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Evaluation

Evaluation of the UNDP Strategic Plan, 2022–2025

Summary

The Independent Evaluation Office assessed the UNDP Strategic Plan, 2022-2025, evaluating the most significant changes shaped by its vision and influence on the strategic positioning of UNDP amidst United Nations development system reform and a changing global development landscape. The evaluation focused on the "directions of change" of the Strategic Plan – structural transformation, leaving no one behind, and building resilience – alongside strategic enablers: digitalization, innovation, and sustainable finance, as well as key efforts to enhance organizational efficiency and effectiveness.

The Strategic Plan reinforced the role of UNDP as a key government partner, leveraging its global presence, governance expertise, and integrated approaches to promote human development and address complex development challenges. Refining its governance value proposition presents an opportunity to enhance clarity, strengthen stakeholder confidence, and align priorities. The organization made considerable strides in structural transformation through inclusive, green, and digital transitions, while also enhancing resilience within the humanitarian-development-peace nexus. It deepened its commitment to leaving no one behind, fostering more inclusive programming. Digitalization, innovation, and sustainable finance played a crucial role in driving transformative change. While committed to systems change through integrated solutions, UNDP faced constraints due to operational challenges, fragmented funding, and limitations in the availability of technical expertise. Dependence on non-core funding and misalignment between funding and business models, constrained the ability of UNDP to achieve systemic transformational change in the evolving financial landscape.

Elements of a decision

The Executive Board may wish to: (a) take note of the report; and (b) urge UNDP management to address the issues raised.

Contents

I. Introduction

Overview

1. The evaluation of the UNDP Strategic Plan, 2022-2025, examined the most significant positive and negative changes resulting from the strategic vision of UNDP, the implementation of the plan, and its impact on the strategic position of UNDP. It assessed the role of the organization within the ongoing reform of the United Nations development system and the UNDP response to a rapidly evolving global development landscape. The evaluation does not aim to capture the full scope of UNDP results over the period. Rather, in line with the core intent of the 'most significant change' methodology, it focuses on assessing the progress and success of the key trajectories of the Strategic Plan – those that it set in motion, developed and advanced over the period of assessment.

2. The evaluation examined how the Strategic Plan shaped structural transformation for sustainable development. It explored UNDP efforts to drive green, inclusive, and digital transitions, fostering more equitable economic systems while strengthening institutional resilience to withstand and respond to crises, conflicts, and economic shocks. A central focus of the Strategy was its commitment to 'leaving no one behind'. The evaluation assessed the extent to which it supported a rights-based approach and ensured inclusion, empowerment, and equitable access to essential services for marginalized populations. The evaluation considered the degree to which the emphasis of the Strategic Plan on equality, equity, and non-discrimination translated into meaningful change. Beyond external impact, the evaluation looked inward, reviewing the internal cultural shift of UNDP towards transformational change. It examined how deeply continuous learning and adaptation were embedded into operations, particularly through the strategic enablers – strategic innovation, development financing, and digitalization – which influenced both development outcomes and internal processes. Finally, the evaluation assessed the extent to which the vision of the Strategic Plan shaped the UNDP operational environment, considering its effects on organizational efficiency and effectiveness in a rapidly evolving global landscape.

3. This evaluation is part of the multi-year evaluation plan of the Independent Evaluation Office. The scope of the evaluation covered the period January 2020 to September 2024, extending its scope to include the final two years of the previous Strategic Plan. The evaluation focused on systemic shifts and learning culture development around the principles and direction outlined in the Strategic Plan, avoiding duplication with the midterm review and the business model review, both undertaken in 2024. The findings were drawn from stakeholder consultations, comparative studies, and qualitative and quantitative analysis, highlighting key achievements, challenges, and recommendations for future strategic growth. The conclusions and recommendations were structured using an analytical framework, balancing historical legacies, present pressures, and future opportunities to inform the next Strategic Plan, 2026-2029.

Context

4. The Strategic Plan, 2022-2025, was crafted against a backdrop of rising economic, environmental, and political uncertainties, including the tail end of the COVID-19 pandemic, enduring and aggravating climate crises, geopolitical tensions, and financial instability. These challenges intensified poverty and inequality across the world and threatened progress towards the Sustainable Development Goals. Resources were redirected towards immediate humanitarian needs, straining long-term development goals. At the same time public demand for inclusive, digital, and green transitions grew, alongside investments in renewable energy and innovative financial mechanisms. This environment underscored the need for a transformative, systems-thinking approach to achieving sustainable human development.

5. UNDP responded by refining its strategy to better align with the evolving global context and the 2030 Agenda for Sustainable Development, while navigating United Nations development system reforms and fostering integrated development. Central to the shift was the adoption of systems-thinking and integration approaches to address interconnected challenges holistically. The directions of change reflected the shift, promoting transformative goals applicable to all countries, regardless of their development status, and embedding strategic enablers into core strategic approaches. To enhance operational efficiency and effectiveness, UNDP prioritized organizational agility and centralized services, adapted human resource policies and implemented new enterprise resource planning systems. In addition,

UNDP also reinforced its anticipatory capabilities to further integrate strategic foresight into its approaches.

II. Key findings: strategic positioning

6.   The evaluation offered valuable insights into the strategic positioning of UNDP, providing a clear understanding of its effectiveness and coherence in navigating the complex global development landscape.

Value proposition, comparative strengths, and clarity of offer

7.   UNDP capitalized on the flexibility of its Strategic Plan, its global reach, broad mandate, and specialized expertise in governance to drive integrated development solutions. Sustainable finance emerged as a comparative strength during the assessment period. The absence of a clearer focus on its recognized strengths compromised the thematic distinctiveness of UNDP relative to other United Nations organizations. This was further affected by limited capabilities in key growth areas and the pursuit of diverse funding opportunities, which diluted its clarity of purpose and value proposition.

