

PERFORMANCE AT A GLANCE: UNDP

United Nations Development Programme

DECEMBER 2021

Overview

An exploratory vision that managed to accommodate United Nations Development System reform and COVID-19 response

The United Nations Development Programme (UNDP), founded in 1965, has the most comprehensive task among all UN agencies. As a large, multifaceted, heterogeneous development organisation, it operates globally in about 170 countries and territories across a broad range of areas and themes. Its mandate includes, but is not limited to, poverty reduction, democratic governance, peacebuilding and state-building. To remain flexible during great uncertainty and change, UNDP's Strategic Plan 2018-21 presented an exploratory vision for the organisation, rather than a detailed strategy. The plan is fully aligned with the 2030 Development Agenda. To some extent, UNDP's main objectives – to bring greater focus to its work, break down internal silos and bolster innovation – have been achieved, although a gap remains between innovative policies and strategies developed at headquarter (HQ) level and country level practice.

A resilient organisation adjusting to new realities

The past four years have been extraordinarily turbulent for UNDP. The adoption of the 2030 Agenda and subsequent United Nations Development System (UNDS) reforms, as well as the disruptive effects of the COVID-19 pandemic, have had far-reaching consequences. Overall, UNDP has handled the UNDS reforms exceptionally well, including the process of delinking the UN Resident Coordinator (RC) system from UNDP. During this process, UNDP seconded 63 of its staff as RCs and appointed 127 new resident representatives and 144 deputy representatives. With its annual contribution of USD 10.3 million, UNDP is the second-largest UN contributor to the RC system.

UNDP has shown great resilience and demonstrated new dynamism in responding to the COVID-19 pandemic. Its agility, global reach and on-the-ground presence have proved valuable assets. UNDP took the lead on analysing the pandemic's socio-economic impact, supported governments in their short- and medium-term response, and reprogrammed and mobilised close to USD 1 billion in funds. Building on the UNDS reforms, UNDP played a pivotal role in the preparation of the UN Secretary-General's COVID-19 appeal, the policy framework, and the elaboration of socio-economic response and recovery plans at the country level.

Alongside its traditional roles, UNDP is seeking to reposition itself both as an innovator and, as mandated by the General Assembly and featured prominently in the Strategic Plan 2018-21, an integrator within the UN development system.

UNDP's many roles: Service provider, integrator, innovator, strategic thought leader

UNDP is expected to play many roles at once, and is seeking to reposition itself within the UN development system. UNDP's "traditional" **programmatic role** focuses on eradicating poverty in all its forms and dimensions, accelerating structural transformation for sustainable development, and building resilience to crises and shocks. UNDP is also the "**operational backbone**" of the UN system, which involves servicing UN entities at the country level. It provides a platform that includes finance, human resources, procurement, travel, information technology (IT), etc. to over 80 UN entities, and others.

Alongside its traditional roles, UNDP is seeking to reposition itself both as an **innovator** and, as mandated by the General Assembly and featured prominently in the Strategic Plan 2018-21, an **integrator** within the UN development system. It spearheads a multidisciplinary "whole of society" response in line with the Sustainable Development Goals (SDGs). This has led UNDP to proactively invest in existing and new strategic institutional partnerships with UN partners and international financial institutions (IFIs), especially at the HQ level. Simultaneously, UNDP has begun to roll out an ambitious #NextGenUNDP change agenda, which has spurred UNDP's innovation agenda and corresponding adaptations to its business model. UNDP has strengthened government innovation labs and its regional hubs, created the accelerator lab network at the country level, and created the global policy network (GPN), which is a network of UNDP experts and practitioners that support its **thought leadership** role. Learning from past restructuring efforts, UNDP has chosen to keep its organisational structure and decentralized business model intact, while adjusting to new realities. In doing so, it has adopted an incremental "ink-spot" approach to organisational transformation by piloting new initiatives before scaling up, thereby aiming for a smooth change process.

Re-positioning UNDP within UNDS is a work in progress

UNDP's direction of travel remains a work in progress. At this stage, UNDP is still predominantly a decentralised project implementing agency, with 93% of its workforce based at the country level and delivering about 5 000 active development projects. Its organisational structure, processes and people still primarily reflect its traditional roles as service provider and project implementing agency, and are insufficiently aligned with its current multifaceted strategic ambitions and initiatives.

