

Implementation of General Assembly Resolution 72/279 on *Repositioning of the UN Development System*

Information Note

Executive Board of UNDP, UNFPA and UNOPS – Annual Session 2019



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UNICEF, UNDP, UNFPA, UNOPS, and UN Women are pleased to provide their Executive Boards with “harmonized agency-specific information” on their respective implementation of General Assembly resolution 72/279 in accordance with UNDP/UNFPA/UNOPS Executive Board decision 2019/4, UNICEF Executive Board Decision 2019/8 and UN-Women Executive Board decision 2019/1. Under the principle of collective ownership, we remain fully committed to a repositioned UN Development System (UNDS), optimally equipped to support countries achieve the 2030 Agenda. We are unwavering in working together to drive UNDS reforms forward, under the primary objective of delivering more and better collective development results for the people we serve.

Much of the collective implementation of UNDS reform is being undertaken jointly by the UN Sustainable Development Group (UNSDG), under the leadership of the Deputy Secretary-General and with the support of the UN Development Coordination Office (DCO) and the Transition Team. Our entities are very closely engaged in these ongoing system-wide processes. Meanwhile, there are also elements of the reform which impact us individually as agencies, and which may require specific adjustments and actions, in consultation with respective Executive Boards. This background note focuses on these elements.

I. Introduction

1. UNDP stands firm to honour its commitment to an optimally repositioned United Nations development system fully equipped to deliver on the 2030 Agenda. As the centre piece of reforms and as the UN entity directly impacted by reforms, UNDP has seamlessly enabled the successful transition to a new Resident Coordinator (RC) system and played a central role in the implementation of key aspects of reforms. At the same time, decisive steps have been taken to ensure that UNDP is fully equipped to live up to its fullest potential as a future-focused and results-oriented development organization, steadfast in its role as a key custodian of the reforms, and a driving force for greater development results globally.

II. Supporting the new Resident Coordinator system

2. A reinvigorated RC system is at the center of a repositioned UNDS at the country level, with an enhanced coordination function promising to add critical value to the UN Country Team’s (UNCT) support to national development priorities. As the key enabler of reforms, UNDP invested significant effort and resources to manage and accompany the transition to an independent and empowered RC system. To ensure that a robust structure is in place by 1 January 2019, UNDP took 4,000 legal, financial, and administrative steps to delink the RC functions from the UNDP Resident Representatives (RR) across 131 countries; seconded 63 of its most senior and qualified staff to serve

as RCs; and facilitated the smooth transition of DOCO staff to the newly established UN Secretariat's Development Coordination Office and covering their salaries until June 2019.

3. Since 1 January 2019, UNDP serves as the principal operational service provider to the RC system, administering \$204 million in 2019 to be expensed for the provision of services to 129 RCOs covering 131 countries and three DCO regional offices. To optimally manage and deliver on the service level agreement, we have set up a dedicated support team, which works in close coordination with DCO. As of 30 April 2019, a total of \$24 million UN Special Purpose Trust Fund (SPTF) funds has been expended in service provision, such as managing payroll, benefit and entitlements of 269 UN RCO staff, including 94 RCs; providing office space to 129 RCOs and 3 DCO regional offices; and supporting RCO office premise renovation in 56 countries.

4. Following the delinking of the RC functions from UNDP's RRs, UNDP continued to provide top talent to the RC system's pool: 11 candidates were submitted by UNDP for the recently advertised round of RC vacancies, as well as 4 candidates for the May session of the RC Assessment Center, continuing to respond to the call for women candidates and candidates from the global South. Over half of currently serving RCs are former UNDP staff, including over half of women RCs and RCs from the Global South.

5. Simultaneously, UNDP moved quickly to restore depleted management capacities in its country offices, reviewing all RR positions, confirming incumbents, assessing new candidates, and ultimately appointing close to 100 RRs at the end of 2018 who are being fielded in 2019. The full time RRs will be essential members of the UNCTs, available to support the RCs in bringing forward the 2030 Agenda, focusing on poverty and pursuing integrated approaches to development solutions.