8.   UNDP governance work, particularly in advancing human development, environmental sustainability, and inequality reduction, emerged as a recognized niche. Its broad mandate allowed flexibility, but risked distracting from its core competencies.

Systems thinking and the UNDP integrator function

9.   The Strategic Plan demonstrated a growing commitment to integration and systems thinking. However, as UNDP began to focus more on implementing those concepts against the backdrop of United Nations development system reform, the UNDP integrator function remained unclear, limiting the potential of the organization.

10.   UNDP aimed to strengthen its approach, focusing on its existing comparative advantages while exploring new opportunities and meeting emerging needs. The transition from a resident coordinator role to an integrator function in the framework of the 2030 Agenda for Sustainable Development represented a significant shift.

11.   The integrator function of UNDP showed potential to support countries in implementing the 2030 Agenda, though achieving effective inter-agency collaboration remained a challenge. Stakeholders acknowledged the need for clearer mechanisms to leverage the integrative role of UNDP while ensuring alignment with United Nations development system objectives.

Financial lens and funding model

12.   The decline in flexible (core) funding limited the flexibility and ability of UNDP to allocate resources effectively in pursuit of the Strategic Plan's vision.

13.   Increased reliance on earmarked funding constrained the ability of UNDP to pursue long-term, mission-driven objectives.

14.   The development landscape has become ever more crowded, with new actors emerging in governance, sustainable development finance, and digital transformation. Although UNDP remained credible and relevant, it faced competition from specialized agencies and the private sector, making it harder for the organization to maintain leadership in all focus areas.

III. Key findings: directions of change

15.   The Strategic Plan was framed around three transformative 'directions of change': structural transformations, leaving no one behind, and building resilience. The directions were designed to address interconnected challenges and enable long-term sustainable development.

Structural transformation

16. The advancement of a systems approach, integrating inclusive, green, and digital transitions across all development settings, was the most significant change driving structural transformation during the period.

17. The most significant changes in inclusive transitions included shaping inclusive policies, supporting micro, small and medium-sized enterprises, and creating jobs for people from marginalized groups. Limited availability of technical expertise in certain areas, particularly at the country level, and a narrow focus on systems change, constrained broader, more scalable results.

18. Green transitions saw most significant changes, with the integration of biodiversity conservation, expanded access to just energy transition, advancement of climate security agreements, and promotion of nature-based solutions to support marginalized communities. Integration efforts were not always consistently aligned with the wishes of stakeholders, who often preferred sectoral planning and investment, limiting their influence on green growth and fossil-fuel dependency reduction.

19. Digital transitions expanded access to digital services and improved government functions, health care, and economic opportunities that fostered more inclusive digital economies. Subsequent steps towards enhancing digitalization, such as addressing emerging issues in data security and privacy, governance, and inter-operability, were not always taken. This contributed to limiting the adoption of broader user-centred e-services and trust in digital solutions.

20. A major hurdle challenging the full achievement of UNDP objectives was a lack of available technical expertise in some countries. Further, a degree of fragmentation in sectoral planning weakened the integration of green growth strategies, reducing their overall impact. It was difficult to maintain trust in digital transformation efforts when some approaches were inconsistent. The evaluation recognized the need for strengthened regulatory frameworks and institutional capacity-building.

Building resilience

21. The shift towards addressing complex structural risks, crises, and socio-economic shocks in all development settings – regardless of the level of fragility – was the most significant change in building resilience during this Strategic Plan period. It enhanced the understanding of risk management as a systemic component of development, leveraging the UNDP global presence and local solutions while expanding focus on regional and global resilience issues, including cross-border conflicts, the climate crisis, and pandemics.

22. UNDP improved the alignment of its crisis response with long-term development, emphasizing inclusive stabilization efforts to advance the human-development-peace nexus, foster trust, and strengthen the foundations of the social contract. The ability of UNDP to 'stay and deliver' during crises highlighted its strategic role in sustaining development efforts where others might retreat.

23. The alignment of green transition initiatives with structural transformation, characterized by intensified integration of climate security into national development plans, regional agendas and global frameworks – alongside successful efforts in advancing climate finance – marked the most significant changes.

24. UNDP played a pivotal role in strengthening health resilience during and after the COVID-19 pandemic by leveraging longstanding partnerships; experience with Global Fund programme implementation; operational adaptability and digital transformation to ensure the continuity of essential services; and response to emerging needs. Health resilience was challenged by issues of supply-chain management capacity, including operational overlaps, underscoring the challenge and opportunity of systems thinking and integration.

25. UNDP advanced its crisis response and resilience-building efforts by strengthening the humanitarian-development-peace nexus, ensuring that emergency interventions were aligned with long-term development objectives. A key achievement was the integration of climate security considerations into national development plans, regional strategies, and global frameworks. This enabled a systemic and coordinated approach to addressing environmental threats. In the health sector, UNDP leveraged strategic partnerships, including with the Global Fund, and harnessed digital solutions to reinforce health systems

during and beyond the COVID-19 pandemic, ensuring the continuity of essential services. UNDP also promoted cross-border and regional stability by addressing climate-induced migration, socio-economic shocks, and local conflicts through scalable, locally driven solutions supported by its global presence.

26.   These achievements were attained despite fragmented funding and short-term project approaches that limited the ability of UNDP to address root causes and leverage synergies across its resilience interventions. Reconciling the priorities of States and extractive industries with global climate goals, and ensuring that nature-based solutions received adequate climate finance support, proved more difficult.

Leaving no one behind

27.   Work in this area is challenging in the best of scenarios, and particularly so where government resistance and entrenched societal norms obstruct progress. The most significant change in leaving no one behind[1] was its elevation to a "direction of change" in the Strategic Plan, fostering more equitable and inclusive programme designs and yielding benefits for targeted populations in need. UNDP contributed to advancing equal rights and development benefits for all – an important signal given widening inequalities globally. With a targeted focus on systems change, UNDP contributed to advancing the 'leaving no one behind' principle by strengthening access to more inclusive justice institutions and health systems and empowering marginalized communities to challenge discrimination.