Innovation is constrained by stringent funding practice, which favours UNDP's programmatic role, limits strategic-level steering across the six Signature Solutions, and perpetuates fragmentation across too many themes and areas. Innovation and integration are yet to be better "anchored" – both within the organisation and externally with its partners – in terms of conceptual clarity, buy-in, operational policies, procedures and instruments. In September 2020, UNDP established a Strategic Innovation Unit to address these needs. It is too early to determine how successfully innovation is transforming UNDP's ways of working, its partnerships and its performance at the country level. Knowledge management, which would be essential to underpin UNDP's thought leadership, programmatic and integrator roles, deserves a fresh look. The assessment found limited evidence of vertical and horizontal development and systematic use of knowledge. Until those challenges are addressed, UNDP will remain recognised and valued mostly for its traditional programmatic and "backbone" roles, and less so for its thought leadership and integrator roles.

UNDP is at heart a partnership agency

UNDP has spearheaded many important initiatives that have bolstered collaboration and partnership within the UN system and beyond. UNDP is committed to the aid effectiveness agenda and to supporting nationally led action, driven by strong partnerships with national governments. It sees itself primarily as a partner of national governments, whose priorities define UNDP's engagement at the country level. This has led to confusion among some stakeholders about UNDP's comparative advantage in terms of contributing to upstream, "whole-of-society" policies and strategies. It has also led to criticism from other agencies about its lack of thematic focus and complementarity, and to questions about its concept of "beneficiaries" and measures to ensure that "no one is left behind".

The negative impact of UNDP's funding model on results orientation

UNDP is built entirely on voluntary contributions. Its funding model constitutes a strategic and reputational risk. UNDP relies on a few donors for its core resources that allow it to maintain corporate structures and cover programme expenses. Of its total resources – which are reflected in the integrated resource plan and integrated budget document – only about 13% consisted of regular (non-earmarked) resources in 2016-19, while the remaining 87% was earmarked for specific programmes, projects or thematic areas. UNDP's strategic priority areas are unevenly resourced and the integrated budget contains no discernible prioritisation of resources. Results-based budgeting and reallocation of resources are lacking at the corporate level. Most resources are project-based and mobilised at the country level. As a consequence, UNDP's resource allocation is not driven by the intent to achieve results anchored in its corporate strategies, but rather by funding opportunities. This risks steering UNDP's performance away from its own strategic priorities. UNDP's corporate strategies therefore reflect intent, but do not steer UNDP towards results.

Challenges to delivering development results

Given the considerable scope and breadth of UNDP's programmatic interventions in diverse contexts, this assessment found mixed evidence of its development results. Evaluative evidence demonstrates relatively strong programmatic performance in three well-funded signature solution areas – poverty reduction, governance and environment – but less so in the three remaining areas of resilience, energy and gender. Moreover, energy and gender together received less than 3% of total funding in 2020. Evaluations also show that UNDP faces persistent challenges to achieve relevant results in an effective, efficient and sustainable manner. These challenges include a fragmented portfolio of small-scale, isolated and unsustainable projects (1% of projects accounted for 41% of expenditure in 2020), with weak linkages to upstream policy and institutional capacity development; funding-driven priorities and actions; government-centric partnerships; ineffective funding mechanisms; and a need to further strengthen multidimensional approaches and intersectoral co-ordination. Many of these challenges reflect structural issues in the development arena that are pertinent to all development actors.

Country-level results systems do not allow aggregation at the global level

UNDP is committed to results-based management (RBM) and has taken steps to track results across development contexts and against the SDGs. UNDP's systems continue to steer the organisation towards measuring results at the country level. However, despite efforts to account for UNDP's heterogeneous results across country contexts, its systems still do not sufficiently capture and aggregate planned and intended results at the global level. This means that its ability to integrate lessons from previous interventions, and particularly learn from failure, remains weak.

Strong management systems, evaluation and oversight functions, and high transparency

UNDP has continued to streamline and bolster its internal policies, business processes, systems, tools and instruments to enhance the delivery of its work. It has made demonstrable improvements to people management, clustering of services, financial management and risk management. UNDP shows determination to become a client-oriented operational service provider. It has a high level of transparency and disclosure of information. Moreover, UNDP has a well-established, credible and truly independent evaluation function, with an up-to-date evaluation policy, robust systems and a growing evaluation budget. Decentralised evaluations, however, remain relatively weak, even though UNDP has made efforts to improve oversight and quality.

UNDP's decentralised delivery mechanisms are sufficiently capable of withstanding shocks such as COVID-19. UNDP uses a comprehensive risk-informed approach to detect (potential) fraud and corruption, and is recognised as the most transparent UN organisation. It has further improved its guidance for enterprise risk management, programme and operations policies and procedures, and social and environmental safeguards.

