10. UNDP advanced an integrated approach to eradicating multidimensional poverty, the anchor of its Strategic Plan. From creating jobs in crisis, to taking climate action that improves food security or health, data show that the results achieved by UNDP with partners increasingly address the multiple dimensions of poverty and are integrated, in keeping with the spirit and design of the Sustainable Development Goals.

11. In 2018, UNDP advanced new ways of working to improve integration. Forty-six country offices used the country support platforms approach, surpassing the 2018 milestone of 10. This approach adopts a more networked way of working together – digitally and physically – to experiment and solve complex problems with more varied partners than might be possible working only through a project. It is designed to change how complex problems are tackled, moving away from a sectoral response to generate interconnected solutions that, together, change the system.

12. UNDP introduced the Global Policy Network as an engine for thought leadership and programme capacity, and to better connect its 17,000-member strong workforce through virtual communities, and designed a network of 60 country accelerator labs in 2018, with the support of the Governments of Germany and Qatar, advancing UNDP as one of the largest, fastest-learning global organizations in the world. These new ways of working demonstrate its commitment to breaking down development silos to solve multifaceted problems.

Leaving no one behind

13. With a new marker identifying 18 priority groups, UNDP enhanced its focus on leaving no one behind. People living in rural areas were a primary focus. UNDP reached out to people in or recovering from shocks or crisis, including internally displaced persons and refugees. Women and youth were in focus, followed by minorities and people living with disabilities. 48 per cent of the country programmes approved in 2018 are designed to measure progress for people with disabilities, an increase from 7 per cent in 2017, indicating the swift integration of persons with disabilities in the way UNDP works.

Closing the humanitarian-development gap

14. The New Way of Working with humanitarian and other development actors is taking root. This is important, given that the number of extremely poor people living in or recovering from crisis is expected to rise by 1.9 billion by 2030.

15. In 2018, UNDP spent over \$1 billion to strengthen resilience to shocks and crisis with the support of partners. In Iraq, for example, by the end of 2018, 4 million of the country's nearly 6 million displaced people had returned to areas covered by the engagement of UNDP and its partners, and 2 million people benefited from the Stabilization Facility for Libya. The High-Level Conference on the Lake Chad region resulted in a record \$2 billion in pledges and close collaboration between the Office for the Coordination of Humanitarian Affairs (OCHA) and UNDP.

Innovation in governance

16. UNDP saw a surge of innovation in its governance work, using digital solutions to improve civic engagement, manage health commodities, address corruption and uphold human rights. This is important first because the Goals demand a move away from incrementalism to do development differently at scale, and fast. Innovation is key to achieving this. Second, it demonstrates accelerated effort by UNDP to advance digital inclusion and shape *#nextgeneration* governance solutions to complement the established tools and systems.

17. Such innovations attract investment and diverse partners. For example, every dollar invested by the UNDP Innovation Facility, a collaboration with the Government of Denmark, mobilized two dollars, while initiatives funded had 50 per cent more partnerships with the private sector and 40 per cent more with international financial institutions than an average UNDP initiative.

Climate action

18. UNDP remains the primary United Nations partner for climate action, helping 31 countries to implement and raise the ambition of their nationally determined contributions (NDCs) ahead of the 2020 Paris Agreement. The \$300 million in climate finance mobilized with the Governments of Bangladesh, Comoros, Georgia, India and Zambia from the Green Climate Fund (GCF) in 2018 will improve the lives of nearly 20 million people. Independent evaluations² cite the value of UNDP in the design and implementation of financing schemes with multiple partners to address complex environmental issues. This approach is at the heart of the partnership with the Global Environment Facility (GEF), which, at the request of Governments, represented 78 per cent of the GEF Trust Fund work programme and 57 per cent of the Least Developed Country Fund and Special Climate Change Fund work programmes in 2018.

Gender

19. While UNDP showed good results on gender across all areas of work, it can do more, for example on removing structural barriers to women's economic empowerment.³ UNDP met 87.5 per cent of the performance indicators of the new United Nations System-Wide Action Plan for Gender equality and the Empowerment of Women, making UNDP one of the highest performers in the United Nations system.

Collaboration with the global South

² IEO synthesis, 2018. **Error! Hyperlink reference not valid.**

³ [DP/18/21](#).

20. UNDP is a trusted and active partner in advancing South-South cooperation, with diversifying financial flows. Over 109 country offices advanced South-South and triangular cooperation in 2018, supporting partnerships with 180 countries through 900 initiatives. The United Nations Office of South-South Cooperation, hosted by UNDP, brought together 200 Southern think tanks to foster dialogue and research on development solutions.

21. At the same time, 20 per cent – or \$1 billion – of UNDP finances came from programme countries for investment in their own countries, illustrating how development finance flows are changing. UNDP was a partner of choice for emerging donors, for example supporting the operationalization of the first aid agency of Romania. Support to cross-border collaboration to improve trade, tackle human trafficking and prevent conflict was also featured in 2018, for example between Afghanistan and Tajikistan; Uganda and Rwanda; United Republic of Tanzania and Burundi; Armenia and the Islamic Republic of Iran; and Republic of Moldova and Ukraine.