28.   Promoting equality was a strength of the leaving no one behind work of UNDP, while efforts to advance equity and non-discrimination were less successful. While some progress was made in data disaggregation, opportunities remain to address gaps in measuring outcomes. UNDP remained a leader within the United Nations system on leaving no one behind, but the momentum to integrate the principle waned.

29.   UNDP advanced equitable service access, strengthened governance, and promoted gender and social inclusion. Expanded social protection, renewable energy, justice, and health systems benefited vulnerable populations, while a deepened human rights-based approach fostered inclusive governance and addressed systemic inequalities. Targeted interventions supported women and disadvantaged groups, though gender-responsive programming remains inconsistently applied.

30.   Over time, work on leaving no one behind suffered from insufficient guidance, incentives and resources, limiting its potential to effectively address the root causes of inequality and discrimination. While leaving no one behind work was treated as 'everybody's business', incomplete operationalization and a lack of clarity around accountability for outcomes made it 'nobody's business'.

31.   The ability of UNDP to scale leaving no one behind initiatives faced barriers, including funding constraints, legal identity registration challenges, and limited digital financial access, disproportionately affecting marginalized groups. Weak gender-sensitive budgeting and policy coherence further limited long-term gender equality gains.

IV.   Key findings: strategic enablers

32.   The Strategic Plan envisioned UNDP as a transformative partner, fostering a culture that embraces complexity, manages risk, adapts, and seeks learning while delivering results. Its three strategic enablers – strategic innovation, development financing, and digitalization – were central to the culture shift to strengthen internal capacity.

Enablers of change

33.   The three UNDP enablers were essential for maintaining relevance amidst evolving contexts, and prominently supported the directions of change. The innovation and digital enablers were refined to address macro challenges faced by countries, while the sustainable development finance enabler advanced policy discussions on the urgency of financing the Sustainable Development Goals at national and global levels. All the enablers faced challenges in transitioning from assessment to effective delivery and achieving concrete results at scale.

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[1] See https://unsceb.org/sites/default/files/imported_files/CEB%20equality%20framework-A4-web-rev3_0.pdf.

Strategic innovation

34. The accelerator labs – part of a pivotal investment in innovation – were established in 2019 to foster local experimentation, which they did. Their sustainability is challenged by weak integration into country-level programming and uncertain funding for the future. Recognizing those issues, UNDP shifted its innovation approach from isolated projects to a portfolio-based systems model to address interrelated root causes. Given the early stage of this approach, there is little evidence to indicate whether it is succeeding.

Digitalization

35. The COVID-19 pandemic accelerated digital transformation as a strategic priority. UNDP deployed a digitalization strategy and digital readiness assessments to enhance governance and service delivery. Progress in data governance, cybersecurity, and artificial intelligence positioned UNDP as a leader in digital public goods. However, digital capacity gaps, particularly in low-income and fragile contexts, hindered scaling efforts.

Sustainable development finance

36. UNDP played a key role in addressing shifts in official development assistance structures and focus, and the Sustainable Development Goals financing gap, through innovative mechanisms such as thematic bonds. Engagement in global forums, including the Group of 20 and the 29th Conference of the Parties Framework Convention on Climate Change, strengthened its policy influence. However, equal, broad and sustained sustainable development finance technical advice across country offices was not possible due to insufficient funding and technical support, limiting targeted focus on potential areas of engagement and impact.

Learning culture

37. The UNDP strategic enablers fostered a culture of experimentation and learning within the organization by promoting systems thinking, innovation, digitalization, and leveraging sustainable finance. While the enablers enhanced country office engagement with partners on emerging approaches and technologies, efforts to support continuous learning and adaptation were nascent and limited in scale.

Balancing the 'exploitation' of existing strengths with the 'exploration' of future opportunities

38. A significant change in promoting transformational change through the implementation of the Strategic Plan was the successful balancing of the 'exploitation' of existing strengths with the 'exploration' of future opportunities. Seed funding played a crucial role in initiating and incentivizing this approach. However, the integration of resulting new structures remained incomplete, and viable funding alternatives continued to pose challenges.

V. Key findings: organizational efficiency and effectiveness

Operational modernization and challenges

39. UNDP underwent operational improvements that introduced necessary changes and benefits, reinforcing its role as a responsive partner and a transparent operational backbone for resident coordinators' offices and other United Nations organizations.

40. The transition to a new enterprise resource planning system, Quantum, was designed to improve risk management, compliance, and data-driven decision-making. While it improved financial oversight and standardization in the long term, temporary inefficiencies occurred due to insufficient training, resistance to change, and delays in addressing implementation issues.

41. Operational service clustering, introduced in 2005 with the establishment of the Global Shared Service Centre in 2012, improved compliance and data integrity, reducing finance audit recommendations and cutting payroll costs. However, procedural guidance and a lack of clarity in the changing processes, as well as funding constraints to the Centre, led to delays, frustrations, and reduced service flexibility, reducing the ability of UNDP to respond in a timely manner to internal and external requests for support.

42. The centralization of cost recovery mechanisms sought to enhance transparency in resource allocation and ensure financial sustainability. However, it also introduced rigidity, posing challenges in operational service delivery and causing budget shortfalls that affected programme implementation. Underfunding of critical service units such as the Global Shared Services Centre led to reliance on temporary funding solutions, increasing operational unpredictability.

43. The introduction of personnel service agreement contracts marked positive significant changes in human resources. However, the benefits of those measures, aimed at enhancing the capacity of UNDP to deliver on the Strategic Plan, were limited by the use of such contracts for 'staff positions' rather than for short term 'service of limited duration', leading to personnel retention challenges, the perception of inequities, and insufficient career development opportunities.

