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DRAFT REPORT ON THE ANNUAL SESSION  
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Addendum

UNFPA SEGMENT

Chapter III. REPORT OF THE EXECUTIVE DIRECTOR AND PROGRAMME-  
LEVEL ACTIVITIES

A. Report of the Executive Director for 1995

1. In her introduction to the annual report of UNFPA for 1995 (DP/FPA/1996/17 (Part I)), the Executive Director focused on some of the activities, preoccupations and achievements of UNFPA during 1995, which had been a year of change and transition for the Fund. In working to meet the unprecedented challenge posed by the International Conference on Population and Development (ICPD), UNFPA had gone through a period of self-examination. As a result, it had redefined its programme directions, its resource allocation system, its policy guidelines, its programming procedures and a number of its financial and managerial processes in order to take account of the new programme priorities resulting from the Cairo conference and in order to increase its overall programme effectiveness.

2. Through various consultations and in-house brainstorming sessions, UNFPA had sought to deal with a number of key concerns, such as: the implications for UNFPA of the ICPD Programme of Action and of the recommendations of other recent international conferences; the comparative advantage of UNFPA in the population field; how to achieve a better focus for the Fund's assistance, which meant redefining the resource allocation system; how to become the best advocate for sensitive issues, such as those involving the reproductive health of adolescents; the definition of the

Fund's mission for the next 10 years; and the elaboration of methods of collaboration with other organizations both inside and outside the United Nations system. In all those discussions, UNFPA had stressed the utmost importance of accountability and management efficiency and the need to better monitor and evaluate UNFPA-assisted programmes.

3. The Executive Director reviewed the financial and programme highlights of the Fund during 1995, noting in particular the progress made in programme delivery, the substantial three-year decline in carry-forwards, the decline in the percentage of the administrative and programme support services (APSS) budget in relation to income, and the notable increase in resources in terms of both percentage and volume to sub-Saharan Africa. She then stressed the importance of resource mobilization and noted that UNFPA would vigorously pursue a strategy that would seek to convince programme countries and donors to follow up on their ICPD commitments.

4. The past year had been one of intense activity and change for UNFPA, and the Fund had no intention of slowing down. Considerable challenges remained. UNFPA had to strengthen the capacity of its field offices and streamline the relationship between field offices and headquarters. It also had to maintain vigilance to ensure the Fund's accountability, promote national capacity-building and enhance national execution, and improve monitoring, evaluation and audit systems. Above all, UNFPA was fully aware of the need to become more results-oriented and to better demonstrate what had been achieved with UNFPA support.

5. In commenting on the report of the Executive Director for 1995, several delegations stated that the report gave a very good overview of the Fund's activities during the preceding year. They felt that it clearly showed that 1995 had been a very important year for UNFPA in terms of re-orienting the programme in the direction of the ICPD Programme of Action and in training the Fund's staff in that new orientation. One delegation stated that UNFPA activities in terms of revising guidelines and holding seminars and workshops to bring all of the staff "on board" with the new programme priorities had been a wise course in the period immediately following the ICPD and that had been clearly spelled out in the report.

6. However, many delegations felt that the report as presented did not clearly lay out the Fund's strategy for implementing the ICPD and that it was not analytical enough in terms of examining the past year. Others noted that it did not provide an assessment of lessons learned nor did it give concrete examples of results that had been achieved. Several of those delegations noted that they intended that as constructive criticism designed to help UNFPA. In that regard, two of the delegations stated that they considered that the Fund was performing better than any of the other major United Nations programmes.

7. Indeed, several delegations stated that the problems that were perceived with the annual report and with other documentation were really endemic to the United Nations system as a whole: a lack of frankness; an unwillingness to discuss lessons learned in terms of problems and failures encountered; a lack of concrete examples of how programmes were either working or not working. One delegation said that in reading many of the reports one would get the idea that there had never been any failures, which everyone knew was not true. What the Board really wanted to know was

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what had been learned from situations that had not been complete successes.

8. Several delegations said that they felt that of all United Nations agencies and organizations UNFPA was perhaps one of the ones most conducive to change and that the Fund could lead the way by making its reports more open, clearer, more problem-oriented and more analytical.

9. In her reply, the Executive Director agreed with the frank assessment of United Nations reports. She felt that much of it was due to the organizational culture of the United Nations, but that there was no reason why that could not be changed for the better. She said that the UNFPA annual report could be improved but that delegations had to understand that it addressed a lot of sensitive issues, some more sensitive in some countries than others, and that had to be taken into account. She thought it would be possible to be more candid in some of the Fund's other documentation, such as its country programme presentations. She informed delegates that the Fund was adopting a new presentation for its country programmes, which would be used for the first time at the third regular session 1996 of the Executive Board meeting, and she hoped that members would see that they answered many of the concerns expressed in the day's discussions.