Doing business better

22. UNDP achieved results by doing business better and re-establishing the financial viability of the organization. The results achieved with over 900 government partners accounted for \$4.6 billion in programme delivery – the highest in five years – while resources increased by 6 per cent with the support of 134 Governments. UNDP balanced the budget for the second year in a row, was second in the world on transparency and had its thirteenth consecutive unqualified audit opinion, as issued by the United Nations Board of Auditors. Programming reforms saved each programme officer on average 33 days of bureaucracy per year. Triggered by United Nations reform, UNDP restaffed its country-level leadership cadre in minimal time, recruiting a new gender-and-geographically-balanced cohort of 140 resident representatives from 3,500 applicants. Half of all UNDP staff are now women.

Committed to United Nations reform

23. Finally, UNDP achieved these results while powering the repositioning of the United Nations development system. It took 4,000 legal, financial, and security steps to delink the resident coordinator and resident representative functions across 131 countries, recertifying the licence of the United Nations and UNDP to operate in countries. UNDP seconded 63 senior staff to be resident coordinators and doubled its agency cost-sharing contribution to the resident coordinator system, from \$5.15 million to \$10.3 million. Through efficiencies, UNDP met the additional costs linked with United Nations reform, all within a balanced budget. Its commitment to a reformed, effective United Nations development system was clear in 2018, as it is today.

24. These 10 observations help to identify emerging trends in how, through local and global action, UNDP is responding to the directional shift of the Strategic Plan. They help in understanding where there is more work to do, as acknowledged in the evaluation of UNDP work on poverty reduction in least developed countries (DP/2019/4) and report on the implementation of the gender equality strategy (DP/2019/11), for example.

III. What do we want to achieve?

25. In 2018, UNDP made clear progress across the three development settings in which it works. Each setting corresponds to an outcome of the Strategic Plan:

(a) Eradicate poverty in all its forms and dimensions (outcome 1): 31 million people had better access to basic services, from water to energy to finance, which is a critical step to reduce the multiple dimensions of poverty. By 2018, over 3 million lives had been saved through better health systems as a result of the partnership with the Global Fund to Fight AIDS, Tuberculosis and Malaria, and UNDP-managed grants provided antiretroviral treatment to one of every seven people on HIV treatment in sub-Saharan Africa. Some 27 million people were stronger in the face of climate change because of UNDP work supporting climate-resilient livelihoods in partnership with GEF and GCF.

(b) Accelerate structural transformations for sustainable development (outcome 2): Through support for shifting economies to pathways that protect the planet and its people, 27 million acres of protected area in 54 countries were better managed through UNDP support. UNDP helped to cut 256 million tons of carbon emissions, equivalent to taking over 50 million cars off the road for one year. Over 21 million new voters in 19 countries were registered through UNDP support, while youth from the global South connected to strengthen their digital, entrepreneurship and leadership capacities and confidence.

(c) Build resilience to shocks and crises (outcome 3): 4 million people living in or recovering from crisis got a job or improved their livelihood with UNDP support, including over two million people in Yemen. Three million people displaced from their homes across 12 countries regained basic services like access to housing, security and justice systems, including 1 million people in Iraq, as a result of stabilization support from UNDP and partners.

26. The results achieved highlight that the three development settings, although not mutually exclusive, require different types of support to achieve the Sustainable Development Goals. Taken together, UNDP had the highest programme delivery in five years: \$4.60 billion in programme resources, 22 per cent of its four-year, \$21 billion resource plan; spending 22 per cent under outcome 1, 25 per cent under outcome 2 and 16 per cent under outcome 3.⁴

27. As the home of integrated development thinking and action, UNDP delivered results in and across the six signature solutions of the Strategic Plan. Overall, progress was on track. For 22 of 27 development outputs, UNDP reached over 90 per cent of the targeted milestones (green) and 19 of those achieved or exceeded the 2018 milestones. UNDP achieved above 70 per cent for four outputs and for one, on social protection, reached 58 per cent.

Signature solution 1: Keeping people out of poverty

28. The Sustainable Development Goals stand on Goal 1, the eradication of poverty, in all its forms, everywhere. Helping people to get out and stay out of poverty is the priority of UNDP and features in its work with Governments, communities and partners⁵ in the 170 countries and territories where it operates.

29. **Global agenda, local action.** In 2018, UNDP helped 97 countries and territories to align their local and national priorities with the global Goals. For example, UNDP worked with Fiji, Kiribati, Nauru, Palau, Tonga and Vanuatu to localize the Goals into national plans. Advancing a whole-of-United Nations approach with Mainstreaming, Acceleration and Policy Support (MAPS)⁶ support to fragile States, UNDP worked with the Central African Republic to align its National Recovery and Peacebuilding Plan with the Goals; with Liberia, to build the Goals into the new Government's Pro-Poor Agenda for Prosperity and Development, with a focus on job creation and peacebuilding; and with the programme of assistance to the Palestinian people to integrate the Goals into the local policy agenda and deliver a voluntary national review.

30. **Measuring multidimensional poverty.** Globally, UNDP improved the way data is used to fight poverty with a revisited Multidimensional Poverty Index, developed in partnership with the University of Oxford, that looks beyond income to measure and accelerate progress against Sustainable Development Goal 1, in harmony with the UNDP Human Development Index. This approach, which builds on learning from evaluation that investing in national capacity to develop targeted, multidimensional poverty strategies effectively reduces poverty, is influencing how countries gather and use data to make decisions. In 2018, UNDP and

⁴ UNDP spent 35 per cent of the four-year planned resources on legacy and country-specific issues.

⁵ The top contributors of official development assistance (ODA) to UNDP on poverty in 2018 were the Governments of Germany, Japan, the United Kingdom and the United States.