44. UNDP struggles to measure and report on its impact, in large part due to its complex, multidimensional human development goals, short strategic planning cycles, and the difficulty of attributing long-term societal changes in multi-partner initiatives. While efforts under the Strategic Plan – including the ongoing revision of the results-based management strategy and data systems improvements – have laid the groundwork, systemic barriers persist. These include fragmented results and resource frameworks, a lack of culture and systems to facilitate impact measurement, resource gaps, and reliance on anecdotal evidence. As a result, the consistent integration of impact evaluation into programme design and monitoring remains limited, reducing the ability of UNDP to demonstrate measurable impact.

VI. Conclusions

45. *Strategic positioning*. **Supported by the flexible and integrated vision of its Strategic Plan, UNDP remained a vital partner for governments, strategically positioned to address complex development challenges and advance the collaborative advantages of the United Nations system.**

46. Its broad global presence, trusted partnerships with governments and vertical funds, and distinct expertise in governance positioned UNDP as a key partner in driving transformative solutions to systemic challenges. Its leadership in integrating sustainable development, poverty reduction, governance expertise and, more recently, sustainable development finance, highlighted its ability to address interconnected global priorities, aligning economic frameworks with human development and environmental sustainability. A testament to this role is the long-standing UNDP commitment to South-South and triangular cooperation, with country offices implementing nearly 50 per cent of the projects supported by South-South trust funds managed by the United Nations Office for South-South Cooperation. By leveraging its convening power, UNDP continued to demonstrate its role as a catalyst for collaboration, fostering partnerships across themes and stakeholders to promote cross-sectoral integrated development solutions. Its systems-oriented approach allowed UNDP to address complex challenges, underscoring its relevance. In an increasingly polarized global landscape, where multilateralism faced growing pressures, progress towards achieving the Sustainable Development Goals lagged, and resources were diverted towards humanitarian aid, the UNDP strengths in governance, poverty reduction, inequality and environmental issues, and crisis resilience became even more essential. These capabilities, together with its partnerships with the United Nations Volunteers programme and the United Nations Capital Development Fund, reinforced the ability of UNDP to support various types of resilience measures, foster inclusive, green and digital structural transformation, and advance systemic change, ensuring its continued role as a central actor in the global development agenda.

47. *Value proposition*. **Governance continued to be the most recognized and distinct strength of UNDP. However, its value proposition became less clear due to increasing priorities and opportunities, which diluted the focus of the Strategic Plan on this core area. UNDP faced challenges in clearly defining its evolving role in governance, leaving stakeholders uncertain about how governance aligned with and supported the wider UNDP agenda.**

48. The broad governance expertise of UNDP stood out as its most distinctive strength. With its global reach, access and trust of governments and understanding of local contexts, UNDP developed solutions that were both relevant and scalable. While not always immediately apparent, it was through the integration of governance into inclusive, green and digital transitions, as well as resilience-building efforts

in health, climate action, disaster risk reduction, conflict resolution, stabilization and social cohesion, and within the humanitarian-development-peace nexus, that UNDP most effectively tackled the interconnected challenges of the Sustainable Development Goals. Beyond delivering services, UNDP convened stakeholders, influenced policy frameworks, and catalysed institutional reforms, strengthening capacities and fostering long-term sustainability. This ability to align governance with human development and environmental priorities through national, regional and global frameworks, while promoting cross-sector collaboration and systems-oriented approaches, reinforced the position of UNDP as a trusted leader in systemic reforms and governance innovation.

49.   Challenges persisted in explaining governance as both a vertical and horizontal approach and as a central focus of UNDP work. Its value proposition on governance, including climate governance and health governance, was not sufficiently clear. Efforts by the organization to expand its thematic reach as part of defining its future niche (for example, towards development finance and digitalization) created perceived competing priorities and opportunities that sometimes diluted its emphasis on governance. The reliance on non-core funding constrained operations, influenced priorities, and limited the ability to establish long-term strategic directions. This ambiguity led to the perception that the broad mandate of UNDP overlapped with that of other United Nations organizations, complicating collaboration and reducing clarity of the UNDP integrator function. The expansion into emerging thematic areas overshadowed the strength of UNDP in combining integrated governance solutions across its broader approach. In addition, a global context of declining trust in governments, multilateralism and increasing polarization made it doubly difficult for UNDP to attract core funding. UNDP also faced difficulties in updating governance strategies in need of modernization to align with current realities, such as ethics in artificial intelligence, digital transformation, the global climate crisis, and evolving geopolitical dynamics. These limitations challenged its ability to leverage its strengths in governance and systems change to meet the demands of the 2030 Agenda and the changing global context.

50.   *Integration and systems thinking*. **UNDP demonstrated an increasing commitment to integration and systems thinking in its Strategic Plan design and implementation to advance Sustainable Development Goals. However, it encountered significant challenges in operationalizing and embedding these approaches more broadly.**

51.   The broad mandate, global presence, and trusted partnerships of UNDP positioned it as a leader in promoting integration and systems thinking essential for advancing the Sustainable Development Goals. Responding to the context and the desire of donor and partner countries to address complex development challenges with modern approaches, UNDP systems orientation effectively aligned diverse efforts to address interconnected global challenges. Its focus on integrating directions of change across all development contexts demonstrated its improved ability to interconnect sectors, stimulate cross-disciplinary collaboration, and promote transformative change. Its resilience in navigating United Nations development system reform – including as a platform of the United Nations development system providing an integrator function in support of countries striving to implement the 2030 Agenda – underscored its strategic value. In many instances, UNDP facilitated inter-agency and collaborative solutions to address multidimensional development challenges. The capacity of UNDP to connect diverse stakeholders, and operationalize complex strategies, reinforced its pivotal capacity to drive integration and systemic change in an increasingly interconnected development landscape.

