



**Executive Board of the
United Nations Development
Programme and of the
United Nations Population Fund**

Distr.: General
2 April 2001

Original: English

Annual session 2001
11-22 June 2001, New York
Item 1 of the provisional agenda
Organizational matters

Report on the first regular session 2001
26 January and 29 January-6 February 2001, New York

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I. Organizational matters

1. The Executive Board elected the following members of the Bureau of the Board for 2001:

President: H. E. Mr. Gert Rosenthal (Guatemala)

Vice President: Mr. Grant Robertson (New Zealand)

Vice President: Mr. Azanaw Tadesse Abreha (Ethiopia)

Vice President: Mr. Le Hoai Trung (Viet Nam)

Vice President: Mr. Volodymyr Krohmal (Ukraine)

2. The Executive Board noted the withdrawal of Comoros and the election by the Economic and Social Council of Djibouti to replace it as member of the Board for 2001-2003.

3. The President cited the three interrelated items that the Executive Board had dealt with during the previous year: the reform of UNDP in the framework of the Business Plans, 2000-2003, submitted by the Administrator; resource mobilization; and the mobilizing of political will among donors as well as programme countries. He recalled that political will existed, as demonstrated at the Ministerial Meeting held in September 2000. It was important to give continuity to those three pillars, and to infuse life into the programme, as well as give direction to UNDP to enable it to comply with its commitments to programme countries. With regard to UNFPA, he wished to welcome Ms. Thoraya Obaid, the new Executive Director. During the year, the Board would take up the review of funding commitments and results-based annual reports for both organizations at the annual session 2001, and the biennial budgets for 2002-2003 for UNDP, UNFPA and the United Nations Office for Project Services (UNOPS) at the second regular session in September 2001. He hoped that in the course of the year there would be an opportunity to focus on the policy guidance role of the Executive Board. He encouraged continuation of the efficiency, transparency and spirit of dialogue that had always been a characteristic of the Board's work.

4. The Secretary of the Board introduced the provisional agenda, annotations, list of documents and work plan for the first regular session 2001, contained in document DP/2001/L.1 and Corr.1. She noted that several corrigenda had been issued: DP/2001/4/Corr.1; DP/CCF/BIH/2/Corr.1; DP/CCF/RUS/2/Corr.1, and DP/CRR/YEM/1/Corr.1 and that the revised UNDP strategic results framework 2000 and the profiles of the new regional bureau directors had been distributed. The conference room paper on options for programming instruments at the country level (DP/2001/CRP.1) had been withdrawn so as not to prejudice the outcome of the United Nations Development Group (UNDG) ad hoc working group on programming processes, which would be reported on at the annual session 2001. There had been no request for separate discussion of any of the country cooperation frameworks as per decision 96/7. An informal meeting on the use of the operational

reserve by UNOPS would be held on 31 January. Another informal would be held on 2 February on evaluation partnership with the World Bank.

5. The Chief, Executive Board Branch, UNFPA, informed the Executive Board that Ms. Thoraya Obaid, the new Executive Director of UNFPA would make her first address to the Board on Monday, 5 February. It would be a look at where UNFPA was today, where it was going and the challenges faced by the organization. He noted that the Coordinating Committee on Health would meet in April 2001.

6. The Executive Board approved the agenda (DP/2001/L.1 and Corr. 1) and the revised work plan as distributed and as orally amended.

7. The Executive Board approved the report of the third regular session 2000 (DP/2001/1).

Annual work plan 2001

8. The Secretary of the Executive Board introduced the annual work plan for 2001 contained in document DP/2001/3, noting that it had been finalized on the basis of the comments made on the outline (DP/2000/CRP.13) submitted at the third regular session 2000 and in close consultation with the Bureau of the Board. She noted that in paragraph 5, the reference should be to "2001". There would be three sessions in 2001 for the first time in the Board's history, a reduction of one session. The sessions would address specific issues as far as possible, with organizational and some policy issues at the first regular session; policy and strategy issues at the annual session; and budgetary and financial issues at the second regular session. The work plan 2001 would be amended as needed according to the work of the Board. She noted that each year a joint meeting was held with the United Nations Children's Fund (UNICEF), and with the participation of the World Food Programme (WFP). Feedback from delegations on the joint meetings would be welcomed. A special event would be held at the annual session, focusing on volunteering, on the occasion of the thirtieth anniversary of the United Nations Volunteers programme and the International Year of Volunteers, as agreed at the annual session 2000.

9. She noted that the UNDP items for 2001 built upon the changes in the organization made during 2000. The second results-oriented annual report (ROAR) would be presented at the annual session and linked, for the first time, with the meeting on funding commitments. The sub-goals of the multi-year funding framework (MYFF) to be highlighted in the ROAR 2000 were included in the work plan. The United Nations Capital Development Fund (UNCDF) would present its first ROAR in 2001. A major evaluation on non-core funding would be submitted at the annual session 2001. The biennial budgets for UNDP, UNFPA and UNOPS would be submitted at the second regular session 2001.

10. The Director of the Bureau for Resources and Strategic Partnerships (BRSP) stated that the three categories under the UNDP section covered key areas for the organization, including the follow-up to the Ministerial Meeting, which could affect the agenda of the Executive Board for the rest of the year. There had been tremendous interest in the role of UNDP in crisis and post-conflict situations. He also noted that a report would be submitted on the role of UNDP in information technology at the annual session, at the request of a number of countries. In addition to the traditional annual report to the Board, an illustrated annual report would also be published in time for the annual session. Many important programming documents would be submitted to the Board in 2001, including the second cooperation frameworks for the global programme and for technical cooperation among developing countries. The second ROAR would draw on the progress made in reporting on results at the annual session 2001. At the second regular session 2001, the budget would be presented, with discussion linked to the presentation at the annual session 2001 of a conference room paper on the issues and principles relating to the resource distribution model and allocation system to be looked at in detail in 2002. A note containing the Administrator's response to the evaluation on non-core funding would be presented with the evaluation report. He noted that while the meeting on funding commitments would be held at the annual session, pledges would be expected in writing earlier in the year.

11. The Chief, Executive Board Branch, UNFPA, stated that 2001 would be a year of reflection and transition. As noted in the work plan, a number of existing processes would be examined with reference to lessons learned. At the annual session, UNFPA would present an annual report containing a look at the record in 2000 as well as a report on the implementation of the Fund's MYFF. A situational analysis had been undertaken with regard to the MYFF. Results-based management would be a key theme for UNFPA as it moved forward. It was hoped that announcements of funding commitments, while discussed at the annual session, would be made available in writing by the end of March 2001. There would be an important discussion at the annual session on the programme approval process, with a report on the results of the UNDG ad hoc working group. The information and communication strategy would be reviewed at the annual session 2001.

12. One delegation recalled its statement at the annual session 2000, encouraging UNDP to play a more active role in the effective coordination and implementation of the Integrated Framework for Technical Assistance for Trade-related Activities in LDCs by mainstreaming trade-related matters in development strategies. That delegation, supported by another, requested that an item on the Integrated Framework be included in the work plan for 2001.

13. The Secretary informed the Executive Board that an informal meeting of the Board could be organized before the Third United Nations Conference on the Least Developed Countries, to be held 14-20 May 2001.

14. The Executive Board approved the annual work plan for 2001 (DP/2001/3).

Schedule of future sessions

15. The Executive Board agreed to the following schedule of sessions of the Board in 2001:

Annual session 2001: 11-22 June 2001 (New York)

Second regular session 2001: 10-14 September 2001*

*Subject to the approval of the Committee on Conferences

16. The Executive Board agreed to the work plan for the annual session 2001, as contained in the annex to decision 2001/7.

UNDP segment

II. UNDP Business Plans, 2000-2003

17. The Administrator introduced the reports on the update on the UNDP Business Plans, 2000-2003 (DP/2001/CRP.2) and on the follow-up to the Ministerial Meeting of 11 September 2000 (DP/2001/CRP.3).