Cross-cutting issues

The MOPAN assessment also explored how UNDP mainstreams the cross-cutting issues of gender equality, environment and climate change, and human rights in its work, and its results in these areas. UNDP has made progress in its approach to gender equality and women's empowerment. While notable achievements have been made across all programmatic areas, they remain constrained by modest human and financial resources.

UNDP does not have an external climate change/environmental sustainability strategy or policy; however, it takes a holistic approach to climate change and holds its programmes to high standards. It is a key provider of technical support on environmental issues and a primary actor on climate change within the UN system.

A human rights-based approach is mandatory for all UNDP programming. While wholly committed to economic and social rights, articulating its stance on sensitive (civil-political) human rights issues more widely at the country level has been a challenge for UNDP, as for other UNDS entities.

Protection from sexual exploitation and abuse (SEA) and sexual harassment (SH)

A new area that MOPAN is tracking is organisations' efforts to address sexual misconduct. UNDP is making good progress in putting mechanisms in place to prevent and respond to SEA and SH. Both are explicitly proscribed in UNDP's code of ethics, legal framework and staff rules. Risks related to the protection from sexual exploitation and sexual abuse (PSEA) and gender-based violence (GBV) have been added to UNDP's Social and Environmental Standards. UNDP has established a multi-sectoral taskforce headed by UNDP's Deputy Chief of Staff to champion its combined SEA/SH strategy and action plan. Most country offices have PSEA focal points in place and some have a designated PSEA co-ordinator. More effort will be needed to embed consistent processes across all UNDP programming, including a system-level response for victim/survivor support. More effort will also be needed to ensure the transparent tracking of progress on SEA and SH respectively, which is currently made difficult by how the strategy is monitored. A significant challenge – and risk – remains that UNDP cannot investigate claims against implementing partners. Overall, given the broad parameters of UNDP's programming, its strong reliance on implementing partners, and the wide range of beneficiaries it is involved with, SEA will remain a particularly challenging area to tackle.

Managing change requires clarity on UNDP's role, strategic focus and complementarity

In pursuing its change agenda further, UNDP can capitalise on its key strengths, i.e. robust organisational systems, a decentralised structure, a proven capacity to handle change constructively, thought leadership and a strong approach to partnerships. However, these alone will not ensure the delivery of more effective, relevant, efficient and sustainable development results. Importantly, UNDP will need to better define its role and complementarity and invest in better ways of managing change, whilst simultaneously closing the gap between HQ policies, strategies and programmes, including its RBM and field-level operations. It will need to innovate and align its organisational structure, business model, funding structure and organisational culture to a more strategic and programmatic focus. The push for greater quality, efficiency and new ways of working are yet to be fully embedded in the minds and actions of personnel across all layers of the organisation and need to be better reflected in programmatic terms, with a move away from "project implementor" to more upstream policy advice, and the facilitation of sustainable, integrated solutions to today's complex problems.