10. Several delegations commented on the working of the Executive Board, many stating that they felt that discussions inside the Board should also be more open and frank. Several agreed with the Executive Director when she said that the discussions should be more of an unrehearsed dialogue and a real interchange of ideas rather than the occasion for Governments to present prepared statements. Several delegations also agreed that the discussions should be more focused, with the annual session being devoted to policy questions.

11. The question of assistance to Africa in order to meet its special needs was brought up by several delegations. They noted that UNFPA had made great strides in re-directing its assistance to countries most in need, many of which were in Africa, but that much remained to be done. In that regard, the need for increasing the absorptive capacity of African countries by capacity-building activities was emphasized by many delegations. One delegation pointed out that it was unfair to single out Africa when talking about "problems": that increasing absorptive capacity was a requirement for many countries around the world and that many non-African countries could benefit from the African experience and vice versa.

12. The Executive Director reiterated the Fund's commitment to helping the countries of Africa and its wholehearted endorsement of the United Nations Special Initiative on Africa. She pointed out that the problem was often not a question of absorptive capacity but also of political commitment, and she concurred with the view that the problems were not specific to any one region of the world. The Fund was working to build up national capacity through training of national counterpart staff and by supporting national and local non-governmental organizations (NGOs). The Executive Director mentioned the important role that health reform played in the Special Initiative and stated that UNFPA would be an active and full partner in the reproductive health field.

13. Many delegations expressed satisfaction with the way that UNFPA had been able to incorporate important ICPD themes into its work programme: gender equity and equality and the empowerment of women, male

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responsibility and adolescent reproductive health concerns were among the examples cited by many. Requests were made for more concrete information on how the Fund's new guidelines for implementing the ICPD were actually being utilized. The Executive Director mentioned several areas: (a) she had set up Policy Application Reviews to monitor implementation of guidelines at the country level; (b) resident coordinators had been asked to report on the guidelines for resident coordinators on implementing the ICPD; (c) the review process for all projects and programmes looked at how the substantive guidelines were being applied; and (d) the guidelines for technical support services were being revised to strengthen backstopping.

14. Several delegations commented on financial and budgetary questions, including such questions as the need to harmonize budget presentations by UNFPA, UNDP and UNICEF. The question of carry-forwards of income from one year to the next was raised by several delegations. They noted the positive trend of declining carry-forwards, as highlighted by the Executive Director in her statement, but they emphasized the need to monitor the trend carefully. In her reply, the Executive Director noted the considerable progress that had been made and stated that it was not always possible to control carry-forwards since some income inevitably arrived late in the year and could not be spent until the following year. In any case, she did not want to discourage contributions, whatever time of year they arrived.

15. In relation to the slight decline in the percentage of the budget that was taken up by administrative and programme support service (APSS) costs (from 17 per cent in 1994 to 16 per cent in 1995), the Executive Director said that this was largely a result of the large increase in income between the two years, although obviously she was pleased with the trend. One delegate pointed out that although there was continuing emphasis on reducing administrative costs, this should not become a goal in itself and should not compromise the functioning of the organization. The Executive Director agreed with this statement and stated that all APSS components were being fully implemented.

16. In connection with the Executive Director's announcement that Ms. Kerstin Trone had been appointed to the position of Deputy Executive Director (Programme), several delegations congratulated Ms. Trone on her appointment and noted UNFPA's good record in appointing women to senior- and middle-level management positions. The Executive Director pointed out that 7 out of the 11 senior positions in the Fund were held by women. Several delegations commended UNFPA on its achievement and pointed out that it set a standard to be emulated by other organizations both inside and outside of the United Nations system.

17. Questions were raised by several delegations about UNFPA's cooperation, and division of labour, with the Joint United Nations Programme on AIDS (UNAIDS). The Executive Director said that even though UNAIDS was a very new programme, cooperation between the two agencies had so far been excellent. UNFPA had seconded a staff member to UNAIDS and continued to supply condoms to many national HIV/AIDS prevention programmes in coordination with UNAIDS. In response to another question, the Executive Director said that the majority of the \$20.5 million spent by UNFPA in the area of HIV/AIDS prevention had been in supplying condoms and that amount was only a small portion of the expenditures of the entire United Nations system on HIV/AIDS.

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18. In response to the Executive Director's statement that the new designation of UNFPA Country Directors as UNFPA Representatives had enhanced the performance of the resident coordinator system, several delegations asked for more explicit information on the extent to which that change had been an improvement. The Executive Director stated that the new designation gave UNFPA greater visibility and improved capacity for coordinating population activities. The commitment of UNFPA to the resident coordinator system had also been shown by having the resident coordinator head the Fund's Project Appraisal Committee (PAC) in each country.