18. The Business Plans, 2000-2003, had resulted in the most sweeping overhaul of headquarters ever, the Administrator noted, and the Ministerial Meeting had been highly successful. In 2001, UNDP would commit to map out a resolution to the continuing mismatch between its aspirations, the Board's expectations and the level of resources available. While there had been euphoria generated by the enhanced political will expressed at the Ministerial Meeting and the sense of renewal and momentum inside UNDP, the current level of resources remained a major concern.

19. The Administrator announced the appointments of the new assistant administrators and regional directors for Arab States, Asia and Pacific, and Europe and the Commonwealth of Independent States, Ms. Rima Khalaf-Hunaidi, Mr. Hafiz Pasha and Mr. Kalman Mizsei, respectively. He also announced that Ms. Safiahtou Ba-N'Dow would soon take over as Director of the Special Unit on Technical Cooperation Among Developing Countries.

20. There had been a 14 per cent net reduction in the headquarters workforce, with the full target of 25 per cent on track to be reached by the end of 2001. For the first time in years, UNDP now had less than 1000 staff members based in New York. The Bureau for Development Policy had been restructured and 100 posts had been identified for relocation to the field. Separation agreements had been accepted from 242 staff members. The new Leadership for Development Programme had been launched, beginning the vital process of organizational renewal through the recruitment of 20 new early career professionals. The results-based management concept and tools in programming and management had been internalized. A new environment of performance measurement and accountability had been introduced throughout the organization, with a new personnel evaluation system, including the 360 degree review. He thanked those countries that, in addition to their core budgetary support, had so far provided UNDP with \$8.5 million of the total \$13 million that was required to complete the Business Plans, 2000-2003.

21. The results of the 2000 global staff survey gave some cause for encouragement. The proportion of people at headquarters who believed that the change process would improve overall performance rose from 40 per cent in 1999 to 54 per cent in 2000, and the proportion in country offices also increased from 58 per cent to 63 per cent. Improved confidence in management and internal communications was also seen. There was also a dramatic improvement in the rating of top management's follow-up on commitments, from 41 per cent to 50 per cent in country offices, and 22 per cent to 44 per cent at headquarters. Over 80 per cent of staff stated that they

were proud to work at UNDP and highly motivated and 90 per cent supported UNDP goals.

22. Nevertheless, much remained to be done, in particular with regard to relations between headquarters and the field. In order to shift from general policy research to real applied advisory services that responded directly to needs in the field, knowledge management systems and personnel were required to live up to that ambition. The network of subregional resource facilities (SURFs) was being expanded to nine locations, with additional staff decentralized from New York. Some 60 policy adviser posts had been identified to be filled by external candidates, through a major recruitment campaign, including advertising in leading global and regional publications.

23. The shift was aimed at making the new UNDP work as the Business Plans, 2000-2003, envisaged. The primary focus areas were democratic governance, poverty eradication, crisis prevention and recovery, sustainable energy and environment, HIV/AIDS and information and communications technology for development.

24. The Administrator described actions being taken at the country level, including cutting core administrative field expenditures by 15 per cent; enhancing advocacy and partnerships; building a new culture of leadership and partnership in country offices through selection of resident representatives/resident coordinators, and streamlining business process and implementation mechanisms.

25. Turning to the decline in core resources, the Administrator underlined that the activities of the new UNDP could not be sustained unless the resource situation turned around. While non-core resources would continue to be mobilized, he noted that the transaction costs of resource mobilization of that kind would be higher and the resources less flexible than core resources. While the political will in favour of core resources had been restored at the Ministerial Meeting, an overall increase, despite 11 donors who had increased their individual contributions in 2000, still was elusive. While up in national currency terms, commitments had dipped a further \$18 million in 2000 to \$663 million. The impact of the decline in core resources was being felt in core services. As an example, he noted that the core budget dedicated for resident coordinator activities had fallen by 40 per cent since 1998 and UNDP had to draw increasingly on non-core contributions to supplement those key functions. Donors had responded with \$1.7 million for coordination activities. Nevertheless, critical core coordination and basic development services should not be reliant on non-core funding, he underlined, noting that 30 per cent of headquarters staff were presently on non-core posts. Moreover, a dynamic supplementary non-core strategy needed the leverage of an adequate core to seed programme initiatives and sustain a credible programmatic base.

26. Underlining the 60 per cent decline in programme resources for Africa since 1992, the Administrator emphasized that the decline in core resources had taken UNDP away from its focus on the poorest countries.

27. Because of the resource situation, the Administrator stated that a second follow-up ministerial meeting was required. There had been positive signals on core funding and recent indications of programmatic support from the European Union. He thanked both the French and Swedish presidencies of the European Union, as well as Commissioner Poul Nielson for their leadership. A follow-up ministerial meeting would take stock of progress and anticipate how future events, such as the Financing for Development Conference, could be used to secure more stable and sustainable United Nations development cooperation to limit the current extreme vulnerabilities of voluntary funding. A ministerial meeting did not need to become a regular annual event, he stated, but while in the longer term one Board session at Director-General level could be the best way to consolidate support, given the current situation, a final push was required.

28. Delegations commended UNDP on the progress made during 2000 to strengthen organizational performance through restructuring, decentralization and enhanced partnerships. Measures to enhance individual performance through the new results and competency assessment were also praised. In that regard, speakers welcomed the attention of the Administrator to enhanced performance at the country level. Several delegations noted that the process had been difficult for UNDP staff and praised their commitment to development and poverty eradication. Speakers warmly welcomed the new regional directors. One delegation noted its contribution of \$2.5 million in 2000 for implementation of the Business Plans, 2000-2003.

29. The restructuring of the Bureau for Development Policy and the enhanced use of SURFs and knowledge networks was welcomed. UNDP leadership in global processes such as the Conference on Least Developed Countries and the Financing for Development Conference was strongly encouraged by many speakers. The increased reliance on institutions and expertise based in programme countries was welcomed. Some speakers expressed concern about discontinued activities and underlined that UNDP must meet the needs of its programme countries in the agreed priority areas.

30. Delegations looked forward to reporting on programme results in the context of the results-oriented annual report at the annual session 2001. Progress in instituting results-based management was welcomed. Partnerships with other United Nations organizations, the Bretton Woods institutions and the European Union, particularly at the country level, were encouraged. The key role of UNDP in coordination at the country level was highlighted. Several speakers emphasized the need for UNDP programmes to benefit the countries served according to their individual needs and under the overall coordination of the government. One speaker underlined the importance of joint programming and sector-wide action programmes. Another

speaker requested information on how the efficiency of country offices would be measured.

31. Many speakers underlined the urgent need to mobilize core resources. While political support had been strengthened by the Ministerial Meeting and several donors had increased their contributions, there had not yet been an overall increase in total core resources. One speaker warned that the number of country offices could be reduced if the low level of core funding continued. The need to make a strong case for UNDP with external constituencies such as the media, private sector and civil society, as well as governmental decision-makers and legislators was emphasized. Several speakers noted that their Governments intended to increase or maintain core contributions in 2001. One delegation also announced increased contributions to the United Nations Capital Development Fund and the United Nations Development Fund for Women. Underperforming donors were encouraged to increase their share of core funding to UNDP. Some delegations noted that they paid a considerable amount in government local office costs (GLOC).

32. Many delegations welcomed the thematic trust funds, hoping that they would benefit the least developed countries. One delegation suggested that the trust funds could benefit from private sector donations. Another delegation cautioned that UNDP should not deviate from its main priorities. Several speakers referred to the evaluation on non-core resources that would be submitted to the annual session 2001.

33. While some speakers expressed the preference not to hold another ministerial meeting in 2001, citing staff time and cost, others suggested waiting until the outcome of the funding meeting at the annual session 2001 before making a decision. One delegation favoured a high-level segment at the annual session 2001, when the results-oriented annual report (ROAR) and funding meeting would be taken up. Some delegations were of the view that a ministerial meeting could be held every four years, to coincide with the review of the Business Plans. Another alternative was to hold a meeting of the Bureau of the Board at ministerial level. One delegation emphasized the need to increase the impact of the meeting through an improved format. Another delegation underlined the need to review how the Executive Board should operate in terms of providing political and financial support to UNDP. The expected outcome of another ministerial meeting should also be examined.