Strengths and areas for improvement

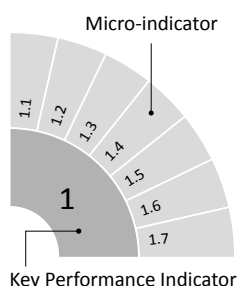
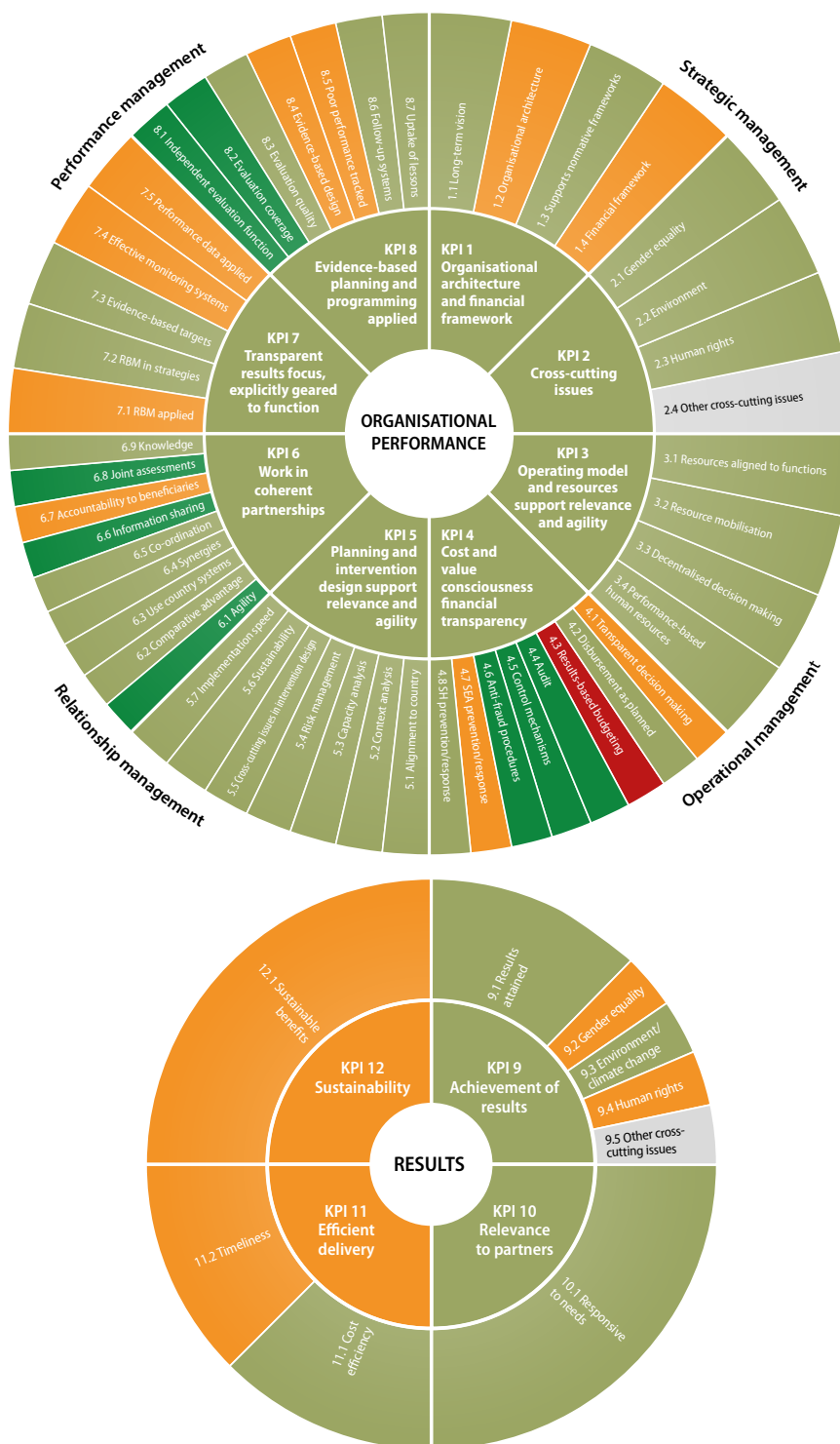
Main strengths

- UNDP's 2018-21 Strategic Plan is ambitious, transformative and forward-looking, and provides a compelling vision for UNDP's contribution to the 2030 Agenda.
- UNDP has shown great resilience and demonstrated new dynamism in response to the UNDS reforms and COVID-19 pandemic, handling change extraordinarily well in light of the challenging circumstances.
- UNDP has made progress in addressing and mainstreaming cross-cutting issues (gender equality and empowerment of women and girls, environmental sustainability and climate change, and human rights, particularly those of minorities and people with disabilities)
- UNDP demonstrates commitment to and alignment with national priorities, the aid effectiveness agenda, and co-operation with member states, in combination with increased emphasis on inter-agency and partnership planning and programming.
- UNDP has effective decentralised decision-making and resource allocation mechanisms.
- UNDP has strong management systems (including information and communication technology, business continuity, and enterprise risk management); independent evaluation, audit and oversight functions; and high levels of transparency and information disclosure

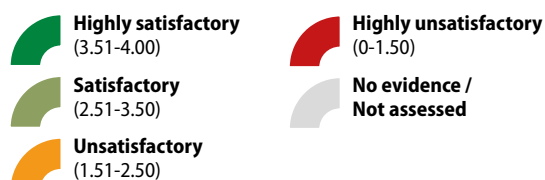
Main areas for improvement

- UNDP's dependency on a small group of core donors, combined with uneven resourcing and mechanisms for resource mobilisation across priority areas and partners, have created an imbalance in resources across UNDP's strategic priorities and constitute a strategic and reputational risk.
- UNDP's organisational structure, processes and people still primarily reflect its traditional roles as service provider and project implementing agency, and are insufficiently aligned with its current multifaceted strategic ambitions and initiatives.
- To increase internal coherence and clarity of its role and comparative advantage, UNDP will need to bridge the gap between HQ-level policies, strategies and programmes, and its country-level programming and decision making.
- UNDP's RBM systems insufficiently steer and aggregate results at the global level.
- Whilst UNDP has efficient and robust systems in place to guide programme management and monitoring, they do not assure more effective, relevant, efficient and sustainable development results.
- Too many UNDP interventions remain fragmented, are scattered across too many themes and areas, and are insufficiently geared towards upstream policy making and capacity strengthening.
- UNDP needs to better integrate the lessons from evaluations of past interventions and apply these systematically.