52.   A lack of clarity in distinguishing between integration and systems thinking, however, led to confusion and limited support to effective systems change since, depending on the context, those approaches were not always suitable. Many initiatives, including the signature solutions, inadvertently reinforced silos and fragmented funding. Gaps in technical expertise, funding models, and stakeholder buy-in constrained the ability of UNDP to fully implement systems-oriented solutions. Misalignment with national and partners' timing, and a preference by many partners for sectoral approaches, hindered integration frameworks and systemic approaches. Similarly, the integrator function of UNDP within the United Nations development system was underutilized. Institutional tools and capacities, particularly at the country level, as well as the absence of more adequate tools and funding models, further limited the capacity of UNDP to embed systems thinking in a timely manner or, when appropriate, drive cross-sectoral integration.

53. *Financial constraints.* **UNDP demonstrated flexibility and ingenuity in navigating financial constraints and leveraging existing funding mechanisms, though progress in diversifying funding sources was limited. The funding model of UNDP challenged its capacity to maintain strategic flexibility, implement integrated solutions, and promote systems-oriented transformative change.**

54. UNDP effectively leveraged existing funding mechanisms to sustain critical development work in a challenging financial landscape. As a long-standing partner, it continued to implement significant contributions from such sources as the Global Fund, the Green Climate Fund, and the Global Environment Facility, demonstrating its trustworthiness, global relevance, and capacity to address thematic challenges, including climate resilience and biodiversity conservation. Through efforts to diversify funding streams and strengthen partnerships with programme country governments, emerging donors and the private sector, UNDP worked proactively to mitigate reliance on declining traditional core funding. These efforts enabled the organization to maintain strategic relevance and partnerships to deliver development solutions across diverse contexts, despite an increasingly competitive financial environment.

55. Nevertheless, the UNDP funding model continued to undermine its ability to achieve the long-term, transformative goals outlined in its Strategic Plan. The decline in core funding, which stagnated at around 11 per cent of total resources, and the increasing reliance on earmarked, non-core funding, constrained the organization's strategic flexibility and autonomy, hindering its capacity to implement integrated and systemic solutions essential for sustainable development. The absence of a clear link between resource allocation and strategic programmatic results, combined with outdated funding allocation criteria – based on income and population metrics instead of human development indicators, for example – constrained efforts to combat inequality and inequities, particularly in middle-income countries.

56. *Structural transformation.* **Efforts towards structural transformation, guided by the integrated approach of UNDP to inclusive, green, and digital transitions, led to many positive results for people and the planet while advancing integrated solutions and reinforcing the core mandate of the organization.**

57. The inclusion of structural transformation in the Strategic Plan as a direction of change for all development contexts marked a critical evolution in the UNDP framework, allowing the organization to address interconnected global challenges through a more global, unified and multidimensional integrated approach to inclusive, green, and digital transitions, advancing systems change. Among the key results achieved by UNDP for people and the planet, the evaluation observed: shaping more inclusive policies; supporting micro, small and medium-sized enterprises; creating jobs for people from marginalized groups (inclusive transitions); integrating biodiversity conservation; expanding access to a just energy transition; advancing climate security agreements; promoting inclusive nature-based solutions to support marginalized communities (green transitions); expanding access to digital services; and improving government functions, healthcare, and economic opportunities that fostered more inclusive digital economies (digital transitions).

58. The COVID-19 pandemic highlighted the need for integrated solutions, demonstrating the capacity of UNDP to address immediate crises while promoting environmental sustainability, economic growth, and social equity. Through its Strategic Plan, UNDP enabled countries to adopt innovative approaches aligned with the Sustainable Development Goals, leveraging its global presence, technical expertise, and operational flexibility. While most efforts were limited to integration across two sectors, rather than fully systemic approaches, the strategic focus on structural transformation increasingly incorporated theories of change, sense-making and other approaches, improving the understanding of the root causes of development challenges and seizing opportunities for inclusive, green and digital transitions.

59. *Building resilience.* **UNDP leveraged its global presence and unique position within the humanitarian-development-peace nexus to bridge immediate crises and stability. This was enabled by a focus on long-term inclusivity, social cohesion and sustainability while also advancing health and climate resilience at local, regional, and global levels.**

60. The resilience-building efforts of UNDP demonstrated its strategic value in addressing both national crises and complex global challenges by leveraging its operational flexibility, governance expertise, global reach, and leadership in sustainable finance. It connected local stabilization efforts with the broader humanitarian-development-peace nexus and long-term development in crisis settings, addressing

immediate needs while fostering trust, inclusivity, and social cohesion – distinguishing it from specialized humanitarian or peacebuilding organizations. Its ability to 'stay and deliver' in crises, even in the most challenging contexts, underscored its critical role in sustaining development where others retreated. UNDP initiatives extended beyond subnational and national contexts, encompassing regional agendas to promote social cohesion in mitigating conflicts, and connections to global forums that advanced sustainable finance to address the climate crisis and progress towards the Sustainable Development Goals. The UNDP integration of resilience with climate goals, renewable energy, and inclusive development showcased its systems thinking and unique convening power, leadership and integration ability to bridge immediate crises with long-term sustainability efforts. Its capacity to foster multi-stakeholder collaboration and leverage innovative financing reinforced its thought leadership in advancing resilience on a global scale. Its health and Global Fund portfolio in crisis and complex settings played a key role in bridging immediate health-related crises, reinforcing the humanitarian-development-peace nexus.

61.   *Leaving no one behind.* **Elevating the leaving no one behind principle to a direction of change signalled a strong organizational commitment to fostering a culture of change towards more inclusive programming. However, momentum has waned due to unclear accountability for leaving no one behind leadership and insufficient integration of intersectionality into programmatic approaches.**

62.   The commitment of UNDP to reaching left-behind populations was central to its efforts in poverty eradication, reducing inequalities and ensuring inclusive access to essential services, including in crisis settings. Through its upstream work, UNDP advanced equal rights and development benefits for all by leveraging its contextualized, data-driven approach to help governments identify who is left behind. However, translating its commitment into equity-focused programming under the 'reaching the furthest behind first' principle yielded disappointing results, with positive results primarily in established areas such as health and access to justice. While efforts to scale service accessibility showed progress, systemic barriers such as discrimination, entrenched cultural norms, and power imbalances – were insufficiently addressed. The challenges were compounded by limited civil society partnerships and insufficient resources to ensure lasting impact. While UNDP made strides in conceptual clarity around leaving no one behind and the application of intersectionality, operational guidance to support programmes remained insufficient. Additionally, unclear accountability within the organization for leadership and guidance on leaving no one behind/reaching the furthest behind first undermined implementation, leading to a loss of momentum.