6. UNDP has been an active member of the design team of the revised country-level chapter of the Management and Accountability Framework (MAF) – a foundational piece of the new RC system's governance. We are currently reviewing our accountability and reporting frameworks, including the RR job descriptions and performance goals, to ensure alignment with the new accountability and reporting provisions. UNDP has also provided internal guidance to its country offices and will be an active contributor to the review and refinement of the MAF later in the year, based on lessons learnt during the first months of implementation.

7. To ensure UNDP country offices – and UNDP staff overall - are up to date on reform related matters and can play their central part in the reform agenda, we have significantly enhanced our internal coordination and communications on reform. This includes weekly meetings of UNDP's inter-bureau "Anchor Group", a bi-weekly digest for RRs, regular all-staff newsletters, webinars on specific reform issues, as well as a dedicated UNDP intranet website and helpdesk. This shows the determination to ensure the reforms are swiftly implemented in line with the commitments made in our Strategic Plan.

8. In addition to doubling its cost-sharing contribution from \$5.14 million in 2018 to \$10.3 million for 2019, UNDP carried significant reform-related direct costs in 2018. The latest financial information confirms expenditures of \$3.07 million against the 2018 institutional budget to cover transition costs, including key expenditures on the new RR assessment process, and surge staffing to support transition management arrangements in administration, finance and human resources

management. In addition, UNDP continued to allocate significant core budget resources to meet support costs for DOCO's staffing and operating expenditures during 2018, plus significant time spent on reform by the Administrator, both as UNDP and as UNSDG Vice Chair.

9. UNDP expects to continue incurring direct and indirect transition costs at least over the next two years. In 2019, these will mainly occur because of higher than average volume of reassignments, Deputy Resident Representative (DRR) assessment centres, RR and DRR leadership development, and continuous staff needs to support the transition.

III. Strengthening system-wide analysis, planning and reporting

10. UNDP has historically helped ensure that the UN Development Assistance Framework (UNDAF) becomes the central instrument for planning and implementation of UN development activities at country level. Since 2014, we have fully aligned our Country Programme Document (CPD) outcomes with the UNDAF outcomes and our Headquarters Programme Appraisal Committee reviews every CPD to ensure it meets UNDP's quality standards and contributes directly to the UNDAF. Our quality standards include consideration of the extent to which UNDP contributes to UNDAF results.

11. As the new UN Sustainable Development Cooperation Framework (UNSDCF) takes shape, we will revise our CPD template to give even more focus to our contribution to the UNSDCF, including through better articulation of UNDP's comparative advantage and value added in contributing to UNSDCF results. We are also exploring how to further support the common country analysis and UNSDCF theory of change as part of our integrator role.

12. UNDP's results tracking system now monitors and reports on contributions to UNDS reform. To this end, UNDP, UNICEF, UNFPA and UN Women introduced a common set of SDG indicators in the Integrated Results and Resources Framework (IRRF) to monitor collaborative contributions to the SDGs through the implementation of the Common Chapter. Relevant QCPR indicators were also incorporated in the IRRF to monitor how agencies work together to achieve organizational effectiveness and efficiency.

13. UNDP will also continue supporting system-wide mechanisms for tracking results and resources through the data cube and UN Info. This includes efforts to automate data transfer from UNDP's results tracking systems to the country level UNSDCF reporting and supporting harmonization of UN data standards with the International Aid Transparency Initiative (IATI) standard. UNDP's own IATI reporting is already fully compliant with relevant UN data standards, including the publication of our contributions to the SDGs, and also complies with the indicators and targets within the Funding Compact.

14. Overall, UNDP greatly values the UNSDG as a mechanism for coordinated policy-making and collective ownership of the UNDS. As Vice-Chair of the UNSDG, the UNDP Administrator chairs the UNSDG Core Group and UNDP is actively engaged in all UNSDG Strategic Results Groups (SRGs), including co-chairing, with DESA, the SRG on SDG Implementation. The UNDP Administrator is also a vice-chair, together with the Emergency Relief Coordinator, of the Joint Steering Committee (JSC) to

Advance Humanitarian and Development Collaboration, and UNDP co-chairs the Inter-Agency Standing Committee (IASC) Results Group 4 on Humanitarian-Development Collaboration.