⁶ UNDP provided integrated support to 37 countries through MAPS engagements.

the Government of the Dominican Republic partnered to construct a multidimensional poverty index, a climate vulnerability index and an interactive human development map to inform public policies on poverty. In the Western Balkans, with the World Bank and European Union Agency for Fundamental Rights, UNDP undertook a socioeconomic survey of multidimensional poverty for Roma populations to inform social inclusion policies.

31. In the Arab States, UNDP scaled up the use of big data with the multi-country Arab States Portal – a tracking tool – and the *Future of Knowledge* report, a pilot study covering the readiness of 20 countries to use artificial intelligence and digital technologies like blockchain. With the United Nations Environment Programme, UNDP launched the United Nations Biodiversity Lab, a new portal to help countries access and use spatial data to make informed conservation decisions. Satellite technology was used by over 40 country offices to provide analysis on migration and poverty and accelerate post-crisis recovery.

32. **The importance of basic services.** The multidimensional poverty approach reinforces people's need for basic services to rise from and stay out of poverty. In 2018, 20.6 million people gained access to financial services in 12 countries. Some 1.4 million people accessed life-saving HIV treatment; 372,000 rural households across 11 countries benefitted from access to clean, affordable and sustainable energy; and 3.2 million people in 24 countries gained access to justice. In Bangladesh, digital centres supported by UNDP extended financial services to 3 million rural people without bank accounts, an innovation being replicated in Fiji and Somalia. In Argentina, UNDP helped to implement integrated anti-poverty programmes across six ministries through a country support platform, improving medical coverage for 1 million people without public health insurance.

33. **Jobs and livelihoods.** UNDP worked to build more sustainable livelihoods and jobs. Nearly 4 million people living in or recovering from crisis got a job or improved their livelihood with UNDP support across 25 countries, including 300,000 in Sudan, 42,000 in the Syrian Arab Republic and 38,000 in Haiti. In Yemen, the partnership with the World Bank focused on creating emergency employment for over 344,550 people (47 per cent youth, 28 per cent women, 18 per cent internally displaced persons), helping over two million people from vulnerable households buy essentials to survive.

34. Enhancing entrepreneurial skills and opportunities with youth continued as a strong focus. The YouthConnekt programme, which helps young entrepreneurs build businesses and jobs, has created over 8,300 jobs in Rwanda since 2013. It is now being scaled up in 10 other African countries and, at the request of the African Union, will be established as a continental youth initiative.

35. While social protection is critical to remove the barriers that keep people in poverty, fewer country offices reported results in this area in 2018 compared to the last Strategic Plan period. Analysis suggests that social protection is increasingly addressed through multidimensional approaches to tackling poverty and inequality, for example through gender, climate and disability rights approaches. This is being further explored. UNDP will build its capacity to adapt successful social protection experiences across countries, advancing an integrated approach.

36. **Private sector.** UNDP collaborated with the private sector as agents of change, helping to unlock financing and connect investors with bankable projects. In Malawi, over 250,000 people (32 per cent women) who had access to or participated in the supply chains of 17 private companies saw their income or livelihoods improve through the UNDP-supported Malawi Innovation Challenge Fund.

37. In India, UNDP and its partners⁷ designed the Sustainable Development Goals Finance Facility to catalyse \$100 million of incremental private sector capital by 2021. In Turkmenistan, UNDP collaborated with the Government and commercial banks to generate \$21 million for development priorities. In China, UNDP designed a new platform bringing together investors, regulators, issuers and verifiers to make Sustainable Development Goal Bonds more attractive to investors. In Kenya, the Government and United Nations, including UNDP, launched a multi-stakeholder platform to identify, broker and finance large-scale public-private partnerships for the Goals. UNDP continued its \$136 million public-private collaboration in Japan, leveraging private sector expertise to improve innovations in health.

Signature solution 2: Governance for peaceful, just and inclusive societies⁸

38. **Electoral support.** As national government capacities and ownership grow, UNDP electoral support is becoming more targeted, focused on inclusivity, transparency, the acceptance of outcomes and the peaceful resolution of disputes. In 2018, UNDP supported electoral processes in 56 countries.

39. In Sierra Leone, it focused on the inclusion of women and persons with disabilities with technical support, capacity-building and communication support contributing to 92 per cent voter confidence in the National Electoral Commission. In Pakistan, 4.3 million women were registered through a targeted campaign, 850,000 election officials were trained and 105 million voters benefited from education campaigns. A bill on equal opportunities for women was developed in Nigeria, introducing a 30 per cent quota across institutions. In Rwanda, UNDP investment in e-governance and information and communication technology led to the online voter registration system, cutting election costs and boosting voter registration by over 20 per cent in 2018. For the first time in Zimbabwe, voters registered using biometrics; through a widespread campaign, 5.69 million voters – 80 per cent of eligible citizens – registered.

40. **Innovation and technology in governance.** UNDP governance work saw a surge in the use of innovation and technology. In Fiji, UNDP collaborated with 10 ministries and the private sector to establish mobile service delivery teams, bringing critical services to last-mile communities. The teams pay social benefits and register births, deaths and businesses, servicing 71 per cent of the country.

41. In Brazil, UNDP and the Government launched a national online volunteering platform to connect volunteers with opportunities to advance the Goals; 1,000 persons and 147 institutions registered. In Papua New Guinea, thanks to the UNDP supported, award-winning Phones-Against Corruption initiative, 38,000 SMS messages led to 850 cases of corruption being recorded.