19. Several delegations pointed out that the new emphasis following the ICPD on reproductive health, including family planning and sexual health, did not mean that UNFPA should downplay its area of greatest comparative advantage, i.e., population and family planning. One delegation emphasized that UNFPA had to make a firm commitment to stabilizing world population and had to make that its priority. The Executive Director stated that the Fund understood well where its comparative advantage lay and that it was the only United Nations organization providing family planning services. She also said that the best way of stabilizing world population was to implement the ICPD Programme of Action.

20. Similarly, several delegations mentioned that reproductive health was only one of three core programme areas endorsed by the Executive Board in its decision 95/15. However, the other two - advocacy, and population and development strategies - had received comparatively little attention in the annual report for 1995. Several delegations mentioned the crucial role that both of those programme areas had to play. The Executive Director said that the report for 1995 had focused on reproductive health since it was a new concept being introduced into the Fund's work following the ICPD, and, as such, it had necessarily been the focus of much attention during the year, especially in terms of training staff and in re-orienting activities. However, that did not mean that the other two areas were being neglected, and they would be covered in more depth in subsequent annual reports.

21. Several delegations welcomed the Executive Director's explanation in her statement that UNFPA was working with the Administrative Committee on Coordination (ACC) to reclassify its financial and budgetary categories to conform to the three new core programme areas as spelled out in Executive Board decision 95/15. They stressed that this should be carried out in cooperation with other concerned organizations such as the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD). The Executive Director was able to report that that was being done.

22. The fact that UNFPA could not carry out its work effectively without an assured resource base was mentioned by several delegations. They called upon the world's countries to live up to the commitments they had made at the ICPD. They also asked what the Fund was doing to improve its fundraising capabilities and to increase co-financing arrangements through multi-bilateral agreements. The Executive Director noted that the best way to raise more money was to have an effective programme, and she thought that UNFPA did. Of course, fundraising was a major priority for the Fund's staff, which included working out co-financing arrangements. She noted, however, that such arrangements were labour-intensive and created burdens on staff time because of the financial monitoring and reporting

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requirements of the different donors.

23. A number of delegations mentioned that in order to measure the effectiveness of UNFPA programmes it was necessary to have a reliable and comparable set of indicators, or benchmarks, of progress. The Executive Director agreed completely with that view and stated that UNFPA was working in several forums, especially ACC, in developing such indicators. Indeed, the ACC Task Force on Basic Social Services for All, which had been set up by the Secretary-General, was developing a whole range of indicators in different social arenas, led by UNFPA in terms of population and demographic indicators. She agreed with delegations that performance had to be constantly monitored, which required indicators of programme impact.

24. One delegation asked the Executive Director what concrete steps had been taken for greater utilization of NGOs in the execution of UNFPA projects, echoing the concerns of many delegations that greater reliance be placed on NGOs, as called for in the ICPD Programme of Action. Another delegation recalled the vital role that NGOs had to play in increasing community participation. The Executive Director stressed the important role that NGOs had to play in meeting population and reproductive health goals at both national and international levels. One problem, of course, was in finding appropriate NGOs that met UNFPA guidelines. The Fund had revised its criteria for assessing the managerial, financial and substantive capacity of NGOs and was continuing to identify and to help to strengthen appropriate NGOs.

25. Several delegations noted the Board's ongoing concern for better coordination with other United Nations agencies. In that connection, one delegation questioned the multiplication of coordination mechanisms within the United Nations system, which was found to be very confusing and possibly inimical to their avowed purpose. The Executive Director agreed, stating that she had spent 65-67 working days in 1995 on coordination activities and that there had been a proliferation of committees concerned with coordination. The process needed to be streamlined and made more efficient.

26. The need to continue to consolidate projects as a way of reducing administrative expenses was brought up by a number of delegations. The Executive Director reported that the trend in that regard was favourable and that perhaps the Fund should look at a different manner of presentation of the number of projects in the annual report for 1996 in order to make the trend more apparent.

27. One delegation questioned the lack of information on abortion in the annual report, stating that UNFPA had an important role to play not only in promoting family planning as way of reducing the incidence of abortion, but in terms of promoting reproductive health as well, by, for example, dealing with the consequences of unsuccessful abortions. The Executive Director replied that the Fund addressed abortion in the context of paragraph 8.25 of the ICPD Programme of Action.

28. One delegation asked what role UNFPA envisaged for the private sector in meeting the goals of the ICPD. The Executive Director said that in terms of contributions from private business she did not expect that to happen. She reported that she had met with many business leaders at a recent Davos

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Conference and that the next step was to try to convene a meeting of business leaders with a well-known business personality as the chair to consider the involvement of the business community in support of population and development programmes.

29. Several delegations commented that the role of the developing countries at the annual session was much reduced because the meeting was being held in Geneva, while most of the delegations responsible for UNFPA activities were stationed in New York. The result was an unfortunate situation where the voices of the least developed countries, in which the Fund's work would increasingly be concentrated, were the ones least heard at the session. The Executive Director concurred with that view and said that the Fund valued the input from those countries very much.

30. The Executive Board adopted the following decision:

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