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**Evaluation**

## **Management response to the evaluation of UNDP support to poverty reduction in the least developed countries**

1. In 2018, the Independent Evaluation Office (IEO) carried out an evaluation of UNDP support to poverty reduction in the least developed countries (LDCs) for the period 2014–2017 focusing on: (a) support to national efforts aimed at poverty reduction in LDCs; and (b) the extent to which UNDP leveraged its programmes in the areas of environment, local development and crisis prevention to promote sustainable poverty reduction approaches. The evaluation was prepared in accordance with the medium-term evaluation plan for 2018–2021, endorsed by the Executive Board in decision 2018/4. The executive summary of the evaluation is contained in document [DP/2019/4](#).
2. The evaluation assessed the contribution of UNDP country programmes and global and regional programmes and projects for the period 2014–2017 across five streams of support: inclusive growth and employment; local economic development; sustainable livelihoods; early economic revitalization; and integration of the Millennium Development Goals/Sustainable Development Goals. The evaluation covered all LDCs in Africa, Asia and the Pacific, the Arab States and Haiti in the Caribbean.
3. At the heart of the UNDP mandate is the focus on transforming the conditions of the poor and the marginalized. UNDP welcomes the evaluation's findings and lessons, which will inform the renewed UNDP poverty eradication offer to LDCs in alignment with the Strategic Plan, 2018–2021. The organization will build on the areas that have been identified as strong, while responding to the areas in need of strengthening. The management response has benefited from dialogue with Executive Board members and observers and the IEO.

### **I. The global poverty context and the 2030 Agenda for Sustainable Development**

4. Despite the rapid decline in the number of people living in extreme poverty – by more than 1 billion – in the past 25 years, significant disparities remain within and among countries. It is estimated that today about 700 million people live on less than \$1.90 per day. When considering overlapping and multiple deprivations that individuals face, the figures are staggering: a total of 1.3 billion people



are multidimensionally poor.<sup>1</sup> Poverty disproportionately affects women, half of all people living in poverty are younger than age 18 years<sup>2</sup> and the poor increasingly live in urban settings.<sup>3</sup> Approximately half of the world's poor live in countries affected by fragility and repeated cycles of violence and conflict. Although the LDC classification goes beyond income, with 17 LDCs considered to be middle-income countries, it is worth noting that middle-income countries are home to 73 per cent of the world's poor people.

5. As recognized in the 2030 Agenda for Sustainable Development and other international agreements, poverty continues to be the greatest global challenge of our time, with inequality on the rise across many countries. Through distinct causal mechanisms, poverty and inequality are closely linked with many of the Sustainable Development Goals and their targets and are influenced by progress made towards these Goals. In fact, one of the main implications of high inequality is that it can become a barrier to achieving the goal of eradicating poverty. The principle of leaving no one behind requires bold and transformative actions to disrupt entrenched patterns of poverty and inequality that perpetuate disenfranchisement and discrimination.

6. More than three years on, progress towards the Goals has been variable due to drivers and risks such as governance failures, climate change and biodiversity loss, as well as their impacts—natural and anthropogenic disasters, water crises, displacement—all among the top 10 global risks.<sup>4</sup> These impacts have a ripple effect beyond national boundaries, increasing the difficulty of achieving the 2030 Agenda. Furthermore, megatrends such as technological innovation, rapid urbanization and demographic changes may either reduce or increase poverty and inequality levels, depending on a country's ability to cope with them. Macroeconomic factors such as slowing growth rates or increasing debt burdens may further limit fiscal and policy space.

## II. Poverty eradication in the least developed countries

7. The Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020 was agreed upon by Member States to help LDCs overcome structural challenges to eradicate poverty, achieve internationally agreed development goals and enable half of the LDCs to graduate out of this category by 2020.<sup>5</sup> Currently, 47 countries are classified as LDCs. The year 2018 saw unprecedented progress, with three countries—Bhutan, São Tomé and Príncipe and Solomon Islands—recommended for graduation. Angola and Vanuatu are scheduled to graduate in 2021 and 2020, respectively. While graduation from the LDC category is positive, it offers new challenges. To graduate, countries need to meet two out of these three criteria: human assets; economic vulnerability; and gross national income per capita. None of the countries recommended for graduation met the vulnerability criterion, necessary to ensure that development gains are not reversed.<sup>6</sup> UNDP needs to

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<sup>1</sup> Multidimensional poverty identifies deprivations at the household and individual levels in health, education and standard of living, measured across 10 indicators: nutrition levels; child mortality; years of schooling; children enrolled in schools; access to cooking fuel; toilet access; water access; electricity access; flooring; and assets. It complements monetary measures of poverty by considering overlapping deprivations suffered by individuals. For more information, visit <http://hdr.undp.org/en/content/multidimensional-poverty-index-mpi>.

<sup>2</sup> Estimates from the 2018 global Multidimensional Poverty Index released by UNDP and the Oxford Poverty and Human Development Initiative.

<sup>3</sup> Diana Mitlin and David Satterthwaite, *Urban Poverty in the Global South: Scale and Nature*, Routledge, London and New York, 2013. The World Bank estimates that by 2035, most of the world's extreme poor will live in urban areas. See <http://blogs.worldbank.org/governance/governance/more-voices-mean-smarter-cities>.

<sup>4</sup> World Economic Forum (2019), Global Risk Report.

<sup>5</sup> Comprehensive High-Level Midterm Review of the Implementation of the Istanbul Programme of Action for the Least Developed Countries for the Decade 2011–2020: Draft political declaration submitted by the President (A/CONF.228/L.1), paragraph 12: "... since the least developed country category was established in 1971, only four countries have officially graduated. Based on current trends, concerted and revitalized efforts will be required to enable half of the least developed countries to meet the criteria for graduation by 2020, as foreseen in the Istanbul Programme of Action."

<sup>6</sup> It is important to highlight that LDCs do not graduate out of this category into becoming middle-income countries. The LDC category is a United Nations category managed by the Committee for Development Policy, which reports to the

support countries to address vulnerability from the outset to allow for risk-informed development interventions.

8. Eradicating poverty and achieving the goals of the 2030 Agenda will be particularly challenging for LDCs and low-income countries where the levels and types of deprivation are especially acute, infrastructure is inadequate, economies are vulnerable and capital is in short supply.<sup>7</sup> Recognizing the complexities of the low baseline, multiple challenges and capacity constraints, UNDP remains committed to supporting LDCs in implementing the Istanbul Programme of Action in alignment with the 2030 Agenda and other internationally agreed commitments.