42. In India, UNDP helped design and roll out the Vaccine Intelligence Network, or eVin, across 12 states. eVin digitally records all vaccine supplies and tracks their storage and distribution. As a result, the number of days when vaccines were out of stock fell from 13 to eight, and 25 million infants and 30 million pregnant women received free immunizations through 27,000 cold-chain points. With UNDP support, eVin is being scaled up as “SMILE” in Indonesia and explored for adoption in Malawi, Nepal, the Philippines, Sudan and Thailand, demonstrating how local impact can trigger global change.

⁷ Swiss Agency for Development and Cooperation, financial services firm KPMG and Social Finance India, a TATA Trusts-backed not-for-profit.

⁸ The top contributors of ODA to UNDP governance work in 2018 were the Governments of Germany, Italy, Japan and the United States.

43. **Leaving no one behind.** As principle recipient of grants from the Global Fund, UNDP helped deliver last-mile health services in 35 countries, managing 31 grants. Through the partnership, 1.4 million people accessed HIV treatment, 6.3 million people received HIV testing/counselling and 97,000 pregnant women received antiretrovirals to prevent mother-to-child transmission of HIV. For treatment of tuberculosis, grants managed by UNDP helped detect and treat 54,000 smear-positive cases. Some 7.6 million cases of malaria were treated and nearly 20 million bednets were distributed, a 12 per cent increase over 2017. The partnership enabled seven countries to achieve 100 per cent coverage with antimalarial medicines.

44. UNDP continued to advocate for those left unheard because of stigma, discrimination and violence. By the end of 2018, in line with the recommendations of the Global Commission on HIV and the Law, UNDP was supporting Governments, civil society and United Nations partners in 89 countries to reform discriminatory laws, in 53 countries to improve inclusion of lesbian, gay, bisexual, transgender and intersex communities, and in 41 countries to improve gender equality and empowerment in the context of HIV and health, improving understanding of and support to address the links between HIV, violence against women and alcohol abuse.

45. The year saw an increase in UNDP focus on opportunities for people with disabilities, with new guidance launched on how to support disability inclusion. With support from a new joint United Nations programme on human rights, Somalia ratified the Convention on the Rights of Persons with Disabilities and the Government prepared bills approved in Parliament to establish a human rights commission and a disability rights agency. In Honduras, a private sector alliance was established with Fab Lab, which produces prosthetics for returned migrants with disabilities and was featured at the 2018 World Disability Summit. In Cambodia, with UNDP support, the Government registered over 7,700 persons with disabilities (37 per cent women) in a disability allowance scheme.

46. The Multi-Partner Trust Fund Office, hosted by UNDP, was central to United Nations efforts to deliver better together. It provided the expertise and means to increase the reach of the \$27 million United Nations Partnership to Promote the Rights of Persons with Disabilities to 38 countries. It also provided the platform to launch a first round of investment portfolios for the Spotlight Initiative, a \$500 million global, multi-year partnership between the United Nations and the European Union to eliminate all forms of violence against women and girls.

47. **Financing the Sustainable Development Goals.** In 2018, UNDP helped countries find innovative ways to expand public and private finance for the 2030 Agenda. For example, after close technical collaboration with UNDP on fiscal policies and innovative biodiversity financing, the Government of Malaysia selected UNDP to manage a new development fund to improve indigenous livelihoods, capitalized by ecological fiscal transfers.

48. In Indonesia, UNDP established a platform to design, test, connect and scale innovative financing instruments and initiatives of investors, entrepreneurs, government, Islamic finance institutions, philanthropists, and youth. This country platform approach – a new Strategic Plan feature – helped Indonesia to become the first country to issue a United States dollar-denominated green Islamic bond (Sukuk). The resulting \$1.25 billion bond was oversubscribed by an order of three.

49. Given the potential for scaling up, with Islamic finance assets expected to reach \$3 trillion by 2021 and social finance tools such as Zakat, Sadakah and Waqf aligned with the spirit of the Goals, this platform is an example of how a local idea can trigger a global shift. In 2018, UNDP strengthened internal capacity on Islamic finance in 30 country offices and is now scaling up partnerships in Bahrain, Cameroon, Malaysia, Morocco and Turkey.

50. At the global level, as part of a new corporate push on financing development, UNDP designed “SDG Impact” to help countries attract and/or direct investment towards the Goals, producing investor data, insights and tools to encourage, connect and certify investments in and across 170 countries and territories.

51. UNDP worked closely with the United Nations Capital Development Fund (UNCDF), leveraging its experience in expanding inclusive financial markets and local development finance systems that help unlock public and private finance at the local level. For example, UNDP, UNCDF and UN-Women partnered to create enabling environments and increase public and private financing for women's economic empowerment at the local levels in Bangladesh, Uganda and United Republic of Tanzania, with support from the Governments of Luxembourg, Norway, Sweden and Switzerland. This was one of 26 UNDP-UNCDF collaborations in 2018.

Signature solution 3: Prevention and recovery capacities for resilient societies

52. **Humanitarian and development: a new way of working in partnership.** In 2018, UNDP remained firmly committed to driving forward a New Way of Working between humanitarian and development partners.⁹ The High-Level Conference on the Lake Chad region, organized jointly by UNDP and OCHA, was a milestone. In Yemen, collaboration between the United Nations, World Bank, European Union, United States Agency for International Development and others supported the rule of law, created jobs and injected cash into the local economy. UNDP also supported measures to survey and clear mine-laden areas throughout the country, reaching over 1.5 million people.