PERFORMANCE RATING SUMMARY FOR UNDP



How to read these charts



MISSION AND MANDATE:

Founded in 1965, UNDP focuses on eradicating poverty in all its forms and dimensions, accelerating structural transformation for sustainable development, and building resilience to crises and shocks. Besides its programmatic role, UNDP has an “integrator role”, spearheading a multidisciplinary “whole-of-society” response in line with the SDGs. UNDP is also the “operational” backbone of the UN system, servicing UN entities at the country level.

GOVERNANCE:

UNDP is governed by an Executive Board, under the authority of the Economic and Social Council (ECOSOC). Its members are elected by ECOSOC each year for three-year terms, except for the Western European and other States group, which has determined its own internal rotation policy. The Board supervises UNDP’s operational strategies and activities, monitors its performance, provides inter-governmental support, approves programmatic frameworks (including country programmes), and decides administrative and financial plans and budgets.

STRUCTURE:

UNDP operates in about 170 countries and territories and is highly decentralised. It has 5 regional offices, 137 country offices, 4 representation offices and 5 global policy centres. Some 38% of all employees are staff; the majority are contractors. Only 7% of a total of almost 20 000 employees are based in the New York HQ.

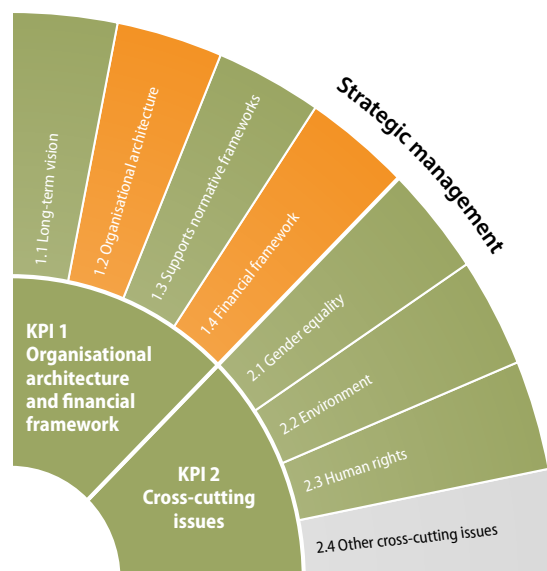
FINANCE:

UNDP’s total revenue was USD 4.8 billion in 2019, similar to 2016. All funding is provided through voluntary contributions, i.e. both the 13% regular (non-earmarked) and the 87% of resources earmarked for specific programmes, projects or thematic areas. In 2019, 43% of total revenue was provided by donor countries (mostly OECD-DAC), 39% by multilateral organisations (18% vertical funds, 10% UN pooled funds, 6% European Union, 3% financial institutions and 2% UN agencies), and 18% by programme country governments.

Key findings by performance area

STRATEGIC MANAGEMENT OF UNDP

UNDP is a large, multifaceted, heterogeneous and highly decentralised development organisation, operating globally across a broad range of areas and themes. UNDP's Strategic Plan 2018-21 presents an exploratory vision for the organisation and is fully aligned with the 2030 Development Agenda. Its main objectives have been partially achieved, although gaps remain between innovative policies and strategies developed at HQ level and country level practice. Overall, UNDP has handled the UNDS reforms well, including the RC delinking. Its response to the COVID-19 pandemic has been successful. UNDP worked very closely with the Development Coordination Office on the Secretary-General's appeal and policy framework, led on mapping the pandemic's socio-economic impacts, supported governments in their short- and medium-term response plans and implementation, and reprogrammed close to USD 1 billion in funds.