9. According to the United Nations Conference on Trade and Development (UNCTAD), “the proportion of the global poor in the ... LDCs has more than doubled since 1990, to well over 40 per cent. ... In six LDCs, the rate of extreme poverty is between 70 per cent and 80 per cent, and in 10 more the rate is between 50 per cent and 70 per cent.”<sup>8</sup>

10. Yet, LDCs are shaping the global development landscape and as a group have made significant strides over the past two decades. But there are striking differences within this category: 17 are middle-income countries, 9 are small island developing States, 17 are landlocked and 20 are considered fragile. Seven of the 13 fastest growing economies in the world are from this group – Bhutan, Democratic Republic of the Congo, Ethiopia, Mozambique, Myanmar, Rwanda and United Republic of Tanzania.<sup>9</sup> Some countries have progressed quickly enough to improve their prospects of graduating from LDC status. More significantly, progress against non-income indicators is also clear: between 2000 and 2014, the average Human Development Index value for LDCs increased by 26 per cent, compared to the average increase of 11 per cent for all countries.<sup>10</sup> Therefore, a narrow strategy would not meet the needs of such a diverse group.

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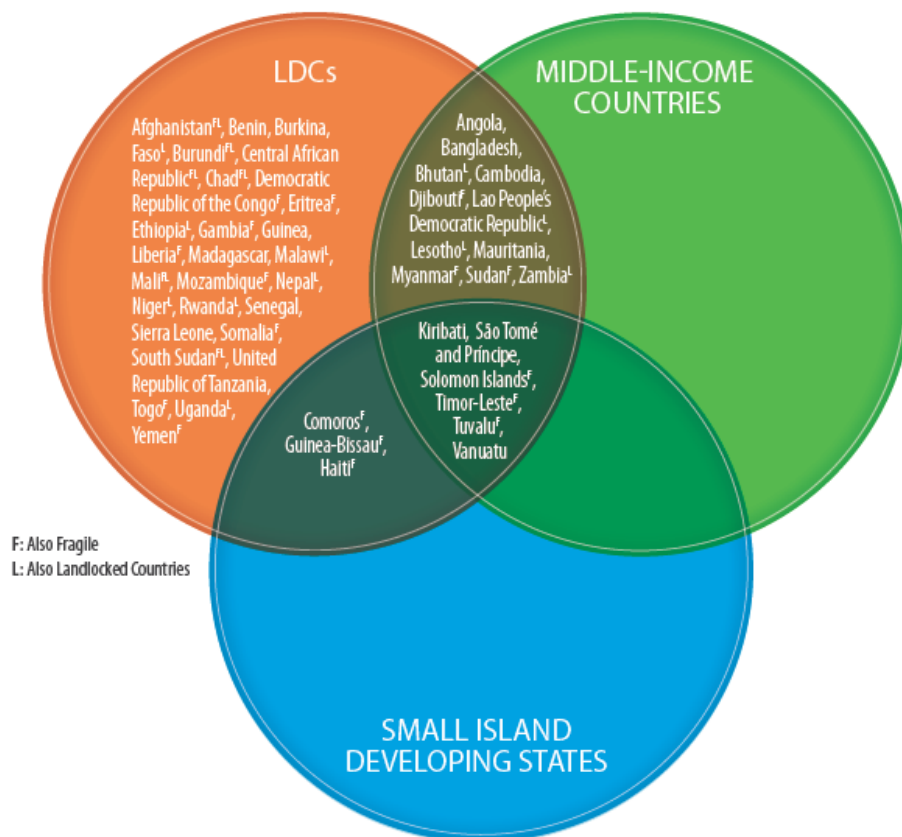
Economic and Social Council. The middle-income country category is managed by the World Bank. Seventeen out of 47 LDCs are also lower middle-income countries.

<sup>7</sup> There are currently 47 countries in the LDC category (30 in Africa, 12 in Asia and the Pacific, four in the Arab States and one in the Latin America and Caribbean region).

<sup>8</sup> UNCTAD, ‘Poverty Trap Leaves Least Developed Countries Ever Further Behind’, press release dated 13 December 2016.

<sup>9</sup> World Economic Forum, ‘The 13 fastest-growing economies in the world’, 2015. Available at <https://www.weforum.org/agenda/2015/06/the-13-fastest-growing-economies-in-the-world/>.

<sup>10</sup> Estimates by the UNDP Human Development Report Office. Available at <http://www.hdr.undp.org/>.

**Figure 1. The diversity of least developed countries<sup>11</sup>**

11. In line with the evaluation's recognition that UNDP is well suited to support countries in transition and recognizing that most LDCs will remain in Africa, UNDP is developing a report on the emerging opportunities and risks of the LDC graduation in Africa in the context of the Sustainable Development Goals, to inform policy discussions and action in those countries.

### III. Findings and conclusions of the evaluation

12. UNDP welcomes the evaluation's findings as useful to inform its work on poverty eradication in LDCs. UNDP notes the identified areas of strength upon which it can build, and the areas highlighted in the evaluation which need strengthening to better align with the Strategic Plan, 2018-2021.

13. The previous evaluation of the UNDP contribution to poverty reduction (2000–2013) found that UNDP support had been successful in enabling Governments to develop pro-poor policies and strategies and helped to shift global thinking on multidimensional poverty. The evaluation also found that UNDP could do more to leverage its influence by engaging civil society and academia. It pointed to a gap in alignment, recommending more specific measures to ensure an inclusive focus across UNDP. It also recommended more of what today is called integration, to maximize the impact on poverty through its governance, environment, crisis prevention and recovery efforts. UNDP implemented all planned management actions and in 2016 presented a comprehensive update to the Executive Board, which was well received.

<sup>11</sup> Source: List of LDCs by the Committee for Development and Policy (December 2018); list of middle-income countries by the World Bank; list of fragile countries by the World Bank; list of landlocked countries by the United Nations; list of small island developing States by the United Nations; status for LDCs, middle-income countries and fragile States as of March 2019.

14. UNDP is pleased to note that this evaluation concludes that its poverty reduction programme approaches and areas are highly relevant for the LDCs, and that UNDP remains their agency of choice for both policy and implementation support. The report also reiterates the relevance of the strong, integrated approach of the Strategic Plan to the Sustainable Development Goals.

15. UNDP wishes to highlight that in addition to the five streams of work discussed in the evaluation, there are other areas of work that also have a direct impact on poverty eradication. They include UNDP work on governance in LDCs (supporting the adoption of legislation, policies to eliminate discrimination and promote civic engagement, and preventing the loss of development funds through anti-corruption measures); disaster risk reduction; access to energy; and health-related work.

16. UNDP notes that there is no clear set of policies and related competencies that, if applied, will result in poverty eradication. Therefore, UNDP has evolved its offer on poverty eradication to meet the needs of countries, investing in critical areas to nurture a cadre of experts who will apply systems thinking across development practice areas. Such an approach is key for tackling multidimensional poverty. UNDP capacities for poverty eradication are distributed across a range of social, environmental and economic disciplines. This includes a significant number of economists (48) in Africa and Asia and the Pacific.