34. While one delegation questioned whether implementation of the Secretary-General's Global Compact should be a priority for UNDP or a part of its mandate, another delegation welcomed the implementation of that initiative at the local level. More information on the Civil Society Committee was sought.

Responses

35. Responding to the comments of delegations on the convening of a ministerial meeting in 2001, the Administrator agreed with the speakers who had recommended that the annual session 2001 could include high-level participation during the review of the funding commitments to UNDP, with the results reported thereafter to ministers. If the ministers were of the view that the funding crisis was continuing, they could then meet on an informal basis during the General Assembly. While he agreed that UNDP did not need to be locked into a process involving ministerial participation, he strongly supported having high-level attendance by delegations at the annual sessions and the engagement of ministers in the overall process. It was important to revert to ministers following their participation in the Ministerial Meeting held in 2000.

36. He underlined that non-core funding could not be a substitute for core resources. The thematic trust funds were directed to raising more non-core funding for the priorities of programme countries and would concentrate on areas with maximum demand. In response to the query raised, he noted that during recent years UNDP had begun to build in-house strengths that were competitive with those of specialized agencies, funds and programmes, thereby creating duplication. The United Nations would continue to provide specialist services for development cooperation through strong partnerships with specialized agencies and other partners.

37. The Administrator underlined the outreach to donor countries, through public affairs activities, including outreach to parliaments and non-governmental organizations (NGOs). In response to comments made by delegations, he noted that he had participated in an event involving the "alternative Davos" meeting, in which 10,000 NGO activists had gathered at the time of the World Economic Forum, held in Davos, Switzerland in January 2001. It was clear that a period of new debate on global and national economic policies had begun and UNDP as a development organization had special responsibility to voice views and incorporate them into the global debate.

38. The Associate Administrator underlined the need to have the proper balance in work in crisis countries and with regard to longer-term development. He also underlined the importance of the work of UNDP with the Bretton Woods institutions, in particular with regard to the poverty-reduction strategy papers. He explained, in response to a query, that UNDP was in the process of finalizing the criteria by which resident representatives would be rated on performance. In that regard, sound management practices, building innovative partnerships, managing the available financial resources and ensuring proper coordination were of great importance.

39. The Assistant Administrator and Director of the Bureau for Management thanked the delegations for the supportive and constructive comments. With regard to uneven performance at the country level, which had also been referred to at the Ministerial Meeting, he noted that the reprofiling of the country offices to align them with the Business Plans, 2000-2003, was the first priority of the organization in 2001. The reprofiling included a set of broad goals and also specific targets for each of the 136 country offices. It was hoped that the country offices would have fewer but more skilled staff in the future. In response to the separation of national staff during 2000, it was owing to the shift of staffing among regions, including increased staffing in the Africa and the Eastern Europe and Commonwealth of Independent States regions. Performance issues were another reason for the separations. In 2001, the separation programme would be expanded to country offices; savings would be utilized for the training of country-office staff. The new management culture of performance and results would be consolidated through the new strategic results frameworks and the ROAR while the balanced scorecard would build on the transformational scorecard of the Business Plans, 2000-2003. A strong effort continued with regard to the streamlining of business processes. The policy advisory services would allow country offices to take advantage of the outposted BDP posts and the SURFs and to link with the knowledge networks. He looked forward to informal discussions with the Executive Board on the biennial budget for 2002-2003.

40. The Director of the Bureau for Resources and Strategic Partnerships underlined that partnerships were a key element of the Business Plans, 2000-2003. In response to the query raised, he noted that the Partnerships Survey had been sent on a pilot basis to 17 countries. The results would be shared with the Executive Board at a future time. He also noted that the partnership incentives referred to an offer from the United Kingdom to fund transformative initiatives in which resident representatives could engage in at the country level. It would provide a minimum base support at a time of limited resources. He underlined that partnerships with civil society and the private sector were undertaken in conjunction with governments at the country level. He also underlined the need to ensure enhanced respect for country demand with regard to activities funded through non-core and noted that non-core funding was included in the multi-year funding framework and strategic results framework. He emphasized the need for the Board's support in engaging UNDP in discussions at the regional level, as discussed at the Ministerial Meeting.

41. The Executive Board took note of the update on the UNDP Business Plans, 2000-2003 (DP/2001/CRP.2) and the report on follow-up to the Ministerial Meeting of 11 September (DP/2001/CRP.3), with the comments made.

Role of UNDP in crisis and post-conflict situations

42. The Administrator introduced the report on the role of UNDP in crisis and post-conflict situations (DP/2001/4 and Corr.1). He noted that since the second regular

session 2000, when the Executive Board had first taken up the item, there had been an extensive consultative process.

43. UNDP had a proud record of achievement in its work in crisis and post-conflict situations. The organization was not trying to carve out a new set of interventions or seek any new mandates. Rather, it was aiming to build on its experiences and mainstream work in crisis and post-conflict situations in the broader business practices of UNDP. The organization's neutrality and ability to help to build coalitions for poverty reduction had extraordinary relevance in crisis and post-conflict situations, he underlined, as did its proven abilities to work in sensitive areas such as electoral support, rule of law and national reconciliation. However, UNDP also needed to be a credible operational player, balancing tangible results for the most disadvantaged and vulnerable, with the less tangible, but equally critical role as partner, policy facilitator and capacity-builder at the upstream end. The latter were done in several ways: (a) as chair of the United Nations Development Group and as UNDP, by supporting and strengthening the capacity of country teams and resident coordinators; (b) by playing a special role in helping to bridge the funding and planning gap between humanitarian aid and development assistance; (c) by working through the area development programmes, which provided platforms for multi-agency programming and made use of the special expertise of UNDP in key areas such as de-mining, small arms collection and reintegration; and (d) by improving speed and efficiency by encouraging country teams to exploit the full range of execution options from non-governmental organizations to agencies and where appropriate, direct execution.

44. The Administrator noted that in the report of the Panel on United Nations Peace Operations (the "Brahimi Report"), it had been acknowledged that existing United Nations structures had not been fully utilized to contribute to the development side of peace-building. In that context, UNDP had both the mandate and the commitment to help societies to reduce the incidence and impact of conflict by targeting the social and economic dynamics of vulnerability. Restoration of trust between authorities and the population was equally central to peace-building and preventing the re-emergence of violent conflict. Thus, the governance and capacity-building expertise of UNDP, combined with its operational capability, complemented the political and peacekeeping strategies of the Department of Political Affairs (DPA) and the Department of Peace-keeping Operations (DPKO). Successful partnerships within the United Nations system, including the United Nations Volunteers (UNV) Programme, partner organizations in the United Nations Development Group (UNDG), and the Office for the Coordination of Humanitarian Affairs (OCHA), and with the World Bank were also essential.

45. The report described work in progress, which would require significant continued internal reorganization aligned to core competencies and services. The Emergency Response Division was playing a key role in developing and implementing the strategy, streamlining management and operations support and developing a lighter, more flexible set of programming instruments. Internal consultations with partners were being linked to wider changes that would

consolidate existing skills and knowledge while providing more concrete support to the resident coordinator system, including improved integration of headquarters support for crisis countries, transition recovery teams, and better knowledge networking regarding crisis and post-conflict situations.

46. The Administrator confirmed that the target for resource assignment from the core (TRAC) line 1.1.3 for special development situations would remain at 5 per cent. However, he underlined that with the diminishing resource situation, total TRAC 1.1.3 resources had plunged from approximately \$50 million four years before and was less than \$20 million in 2001. Non-core resources were becoming increasingly important to maintain a viable crisis and post-conflict agenda for UNDP, but TRAC 1.1.3 resources remained a critical leverage for that type of funding. At the central level alone, the Emergency Response Division had raised some \$60 million in non-core resources in 2000 for global trust funds. At least three times that amount had been raised through cost-sharing agreements at the country level.

47. In conclusion, the Administrator stated that while much remained to be done, there was a solid blueprint of what UNDP should be doing and how it should be doing it. It provided a platform for UNDP to fight the corrosive links between poverty, crisis and conflict that had long prevented social and economic progress in many of the poorest parts of the world.