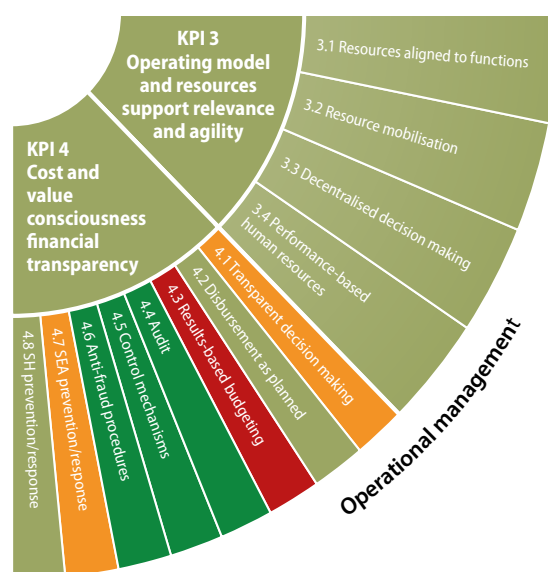
UNDP is a voluntarily funded organisation, reliant on a few donors for core resources to maintain corporate structures and cover programme expenses. UNDP remains a predominantly decentralised project implementing agency, with 93% of its workforce based at the country level, delivering about 5 000 active development projects. UNDP is mostly recognised and valued for its traditional programmatic and “operational backbone” roles.

On cross-cutting issues, UNDP has made progress in its approach to gender equality and women's empowerment; however, performance is constrained by modest resourcing. UNDP takes a holistic approach to climate change and holds its programmes to high standards. It is a key provider of technical support on environmental issues and a primary actor on climate change within the UN system. A human rights-based approach is mandatory for all UNDP programming. While wholly committed to economic and social rights, a challenge for UNDP, as with many other UNDS entities, has been articulating its stance on sensitive (civil-political) human rights issues at the country level.

OPERATIONAL MANAGEMENT OF UNDP

UNDP continues to streamline and bolster its internal policies, business processes, systems, tools and instruments to enhance its delivery. Demonstrable improvements have been made to people management, clustering of services and financial management. UNDP shows determination to become a client-oriented operational services provider, and both its adaptation and contribution to the smooth transition of the RC function are widely acknowledged and well appreciated. With an annual contribution of USD 10.3 million, UNDP is the second-largest UN entity contributor to the RC system.

All resources are brought together in the integrated resource plan and integrated budget, but the corporate allocation mechanism only affects regular resources, which were about 13% of total resources in 2016-2020. Most resources are project-based and mobilised at the country level. Results-based budgeting and the reallocation of resources are lacking at the corporate level. Moreover, in the integrated budget there is no discernible prioritisation of resources. UNDP's decentralised delivery mechanisms are sufficiently capable of withstanding shocks such as COVID-19. A robust risk-informed approach is used to detect potential fraud and corruption. UNDP is recognised as the most transparent UN organisation.

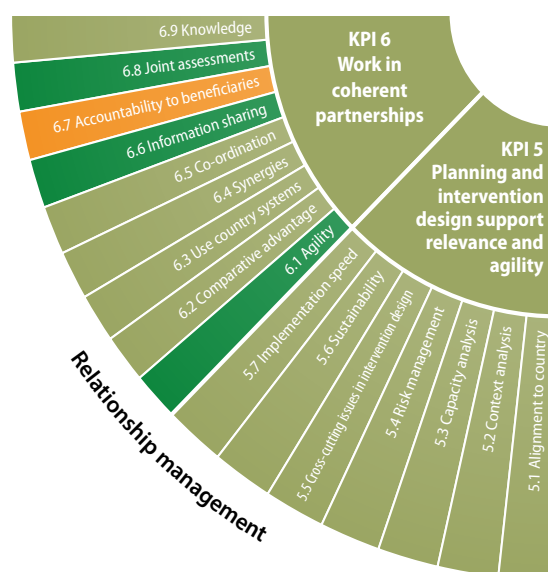


UNDP has a designated policy on sexual harassment, aligned to UN and Chief Executive Board (CEB) standards, which extends to all UNDP personnel. It adopted the SG's Bulletin on protection from sexual exploitation and abuse (PSEA), and SH and SEA are explicitly proscribed. UNDP has established a strategy and action plan that sets out its efforts to prevent and respond to SEA and SH, led by a multi-sectoral task force. Nevertheless, tracking progress on PSEA is challenging, and more effort is needed to ensure that all personnel understand their roles and responsibilities with respect to preventing and responding to SEA and SH.