17. UNDP notes the following key areas of strength, identified in the evaluation:

(a) UNDP has played a key role in the implementation of projects contributing to local economic development and the capacities of local government institutions. This is a strong area of UNDP engagement in 22 LDCs, and it saw the most impact when mutual partnerships enhanced intervention models and scaled up efforts;

(b) The UNDP-United Nations Environment Programme (UNEP) Poverty-Environment Initiative has enhanced the understanding of the crucial linkages between environment and poverty for sustainable development in LDCs;

(c) The UNDP contribution to economic revitalization in conflict-affected and post-conflict countries has been important. Community-level income-generation initiatives played a vital role in enabling temporary benefits to affected populations;

(d) UNDP played a critical leadership role in the conceptualization and measurement of multidimensional poverty at global and country levels and will strengthen its country-level support to develop national multidimensional poverty indices;

18. UNDP appreciates the evaluation's recommendations for continuous organizational improvement, and notes the following areas for improved articulation and policy and programme prioritization:

(a) The scale of engagement, consolidation and systemization of initiatives needs to be strengthened in a number of areas including: (i) ensuring that inclusive growth and employment projects generate transformative solutions for enhancing productive capacities; (ii) ensuring that community-level sustainable livelihoods, including in environment and climate change adaptation areas, translate into visible impact; (iii) bridging the humanitarian-development divide through the New Way of Working in post-conflict economic revitalization support; and (iv) leveraging country policy, programming and convening power to support private sector engagement;

(b) Partnerships for poverty reduction should be pursued further, including within the United Nations system and with the private sector. While UNDP is facilitating transformative partnerships with the private sector, more systematic and innovative partnerships should be developed to support inclusive and sustainable growth initiatives;

(c) Gender-responsive poverty reduction, youth employment and empowerment initiatives need to be strengthened.

19. The annex details the UNDP response and the specific actions that UNDP will take in response to the recommendations and to strengthen its poverty work in these critical areas.

#### **IV. Strategic Plan, 2018–2021: UNDP’s approach to poverty eradication**

20. As the United Nations development arm, UNDP plays a key role in helping to place countries on a sustainable development pathway, managing risk and enhancing resilience, advancing prosperity and well-being and eradicating poverty. The Strategic Plan, 2018–2021 reflects the integrated approach needed, given the breadth of the Sustainable Development Goals. The ambitious overall goal of *eradicating* rather than just reducing poverty in all its forms and dimensions, requires fundamentally new approaches focused on tackling the root causes of exclusion and deprivation, as well as economic, social and political disenfranchisement.

21. For UNDP, eradicating poverty is both about escaping poverty and protecting the development gains made. Its work on fragility, crises and resilience helps to prevent countries from derailing from their path to achieving the Goals. Poverty is multidimensional: earning \$1.90 purchasing power parity per day is unlikely to mean the end of the many overlapping deprivations faced by poor people.

22. The principle and strategic objective of leaving no one behind and reaching the most marginalized and vulnerable groups first permeates the Strategic Plan and its results framework. It includes ambitious targets to benefit these groups, whether in the context of multidimensional poverty, access to basic health services and social protection, or vulnerability associated with demographics, environment, climate or social and political circumstances.

23. As part of the development of the Strategic Plan, UNDP undertook a thorough analysis of root causes and drivers of risk and vulnerability. This reinforced the need to fight poverty on multiple levels, from the local to governmental. Accordingly, the new Strategic Plan has a primary focus on eradication of poverty in all its forms and dimensions, from its vision and objectives to its outcomes and intersecting signature solutions.

24. The signature solutions bring an integrated, multidisciplinary focus to keeping people out of poverty, strengthening governance, enhancing crisis prevention and recovery, promoting nature-based solutions for development, closing the energy gap and advancing gender equality. The solutions build on the experience and comparative advantages of UNDP and represent a significant enhancement of the UNDP offer by articulating solutions that are adaptable to context, be it poverty, structural transformation or crisis and recovery.

25. Specifically, signature solution 1, keeping people out of poverty, addresses interconnected social, economic and environmental challenges faced by the poor and vulnerable by focusing on determinants of both “exiting” poverty (e.g., access to basic services, jobs and livelihoods) and “falling back” into poverty (e.g., assets, social protection, security). Sustainable development pathways, inclusive markets, aid for trade, extractive industries, anti-corruption efforts and reducing illicit financial flows, and building institutional and national capacities all contribute to these objectives. Signature solution 1 has cross linkages with all other signature solutions, underlining the multidimensional approach of UNDP.

#### **V. A renewed focus on poverty eradication**

26. The challenges of poverty reduction are not new. On the contrary, they have grown in complexity over time, requiring new tools and integrated solutions. To meet the ambitions of the 2030 Agenda, including leaving no one behind, and of a repositioned and vastly strengthened United Nations development system (UNDS), UNDP is transforming itself for a new era of development, building on its strong foundation of 50 years of development experience, grounded in practice, performance and relationships of trust. UNDP will strive to maintain its global preeminence as a reservoir of knowledge, good practices and effective inclusive policies on poverty eradication to meet the needs of countries.