48. Delegations welcomed the report and the statement of the Administrator. Many speakers expressed support for the role of UNDP in crisis and post-conflict situations in areas of its comparative advantage, as outlined in the report. It was noted that one fourth of UNDP programme countries were in crisis or post-conflict situations. Many delegations cited examples of the work UNDP had undertaken in programme countries in crisis and post-conflict situations, including in the aftermath of natural disasters.

49. Many speakers highlighted the important role of UNDP in coordination at the country level through the resident coordinator system. In that regard, one delegation requested further information on how the UNDP role in crisis and post-conflict situations would fit in with the United Nations Development Assistance Framework (UNDAF) and the common country assessment. The role of UNDP in the transition between relief and development was cited as particularly important.

50. Several delegations strongly supported capacity-building and elimination of root causes of poverty as the main role of UNDP in crisis and post-conflict situations. One speaker emphasized the important role of UNDP in good governance, in activities such as the rule of law, national reconciliation, and support to electoral processes. Some delegations felt that there was still need for further clarification on the nature and role of UNDP in crisis and post-conflict situations, particularly in the area of conflict prevention. Others emphasized the key role of UNDP in assessing

and reducing the risk and vulnerability of countries to natural disasters. One delegation requested a more specific strategy for disaster reduction and mitigation at the country and regional levels.

51. Several speakers expressed strong support for the role of UNDP in conflict prevention, in particular with reference to the measures noted in paragraph 45 of document DP/2001/4, and specifically in such areas as controlling the spread of HIV/AIDS. Increased attention to early warning systems for both man-made and natural disasters was advocated by some delegations. Other speakers requested more information on how UNDP would operate in conflict prevention, with some noting that aspects such as the definition of human security had not yet received endorsement by all Member States.

52. Issues relating to crisis and post-conflict activities had direct impact on national development, many speakers underlined. Several speakers emphasized the importance of government ownership of national programmes, emphasizing that UNDP should undertake activities in crisis and post-conflict situations only at the invitation of Governments. One delegation stated that the document could have identified more about past weaknesses, identifying areas where a UNDP role would be marginal in crisis or post-conflict situations. Several delegations supported greater attention to the demonstration of impact in crisis and post-conflict situations, with one speaker proposing the development by UNDP of a programme to assess the impact of conflict.

53. Several speakers stated that consensus had not yet been reached on some of the proposals described in the document, including those emanating from the Brahimi Report, which had not received the endorsement of all Member States. One delegation requested that the discussion of the report be postponed until the annual session 2001.

54. Many speakers emphasized the importance of coordination, cooperation and clear mandates and structures among the organizations of the United Nations system and others such as the World Bank, the European Union and regional organizations (for example, the Organization of African Unity and the Regional Commission for Africa) in the area of crisis and post-conflict situations. In particular, close cooperation was required between UNDP and DPA, OCHA, and DPKO. Some speakers stated that DPA and OCHA did not have an operational role in crisis countries and it was hoped that those departments would see their roles as separate but mutually reinforcing the resident coordinator. Support was expressed for the role of the United Nations Development Group in coordinating the development agenda at headquarters in the crisis and post-conflict area, including with regard to prevention. Future elaboration on how the UNDP role would fit into the UNDAF and CCA processes was sought.

55. One delegation underlined the need for greater analysis of coherence with other actors. The speaker, echoed by others, requested further information on how the UNDP strategy on partnerships related to the Brookings process, which addressed the gap between humanitarian and development aid. Further information was also sought on the relationship with the creation of a peace-building unit in DPA and the discussion on peace-building in the Security Council. Clear definition of the most relevant new partnerships for UNDP was sought, including whether they would include common policy development and joint programming.

56. Some speakers stated that the Humanitarian Coordinator should in some cases be someone other than the resident coordinator. The increased attention to selecting resident coordinators that had humanitarian aid experience was welcomed. One speaker stated that resident coordinators, as special representatives of the Secretary-General, must be evaluated on a case-by-case basis, as suggested in the Brahimi Report.

57. One speaker asked for clarification on the points made in paragraph 8 of document DP/2001/4 and stated that the term "displaced persons" had not been endorsed by the Economic and Social Council. Another speaker stated that it would be difficult for UNDP to report back to the Executive Board on how it had restored security in programme countries, as elaborated in paragraph 36 (d). Another speaker questioned the references in paragraph 39 to support to the rule of law, cautioning UNDP on venturing into areas that carried value judgements.

58. Delegations underlined the difficult resource situation. Some speakers underlined that the five per cent limit under TRAC line 1.1.3 must be maintained so that core funds would not be diverted from other development activities. UNDP was encouraged to identify and implement innovative solutions to funding crisis management. One delegation informed the Executive Board of its intention to provide non-core funding for the work of UNDP in crisis and post-conflict situations. Another delegation requested statistics for core and non-core funding of crisis and post-conflict activities on an annual basis. One speaker called for UNDP to initiate a discussion in the United Nations on the development implications of the current strategies of many donors to target assistance, including debt relief, to countries performing well in economic and social activities, which excluded many countries in crisis and post-conflict situations.

59. Speakers called for the need to build its capacity for operating in crisis and post-conflict situations, including through strengthening the Emergency Response Division and training for resident coordinators and other staff. The integration of crisis and post-conflict work with the regional bureaux and the building of knowledge networks were welcomed. The development of pilot projects such as the transition recovery teams was welcomed. While some delegations welcomed the concept of a global world vulnerability report, others requested further information on the nature of the report.

60. The representative of the International Labour Organization (ILO) elaborated on the work of the ILO in crisis and post-conflict situations. He noted that the ILO, along with other development partners, was more likely to be involved in the early stages of intervention. It was essential to ensure that the reconstruction process provided decent work opportunities to the large numbers of unemployed who suffered from poverty and social exclusion as a result of a crisis. Moreover, the upholding of fundamental rights and principals at work and labour standards needed to be observed. ILO was committed to working with both humanitarian and development organizations to tackle employment and other social and economic impact of crises at all stages.

61. The representative of the United Nations Children's Fund (UNICEF) emphasized the importance of UNDP work for children and youth, in particular in conflict prevention and mitigation of the effects of natural disasters. He underlined the importance of support for fundamental social services at the time of crisis. UNICEF has seconded staff to the country teams and appreciated UNDP bringing in resident coordinators with greater humanitarian experience.

62. The representative of the Office of the United Nations High Commissioner for Refugees (UNHCR) expressed support for document DP/2001/4. He outlined the work of UNHCR in post-conflict situations and encouraged UNDP to help to build the absorptive capacity of societies emerging from conflict so that those societies could take care of their citizens, including returning refugees. It was also hoped that UNDP would build the adaptive capacity of citizens, including returning refugees. UNHCR supported the wish of UNDP to build upon earlier humanitarian programmes to ensure that their inputs became assets for development. UNHCR supported working with UNDP to ensure smooth transitions in crisis situations as early as possible through joint planning activities. The two organizations had both positive and negative experiences to learn from. For example, the Joint Reintegration Programming Unit in Rwanda, the subject of an evaluation, was seen as a relevant and workable model for some crisis situations. Potential joint activities between UNDP and UNHCR in a number of countries were presently under discussion.

63. The Administrator underlined that of 34 countries furthest away from international development goals, 22 had been subject to current or recent conflicts. There was no disagreement that linkages existed between the lack of sustainable development, presence of poverty and conflict situations. UNDP needed to be involved from the perspective of a neutral development organization. He underlined that UNDP was present in countries during all phases of a conflict, before, during and after. The organization needed to maximize inputs during each phase and understand the inequalities that contributed to conflict. UNDP also needed to encourage Governments to adopt development strategies that addressed these roots of conflict and develop models that ensure the delivery of basic services and support post-conflict operational activities in areas such as governance. He stated that the UNDP role in governance was in capacity-building and not in political matters, both in post-conflict situations and in normal situations. He also noted that UNDP was

involved in distribution of materials during emergency situations on a limited scale and in cooperation with OCHA. Specialization had led to coherent partnerships among the various organizations involved in crisis and post-conflict situations. Integration had led to a division of responsibilities. With respect to the gap and the Brookings process, he stated that through its operational responsibilities and resident coordinator role, UNDP was making a significant contribution in the gap period, where there was a need to begin programmes, and at a time when the World Bank and the European Union were not yet able to start their reconstruction programmes. He hoped that UNDP could play a bigger role in the gap period but reliance on non-core resources in that area led to delays in implementation. At the present time of reduced core funding, the reasons for continuing to seek non-core resources for crisis and post-conflict activities remained valid. He welcomed the strong expressions of support for UNDP elaborated during the discussion and re-emphasized that UNDP would not take on any new mandates in the areas of crisis and post-conflict situations.