63.   *Enablers.* **The UNDP strategic enablers, along with investments in futures and foresight, accelerated progress towards the directions of change and helped nurture a futures-thinking and learning-oriented culture. However, the reach of the enablers was restricted due to limited capabilities, understanding, and resources, as well as cost-recovery challenges, which affected the ability of UNDP to deploy technical advice in support of some country offices and partners.**

64.   The strategic enablers of the Strategic Plan advanced the ability of UNDP to address complex, multidimensional development challenges by integrating into its operations elements of experimentation, innovation, systems thinking, horizon scanning, digital tools, and sustainable finance. These initiatives fostered a futures-thinking and learning-oriented culture, advanced global policy discussions, and strengthened national capabilities to respond to challenges such as climate change and digital inequalities. Through leadership in sustainable finance, UNDP established itself as a trusted partner in advancing the Sustainable Development Goals, leveraging its global presence and convening power to develop impactful solutions to public finance. Sustainable finance, as well as digitalization efforts, proved promising in fostering new approaches to country support, bolstered by seed-funding and strong leadership commitment. While still evolving, investments in innovations through the accelerator labs and beyond, and in staff expertise in systems thinking, futures and foresight, further enabled the directions of change.

65.   The strategic enablers faced notable operational challenges, however, constraining their scalability and sustainability. The drivers of those limitations included fragmented funding, inadequate resources, and a lack of specialist expertise. Initiatives such as the accelerator labs struggled with inconsistent integration into broader programming structures and lack of clarity on funding for their sustainability. Disparities in the deployment of support, particularly in low-income and fragile states, limited the

equitable application of the enablers. Embedding the vision of the enablers within the decentralized UNDP structure progressed more slowly than anticipated due to cost recovery challenges and insufficient capabilities to address expanded country-level demands, especially for advanced sustainable finance support.

66. *Organizational efficiency and effectiveness*. **The Strategic Plan introduced operational changes to enhance organizational efficiency and effectiveness, and to sustain the organization as a responsive partner to nations and the United Nations system. Challenges persisted, however, including delays in integrating the new enterprise resource planning system, Quantum, prolonged recruitment processes, inefficiencies with clustering of services, and the use of the new short-term personnel services agreement contracts for longer-term needs, leading to perceived inequities. Fragmented cost recovery mechanisms and limitations in the business model further constrained UNDP.**

67. Initiatives such as the transition to Quantum, service clustering, and centralized cost recovery reflected efforts to modernize operations in line with business standards to standardize processes, improve compliance, and enable data-driven decision-making. Quantum advanced risk management and operational optimization, while service clustering reduced payroll costs and audit recommendations, benefiting both UNDP and its partner organizations. The COVID-19 pandemic further showcased its agility, with centralized procurement processes ensuring timely and cost-effective delivery of essential supplies. Diversity, equity, and inclusion initiatives further promoted gender parity and, to a lesser extent, geographic diversity, while new personnel services agreement contracts increased workforce flexibility, demonstrating the adaptability of UNDP to evolving global demands.

68. Those efforts were not without challenges. Delays in Quantum's integration issues arising from the correct use of personnel services agreement contracts, and fragmented cost recovery mechanisms constrained the ability of UNDP to fully align resources with its Strategic Plan objectives. The underfunding of critical service units, including the Global Shared Services Centre, affected operational responsiveness. Further, UNDP efforts to balance centralization of operational services with the specific needs of country offices revealed significant and enduring tensions between efficiency gains, timeliness of services, and flexibility. Despite hurdles, the commitment of UNDP to continuous improvement and adaptability remains evident, as exemplified by its ongoing business model review.

69. *Impact measurement*. **Ongoing work to refine the results-based management strategy of UNDP demonstrated its commitment to enhancing impact measurement and aligning efforts towards achieving the Sustainable Development Goals and global priorities. However, fragmented approaches to results tracking and performance data management hampered its ability to demonstrate impact. Without adequate impact measurement, it remains unclear which initiatives are driving progress in UNDP and which require recalibration.**

70. UNDP is refining its results-based management strategy, emphasizing impact measurement and the promotion of integrated solutions through a portfolio approach. This marks a critical shift from traditional output monitoring towards capturing contributions to broader development outcomes so as to align the monitoring framework with actual impact. The draft strategy reflects the commitment of UNDP to adapting to the complexities of multidimensional development goals and advancing a 'futures-smart' organizational vision.

71. Nevertheless, the operationalization of results-based management and impact measurement efforts continued to be limited by capacity and resources, fragmented monitoring systems, and a reliance on anecdotal evidence rather than robust data, undermining the credibility of UNDP reported results and impact. Efforts were complicated by the multidimensional nature of UNDP goals, the qualitative focus of many outcomes, and the difficulty of attributing long-term societal changes to initiatives involving multiple partners. Further, the detachment of the draft strategy from the resource realities of country offices, and its limited alignment with programme design to adequately measure impact, constrains its ability to offer more practical approaches to credible impact measurement. Advancing impact measurement based on a Strategic Plan of only a few years has been challenging, as impact requires long-term horizons and investment. The short duration of Strategic Plans limited timelines, hindering rigorous data collection and analysis of long-term outcomes necessary for a more comprehensive assessment of impact.

VII. Recommendations

Recommendation 1. Elevate human development through governance as the UNDP catalyst for systemic change and a central organization contribution to the United Nations development system.