53. The Regional Refugee Response Plan, coordinated by UNDP and the Office of the United Nations High Commissioner for Refugees, continued to support an integrated refugee response in Egypt, Jordan, Iraq, Lebanon, Syrian Arab Republic and Turkey. In Turkey, nearly 9,000 people benefited from life-skills training and \$30 million was invested in improving local services. This partnership also helped host cities in Turkey to process 220,000 tons of solid waste and trained 5,500 Syrians in recycling techniques in refugee camps. UNDP helped 2.7 million host community members and Syrian refugees in Jordan and 850,000 in Lebanon to access services and improve their livelihoods.

54. In Iraq, where at the request of the Government and with strong support from coalition partners, UNDP established the Funding Facility for Stabilization in June 2015, the focus in 2018 was resettlement. The Facility passed \$1 billion in available funding and with its support, by the end of 2018, vital community infrastructure, including schools, medical facilities, water treatment plants, electricity supply lines, roads and bridges, had been restored and 4 million of the country's nearly 6 million displaced people had returned to areas covered by the Facility. To date, 490,000 young people have better access to education, 2.6 million people have better access to health care, 2.3 million have access to improved water supply and 4.7 million have better access to electricity.

55. UNDP provided rule of law and human rights assistance to national partners in nearly 40 crisis-affected countries. In the Gambia, UNDP partnered with other United Nations agencies to operationalize the Truth, Reconciliation and Reparations Commission. In Colombia, UNDP played an important role in the architecture of the Integral System of Truth, Justice, Reparation and Non-Repetition, bringing 33,000 people to participate in peace advocacy and leading efforts to reintegrate over 6,000 ex-combatants. Working in Bosnia and Herzegovina, Croatia, Montenegro and Serbia, UNDP provided a platform to discuss and jointly investigate 17 war crimes cases – the only such space for cooperation between the prosecution services of the four countries.

56. The commitment of UNDP to support stabilization and reintegration is part of a new way of working, in line with the Global Compact for Safe, Orderly and Regular Migration, through which UNDP committed to help countries address the drivers and root causes of migration and displacement. Through its partnership with the International Organization for Migration, UNDP

⁹ The top contributors of ODA to UNDP resilience work in 2018 were the Governments of Japan, Sweden, Switzerland and the United Kingdom.

supported the Governments of Bangladesh, Ecuador, Jamaica, Kyrgyzstan, Morocco, Republic of Moldova, Serbia, Tunisia and others to integrate migration into national development strategies.

57. **Pathways to peace: strategies, platforms, tools and analysis.** UNDP helped five countries to develop and implement new strategies to prevent violent extremism, including advocacy with youth. Prevention of violent extremism was integrated into the Regional Stabilization Strategy for the Lake Chad basin region in the context of reintegration of people displaced by Boko Haram. Global reports were launched on gender and reintegration and on youth and prevention of violent extremism. With the United Nations Office of Counter-Terrorism, UNDP completed research on the experiences of 15 countries in implementing national action plans.

58. New, innovative tools to support conflict prevention and early response include the Famine Action Mechanism with the World Bank and other partners, tested in Afghanistan, Chad, Somalia, South Sudan and Yemen; a global crisis risk dashboard; the Social Cohesion and Reconciliation Index; and the mobile-phone-based Building Damage Assessment tool for disaster recovery applied in Antigua and Barbuda and Dominica, in partnership with Microsoft.

59. In Somalia, which narrowly avoided drought-related famine in 2016-2017, UNDP, the World Bank, the European Union, the private sector, investors and humanitarian actors worked with the Government to establish a recovery and resilience framework – or platform –a to improve how finances are blended and managed and how data are used. It contributed to renewed confidence, attracting investment and improving local economic resilience. The aim is to ensure that a drought never again turns into a famine.

60. **Reducing the risk of disaster and preparing to respond.** In line with the Sendai Framework for Disaster Risk Reduction and the Paris Agreement on Climate Change, UNDP worked with 10 countries to integrate disaster and climate risks into planning and investment decisions, with support from the Government of Japan and other partners. In 18 countries in Asia and the Pacific, 115 schools in tsunami-prone areas now have a plan of action should a tsunami strike. UNDP helped six Caribbean countries to strengthen early warning systems, benefiting over 14,000 people and 88 institutions, and embarked on a comprehensive post-2017 hurricane recovery programme in the Caribbean.

61. UNDP supported Bhutan and Cambodia to strengthen early warning systems, installing 109 and 53 hydro-meteorology stations, respectively. Through UNDP collaboration with Deutsche Post DHL, airports in Bosnia and Herzegovina, Costa Rica, Honduras and Peru are better able to respond to disasters.

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

62. The food, shelter, education and opportunities of billions of people depend on nature-based systems, from forestry to tourism. UNDP invested in the health of those ecosystems and, with its partners, helped countries access and leverage the finance they need to support their efforts¹⁰. Some 27 million people were stronger in the face of climate change as a result of the UNDP partnership with the GEF and GCF.

63. **Healthy nature, healthy people.** Working with a wide range of partners including the United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, the Forest Carbon Partnership Facility Readiness Fund of the World Bank and the Central African Forests Initiative, UNDP helped 29 countries to sustainably manage 3 million hectares of forests and helped 13 countries to include six million hectares of land and marine habitat as protected areas.