RELATIONSHIP MANAGEMENT OF UNDP

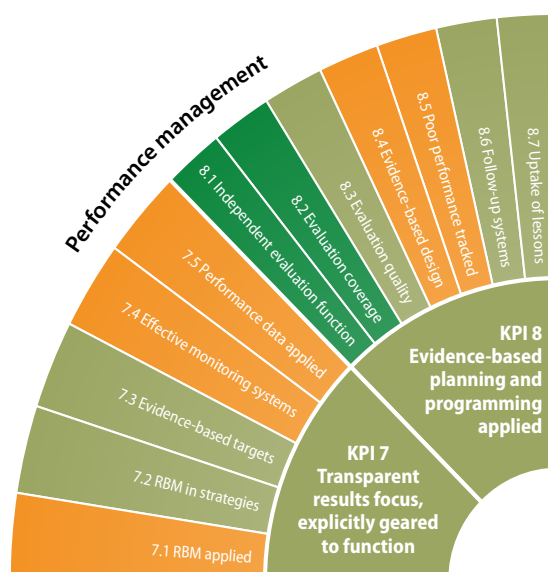
UNDP is a partnership agency at heart. It has spearheaded many important initiatives that have bolstered collaboration and partnership within and beyond the UN system. UNDP is committed to the aid effectiveness agenda and to supporting nationally led action, driven by strong partnerships with national governments. The Global Partnership for Effective Development Co-operation (GPEDC) is a good example of UNDP's lead role in joint monitoring and reporting. It has fully incorporated these principles into its programming approach. Its internal guidance for enterprise risk management, programme and operations policies and procedures, and social and environmental safeguards have improved.

UNDP sees itself primarily as a partner of national governments, whose priorities define UNDP's engagement at the country level. This has led to confusion among stakeholders about its comparative advantage in terms of contributing to upstream “whole-of-society” policies and strategies, to criticism from other agencies about its lack of thematic focus and complementarity, and to questions about its concept of “beneficiaries” and measures to ensure that “no one is left behind”. Despite its high-quality “flagship” Human Development Reports, at present, UNDP's aspiration to reinforce its thought leadership role and profile is insufficiently reflected in its structure, systems and organisational culture. There was limited evidence of vertical and horizontal development and systematic use of knowledge. Knowledge management, which are essential to underpin UNDPs thought leadership, programmatic and integrator roles, deserves a fresh look.



PERFORMANCE MANAGEMENT OF UNDP

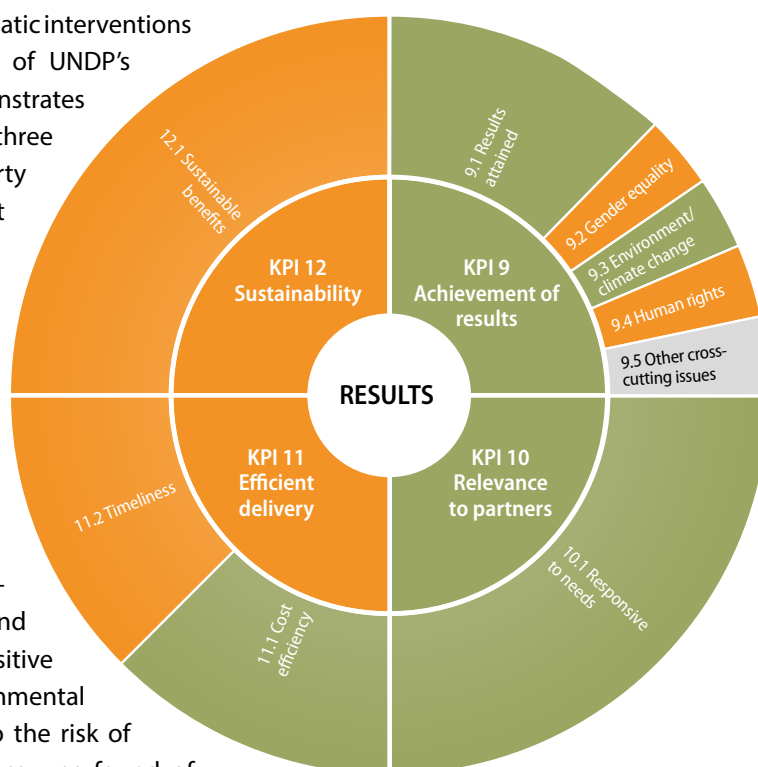
UNDP is committed to RBM and has taken steps to track results across development contexts and against the SDGs. However, despite efforts to account for UNDP's heterogeneous results across country contexts, UNDP's systems steer the organisation towards results measurement at the country level, and insufficiently capture planned and intended results at the global level. This is because decentralised offices are not obliged to implement signature solutions; instead, project-level results at the country level are retro-fitted to align with corporate-level outcomes. UNDP's ability to integrate lessons from previous interventions, and particularly learn from failure, has been a persistent weakness. UNDP has a well-established, credible independent evaluation function, an up-to-date evaluation policy, robust systems, and a growing evaluation budget. Notwithstanding the efforts to improve their oversight and quality, decentralised evaluations remain relatively weak.