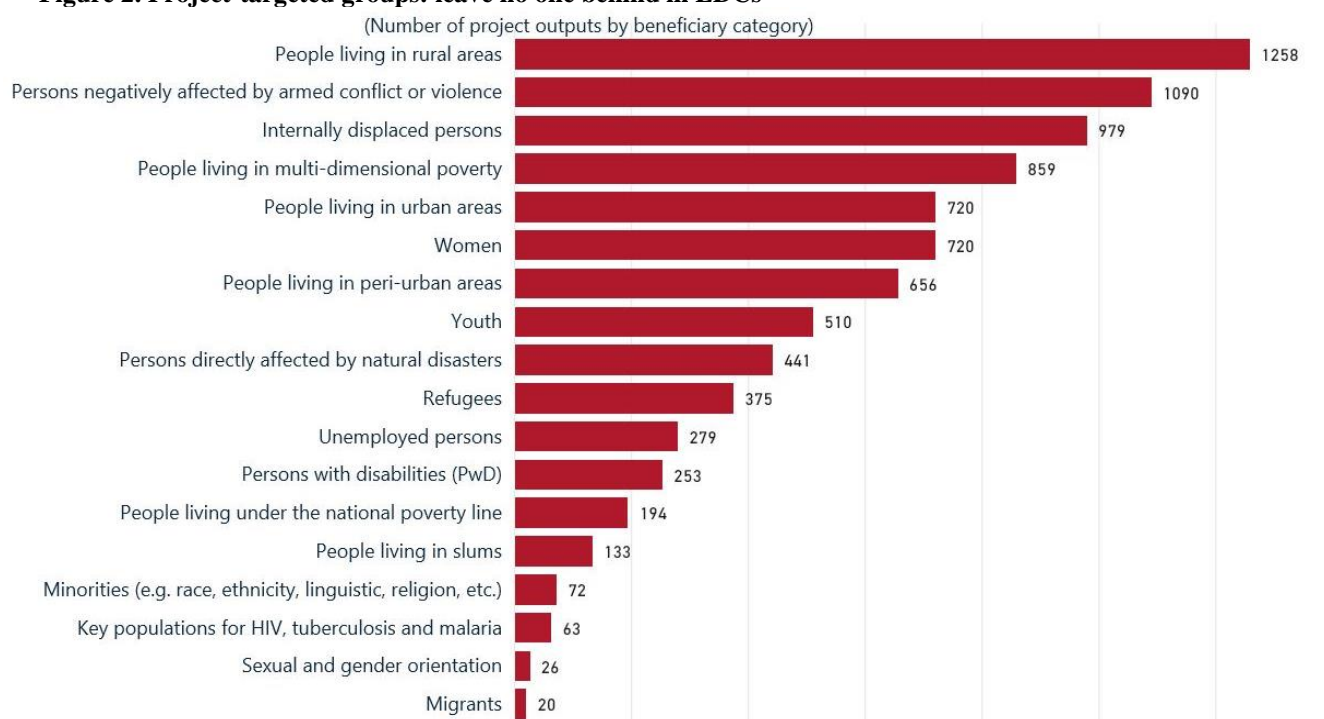
### The what: the UNDP policy and programmatic offer

27. While the UNDP poverty eradication offer cut across country typologies, a major priority is supporting LDCs in implementing the 2030 Agenda. A minimum of 60 per cent of UNDP regular resources were allocated to LDCs in the period 2014-2017 (of which about half was allocated to poverty reduction) and similarly for the period 2018-2021. This means that despite the decline in regular resources faced by the organization, the primacy of UNDP support to LDCs is protected in the budget.

28. UNDP has programmes in all LDCs (both development and conflict-affected settings) and its country programmes respond to national development priorities. UNDP provides tailored support in mainstreaming the Istanbul Programme of Action and the Sustainable Development Goals into national development plans, United Nations Development Assistance Frameworks (UNDAFs), UNDP country programmes and regional programmes for 2018–2021 (in Africa, Asia and the Pacific and the Arab States). In addition, UNDP has helped several LDCs adapt the Goals to their national and local contexts.

29. As part of its efforts in support of poverty eradication, UNDP has introduced a new “leave no one behind marker” which identifies 18 priority individuals/groups targeted during project implementation (as shown in figure 2 below).<sup>12</sup> The groups include: people living in rural areas; persons negatively affected by armed conflict or violence; internally displaced persons; people living in multidimensional poverty; women; youth; persons affected by natural disasters; refugees; unemployed persons; and persons with disabilities.

**Figure 2. Project-targeted groups: leave no one behind in LDCs**



30. The UNDP strategy on poverty eradication will be guided by the organization’s comparative advantage, experience, expertise and priorities, expanding from a pro-poor focus to an inclusive approach to development. In line with the Strategic Plan, UNDP is developing a common narrative for poverty eradication based on main drivers, while acknowledging that

<sup>12</sup>. The figure is based on UNDP calculations from the leave no one behind marker based on country project data (in turn based on number of project outputs) as of February 2019.

areas of interventions will be specific to each country context. This will be informed by the challenges that are common and unique to LDCs. The “leave no one behind marker” results will be used to assess if efforts are adequately targeting the most excluded groups. While poverty measurement is a strength of UNDP, the narrative on poverty reduction must emphasize the economics and political economy of poverty and how UNDP efforts can be an effective instrument for Governments to change the determinants of poverty.

31. A subset of key priority areas of the UNDP strategy to tackle poverty, where UNDP will retain in-house technical expertise, is outlined below. Additional planned actions to strengthen UNDP programming impact and results are identified in the annex.

*Multidimensional measures of poverty and inequality*

32. Given the changing and multidisciplinary nature of poverty, poverty measurements and other areas of thought leadership have long been a top priority for UNDP and will continue to be so. UNDP will strengthen its leadership in multidimensional poverty measurement by investing in applied research, promoting partnerships and catalysing multi-stakeholder dialogues, including with civil society and the private sector. Since 2008, UNDP has been investing in the Multidimensional Poverty Index with the Oxford Poverty and Human Development Initiative. At the country level, UNDP will support the adoption, development, estimation, application and use of national multidimensional poverty indices.

33. UNDP has long pioneered the human development concept to push the understanding of development beyond a mere measure of income to reflect people’s ability to live the lives they value. There is need for an analytical framework that interprets inequality trends within the broader economic and political transformations, and provides policy and programmatic options. In this context, the 2019 Human Development Report will focus on inequality in human development, going beyond income and averages. UNDP has a partnership with the World Inequality Lab to develop inequality measurements across countries and over time.

34. Increasing wealth and income at the bottom quintiles, as well as increasing access to non-income opportunities and achieving greater equality of outcomes, requires knowing who are the poor and deprived, where they live and what barriers they face in accessing opportunities and capacities. UNDP will work with a cohort of countries, in particular LDCs, to develop comprehensive road maps for leaving no one behind, to address poverty, inequality and discrimination. These include tools to provide insights into the reasons for multidimensional deprivations such as household poverty and vulnerability assessments, Poverty Risk Analysis Tool, participatory poverty assessments and big data tools; and tools that help to measure the potential distributional impact of policy reforms and include poverty and social impact assessments and integrated poverty-environment assessments.

35. Under the umbrella of the UNDS, UNDP is collaborating on the development of a framework and tools for leaving no one behind to enable United Nations country teams to put this into practice.

*Sustainable Development Goal-based planning, budgeting and financing for development*

36. UNDP will continue to support LDCs with capacity-building and tools for prioritized SDG-based planning, budgeting, financing for development, monitoring and evaluation, including developing the capacities of provincial and local governments.

37. UNDP will support countries in developing holistic financing strategies for the Sustainable Development Goals through development finance assessments. UNDP is working with ministries of finance in 12 LDCs (including Bangladesh, Malawi, Nepal and United Republic of Tanzania).

*Inclusive growth and income generation*

38. Current patterns of economic growth have not been capable of the transformative change required to meet the Goals. Without structural transformation in the pattern of growth, rising inequalities and exclusion may well prevail, and unless systems that build resilience to protect economies and societies against crises are forthcoming, millions of vulnerable households may slide



right back into poverty, and without sustaining the environment, economic growth itself may be compromised.