¹⁰ The top contributors of ODA to UNDP environment work in 2018 were the Governments of Germany, Japan, Norway and Sweden.

64. In the Seychelles, UNDP supported the National Parks Authority to become financially independent, enabling it to retain revenue to reinvest in park facilities and conservation management, enhancing the tourism assets that underpin the national economy. In Bosnia and Herzegovina, UNDP support placed the Via Dinarica trails on the world nature-based tourism hotspot map, attracting over 100,000 additional tourists. In China, a \$23 million GEF-financed programme on strengthening wetland management added 1.4 million hectares of wetlands to protected areas. With this expansion, over 49 per cent of China's natural wetland area is now protected. UNDP collaboration with the Government of Cuba led to 15 new marine conservation areas to protect marine habitats.

65. UNDP worked to cut pollution, advancing livelihoods in the process. In India, UNDP worked with 10 cities on a circular economy for plastic waste in partnership with Coca-Cola, Hindustan Unilever and local governments. As a result, nearly 40 tons of waste are collected daily, with the aim of improving conditions for 37,500 waste collectors, particularly women. Plans are in place to scale up the initiative to 50 cities.

66. In celebration of World Oceans Day, UNDP worked with the Governments Canada, Japan and Kenya to host the first global conference on the sustainable blue economy in 2018, while UNDP, the United Nations Volunteers (UNV) programme and partners, particularly the Government of Sweden, launched a campaign to encourage local action to #SaveOurOcean. Over 1,500 voluntary commitments have been now registered with support from over 300 UN Online Volunteers. This is an example of new partnerships with UNV, hosted by UNDP, which also deployed 7,203 volunteers from over 100 different professions to 38 United Nations entities in 2018.

67. UNDP continued to build support for green financing. Through the Biodiversity Finance Initiative, UNDP helped ministries of finance and environment in 30 countries to design creative solutions to fill biodiversity finance gaps. With the launch of the Lion's Share Fund for conservation with the FINCH company and Mars, Inc., UNDP demonstrated the power of a simple, new idea in drawing advertising finance towards the Sustainable Development Goals. The fund's partners will contribute 0.5 per cent of their media spend to the fund for each advertisement they use featuring an animal.

68. **Accelerating climate action and ambition.** With the largest climate action portfolio in the United Nations, UNDP leveraged its integrated development portfolio to help 31 countries to implement and raise the ambition of their nationally determined contributions (NDCs) ahead of the 2020 Paris Agreement deadline and will continue efforts to reach at least 60 countries. Support included helping countries to access over \$500 million in climate finance grants to implement actions aimed at meeting their NDC targets, securing \$33 million to strengthen governance, monitoring and planning systems and capacities, and financing strategies for NDC development and implementation. UNDP advanced United Nations cooperation in this area, leading the development of the first joint United Nations approach for support to NDCs.

69. In line with its efforts to eradicate poverty, the UNDP adaptation approach targeted people and communities most at risk in the face of climate change. In Viet Nam, improvements in management of forests, mangroves and wetlands increased the income of over 330,000 forest-dependent people, 51 per cent of them women. In Cambodia and Sri Lanka, the agricultural livelihoods of 5,500 households were made more resilient, with better water management, as a result of UNDP support. In Guatemala, nearly 2,500 households increased their income by over 17 per cent by strengthening the production chains of nature-based products, including cocoa and honey.

Signature solution 5: Clean, affordable energy

70. UNDP helps countries transition away from the use of finite fossil fuels and towards clean and sustainable sources of energy. Its sustainable energy portfolio spans more than 110 countries, representing \$1 billion in grant financing and leveraging \$6 billion more

from public and private sources.¹¹ In 2018, 372,000 rural households in 11 countries benefitted from access to clean, affordable and sustainable energy. In Ethiopia, UNDP support provided over 66,000 renewable energy technology applications to rural people and in Niger, 27,000 households gained access to energy. UNDP improved cookstoves in Nigeria and Sierra Leone improved the charcoal value chain in Uganda and Angola. Recognizing the power of urban centres as hubs for low-carbon progress and innovation, UNDP supported the installation of a solar photovoltaic facility to partially power a low-carbon bus transit system in Marrakech, Morocco and helped to introduce electric public buses in Montevideo, Uruguay.

71. In the Republic of Moldova, through fostering public-private partnership and intermunicipal cooperation, UNDP contributed to increasing the share of renewables in the national energy mix from 5 per cent in 2009 to 15 per cent in 2018, reducing emissions by approximately 70,000 tons annually and enhancing energy security. In Kazakhstan, a low-carbon innovation partnership with the Damu Fund attracted over \$33 million in investment, with the potential to reduce 47.3 million tons of carbon dioxide annually.

72. Re-establishing energy access for crisis-affected populations is a new area in the Strategic Plan. In 2018, decentralized solar solutions deployed in Djibouti, Somalia, Sudan, Syrian Arab Republic and Yemen helped to improve livelihoods and expand access to health and education for thousands of individuals displaced by conflict. With support from Innovation Norway, UNDP worked with the Governments of Jordan and Turkey to support sustainable waste management and access to energy in communities hosting Syrian refugees.

Signature solution 6: Women's empowerment and gender equality

73. This section provides a snapshot of UNDP work in support of gender equality and women's empowerment. More detailed information is provided in the report of the Administrator on the implementation of the gender equality strategy (DP/2019/11).