72.   UNDP should clarify and simplify its value proposition, positioning itself within the multilateral system as an ecosystem catalyst, leveraging governance through human development, with poverty and inequality as its core comparative advantages to address complex, intersectional development challenges. Governance should be elevated from a signature solution to a foundational pillar aligned with human development, driving key UNDP strengths in areas such as poverty reduction, leaving no one behind, environmental sustainability, and development in crisis. This repositioning requires UNDP to evolve its understanding of governance and adapt its offerings to keep pace with shifting contexts and contemporary challenges, adapting to political resistance and funding constraints, and providing strategic thought leadership aligned with current realities. Governance in its broader sense – including support for safeguarding the planet and reducing inequalities – should be institutionalized as a central pathway for systemic change and a core component of the UNDP value proposition. That approach should apply across all areas of work, positioning governance as a stabilizing force of prevention and support during crises, while reinforcing the role of UNDP within the humanitarian-development-peace nexus to foster long-term social cohesion. UNDP should strengthen its leadership in governing sustainable finance to address the global climate crisis and manage technological risks and opportunities.

Recommendation 2. Continue to enhance systems thinking and integration capabilities across UNDP, including with streamlined and practical approaches as appropriate, supported by adequate and allocated human and financial resources, as well as tools, mechanisms, and good practices.

73.   UNDP should strengthen systems-thinking capabilities while adopting streamlined, practical approaches to enhance understanding, funding, and partner buy-in. Development is inherently political, requiring time, resources, and strong collaboration to shift from sectoral approaches to systemic change. While systems thinking offers value, not all support to partners can or should fully rely on systems or integrated approaches. A realistic strategy involves clarifying when to prioritize systems-thinking efforts where these can deliver the greatest impact, considering existing resources, partner buy-in and capacity constraints. A context-sensitive approach, aligned with varying capacities and priorities of partners and country offices, is essential. This requires targeted support through adequate human and financial resources, practical tools, and proven practices, enabling UNDP to strategically navigate political constraints when leveraging systems thinking, to achieve meaningful development outcomes without overextending its capacity.

Recommendation 3. Strengthen the UNDP business model by clarifying its value proposition and aligning resources with strategic priorities.

74.   The present UNDP funding structure and business model limit its ability to fulfil its strategic ambitions. UNDP should integrate its business model with a clearer value proposition, emphasizing strengths such as global presence, governance expertise, systems-oriented solutions, and operational services. These are the key attributes that distinguish UNDP as a leader in addressing complex, multidimensional development challenges. To support that effort, UNDP should refine its resource mobilization strategy to better align funding efforts with its core strengths and strategic priorities, ensuring that contributions directly support systemic and transformative outcomes. That shift requires moving from simply showcasing achievements to building a compelling case for impact, thereby enhancing donor confidence and investment. Updating resource allocation formulas is equally essential to achieving strategic distribution of resources, particularly in contexts marked by multidimensional poverty and inequality. UNDP should work with the Executive Board to update those formulas, ensuring that core areas of work are adequately protected and resource fragmentation is minimized.

75.   UNDP should engage more countries in contributing core funding and monitor emerging donor trends and geopolitical shifts to inform future resource mobilization efforts and strengthen financial resilience. While the 'bilateralization' of aid is beyond UNDP control, it can provide corporate guidance and incentives to country offices to reduce reliance on short-term funding and delivery quotas. Country

offices and partners should be further empowered to align resources with their theories of change and programmatic priorities. Where non-core funding is necessary, UNDP should expand funding windows for flexible earmarking and support integrated, systemic solutions aligned with the Strategic Plan. There is an opportunity to increase participation in managing national funds with developing countries. To capitalize on such opportunities, UNDP must deliver strong financial performance, alongside high-quality technical assistance aligned with national development priorities.

Recommendation 4. Enhance the ability of UNDP to support countries in leveraging sustainable development finance, including private capital, to overcome barriers that slow and prevent achievement of the Sustainable Development Goals.

76. To accelerate progress towards achievement of the Goals, UNDP should enhance its capabilities on sustainable development finance, particularly at the country level, equipping staff with the expertise to help nations effectively leverage and align resources toward the "$1 trillion moon shot". This will require further rationalizing the diversity of UNDP offers, approaches and finance tools supported by clear theories of change for how stakeholders are contributing to mobilizing more resources for the Goals. Real impact, though, goes beyond resource mobilization: addressing deep-rooted challenges and driving meaningful change requires not only financial resources but also strong governance, effective incentives, and strategic disincentives with policy support and its enforcement. Capacity-building and institutional strengthening initiatives should be prioritized across all regions, to strengthen domestic resource mobilization, align tax policies with Goals-related priorities, and support Goals-focused budgeting. UNDP can thus empower countries to generate and allocate resources more effectively for sustainable development. Recognizing the unique financing constraints of least developed countries and small island developing States, UNDP should establish tailored support systems, to provide targeted assistance and foster cross-regional, South-South and triangular cooperation and knowledge-sharing.

Recommendation 5. Leverage the broad mandate and global presence of UNDP to elevate regional and global thought leadership on structural transformation and resilience-building with focus on transnational challenges.

77. By leveraging its broad mandate and global presence, UNDP can further legitimize its role in 'development in crises' and the humanitarian-development-peace nexus, while strengthening structural transformation and resilience for human development. The approach should prioritize effective governance to foster regional social cohesion, addressing interconnected challenges such as climate resilience, digital security, and pandemic risk. Integrating governance with inclusive, green, and digital transitions is essential to tackling crises within the humanitarian-development-peace nexus and responding to regional and global priorities, including migration and social cohesion. This integrated focus will strengthen the positioning of UNDP as a leader in sustainable finance for resilience-building, enabling it to expand its impact beyond local crises and address transnational challenges. Getting ahead of risk will require enhanced integration with governance and alignment with regional and global capacities, reinforcing the UNDP niche in advancing human development through coordinated and systemic approaches.