IV. Strengthening joint implementation & support to the SDGs

15. UNDP is fully committed to deepening efforts to ensure joint UNDS results that will help countries accelerate progress towards the SDGs and leave no one behind. Central to this is the request by Member States for UNDP to provide an “integrator function” on the 2030 Agenda, as a service to countries and the wider development system. UNDP’s integration offer is focused on four areas:

- a. *Integrated policy and programming solutions:* with customized ‘whole-of-government’ and ‘whole-of-society’ development solutions, including through Mainstreaming Acceleration and Policy Support (MAPS) engagements, we work with countries to create and implement integrated development plans in support of the 2030 Agenda. In 2018, 46 UNDP country offices introduced country support platforms, an approach which adopts a more networked way of working together, experimenting and solving complex problems across a wide range of partners - local, national and international.
- b. *SDG Metrics, Data and Analysis:* from the Conflict and Development Analysis, to the Human Development Index and Multidimensional Poverty Index, UNDP works with governments, the UN system and other partners to create, use and offer state of the art tools to analyze need and measure progress across the SDGs.
- c. *SDG finance:* with a robust track record on public financial management, aid coordination and environmental finance, UNDP supports countries’ access to financing for development and shift from funding to financing Agenda 2030. We also help government, donors and investors to decide on financing approaches, including through 30 Development Finance Assessments in 2018.
- d. *Knowledge and innovation:* UNDP is pioneering new ways of working to advance development progress more quickly, more effectively, and in an integrated manner. This includes the work of UNDP’s Innovation Facility, and our network of 60 Country Accelerator Labs. These labs are focused on country-based solutions that are built with government and partners from the bottom-up, complemented with knowledge and capacities accessed globally.

16. UNDP’s offer is available to RCs and UNCTs to facilitate more integrated solutions across the 2030 Agenda. We will do this by working closely with all UN partners, and through the programmes hosted by us on behalf of the UN system, including the Multi-Partner Trust Fund Office, (which also hosts the UN-SDG Joint Fund), UN Volunteers, the United Nations Capital Development Fund, and the United Nations Office of South-South Cooperation, and through our collaboration with the UN Department for Political and Peacebuilding Affairs, to deploy Peace and Development Advisers to RC offices.

17. UNDP’s flagship Human Development Report (HDR) also provides an entry point for enhanced integrated UNDS support to national SDG achievement. The 2030 Agenda’s breadth and depth calls for a new generation of analysis, measurement and decision-making. It is in this context, that we are

embarking on a major effort to re-articulate the human development concept and its measurement for today's development challenges. The new generation of HDRs will provide a platform to enhance UN thought leadership towards 2030 and beyond, ensuring a forward-looking analysis that will bring new ideas and stimulate joint work among development partners.

18. To be optimally positioned to provide these integrated solutions and services, we have re-organized and re-aligned our capacities, resources and assets. UNDP's new Global Policy Network connects UNDP's 17,000 personnel across the 170 countries and territories where we work. Through virtual communities, we are, together with our partners, responding more effectively to help address complex development challenges.

19. Our firm commitment to a more joined-up strategic offer is also exemplified by progress made against the measures in the Common Chapter (CC). The lessons learned together with our CC partners will provide important inputs to help us further sharpen our capacities to plan together, implement collaboratively, enhance multi-stakeholder partnerships, and improve programmatic efficiency.

20. The SDG Joint Fund promises to be an important vehicle to drive joint UN support to national SDG achievement. UNDP was actively engaged in setting up the fund, and now chairs its Operations Steering Committee, helping to guide its strategic direction and operations. UNDP experts are also assisting in the quality assurance technical review of proposals submitted by RCs to the Fund on behalf of their UNCTs, and we helped develop guidance on supporting Joint Fund programmes. In addition, UNDP co-led the development of the UNSDG operational guide on 'leaving no one behind' that serves as key guidance document for the Fund's first call.