RESULTS MANAGEMENT OF UNDP

Given the vast scope and breadth of its programmatic interventions in diverse contexts, there is mixed evidence of UNDP's development results. Evaluative evidence demonstrates relatively strong programmatic performance in three well-funded Signature Solution areas – poverty reduction, governance and environment – but this is less the case for resilience, energy and gender.

Whereas gender equality and women's empowerment are making incremental progress and becoming more effectively organised, on balance, progress is limited and not commensurate with the status of gender equality as a Signature Solution. Gender mainstreaming is chronically under-resourced, suggesting a serious gap between policy intent and actual delivery. Evaluations are largely positive about UNDP's achievements regarding environmental sustainability and climate change, but point to the risk of dependence on vertical funds. Limited evidence was found of UNDP's performance in mainstreaming and protecting human rights.



UNDP's interventions are found to be (highly) relevant, responding to the expressed needs and priorities of partners. At the corporate level, UNDP has made relevant contributions to development results. However, especially in middle-income countries (MICs) and high-income countries (HICs), UNDP risks losing some of its relevance, and is constantly challenged to position itself strategically and demonstrate added value regarding its partners and other stakeholders. Cost-efficiency is not evaluated systematically, but evaluations conducted point to satisfactory performance. Timeliness, while also rarely assessed, is seen as a concern. Despite some successes, UNDP's performance in terms of sustainability of results remains unsatisfactory.

UNDP faces structural challenges to achieve relevant results in an effective, efficient and sustainable manner. These challenges include a fragmented portfolio of small-scale, isolated and unsustainable projects, with weak linkages to upstream policy and institutional capacity development; funding-driven priorities and actions; government-centric partnerships; ineffective funding mechanisms; and a need to further strengthen multidimensional approaches and intersectoral co-ordination. Many of these challenges reflect fundamental, systemic concerns in the development arena, which are pertinent to all development actors.

About this assessment

This was the fourth MOPAN assessment of UNDP, following assessments in 2009, 2012 and 2015-16. The current assessment was championed by Switzerland and the United Kingdom on behalf of MOPAN. It covers the period 2016 to 2020, although evidence from outside this range may have been used. It relies on three lines of evidence: a document review, interviews with staff at HQ and at the country/regional level, and an online partner survey.¹ The assessment covers the performance of UNDP HQ, regional offices and country field operations.

3.1 METHODOLOGY APPLIED IN THIS ASSESSMENT

The MOPAN 3.1 methodology employed in this assessment uses a framework of 12 key performance indicators (KPIs) and associated micro-indicators (MIs). It comprises standards that characterise an effective multilateral organisation. As part of MOPAN's efforts to ensure its assessments remain relevant to stakeholders and aligned to international best practice, the MOPAN methodology is always evolving.

The 3.1 methodology used in the 2020 assessment cycle includes updated indicators on the prevention of sexual exploitation and abuse and sexual harassment, updated language to reflect the 2030 Agenda, and a higher threshold for performance ratings (note that the underlying scores and approach to scoring are unaffected). It also applies greater flexibility in adapting the framework, selecting countries to sample and use of the partner survey. More details are available in MOPAN's 3.1 methodology manual.²

About MOPAN

The Multilateral Organisation Performance Assessment Network (MOPAN) is a network of 21 members and observers³ that share a common interest in assessing the effectiveness of the major multilateral organisations they fund, including UN agencies, international financial institutions and global funds.

MOPAN generates, collects, analyses and presents relevant and credible information on the organisational and development effectiveness of the organisations it assesses. This knowledge base contributes to organisational learning among the organisations, their direct clients and partners, and other stakeholders. MOPAN members and other stakeholders use the reports for their own accountability needs and as a source of input for strategic decision making.

1. The online survey was conducted among a sample of UNDP partners from 10 countries: Bangladesh, Cuba, Ethiopia, Indonesia, Iraq, Jordan, Mali, Serbia, Timor Leste and Uruguay, as well as globally.

2. Available at www.mopanonline.org.

3. Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, the United Arab Emirates, the United Kingdom and the United States are MOPAN's members; the European Union and Qatar are observers.