39. UNDP will work with countries to achieve inclusive and sustainable growth and promote green jobs and sustainable livelihoods by creating enabling conditions that help people to contribute to and benefit from economic growth with minimal impact on the environment. This includes interventions to access financial and non-financial assets to build productive capacities and promote inclusive local economic development.

40. For instance, UNDP will build on its longstanding work on value chains and supplier development to facilitate the creation of sustainable value chains for renewable energy, agribusiness, nature-based economy and extractive industries with potential to expand productive capacities and reduce poverty in LDCs. These efforts will aim to generate high added-value differentiated products, create decent jobs, include women and youth, and foster sustainable and circular production patterns. UNDP work on value chains will leverage the experience and networks developed through the green commodity platform and its aid-for-trade portfolio.

41. Together with the United Nations Capital Development Fund (UNCDF), UNDP will support LDCs to identify a range of market-based tools and instruments such as inclusive business development and financial inclusion programmes to ensure that low-income individuals gain access to financial services. UNDP and UNCDF have successfully deployed expertise and innovative financing models in over 30 LDCs that directly address poverty at the local level, where development challenges are greatest and financial flows scarcest.

#### *Effective governance for poverty eradication*

42. Inclusive and participatory policymaking, strong institutions and governance processes and systems are required for sustainable poverty reduction and reaching those left farthest behind. At the same time, reducing barriers and multidimensional vulnerabilities that keep people in poverty or push them back into poverty allows people to participate meaningfully in governance at all levels. UNDP work on governance is not limited to the normative aspect but also aims to improve effectiveness. Improving the effectiveness of governance is a precondition for the eradication of poverty and achieving the Sustainable Development Goals in any context.

43. UNDP works to enhance political participation processes across countries and to expand access of marginalized groups to services and decision-making arenas. Effective democratic governance systems and institutions help to ensure transparency, accountability and inclusion in decision-making processes that affect the equitable allocation and management of resources and services. UNDP will support building effective state institutions and sound public administration that are required to promote local economic development and provide essential public services while ensuring the prioritization of those most at risk of being left behind.

44. There is a strong focus on creating the conditions for expanded public and private financing for the Goals and on ensuring the availability of resources for poverty eradication through effective anti-corruption institutions and processes. The incorporation of accountability mechanisms into governance systems and institutions will help ensure the appropriate distribution and quality of basic public services.

#### *Gender equality*

45. The UNDP commitment to mainstreaming gender in its poverty eradication agenda is clear. The UNDP gender equality strategy, 2018–2021 includes a comprehensive analysis of entry points to ensure that UNDP support for eradicating poverty in all its forms and dimensions focuses specifically on gender inequalities that keep women in poverty. The strategy delineates how UNDP will work across the outcomes of the Strategic Plan. It outlines five priorities under signature solution 6 to address systemic barriers to gender equality: removing structural barriers to women's economic empowerment; reducing women's disproportionate burden of unpaid work; preventing and responding to gender-based violence; promoting women's participation and

leadership in all forms of decision-making; and strengthening gender-responsive strategies in crises (conflicts and disaster) prevention, preparedness and recovery.

46. The strategy also calls for gender equality and opportunities to be created for women to contribute to and participate in sustainable livelihoods. This includes a new programme on inclusive and equitable local development, undertaken in collaboration with UNCDF and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), that unlocks bottlenecks to women's participation in the labour market. The programme works with local governments to build their capacities on gender-responsive economic policy and identify, together with local stakeholders, practical and innovative solutions.

#### *Youth empowerment*

47. The lack of employment opportunities for youth (those under age 25) presents a major global challenge. Young people are much less likely to be employed than adults. They face deep structural barriers, often linked to gaps in education and inequality of opportunities. The global youth unemployment rate stands at 13 per cent, or three times higher than the adult rate of 4.3 per cent.<sup>13</sup> The challenge is particularly acute in North Africa, where almost 30 per cent of young people in the labour market are without a job.<sup>14</sup> In the Arab States, the youth unemployment rate stands at 27.5 per cent.<sup>15</sup> Extreme working poverty remains widespread. Sub-Saharan Africa is home to the highest youth working poverty rate, with nearly 67 per cent of young workers living in poverty in 2017.<sup>16</sup>

48. UNDP has prioritized youth empowerment in its work at all levels through the adoption of a corporate youth strategy in 2014, the 2016–2020 youth global programme and support for Youth 2030: The United Nations Strategy on Youth. From 2014 to 2017, UNDP implemented more than 600 projects and programmes relevant to youth empowerment. Learning from the evaluation, UNDP will focus on scaling up its initiatives.

49. UNDP is collaborating with the United Nations Children's Fund (UNICEF) (Generation Unlimited) and International Labour Organization (ILO) (Decent Jobs for Youth Initiative) and will partner with other relevant United Nations entities, the private sector and stakeholders to build on successful youth programmes that may accelerate youth-driven solutions through platforms and events. The UNDP global programme on youth ("Youth-GPS") provides support for civic engagement, political participation, economic empowerment, Sustainable Development Goal implementation and resilience-building. UNDP is also successfully implementing three regional programmes: Youth Co:Lab in the Asia-Pacific region; Youth Connekt in Africa, which is being scaled up to various countries; and the Arab States youth leadership programme.

#### *Climate change adaptation and mitigation*

50. Climate change has direct implications for poverty reduction and sustainable development around the world. Without rapid and inclusive development that integrates climate action, climate change is expected to drive an additional 100 million people into poverty.<sup>17</sup>

51. UNDP work on energy and climate change mitigation is aimed at supporting Governments in advancing their national development plans in line with their Sustainable Development Goal 7 and nationally determined contribution (NDC) targets. Sustainable energy accelerates progress towards several Goals, including poverty eradication. Reliable clean energy eliminates the indoor air pollution that causes 4.3 million deaths annually, reduces household labour for girls and women and is an engine for businesses and economic development, particularly small businesses. UNDP works with partners to create an investment environment that enables deployment of innovative renewable and energy-

<sup>13</sup> ILO, World Employment and Social Outlook, Geneva, 2018. Available at [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_615594.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_615594.pdf).

<sup>14</sup> Ibid.

<sup>15</sup> UNDP, Human Development Indices and Indicators, 2018. Available at [http://hdr.undp.org/sites/default/files/2018\\_human\\_development\\_statistical\\_update.pdf](http://hdr.undp.org/sites/default/files/2018_human_development_statistical_update.pdf).

<sup>16</sup> ILO, World Employment and Social Outlook.

efficient technologies and solutions, and which attracts the volumes of public and private financing required to advance energy-related goals and targets.