64. The Associate Administrator noted the caution expressed by some of the delegations during the discussion regarding the mandate of UNDP or possible shifts to political activities or use of new concepts. He would ensure a continued dialogue in the follow-up to the Executive Board session. UNDP currently faced new situations in the area of conflict, which often involved new actors and resulted from internal conflicts. He underlined that poverty eradication and benefit to the most vulnerable groups, building on programming for the future, was of the utmost importance, as referred to in paragraph 35 of document DP/2001/4. There was a clear development perspective in conflict prevention, he noted. He explained that UNDP was involved in the discussion of the Brahimi Report and planned to contribute to fulfilling the recommendations that were accepted within its mandate.

65. The Director of the Emergency Response Division stated that informal discussions would continue with the Executive Board, as many aspects of the discussion were work-in-progress, especially those relating to recommendations of the Brahimi Report and Brookings process. He noted that UNDP participated in a working group with DPKO to define the elements where there could be cooperation with peace-keeping operations. There were also numerous efforts to strengthen the country team in its capacity to deal with humanitarian situations. UNDP was working internally and in cooperation with OCHA on natural disaster preparedness. Consultations with the Board would take place with regard to the production of the first global vulnerability report. UNDP had responded to several national requests for assistance in natural disaster preparedness. He noted that the gap that existed following a crisis situation was not only financial in nature but also involved the lack of capacity. The transitional recovery teams were intended to address that gap and included many partners and focused on recovery over the longer term. The concept would be tested during the coming months. He underlined that the UNDP role in crisis and post-conflict situations was work in progress and there would be ongoing consultations with the Board on the subject.

66. The Executive Board adopted the following decision:

2001/1

Role of UNDP in crisis and post-conflict situations

The Executive Board

1. *Takes note* of the report on the role of the United Nations Development Programme in crisis and post-conflict situations (DP/2001/4 and Corr.1);
2. *Reaffirms* the core mandate of the United Nations Development Programme in promoting sustainable human development, as well as the requirement that its operations are in accordance with its mandate and principles, and at the request of the Government concerned;
3. *Recognizes* that crisis prevention and disaster mitigation should be integral parts of sustainable human development strategies and also recognizes that the United Nations Development Programme has some relevant operational experience in crisis and post-conflict situations;
4. *Reiterates* its serious concern about the low level of the core resources of the United Nations Development Programme and requests the Administrator to take all appropriate steps to augment these resources while also improving the quality of all services delivered by the Programme;
5. *Encourages* the United Nations Development Programme, in the context of the ongoing system-wide discussions, to play an advocacy role in promoting the fundamental importance of a long-term development perspective;
6. *Requests* the United Nations Development Programme, in its capacity as the manager of the resident coordinator system, to strengthen its coordinating role and its cooperation, in keeping with its core mandate, with other United Nations entities.

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67. One delegation stated that it would not oppose the adoption of the decision on crisis and post-conflict situations but at the same time it would like to make a few comments. First, the speaker stated that the involvement of UNDP in crisis and post-conflict situations introduced a political dimension to the organization's activities and was inconsistent with the mission of UNDP as approved by the Executive Board on 15 May 1996. However, his delegation did support UNDP interventions in situations of natural disasters. Second, UNDP should not introduce activities that competed for the scarce resources available for economic and social development in developing countries. Third, UNDP needed much more experience before it could begin to work in conflict prevention if it wanted to avoid violating its mandate. Fourth, approval of the decision did not mean acceptance of concepts, such as human security, that had not been defined or endorsed by the international community. Fifth, UNDP should not undertake any work in crisis and post-conflict situations that was under the mandate of the Security Council.

III. Country cooperation frameworks and related matters

Country and regional cooperation frameworks, extensions, and country and regional review reports

68. The Associate Administrator extended sympathy and condolences to the peoples and governments of El Salvador, India and Pakistan for the loss of life caused by the recent massive earthquakes in those countries. He noted that the Resident Coordinator in India had been in close contact with the authorities and with the donor community to help to ensure that offers of assistance were coordinated. A United Nations Disaster Assessment Team had been dispatched to the region.

69. The Associate Administrator introduced the three new UNDP regional bureau directors: Ms. Rima Khalaf Hunaidi, Assistant Administrator and Director of the Regional Bureau for Arab States; Mr. Hafiz Pasha, Assistant Administrator and Director, Regional Bureau for Asia and the Pacific; and Mr. Kalman Mizsei, Assistant Administrator and Director, Regional Bureau for Europe and the Commonwealth of Independent States.

70. He introduced the country review reports (CRRs) for Lesotho (DP/CRR/LES/1), Lithuania (DP/CRR/LIT/1), Nepal (DP/CRR/NEP/1), and Yemen (DP/CRR/YEM/1 and Corr.1) and the review of the first regional cooperation framework (RCF) for the Arab States (DP/RRR/RAS/1). He noted that 22 reviews of country cooperation frameworks (CCFs) had been carried out in 1999 and 51 in 2000. Those carried out in 2000 generally confirmed that greater attention was being given to a results-driven approach in UNDP operations. The reviews, however, also indicated that more needed to be done to implement the Administrator's Business Plans, 2000-2003, in particular the strengthening of upstream activities. Outposting of specialist policy advisory staff, proposed to be partially funded from the global cooperation framework, would take UNDP forward in that regard.

71. CCFs submitted to the Executive Board for approval included those for Turkey (DP/CCF/TUR/1), Mauritius (DP/CCF/MAR/2), Uganda (DP/CCF/UGA/2), Bangladesh (DP/CCF/BGD/2), Cambodia (DP/CCF/CMB/2), Belarus (DP/CCF/BLR/2), Bosnia and Herzegovina (DP/CCF/BIH/2 and Corr.1), Croatia (DP/CCF/CRO/2), Georgia (DP/CCF/GEO/2), Latvia (DP/CCF/LAT/2), Lithuania (DP/CCF/LIT/2), the Russian Federation (DP/CCF/RUS/2 and Corr.1), Saint Helena (DP/CCF/STH/2), and Saudi Arabia (DP/CCF/SAU/2). Six extensions of CCFs were presented to the Board for information; three extensions of CCFs were presented for approval. The second extension of the first RCF for Europe and the Commonwealth of Independent States (DP/RCF/REC/1/EXTENSION II) was also submitted for approval.

72. Since no requests had been submitted for discussion of individual CCFs, the first CCF for Turkey (DP/CCF/TUR/1), and the second CCFs for Mauritius

(DP/CCF/MAR/2), Uganda (DP/CCF/UGA/2), Bangladesh (DP/CCF/BGD/2), Cambodia (DP/CF/CMB/2), Belarus (DP/CCF/BLR/2), Bosnia and Herzegovina (DP/CCF/BIH/2 and Corr.1), Croatia (DP/CCF/CRO/2), Georgia (DP/CCF/GEO/2), Latvia (DP/CCF/LAT/2), Lithuania (DP/CCF/LIT/2), the Russian Federation (DP/CCF/RUS/2 and Corr.1), Saint Helena (DP/CCF/STH/2), and Saudi Arabia (DP/CCF/SAU/2) were approved by the Board.

73. Many delegations congratulated the new regional directors on their appointments.

Country cooperation frameworks

74. One delegation made a general comment on UNDP CCFs, stating that there were no references in the CCFs to the country programmes of the other United Nations funds and programmes. Information on how UNDP CCFs strengthened the programmes of those other entities would be welcomed.

75. One delegation stated that the second CCF for Bangladesh (DP/CCF/BGD/2) still contained too many small and non-strategic interventions, which were not well coordinated with the activities of other donors. As a result, UNDP activities have been overextended, making it difficult to perform its necessary coordination functions.