V. Efficiencies, including through shared business operations and premises

21. Supporting countries in achieving the step change needed to accelerate SDG progress will also require a step change in how agencies operate. A stronger focus on programmatic and operational efficiencies will need to drive how we plan, implement and monitor our programmes.

22. As a part of system-wide efforts to increase the effectiveness and efficiency, UNDP is actively engaged in the UNSDG Business Innovations Group (BIG), including by seconding senior expertise to the dedicated BIG Project Team. Through BIG, we supported, for example, moving forward the application of mutual recognition; reduced the time needed to develop a Business Operations Strategy from 6-12 months to less than 8 weeks; working models for transforming back-office functions; and played a key role in the review of current approaches and options for common premises and facilities services, based on our extensive experience in that area. Looking ahead, UNDP is committed to channel efficiency gains at the country office level from the BIG into more development programmes and to invest further in innovations and operational support to accelerate SDG integrated solutions.

23. UNDP for itself, has already delivered strong results in this area: just over 90 cents of every dollar spent in 2018 went to programmes and services to achieve development results, up from 88 cents in 2017. Programme guidance has been rewritten, saving each programme staff member an average 33 days per year, and over 80 substantial business process revisions UNDP operational

policies and procedures have been completed, with the full POPP accessible to all as a public mobile application. UNDP also recently launched a mandatory e-Tendering system for international competitive procurement valued at \$150,000 and above. It promises to generate number of benefits, including enhanced transparency and efficiency.

24. UNDP is also expanding the scope and scale of operational services provided through a 'shared service' modality – with the overall objective of improving service quality, freeing up capacity at the country office level to focus on programme work, and increasing overall business efficiencies. Over the period 2019-2020, 57 services currently provided through our country offices will be transitioned to a global shared service modality. This will result in modernized quality business services, savings through operational efficiencies and rechanneling these savings into a greater investment of country office capacities and resources in programmes.

25. In addition, UNDP supports UN and other partners operate more efficiently by providing human resource, finance, payroll, procurement, information and communication, legal and security services, and common services. In 2018, UNDP disbursed \$1.45 billion in 113 currencies through its payroll system, over half of which was on behalf of partner UN organizations, for an average 35,300 personnel per month; supported \$2.26 billion in financial transactions for 118 UN entities in over 170 countries; and provided common premises and services for other agencies in 126 countries. When required, UNDP has a standing offer to continue providing services to resident and non-resident agencies to ensure efficiencies for the entire development system. Throughout, increased client satisfaction is very important to us and to this end we are:

- a) piloting a new service tracking model to help improve service quality and enhance our customer relations management;
- b) undertaking a review of our service costing and pricing methodologies to ensure that these are standardized across all geographies, as well as discussing the alignment of pricing principles within the UNSDG; and,
- c) revising/standardizing our Service Level Agreements (SLAs) with clients to ensure that pricing and service quality standards are mutually agreed upon and adequately reflected.

26. In order to be able to provide important financial support to the reforms, while also maintaining a balanced budget, UNDP undertook some difficult cost saving measures in 2018. This included keeping posts vacant, reducing office space in headquarters and subletting it, and limiting travel and non-programmatic expenditures. These measures also enabled strengthening of country offices and programmes. In 2019, most of the vacant posts need to be filled to ensure that UNDP puts back some essential capacities to be able to provide the necessary development support to the countries it serves. At the same time, the focus will continue to be on other cost saving measures and efficiency gains, such as through the expansion of the global shared services, as well as digital projects and streamlining of processes.

27. UNDP is committed to continue pursuing efforts to increase effectiveness and efficiency in its own operations through its work on new business models and the digital strategy, as outlined above. We look forward to regularly engage and update the Executive Board on progress made.