52. The UNDP adaptation portfolio assists LDCs in tackling multidimensional poverty by promoting diversified and climate-resilient livelihoods; improving productivities and incomes; enabling jobs and economic opportunities; safeguarding infrastructure, assets and ecosystems; and enhancing safety, well-being and health, food and water security. UNDP is scaling up adaptation through:

(a) Building the resilience of the world's cities to help them tackle urban poverty through an integrated approach encompassing planning and governance, energy systems, infrastructure and ecosystems, and local economic development;

(b) Advancing nature-based solutions including the protection and restoration of ecosystems as well as agriculture, food and water systems to strengthen climate resilience;

(c) Building country capacities to pursue risk-informed development focusing on policies, plans and investments that enhance the adaptive capacities of the poor;

(d) Catalysing public and private sector finance and markets to mobilize adaptation action that promotes livelihoods and economic opportunities through access to climate-resilient technologies, risk and financial instruments, and partnerships.

#### *Humanitarian-development-peace nexus*

53. UNDP work on bridging the humanitarian-development divide is grounded within its work on the humanitarian-development-peace nexus, operationalized through the New Way of Working approach. Recognizing common goals and optimizing the resources and capabilities of key partners, the approach was devised to better respond to interlinked humanitarian-development-peace challenges, particularly in countries facing protracted crises, most of which are categorized as LDCs, and achieve prioritized Sustainable Development Goals and targets.

54. The New Way of Working is an integrated approach that identifies and agrees on the root causes of crises; the articulation of joint solutions towards agreed results; support for transformative capacities, particularly for national authorities, to effect real and long-lasting change; and sourcing of long-term and sustained development financing to ensure that agreed targets and collective outcomes can be successfully completed. Through the humanitarian-development-peace nexus and the New Way of Working approach, UNDP works to bridge the humanitarian-development divide within the United Nations system and with government and other key national and international partners.

#### **The how: Deploying services and meeting countries' needs**

55. The varied types, and overlapping nature, of poverty drivers require that UNDP change its modus operandi and play an integrator role at the local and country levels. UNDP will: (a) strengthen existing and new partnerships across the UNDS; (b) convene multi-stakeholder initiatives on transboundary issues; (c) increase innovation across country teams; (d) develop a strategic communication approach; (e) help countries to deliver and access development finance; (f) develop integrated approaches in collaboration with United Nations organizations and partners, including civil society and the private sector; and (g) deepen South-South cooperation and sharing of lessons, expertise and knowledge from the global South.

56. The next-generation UNDP has a critical role to play with its strong country presence, technical skills, integrator role, country platforms and acceleration labs. UNDP is investing in critical areas to nurture a cadre of experts capable of applying systems thinking across development practice areas. Such an approach is critical for addressing multidimensional poverty and inequality.

#### *Supporting capacity-building and knowledge sharing*

57. The Global Policy Network rolled out in 2019 is the central mechanism for responding quickly to countries' needs by identifying the best UNDP technical expertise across country, regional and global teams. The network will provide effective responses to the complex development challenges countries face in achieving the Sustainable Development Goals and responding to

crises in an integrated and coherent manner. The Global Policy Network is powered by: (a) the UNDP integrated signature solutions; (b) a comprehensive capacity-mapping database of competencies and experience of the UNDP global workforce; (c) country support platforms and acceleration labs aimed at connecting partners to identify locally sourced solutions at scale; and (d) a network of thematic experts and practitioners collaborating and sharing solutions, knowledge and lessons through communities of practice, structured along the signature solutions.

58. Internally, UNDP will leverage the Global Policy Network and its recently launched community of practice on poverty and inequality—its largest knowledge network, with a growing membership of over 3,000—to drive its renewed offer, share knowledge and build a solid foundation of in-depth technical expertise across country, regions and global teams.

*Promoting innovation and local solutions*

59. UNDP will capitalize on a network of 60 acceleration labs, including a cohort of 25 labs in LDCs, to introduce experimentation into policymaking and public innovation. Creating a network of country accelerator labs (operating within the existing country office structure) offers a unique opportunity to test new approaches for addressing complex development issues and to identify and develop locally sourced solutions and to expand the set of solutions available.

*Private sector engagement*

60. UNDP recognizes that LDCs remain heavily dependent on official development assistance and have difficulties mobilizing domestic resources for development and attracting sustained private investment in their economies. The challenge for LDCs is how to harness the opportunities presented by a more diverse and sophisticated development financing landscape, and to do so in ways that maximize sustainable development benefits, build capacity and minimize the risk of debt distress. Notwithstanding the opportunities presented, LDCs will need to strengthen domestic revenue mobilization, and use the resources more efficiently.

61. UNDP has established a Finance Sector Hub to build a network of finance expertise to equip Governments with the best advice and services on how to mobilize innovative financing for the Sustainable Development Goals at the national level, as well as attract regional and global capital flows. The hub includes new and innovative partnerships with companies, climate finance, nature-based financing, the “SDG Impact” initiative, the Insurance Development Forum, Islamic financing, Tax Inspectors Without Borders, the development finance assessment framework and a new private sector development and engagement strategy. The forthcoming UNDP private sector strategy seeks, in partnership with governments, civil society and businesses, to make markets work for the Goals with an emphasis on the inclusion of poor and marginalized communities.

*Leveraging partnerships, including South-South cooperation*

62. UNDP is working with Governments, United Nations agencies and international financial institutions (IFIs) to leverage development financing, expertise and advocacy for the Sustainable Development Goals and greater development impact. A key complement to the poverty eradication offer is to leverage partnerships with specialized agencies and other partners within and beyond the UNDS. UNDP is working with UNICEF, the United Nations Population Fund (UNFPA) and UN-Women to implement the common chapter of their strategic plans, including drawing on the added value of the four organizations to address poverty eradication.

63. The UNDP Strategic Plan, 2018–2021 highlights South-South and triangular cooperation as an essential instrument to support implementation of the 2030 Agenda. UNDP will continue fostering an enabling environment at the country and regional levels for South-South cooperation and helping to exchange development solutions.

64. Overall, UNDP will use the evaluation’s conclusions and recommendations to inform and strengthen the future direction of the organization’s focus on poverty eradication. The management response encompasses practical, time-bound key actions which build on ongoing work and are informed by consultations with Member States and IEO.