76. The Permanent Representative of Bangladesh stated that the second CCF had been developed on the basis of the experience of the first CCF and reflected the lessons learned therein. It was recognized that the second CCF reflected the new vision of UNDP. The second CCF had been undertaken in accordance with the harmonized programme periods of other United Nations funds and programmes. The UNDP shift from a project to a programme approach had been beneficial. He noted an increase in resources in the second CCF over that of the first CCF, which had concentrated on a pro-poor poverty eradication programme and had achieved considerable success through community projects. Activities in civil-service administration reform, peace-building, conflict resolution and democratization had been very successful. The continuation of the pro-poor strategy was welcomed, as were the activities planned for the second CCF. The Government had worked closely with UNDP on the common country assessment (CCA) and hoped that its comments would be incorporated.

77. The representative of Belarus commented on the second CCF for his country (DP/CCF/BLR/2). The document was based on the review of the first CCF. The second CCF would focus on economic cooperation by strengthening democratic management and environmental management. He noted that a large amount of the fallout from the Chernobyl disaster had been in Belarus. The second CCF provided a

good basis for finding solutions to existing problems with a view to establishing successful conditions for sustainable human development.

78. One delegation commented on the CCF for Bosnia and Herzegovina (DP/CCF/BIH/2 and Corr.1), stating its support for the outlines of the framework, especially the development and strengthening of municipalities. With regard to human security issues, there could be serious problems involving the mine action programme, in which irregularities linked to high-level officials had been revealed. An investigation sponsored by the Office of the United Nations High Representative would soon issue its results. It was expected that the CCF would contain a proper strategy with lessons learned to minimize future risks in the mine action programme. Another delegation was pleased to have participated in the consultative process for the second CCF. Overall, emphasizing the development of national capacities to address human development and human security issues was welcomed. The area-based development approach was seen as successful. There was a possibility for synergy between UNDP and the Swiss Development Cooperation in youth-related activities. Further information on the comparative advantages of UNDP in the mine action programme was sought. UNDP was encouraged to become more involved in aid coordination, in particular in the long term. Another delegation underlined the clear focus on establishing sustainable structures, which should be passed as early as possible to the Government. The CCF was in line with the decisions made at the ministerial meeting of the peace implementation council of the Dayton peace agreement.

79. One delegation noted the remarkable progress achieved in Cambodia in the past ten years and in particular, the contribution of UNDP to poverty eradication, environment, gender in development and institution-building. Another speaker emphasized the need for greater donor support, broader participation by the United Nations and the strengthening of national ownership. Another delegation commended UNDP for its thorough analysis and description of the current situation. The successful completion of the United Nations Development Assistance Framework (UNDAF) for Cambodia was noted. The structure of the document, however, could be improved, including through the use of a logical framework analysis. Another delegation underlined the need for clearer focus and more definition of areas of comparative advantage and greater linkages with the poverty reduction strategy process in Cambodia. The speaker supported the move to national execution, adding that it should be done in accordance with national capacity.

80. The representative of Cambodia thanked the Board for approving the second CCF (DP/CCF/CMB/2) and the donors for their assistance. Poverty eradication was the major concern of the Government. The advisory role of UNDP for reform in public administration was appreciated. The representative cited serious health problems, including the spread of HIV/AIDS. Women and disadvantaged people needed to play a greater role in national programmes. The move to sector-wide planning was welcomed.

81. One delegation expressed appreciation for the second CCF for Croatia (DP/CCF/CRO/2), in particular in area-based economic revitalization. The speaker stated that the national mine action programme could benefit from increased cooperation with UNDP.

82. One delegation raised a query about a reference made in the CCF for Latvia (DP/CCF/LAT/2) regarding the social integration of non-citizens and human rights protection. The reference, in paragraph 23 of document DP/CCF/LAT/2, did not seem to be objective. Russian-speaking associations in Latvia had stated that there did not seem to be much progress in the areas referred to in that paragraph.

83. The representative of Latvia stated that the CCF for Latvia (DP/CCF/LAT/2) had been the result of consultations between the Government and UNDP and had been based on the country review, the CCA exercise and the national human development reports (NHDRs) of the prior three years. The framework outlined the agreed strategy for all UNDP cooperation, taking into account the activities of other partners. The assistance of UNDP staff at both headquarters and in Riga was acknowledged, as were those of many specific donors. While also a recipient and an associate member of the European Union, Latvia had become an emerging donor, pledging modest amounts to UNDP core resources. The impact of UNDP assistance had been tangible in Latvia and led to beneficial policy changes, the introduction of new laws and reforms in national programmes, in particular the integration of minorities through the National Human Rights Office and the language training programme. With regard to a comment made by one delegation, he responded that Latvia had achieved progress and had demonstrated its will to furthering the aims of good governance and democratization.

84. The representative of Lithuania expressed the appreciation of his Government for the assistance provided to his country. The Government was working closely with UNDP to strengthen its participation in the international community and the utilization of national resources for development. The CCF (DP/CCF/LIT/2) had been prepared on the basis of lessons learned from the first CCF and would focus on fostering Lithuania's agenda for sustainable development.

85. The representative of the Russian Federation commented on the country's CCF (DP/CCF/RUS/2 and Corr.1), noting that the transitional period between UNDP and the Russian Federation had ended. He noted that the period had begun with the opening of a new office in Moscow, working with limited core resources for the country programme. One major result had been that UNDP gained the trust of the Government both at the federal and regional levels. Cooperation under the second CCF would include human-resource development, employment promotion, human rights, gender equality, legislation, improving the investment climate and protection of the environment, including the introduction of environmentally sound technology.

86. One delegation commended UNDP for its work on the second CCF for Saint Helena (DP/CCF/STH/2), noting that it had been completed in spite of communication difficulties.

87. One delegation expressed support for the elements contained in the CCF for Saudi Arabia (DP/CCF/SAU/2), in particular the development of an accountable public sector and the promotion of national United Nations Volunteers, as expatriate volunteers were less likely to make sustainable interventions. Several speakers raised queries about advancing the status of women, which had not been mentioned in DP/CCF/SAU/2. Delegations also recommended greater involvement by UNDP in environmental issues and the enhancement of aid coordination. Delegations underlined the positive relationship between UNDP and the Government in Saudi Arabia.

88. The representative of Turkey, in commenting on the first CCF (DP/CCF/TUR/1), emphasized the excellent relations between his Government and UNDP. He stressed the need to strengthen the crucial role of UNDP in emergencies and in disaster mitigation, citing the positive role of the organization following the recent earthquakes.

89. Several delegations praised the CCF for Uganda (DP/CCF/UGA/2), citing positive examples of activities in good governance. Two speakers emphasized the role of UNDP in helping the Government to fulfil its obligations to international human-rights treaties, noting that the Government and others had been active in the area of human rights in Uganda. The approach of UNDP in taking a holistic view of human rights in Uganda had been very useful and it was hoped that similar programmes would be replicated elsewhere. Another speaker welcomed the inclusion of gender in development, the environment and HIV/AIDS as cross-cutting issues in the CCF. Progress in governance was vital for further development, the speaker noted, and the enhancement of planning capacities, particularly at the local level, was necessary. More information on the utilization of the sector-wide approach was sought. One delegation expressed its intention to cooperate more closely with UNDP in implementing the CCF for Uganda. One speaker raised questions about the formulation of activities regarding enterprise development, but noted that it would be taken up directly with the country team.

Extensions

90. One delegation commented on the first extension of the first CCF for the Lao People's Democratic Republic (DP/CCF/LAO/1/EXTENSION I), stating that, while recognizing that tight government control and lack of indigenous non-governmental organizations (NGOs) made close involvement by UNDP with the Government unavoidable, there was a sense among donors at the country level that it was at times too close. Some donors had begun to question the absorptive capacity of the Government and its commitment to moving toward a market economy. UNDP had

achieved some progress with its governance programmes, including its work with the National Assembly and the Ministry of Justice in promoting the rule of law. The work of UNDP on civil-service reform was also commended. It was suggested that UNDP might wish to concentrate its assistance more directly in community-based development, until the Government demonstrated greater commitment to more rapid change in the economic and political policies that were slowing its development.