74. In 2018 with the support of UNDP and its partners,¹² over 4 million women gained access to basic services, including financial services and non-financial assets, and 17.2 million women registered to vote, with the result that 48 per cent of all registered voters in 39 countries are women. In Pakistan, 4.3 million women got an identity card to be able to vote. UNDP support to 11 countries on access to justice saw 47 per cent of reported cases of gender-based violence receiving judgement in the formal justice system. Through GEF-financed programmes, 73 countries promoted women in leadership and decision-making in environmental management, and five UNDP-supported GCF projects are set to benefit over 10 million women in the years to come.

75. In crisis and post-crisis settings, where women continue to be disproportionately affected by disasters, 59 per cent of the beneficiaries of recovery programmes were women, totalling some 2 million women across 16 countries, including 1.6 million in Ukraine, 168,000 in Lebanon and 25,000 in Jordan. However, the new UNDP commitment in the Strategic Plan to advance women's leadership and participation in crisis prevention and recovery efforts showed only initial progress. UNDP will need to take bold steps in the next three years for women to become agents rather than beneficiaries of recovery efforts in their countries and communities.

IV. What do we want UNDP to be?

76. Against this second question, the *#nextgeneration* UNDP came to the fore in 2018. UNDP set in motion a series of changes to improve how we deliver the Strategic Plan.

¹¹ The top contributors of ODA to UNDP energy work in 2018 were the Governments of Japan, Netherlands, Sweden and the United States.

¹² The top contributors of ODA to UNDP gender work in 2018 were the Governments of Canada, Japan and Sweden.

Doing business better

77. In addition to introducing the Global Policy Network, UNDP designed a new “people strategy” to better attract and retain talent and developed a new digital strategy to equip UNDP staff with cutting-edge technology and the capacity to deliver future-focused development solutions with and for its partners. Programme guidance has been rewritten, saving each programme staff member an average 33 days per year. Of the 100 “quick win” improvements to UNDP operational policies and procedures identified, 80 have been completed and new financial instruments rolled out to enhance organizational agility.

78. UNDP remains one of the world’s most transparent organizations with a score of 95.4 per cent on the 2018 Aid Transparency Index, a rise of 2.1 percentage points over the last index in 2016. More than 93,000 users visited the new UNDP Transparency Portal (open.undp.org) since its launch in June. By opening its books in this way, UNDP increased its accountability to donors and partners.

79. UNDP has injected more innovation into its organizational DNA, with a network of 60 country accelerator labs designed in 2018 for implementation in 2019. This network will increase the speed at which UNDP devises solutions and generates knowledge within the organization, creating more space to experiment – but at a uniquely global scale. Their design draws on the experience of policy innovation labs in seven countries since 2014¹³ and of other public and private sector actors. A 2018 evaluation of the Innovation Facility’s first five years found that it had created space to do development differently, mobilized new funding, built new skills, designed new solutions and attracted new partners.

80. 2018 was the first year of the Country Investment Facility, established as a \$20 million catalytic seed fund to galvanize new partnerships, test new approaches and mobilize new funding, looking for the most innovative opportunities, from digital solutions in Samoa to solar for health in Namibia, venture capital for coffee value chains in Honduras to the “Tech4SDGs” financing platform in Armenia. Results will be reported on in 2019.

81. New policies and measures on gender parity, sexual harassment and disability inclusion advanced a more inclusive, equal and respectful workplace in 2018. UNDP maintained gender parity among staff and reached parity at the highest leadership level, but more work is needed to achieve parity at all levels. A new talent programme for young professionals with a disability – the first of its kind in the United Nations system – was jointly launched by UNDP and UNV. Measures to raise awareness and drive a cultural change on sexual harassment saw a significant increase in the number of cases reported.

82. In 2018, UNDP completed 283 decentralized evaluations, a reduction on 2017, with a continuing small upward trend in quality from 2016, reflected particularly in the Arab States and Europe and Commonwealth of Independent States regions. Further efforts are still required to improve evaluation coverage and quality. UNDP worked with the Independent Evaluation Office (IEO) to develop new guidelines on decentralized evaluation to strengthen evaluation quality, thereby providing better support to continuous learning, transparency and accountability.

Expanding partnerships

83. UNDP deeply appreciates the partnership of and resources provided by Member States, which enable implementation of the Strategic Plan. In 2018, a number of Governments including Germany, Japan, Luxembourg, Netherlands, Norway, Republic of Korea, and Sweden increased their official development assistance contributions to regular resources from 2017, complemented by first-time or returning contributors including Albania, the Czech Republic and Romania. The Governments of Australia, Belgium, Canada, Denmark, New Zealand, Sweden, Switzerland and

¹³ Armenia, Bangladesh, Georgia, North Macedonia, Republic of Moldova, Sri Lanka and Thailand.

the United Kingdom contributed to regular resources through multi-year, predictable commitments. The list of 2018 contributors to regular resources is found in Annex 6.¹⁴ The top five contributors were, in order, the Governments of the United States, Sweden, Norway, the United Kingdom and Japan. Contributions to other resources saw a 12 per cent increase. The Government of Japan is among the top five contributors to every UNDP signature solution.

84. Funding mobilized through thematic funding windows reached \$65.6 million, supported by the Governments of Denmark, Germany, Luxembourg, Norway, Republic of Korea, Slovak Republic, Sweden, and Switzerland.