78. To enable integrated solutions for long-term structural transformation and resilience, UNDP must address a key barrier: fragmented funding caused by unclear guidance on implementing systems change. Resources should be focused on areas where UNDP delivers the most value while promoting innovation through integrated solutions, avoiding the dispersion of efforts across too many activities. Clear resource management practices are essential to prevent fragmentation and reduce competition between teams with different thematic expertise, such as governance and climate experts working on resilience, or poverty and digital inclusion experts working on leaving no one behind portfolios.

Recommendation 6. Establish clear accountability mechanisms and dedicated budgets, and embed leaving no one behind in UNDP governance structures, while strengthening its capabilities for addressing intersectionality.

79. UNDP should revitalize and consolidate its approach to leaving no one behind by developing a clear road map that advances beyond mainstreaming to address intersectional vulnerabilities and systemic barriers such as cultural norms and power imbalances. This should include a stronger institutional architecture, with clear accountabilities and a firm commitment to addressing discrimination. The

emphasis should shift to long-term structural transformation, ensuring the sustainability of efforts aimed at marginalized groups while reinforcing the link between governance and leaving no one behind/reaching the furthest behind first.

80. Formal accountability mechanisms, including clear budgets and work plans, should make leaving no one behind a measurable and ongoing priority across offices. As part of the road map, UNDP should refine its approach to inclusive governance and social protection systems, focusing on addressing the root causes of marginalization. By continuously measuring progress and adapting strategies, UNDP should ensure that leaving no one behind remains central to its current and future development agenda.

Recommendation 7. Strengthen the strategic enablers as mechanisms for accelerating development, focusing on areas that offer greatest potential for development gains and learning for systems change.

81. UNDP should enhance the strategic enablers as cross-cutting tools, institutionalizing their integration into programmes that emphasize adaptive, systemic solutions for sustainable development. UNDP should clearly articulate how each enabler can accelerate development and environmental outcomes in specific contexts. This will help programmes to focus on identifying actionable steps for implementation and results, with a clearer understanding of partner roles, motivations, incentives and realistic time frames. Differentiated resource allocation or cost recovery models tailored to the distinct contexts of least developed countries, small island developing States, and middle-income countries must be considered to ensure more equitable application of the enablers across low-income, fragile, and conflict-affected States. Enablers must be adapted to address foundational needs, recognizing that resource and capacity constraints in different countries may limit immediate use of advanced systems and capacities. Strengthening partnerships to promote South-South and triangular cooperation will further facilitate knowledge exchange and capacity-building across diverse contexts.

Recommendation 8. Implement an integrated operations strategy for the organization-wide improvement of efficiency and effectiveness.

82. Building on the tools and policies in place, UNDP should develop a comprehensive strategy to unify key initiatives – such as People for 2030, digitalization, clustering of operational services, the budgeting process, and revised cost recovery models – into an integrated operations excellence framework. That systemic approach, aligned with the vision of the Strategic Plan, must address underlying causes of operational challenges, implementing cohesive, integrated measures to enhance organizational efficiency and effectiveness.

83. Within this integrated framework, UNDP should continue to address inefficiencies across its operations, including refining persistent challenges in certain functions that have not been effectively centralized despite prolonged efforts. Where centralization has not yielded the desired results, exploring a more decentralized approach could enhance both effectiveness and responsiveness. Fostering open and transparent communication about existing challenges alongside clear plans to address them will be key to strengthening internal trust and reinforcing the UNDP commitment to continuous organizational learning and adaptability.

84. UNDP should work to enhance change management in implementing Quantum by streamlining workflows and improving communication to unify data and foster continuous improvement. UNDP should refine the personnel services agreement contract modality, exploring other contracting options to best address the needs of offices and projects while balancing flexibility. This should be accompanied by more systematic funding and strengthening of talent management across the workforce, regardless of contract type, while ensuring gender and geographic staff diversity.

Recommendation 9. Recognizing that effective decision-making relies on credible impact evaluation, which requires robust and timely impact measurement, UNDP should allocate sufficient human and financial resources to build a comprehensive impact measurement framework. The framework should move beyond accountability, emphasizing continuous learning to accelerate the achievement of the Sustainable Development Goals and advance human development. It should foster a culture that values both success and failure as opportunities for effective decision-making based on impact measurement, credible reporting, and timely evaluation.

85.   UNDP should develop realistic and practical approaches to build a rigorous impact measurement capability, providing clear guidance to measure systems change in key strategic areas. Strengthening this capability will enhance accountability and learning while improving the quality of communication, advocacy, and partner engagement through a clear demonstration of return on investment. This aligns with recommendation 3, which calls for redefining the business model to ensure that funding supports high-impact objectives. The impact measurement framework must balance learning and accountability, ensuring that insights inform strategic decisions and optimize resource allocation. Dedicated resources should be allocated to enhance internal capacities, with mechanisms established that include clear roles and responsibilities across teams, shifting from anecdotal narratives to rigorous impact measurement and reporting methods. Further, better alignment between Independent Evaluation Office evaluations and organizational decision-making processes is essential to measure, assess and report on impact in a timely manner. By integrating evaluation findings into resource allocation, prioritization, and strategic planning in a timely fashion, UNDP can strengthen results-based management practices and ensure that evidence-based insights guide both programme development and organizational learning.

86.   Considering the nature of global development challenges, UNDP should collaborate with its Executive Board, as appropriate, to establish more frequent and transparent reporting on contributions and lessons learned. To ensure rigorous impact measurement, UNDP and the Board should consider extending the Strategic Plan duration to 8-10 years, creating a framework better suited for impact reporting and evaluation. While the current approach aligns with partner organizations, a longer time frame would allow for an independent midterm review in year 4 or 5, gathering sufficient data for impact measurement to inform the subsequent Strategic Plan and ensuring a critical mass of data for meaningful impact analysis. Even if contexts change, as they often do, this approach would provide a better analysis of how UNDP responded to changes in context.

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