91. The representative of the Lao People's Democratic Republic underlined the long and close relationship of his country with UNDP and noted the thematic areas of the first CCF. The implementation had contributed to the building of the economy and to the strengthening of institutional capacity to monitor development activities. He thanked UNDP and all donors for their assistance. The extension would allow for the implementation of ongoing projects from the first CCF. With regard to a comment raised by another delegation on the extension, he emphasized that the Government was highly committed to a market economy system. He also stated that many international NGOs were active in his country, but he noted that some others might not undertake activities that would be in the national interest. The Government supported both community-based development and the rule of law, noting that implementation of those policies had been gradual. He underlined that cooperation with UNDP was based on national priorities.

92. The representative of the Syrian Arab Republic commented on the first extension of the first CCF for Syria (DP/CCF/SYR/1/EXTENSION I).

93. One delegation commented on the second extension of the first RCF for Europe and the Commonwealth of Independent States (DP/RCF/REC/1/EXTENSION II). The speaker expressed support for the efforts of UNDP to organize its activities into thematic areas and to limit its objectives in accordance with resources and based on UNDP area expertise and its commitment to regional coordination. The development of a donor knowledge network was welcomed. Another speaker underlined the importance of highlighting poverty eradication in the implementation of the framework.

Country review reports

94. One delegation, commented on the first CRR for Nepal (DP/CRR/NEP/1), stating that the active role of UNDP in aid coordination had been very useful and coordination with the World Bank functioned very well. UNDP had chaired donor thematic groups on environment and disaster management and the informal donor group on peace support. The speaker noted that there was increased scope for cooperation in the area of human rights. UNDP was encouraged to become more involved in sector-wide plans in Nepal. It was suggested that there be closer coordination between the CCA and the poverty reduction strategy paper (PRSP) processes, as the Government was planning to use the PRSP in its next five-year plan. All donors should contribute to making this a nationally-owned process,

requiring that the UNDAF be adapted to the PRSP. The foreign aid policy should be taken seriously by all donors, meaning that more project planning be transferred by UNDP to the Government. The trend toward larger projects was encouraged. The work relating to monitoring and evaluation should become more strategic and involve the Government to a greater extent. Another speaker underlined the positive achievements in social development in Nepal, while also stating that national ownership should be given more attention.

95. The representative of Nepal stated that the CRR came at a time when UNDP was in the process of synchronizing its work with the ninth development plan and priority areas of the Government. He noted that in paragraphs 6 and 32, references were made to fostering dialogue with the Government and within the United Nations system with regard to adopting a human-rights-based approach on an experimental basis. The speaker emphasized that the needs-based approach had so far avoided any political discontent. Thorough clarity was required before any new approach could be considered.

96. One delegation commented on the first CRR for Yemen (DP/CRR/YEM/1 and Corr.1), noting that the Resident Coordinator had been very successful in developing the programme which gave effective support to the democratic processes of the Government. With regard to the draft CCA, the speaker noted that including indicators would result in a more balanced document. The speaker raised a question as to whether tourism could be a viable source of future development in Yemen, noting that the development of fisheries might be more successful.

Responses

97. The Associate Administrator thanked the delegations for their comments and stated that some queries would be responded to bilaterally. With regard to the comments raised on the mine action programme in Bosnia and Herzegovina, he stated that UNDP is one of the co-chairs of the board of the mine action programme, together with other donors. There had recently been an investigation into corruption charges in the mine action programme, with the removal of the former commission. UNDP had informed all donors with regard to the actions taken. He noted that UNDP did not fund de-mining activities in Bosnia and Herzegovina. He confirmed that gender in development was included in the CCF for Saudi Arabia as well as in other CCFs. He explained that some CCFs had a specific programme in gender, while others were cross-cutting or carried out through the regional cooperation framework. He underlined the importance of the PRSP process, mentioned by several delegations, emphasizing that the process was nationally-driven, involved the United Nations system, and would benefit from such exercises as poverty mapping.

98. The Assistant Administrator and Director of the Regional Bureau for Arab States stated that the issue of the environment remained an important component of

the CCF for Saudi Arabia, in particular the building of national capacity in that area. UNDP interventions in the area of gender in development in Saudi Arabia took place both through the CCF and the regional cooperation framework. She described several activities funded by UNDP in that regard. Suggestions made by delegations with regard to programme areas in other CCFs were noted.

99. The Officer-in-charge of the Regional Bureau for Europe and the Commonwealth of Independent States commented on the de-mining programme in Bosnia and Herzegovina, clarifying that the issues raised were related to the national de-mining commission, a counterpart of the de-mining operation. In particular, he underlined that programmes related to commercial de-mining activities were not financed by UNDP. He stated that role of UNDP was related to the mine action centres, which set priorities, coordinated and inspected the commercial de-mining activities, to ensure that they followed global humanitarian standards. He noted that, as a result of the joint investigation of UNDP and the Office of the High Representative, a number of modifications had been made in the structure of the mine action programme. The present situation was satisfactory to the donors and carried out within a sound structure. Given the positive action taken, it was hoped that donors would continue to contribute to the trust fund for de-mining activities. With regard to the comment made regarding the CCF for Latvia, he explained that the national integration programme covered the priority areas of human rights, naturalization and the Latvian language programme. The programme had aimed to benefit the marginalized sectors of Latvian society, allowing a greater number of citizens to benefit from the social and economic activities. Assessments of the programme had reported significant progress. UNDP and other donors, however, recognized that the national integration programme was still a work-in-progress and that the effort and scope of the programme would continue in the areas of education, job opportunities and social benefits.

100. The Assistant Administrator and Director of the Regional Bureau for Africa referred to the comments made on the CCF for Uganda. He stated that he was grateful for the recent visit by the Norwegian Minister of Development Cooperation and hoped that other government officials from donor countries might be able to visit the country. UNDP would continue its activities in the area of human rights in Uganda and in other countries in Africa. The organization would participate in sector-wide approach in governance activities. UNDP was working closely with the World Bank and International Monetary Fund in the PRSP process, especially in the areas of information-sharing, capacity-building and monitoring and evaluation.

101. The Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific thanked the speakers for their comments on aid coordination, on the need for a sharper focus in programming and on ownership and sustainability, which would be taken into consideration in the future. He noted, in response to one comment, that over 40 per cent of UNDP resources in the Lao People's Democratic Republic was devoted to rural community development. Efforts to move the country to a market economy were underway. He clarified that the Government of Nepal assumed strong ownership of the UNDP programme there. UNDP would initially

focus on the overlap and the common areas between basic needs and rights. He confirmed that UNDP would work closely with the Government of India in the aftermath of the earthquakes. He confirmed that the logical framework analysis would be utilized in the context of the strategic results frameworks.

102. The Executive Board approved the second extensions of CCFs for Eritrea (DP/CCF/ERI/1/EXTENSION II), Estonia (DP/CCF/EST/1/EXTENSION II), the Republic of Moldova (DP/CCF/MOL/1/EXTENSION II) and the first RCF for Europe and the Commonwealth of Independent States (DP/RCF/REC/1/EXTENSION II).

103. The Executive Board took note of the first extensions of the first CCFs for Burundi (DP/CCF/BDI/1/EXTENSION I), the Lao People's Democratic Republic (DP/CCF/LAO/1/EXTENSION I), Kuwait (DP/CCF/KUW/1/EXTENSION I), the Libyan Arab Jamahiriya (DP/CCF/LIB/1/EXTENSION I), Rwanda (DP/CCF/RWA/1/EXTENSION I) and Syria (DP/CCF/SYR/1/EXTENSION I).

104. The Executive Board took note of the first CRRs for Lesotho (DP/CRR/LES/1), Lithuania (DP/CRR/LIT/1), Nepal (DP/CRR/NEP/1) and Yemen (DP/CRR/YEM/1 and Corr.1) and the review of the first RCF for the Arab States (DP/RRR/RAS/1).