**Annex. Key evaluation recommendations and UNDP management response**

<p><b>Recommendation 1.</b>  <b>UNDP should consider a more consistent engagement in a set of poverty reduction subthemes. While engaging different types of programme support, UNDP country programmes should make a distinction between demand-driven services and programmatic engagement, with adequate emphasis on the latter.</b></p>				
<p><b>Management response:</b>                  UNDP appreciates the complexity of developing a consolidated offer on poverty eradication that can meet the needs of a diverse set of countries such as the LDCs. For UNDP, programming and prioritization on the ground are primarily informed by countries’ demands and directly guided by their national development plans, the 2030 Agenda and the principle of leaving no one behind.<sup>17</sup> Regional and country programmes are always based on comprehensive context analysis, the comparative advantages of UNDP and robust theories of change and are in alignment with the Strategic Plan and the 2030 Agenda.</p>				
Key action(s)	Time frame	Responsible unit(s)	Tracking	
			Status	Comments
1.1 Develop a common narrative to support poverty eradication efforts in LDCs, including guidance, good practices and tools to promote integrated, inclusive policy approaches that better balance environmental concerns with socioeconomic and political priorities	December 2019	Bureau for Policy and Programme Support Regional bureaux Country offices		
1.2 Support LDCs with capacity-building and tools for prioritized Sustainable Development Goal-based planning, budgeting and financing for development, data and statistics for robust monitoring and evaluation, including capacity development of provincial and local governments in Goal-based planning and budgeting	December 2021	Bureau for Policy and Programme Support Regional bureaux Country offices		
1.3 Undertake an analysis of multidimensional poverty eradication areas to be prioritized for medium- to long-term engagement for the preparation of UNDAFs and Common Country Assessments in LDCs, to enable country offices to incorporate substantive programmatic engagement in future programmes with potential for scaling-up	December 2019	Bureau for Policy and Programme Support Regional bureaux		
<p><b>Recommendation 2.</b>  <b>UNDP should better define for government counterparts the poverty reduction areas where it intends to stake out a strong technical support role and detail the substantive tools and solutions it can provide for sustainable income generation and livelihoods.</b></p>				
<p><b>Management response:</b>                  Signature solution 1, keeping people out of poverty, addresses interconnected social, economic and environmental challenges faced by the poor and vulnerable by focusing on determinants of both exiting poverty and falling back into poverty. Sustainable development pathways, inclusive markets, aid for trade, extractive</p>				

<sup>17</sup> For Africa, the African Union Agenda 2063 is also considered.



industries and building institutional and national capacities all contribute to these objectives. Chapter V of the management response highlights areas where UNDP expects to play a strong technical support role.				
2.1 Tailored innovative and integrated solutions on poverty eradication developed and applied to LDCs through acceleration labs	December 2021	Bureau for Policy and Programme Support Regional bureaux Country offices		
2.2 Support the development of a “leave no one behind” framework and tools to help United Nations Country Teams implement said framework	December 2021	Bureau for Policy and Programme Support Regional bureaux Country offices		
2.3 Advance thought leadership on frontier development issues critical for addressing poverty and inequality	December 2021	Bureau for Policy and Programme Support Human Development Report Office Regional bureaux Country offices		
<b>Recommendation 3.</b> <b>UNDP should demonstrate global leadership in the development and use of multidimensional poverty indices.</b>				
<b>Management response:</b> The Human Development Reports were first published in the late 1980s when it became clear that progress was not defined by income growth alone, but by the ability of people to live the lives they value. Going forward, UNDP will continue to forge closer collaboration with the United Nations system and other partners to strengthen the capacities of national statistical institutions to implement, monitor, track and report on Sustainable Development Goal achievement. For example, UNDP is working with UNICEF and the World Bank to jointly support monitoring and reporting of Goal indicator 1.2.2 on national multidimensional poverty. UNDP has also entered into a series of partnerships with leading institutions to address poverty and inequality.				
3.1 Roll out the multidimensional poverty index methodology, including a national handbook on multidimensional poverty indices to improve the capacities of LDCs	December 2021	Human Development Report Office Bureau for Policy and Programme Support		
3.2 Develop guidance for a new generation of Human Development Reports, which is aligned with the 2030 Agenda	December 2019	Human Development Report Office Regional bureaux Country offices		
3.3 Leverage the community of practice on poverty and inequality to develop capacities required and facilitate training on multidimensional poverty and inequality measures	June 2020	Bureau for Policy and Programme Support Regional bureaux Country offices		

<b>Recommendation 4.</b>				
<b>UNDP should increase the pace and thrust of its support to private sector development and impact investment in LDCs. Given the structural constraints in harnessing market opportunities, innovative private sector finance tools should be improvised and promoted in LDC contexts.</b>				
<b>Management response:</b>				
The forthcoming UNDP private sector development and partnerships strategy will drive progress on three strategic priorities: unlocking private finance for the Sustainable Development Goals, aligning business strategies and operations with the Goals and developing policies that foster a green and inclusive economy. The strategy will deploy service offers in areas such as sustainable value chains and inclusive business, gender equality in markets, municipal finance and financial inclusion, and closing the energy gap, which will be tailored to country contexts and advanced in line with the UNDAF and country support platforms.				
4.1 Support the deployment of the “SDG Impact” platform’s tools, products and services, and leverage innovative financing and partnership solutions to mobilize private capital for implementing the Goals	December 2021	Bureau for Policy and Programme Support Finance Hub Regional bureaux Country offices		
4.2 In collaboration with UNCDF, roll out a package of services to support private sector development in LDCs based on the new private sector development and partnership Strategy	December 2021	Bureau for Policy and Programme Support Regional bureaux Country offices Finance Hub		
4.3 Launch a global value-chain initiative to accelerate innovative technological solutions focused on increasing productivity and value chains, and access to markets and financial products/financing from the private sector for farmers/rural entrepreneurs/small and medium-sized enterprises	December 2019	Finance Hub Bureau for Policy and Programme Support Regional bureaux Country offices		
<b>Recommendation 5.</b>				
<b>Further emphasis is needed to enable linkages between UNDP community-level sustainable livelihood programmes and rural poverty alleviation policies in LDCs. While fulfilling respective funding stream commitments, synergies between various sustainable livelihood interventions under the Global Environment Facility (GEF) and Green Climate Fund in the country programmes need to be strengthened. UNDP should take measures to leverage this important area of its work to better inform government policies and programmes.</b>				
<b>Management response:</b>				
UNDP recognizes the importance of strengthening its poverty and environmental approaches to sustainable livelihoods, as enshrined in the Strategic Plan. The linkages across the vertical funds and other aspects of the UNDP poverty portfolio will also benefit from the integrated thinking that underpins the Global Policy Network. UNDP acknowledges that the governing instrument of the vertical funds calls for resources to contribute to the Sustainable Development Goals, thus providing a foundation for better integration with the UNDP poverty eradication focus. UNDP will seek to leverage the support of the vertical funds for sustainable livelihoods and rural development to advance progress in poverty eradication, through the integration of programming results into development plans and strategies at the national and subnational levels.				