85. The Strategic Plan notes the UNDP commitment to work more closely with international financial institutions (IFIs), leveraging their technical expertise and concessional financing resources to better support the 2030 Agenda. There was strong progress in 2018. UNDP received \$392 million from IFIs, a 38 per cent increase from 2017. This included \$361 million in direct grants, up 53 per cent from 2017.

86. More broadly, UNDP worked with the German Government through the KfW Group in Indonesia, Syrian Arab Republic and Iraq, and received \$31 million in indirect contributions through government financing from the Inter-American Development Bank, African Development Bank, International Fund for Agricultural Development, World Bank, Development Bank of Latin America and Caribbean Development Bank, including to support loan and grant implementation in programme countries.

87. Non-financial collaboration with financial sector partners was equally important and included joint research with the China Development Bank on sustainable financing and investment standards, collaboration work with the Islamic Development Bank on the role of Parliamentarians in advancing the Goals, the World Bank on the *Pathways for Peace* report, and the Caribbean Development Bank on *Financing the Blue Economy*.

Stable finances

88. Provisional expenditures for development activities amounted to \$4.74 billion, of which \$0.37 billion was funded from regular resources and \$4.37 billion from other donor and local resources. Expenditures for United Nations development coordination, management and special-purpose categories were \$0.1 billion, \$0.35 billion and \$0.06 billion respectively. Institutional budget expenditures dropped by over 3 per cent, from \$596 million in 2017 to \$574 million. In 2018, \$3.67 million was saved in rent at New York headquarters.

89. UNDP has become more efficient. Just over 90 cents of every dollar spent went to programmes and services to achieve development results, up from 88 cents in 2017. UNDP received its thirteenth consecutive unqualified audit opinion from the United Nations Board of Auditors in 2018. However, the UNDP Office of Audit and Investigation (OAI) issued a “partially satisfactory/some improvement required” rating on its governance risk and control mechanisms in 2018. UNDP management takes this result very seriously and will invest the time and resources necessary to improve it in a sustainable way, including through addressing the top seven audit-related management priorities approved by the Executive Board.

90. With increased delivery, UNDP recovered \$239 million through general management service fees, \$5 million higher than in 2017. UNDP continued to maintain tight control on the acceptance of requests for waivers of general management service fees by funding partners (see annex 5). Government contributions to local office costs increased by \$5 million over 2017, suggesting that incentives to accelerate the collection of arrears were effective.

Powering United Nations reform

¹⁴ The list of contributors to other resources will be finalized in June.

91. In 2018, UNDP powered United Nations reform. It seconded 63 senior staff to serve as resident coordinators, took over 4,000 legal, financial and security steps to delink the resident coordinator and resident representative roles, supported the recruitment of resident coordinator system staff across 131 countries and – through efficiencies – met the additional costs linked with United Nations reform and doubled its agency cost-sharing contribution to the resident coordinator system, from \$5.15 million to \$10.3 million. Under a memorandum of understanding with the United Nations Secretariat, UNDP will serve as the principal operational service provider to the resident coordinator system in 2019, based on a fee-for-service arrangement and designed to ensure uninterrupted services to resident coordinators during the transition.

92. Triggered by reform, in 2018 UNDP re-staffed its country-level leadership cadre in minimal time, recruiting a gender- and geographically-balanced pool of 140 resident representatives. Half of the senior leadership team are now women. This exercise was the largest and most complex leadership recruitments in UNDP history for which the UNDP human resources team was awarded the “Innovation in Recruitment Prize” by human resource professionals from international organizations.

93. Beyond reform, UNDP continued as the operational backbone of the United Nations system in 2018. It disbursed \$1.45 billion in 113 currencies through its payroll system, over half of which was on behalf of partner United Nations organizations, for an average 35,300 personnel per month; supported \$2.26 billion in financial transactions for 118 United Nations and other agencies in over 170 countries; and provided common premises and services for other agencies in 126 countries.

94. Building on audit and evaluation findings and to increase client satisfaction, UNDP developed an online tool for United Nations country teams to compare local services. UNDP also worked to identify efficiencies in shared services, data on which suggests that increased clustering would reduce costs and improve quality, enabling country offices to better focus on development results.

V. The way forward

95. The year 2018 was remarkable for UNDP: a year of transition, in which we responded to the impact of the reform of the United Nations development system in a responsible and organized way, while pursuing innovation, impact and operational efficiency. It was a year of purpose-led reflection and transformation in line with the Strategic Plan, marking the emergence of a modern, results-oriented *#nextgeneration* UNDP, pushing the boundaries in the way the organization thinks, delivers, invests and manages to accelerate progress.

96. Globally, geopolitical divisions intensified, and in many countries democratic and civic space shrank. In 2019, therefore, it is critical to demonstrate the value of working together towards the common goals of the 2030 Agenda. To that end, UNDP identified three global issues central to development for 2019 which, if tackled in an integrated way, will scale and accelerate progress towards the Sustainable Development Goals: inequality; climate change; and migration and displacement. Through the implementation of its Strategic Plan, UNDP will examine and catalyse its local action with partners on these issues, to help drive global progress.

97. Building on audit and evaluation findings, UNDP will continuously explore how to improve results, including through new and better ways of doing business, increasing efficiency and effectiveness to free up resources for development, in line with the Strategic Plan commitments. Given its clean bill of financial health, it is time for UNDP to work with its partners to rebuild fiscal space to invest and grow.