VI. Review of agency assets at country and regional level

28. UNDP's clustered presence, capacities and assets at the regional level is country-facing and designed to provide essential, efficient and valued support to our network of country offices, and through them, offer countries and UNCTs accessible programme, policy and operational services.

29. UNDP, as the current chair of the regional UNSDGs, has been closely engaged in strengthening the optimization of functions and collaboration at regional level, including through actions taken under the 1st phase of the ongoing Regional Review. As part of the 2nd phase of this exercise – focused on longer-term reprofiling and restructuring of regional assets – UNDP will continue to provide concrete ideas and experience on how UN assets at regional level could be more effectively leveraged and structured. Our experience in providing integrated policy advice, backed up with country-specific knowledge and operational support, places us in a good position to help shape and operationalize the proposed UN Regional Collaborative Platforms and Knowledge Hubs. UNDP will also continue to partner with other UN entities around regional and sub-regional programmes, leveraging complementarities and offering coordinated responses to governments.

30. UNDP's strong presence in Multi Country Office (MCO) settings, and our overall support to Small Island Developing States (SIDS), is an integral part of our commitment to global and national development agendas. Our programme delivery in SIDS has been steadily increasing since 2016 and our global SIDS environment/climate portfolio alone amounts to \$1.1 billion. These are essential portfolios and capacities, often located at the regional or sub-regional level, in direct service of countries. We have also made available surge capacities in these locations, allowing for quick responses in times of crisis, as in the case of the 2017 hurricane season in the Caribbean, when additional staff was deployed and approximately \$40 million mobilised for recovery and resilience building. In addition, UNDP supports UN system efforts in MCO settings through the provision of operational services as well as through financial support to Joint Presence Offices.

31. In line with our commitment to the SAMOA Pathway, UNDP plans to further upgrade its programmatic offer in SIDS. As requested by the Secretary-General, we will also work through the UNSDG to identify actions for more coherent, effective and efficient coverage and collaboration for results in MCO settings. UNDP's operational backbone remains at the system's disposal, ready to support UN services to MCOs as needed.

VII. Funding Compact

32. A successful Funding Compact can create a virtuous cycle of quality funding, efficient, transparent and accountable systems, and impactful results. With merely 12% of UNDP's resources in 2018 being core and only 1.5% of resources flowing through UNDP's thematic windows, the Compact presents an opportunity for UNDP to make a stronger case for rebalancing its funding portfolio. UNDP is already well on track to reaching its Funding Compact commitments, including by meeting all commitments related to transparency and disaggregated data reporting. UNDP is also committed to meeting the Funding Compact's indicator to invest at least 15% of development related expenditures in joint activities.

33. To facilitate the application of the 1% levy, UNDP country offices have been provided with guidance on the activation and management of the levy, supported by a dedicated help desk and communication strategy. With the implementation of the levy moving forward, UNDP will closely monitor its administrative and transaction costs, as well as the potential impact on funding for development programming. As part of an open and transparent dialogue with its Executive Board, UNDP will regularly share its experiences and lessons with this new practice.

34. The UNDP-hosted Multi Partner Trust Fund Office will also be able to play a key role in helping the UN system deliver on its Funding Compact commitments. With its long-standing experience in managing strategic pooled funds -- such as the SDG Joint Fund, the Spotlight Initiative and the Peacebuilding Fund – the office provides a strong system-wide offer for greater UN coherence and collective impact.

VIII. Conclusion

35. UNDP has been a key enabler and implementer of critical steps in the UNDS reform process and will continue to be its substantive custodian to ensure the reforms succeed. Together with UNFPA, UN-Women, UNOPS and UNICEF, we reiterate our commitment to the implementation of the reforms and to build on lessons learned to further strengthen our common impact on the ground. At the same time, UNDP remains firmly focused on delivering on the commitments set out in our Strategic Plan, helping countries to accelerate progress on the 2030 Agenda. Ultimately, the reforms are about delivering stronger development results for those we serve. This is the criterion of success we cannot lose sight of and we look forward to continued engagement with our Executive Board to help ensure we deliver on this promise.