5.1	Strengthen the assessment and mapping of the contribution of the UNDP vertical fund portfolio to poverty alleviation using the UNDP results-oriented annual reports and other existing tools	December 2019	Bureau for Policy and Programme Support-GEF		
5.2	In at least 20 LDCs, explicitly track alignment and linkages of vertical programming to national poverty reduction efforts and policies, to identify and build synergies between environmental and poverty actions	December 2021	Bureau for Policy and Programme Support-GEF Regional bureaux Country offices		
<b>Recommendation 6.</b>					
<b>Bridging the humanitarian and development divide for more sustainable poverty reduction should be systematically pursued in crisis and post-crisis contexts. UNDP should also pay sufficient attention to intersecting vulnerabilities that reverse poverty reduction outcomes.</b>					
<b>Management response:</b>					
UNDP recognizes that the root causes of many crises lie in endemic acute poverty for which there needs to be a concurrent coordinated and multi-faceted response. UNDP works closely with humanitarian, peace and national partners to jointly identify medium-term collective outcomes that have an impact on protracted humanitarian challenges including poverty indicators. This important area of work is reflected in the creation of the new Global Policy Network, which brings together the organization's development and crisis capacities. UNDP, along with the Office for the Coordination of Humanitarian Affairs, also provides joint secretariat support to the Joint Steering Committee to Advance Humanitarian and Development Collaboration, chaired by the Deputy Secretary-General, and for which the Administrator and the Emergency Relief Coordinator serve as vice-chairs.					
6.1	Contribute and lead on policy development and guidance for the humanitarian-development-peace nexus and the New Way of Working approach, particularly related to the mandate and the Sustainable Development Goals	December 2019	Crisis Bureau Regional bureaux Country offices		
6.2	Increase advocacy, including through events, with Governments, to increase domestic investment and international development assistance in fragile and crisis-affected LDCs to better finance humanitarian-development-peace nexus challenges in countries	December 2021	Crisis Bureau Regional bureaux Country offices		
6.3	Co-lead the field testing of the United Nations common guidance on resilience for joint approaches across humanitarian, development and peacebuilding efforts	June 2020	Crisis Bureau Regional bureaux Country offices United Nations agencies		
<b>Recommendation 7.</b>					
<b>Partnerships for poverty reduction at the global and country levels should be pursued as a strategic programming option. UNDP should expand promising partnerships with United Nations and other development agencies that substantively and practically enhance its poverty-related programming in LDCs, especially to scale up pilot and community-level initiatives.</b>					

<b>Management response:</b>				
UNDP will capitalize on its existing partnerships at the country, regional and global levels to deliver an integrated package of poverty solutions which are country-relevant. Along with ILO, UNFPA, UNICEF and the World Food Programme, UNDP is a core founding member of the Joint Fund for the 2030 Agenda, an inter-agency pooled funding mechanism to support the acceleration of Sustainable Development Goal achievement at the country level. UNDP has been collaborating with UNEP in the Poverty-Environment Initiative and the Partnership for Action on Green Economy to provide an integrated approach to exploring the relationship between poverty and the environment, with an emphasis on LDCs. IFIs are also important partners for UNDP, which is currently working with 15 institutions. Following the launch of the new United Nations-World Bank Strategic Partnership Framework for the 2030 Agenda in May 2018, UNDP and the World Bank are partnering on several joint initiatives.				
7.1 Deepen and expand partnerships with leading academic networks and world-class experts on the measurement and analysis of poverty and inequality (see also recommendation 3)	December 2020	Bureau for Policy and Programme Support Country offices		
7.2 Leverage existing and new corporate initiatives supporting Sustainable Development Goal integration to source policy expertise more systematically and effectively from across the United Nations system and other partners to meet the needs of LDCs by capitalizing on the country acceleration labs	December 2019	Bureau for Policy and Programme Support Regional bureaux Country offices		
<b>Recommendation 8.</b>				
<b>UNDP should pay further attention to strengthening gender-responsive poverty reduction policy processes. There is a need for more dedicated resources and commitment to gender equality and women's empowerment in the LDCs.</b>				
<b>Management response:</b>				
The gender equality strategy, 2018–2021 will help UNDP to ensure that its support for eradicating poverty includes a focus on gender inequality. New programming guidance has been developed to support countries in crises to better integrate gender equality into their programming by focusing on how to prevent and respond to gender-based violence ; promote participation and leadership of women and women's organizations in conflict prevention and recovery; promote transformative livelihoods and economic recovery to advance gender equality; ensure women's access to justice, security and human rights; keep gender equality at the core of disaster risk reduction and recovery; enhance women's agency in peace processes and political institutions; and transform Governments to deliver for women. This is complemented by regional initiatives, such as the gender equality and women's empowerment regional project in Africa that supports countries facing humanitarian crises and natural disasters, and country-level initiatives like the Gender Equality Seal through which UNDP is building country office capacities in gender-sensitive programming and partnerships for poverty eradication.				
8.1 Roll out the programme on inclusive and equitable local development in LDCs with a focus on investments for women's economic empowerment	December 2021	Bureau for Policy and Programme Support Regional bureaux Country offices UNCDF UN-Women		
8.2 Roll out guidance on gender and recovery and strengthen programming in crises and recovery contexts through a gender lens	December 2021	Bureau for Policy and Programme Support Regional bureaux Country offices		

8.3 Strengthen gender in climate action through support to NDC strategies and actions	December 2021	Bureau for Policy and Programme Support Regional bureaux Country offices		
<b>Recommendation 9.</b> <b>UNDP should take steps to enhance its programming on youth employment and empowerment.</b>				
<b>Management response:</b> UNDP is committed to scaling up its programming on youth employment and empowerment. Its focus is to facilitate youth engagement in areas of economic, social and political activities, and to enhance institutional capacities (public and private) to interact with and create conditions for youth empowerment and employment for poverty reduction. UNDP is currently successfully implementing three regional programmes (Youth Co:Lab in Asia and the Pacific, Youth Connekt in Africa and the Arab States regional youth leadership programme), which it will continue to build on.				
9.1 Scale up regional initiatives that promote entrepreneurship, empowerment and civic participation to create an enabling ecosystem for youth leadership and entrepreneurship	December 2021	Bureau for Policy and Programme Support Regional bureaux Country offices		
9.2 In partnership with ILO, the International Telecommunications Union and UNCDF, support digital innovation initiatives for the economic empowerment of youth	December 2019	Bureau for Policy and Programme Support Regional bureaux Country offices		
9.3 Support youth participation and contribution in country accelerator labs in LDCs	December 2021	Regional bureaux Country offices Bureau for Policy and Programme Support		