Assistance to Myanmar

105. The Associate Administrator introduced the Note by the Administrator on UNDP Assistance to Myanmar (DP/2001/5). He provided a historical overview of the policy mandate governing UNDP assistance since 1994 to present, under specific Governing Council and Executive Board decisions 93/21, 96/1 and 98/14. In accordance with the guidelines provided in these decisions, individual projects were implemented within the framework of the human development initiative (HDI) in the areas of primary health care, HIV/AIDS, training and education, and environment and food security. He further informed the Board that, as laid out in those decisions, independent reviews and assessments of the HDI had been conducted and reported to the Board on an annual basis. The last such review was carried out in mid-2000 and an oral report on the main findings and conclusions had been presented to the Board at its third regular session 2000 by the Resident Representative in Myanmar, with the understanding that a more comprehensive note by the Administrator would be submitted to the present session of the Board.

106. The Associate Administrator drew the attention of the Board to the major conclusions of the assessment mission: (a) all HDI project activities had been formulated and were being implemented in full compliance with the relevant decisions of the Board; and (b) HDI project interventions were making a clear difference to the lives of the rural population in the project areas. The mission also

highlighted several challenges faced by HDI projects in their implementation and proposed certain recommendations to enhance further the impact of the HDI. The Associate Administrator then invited the Resident Representative in Myanmar to elaborate on the main findings, conclusions and recommendations of the assessment mission.

107. The Resident Representative informed Board Members that the HDI, now in its third phase, focused exclusively on projects having a grass-roots level impact in strict compliance with the guidelines provided in the respective Board decisions. All projects continued to target the poorest people in some of the most deprived areas of the country, through social mobilization concepts and practices, thus empowering villagers themselves to formulate development strategies to raise their living standards. Thus HDI projects were effectively and successfully pursuing their individual objectives at the grass-roots level.

108. The Resident Representative then elaborated on a number of strategic issues at the operational and policy levels that were highlighted in the report of the assessment mission. These issues critically impeded HDI activities from achieving their fullest potential in addressing poverty and continued to impact on the coordination of broader joint United Nations initiatives in Myanmar. He also reported on the mission's recommendations for addressing those issues so as to enhance and expand the sustainability of UNDP assistance.

109. The results of the assessment mission also emphasized that it would be desirable to have greater consistency in the respective mandates governing United Nations system operations in Myanmar. HDI projects were notably unable in certain key sectors to benefit from important technical expertise offered by some specialized agencies because of the perceived contradiction between the mandate of UNDP and their own. The results stressed the need for institutional linkages between community-based initiatives and the broader social and economic structures in order to achieve the full impact of HDI outputs.

110. The Resident Representative further underscored two critical areas in the mission's report, where UNDP assistance could be effectively targeted to address poverty reduction, namely, agriculture/food security and the environment. Another major critical concern was the detrimental impact of HIV/AIDS, where current estimates stood at 1.9 per cent of the population. It was noted that UNDP, through its HIV/AIDS project, and in conjunction with other United Nations organizations and non-governmental organization (NGO) partners under the auspices of UNAIDS, had come up with a joint work plan that would be presented to the international community. As recommended by the mission, he requested that the Board consider the possibility of UNDP: (a) undertaking a comprehensive household survey/poverty assessment and sector studies in agriculture/food security and the environment; and (b) being given greater flexibility in addressing the HIV/AIDS situation at the national level, including through fund-raising, given its strategic advantage vis-a-vis

the valuable work already carried out through its HIV/AIDS project with the limited funds available.

111. Another important issue highlighted in the mission's report was the long lead period and process required for planning and preparation of HDI phases, despite the relatively short time frame of two and a half years allotted to each HDI phase. The mission emphasized that future HDI assistance would need more time to address effectively poverty and humanitarian needs and to make better use of precious resources.

112. The Resident Representative finally drew attention to section V, paragraph 22 (a) and (b) of document DP/2001/5. He sought the guidance of Board Members on the recommendations and strategic issues raised in the mission's report and their approval to proceed with the design and preparation of appropriate interventions for future assistance to Myanmar, as the current phase was due to end in approximately 12 months in accordance with executive Board decision 98/14.

113. Overall, all delegations highly commended the positive impact of UNDP activities at the grass-roots level and appreciated that HDI activities continued to adhere to the mandate provided in the relevant Governing Council and Executive Board decisions. Delegations supported the need to provide continued assistance directly to the poor in Myanmar, in accordance with the current UNDP approach. Some delegations expressed concern over the lack of coherence among the United Nations programmes and operations and agreed that there was scope for a more coordinated United Nations development effort. Two delegations stressed that UNDP should be allowed to cooperate with the relevant government ministries in order to carry out a full-fledged country programme in Myanmar, while others felt that the time was not right to change the mandate. One delegation expressed the view that all agencies should move in the same direction as UNDP.

114. Most delegations noted with optimism the positive developments in the political dialogue process between the Government and the National League for Democracy (NLD), resulting from the recent visit of the Special Representative of the Secretary-General. One delegation expressed the hope that those discussions would lead to true democracy by the Government, thereby enabling UNDP to have a full-fledged country programme. Another delegation viewed that process with cautious optimism, while at the same time enquiring into the position of UNDP regarding the current International Labour Organization (ILO) resolution on forced labour in Myanmar. A delegate queried whether the Resident Representative had regular consultations with the National League for Democracy.

115. A number of delegations raised queries about the status and preparation of the Basic Needs Assistance Programme (BNAP) in the Northern Rakhine State and hoped that the transition process with the United Nations High Commissioner for Refugees (UNHCR) would be expedited in order to enable the BNAP to be

implemented in a timely manner. Great support was expressed for the BNAP. One delegation urged the international community to consider funding the BNAP through UNDP, at the same level of assistance currently being provided in the Northern Rakhine State.

116. Two delegations also emphasized the important role of UNDP in coordinating United Nations system activities in Myanmar and felt that this task should be given the highest priority.

117. All delegations expressed their full support for the recommendations contained in the HDI assessment report, particularly with respect to the comprehensive household survey/poverty assessment, the reviews for agriculture/food security and the environment and on HIV/AIDS, provided these remained within the framework and guidelines of the existing mandate governing UNDP assistance to Myanmar.

118. The Resident Representative thanked delegations for their positive comments and their support for UNDP HDI activities in Myanmar. It was noted that UNDP was the main provider of funds for addressing HIV/AIDS issues and that 65 per cent of the total annual funding came out of its HIV/AIDS project. Given its interventions at the grass-roots level, UNDP was in a strategic position to obtain and provide first-hand information to other United Nations organizations, such as UNAIDS. A joint plan of action has been drawn up in collaboration with United Nations partners and would be presented to the international community within the next few months with a funding requirement of \$12 million for two years. UNDP would continue to play an important role in that exercise. During his recent visits to Myanmar, the Special Representative of the Secretary-General had repeatedly stressed the importance of collectively addressing the HIV/AIDS issue, stating that it would provide a good entry point for the United Nations system to deal with the situation more broadly.

119. The Resident Representative appreciated Board support for the mission's recommendations, especially on the comprehensive household survey/poverty assessment and sectoral reviews for agriculture/food security and the environment, and noted that this would be an important road map for future UNDP assistance to Myanmar. He assured the Board that those recommendations would be implemented within the framework of the specific mandate currently in force for UNDP HDI activities.

120. With respect to the Northern Rakhine State, the Resident Representative noted the complexities of that exercise. As mentioned in his oral statement at the third regular session 2000 of the Executive Board, UNHCR had recently extended its Memorandum of Understanding with the Government of Myanmar to the end of 2001. As a result, BNAP, which could make the transition with UNHCR in the Northern Rakhine State, had to be redesigned in collaboration with UNHCR to

accommodate the extension. There had been significant progress among United Nations organizations on the BNAP and discussions must also be held with the Government on the transition arrangements. The Resident Representative further indicated that in December 2000 an informal briefing meeting was held with the diplomatic embassies in Yangon to keep them fully updated on the progress and developments on the BNAP. At that meeting, some delegations indicated that they would not be in a position to provide funding directly to UNDP and that an appropriate funding mechanism should be identified and formulated for the BNAP. The matter was under review and would shortly be resolved.

121. In response to the query raised on UNDP compliance with the recent ILO resolution on forced labour in Myanmar, it was noted that all agencies had received similar letters from ILO and had discussed the issue together. UNDP had undertaken a thorough review of its projects in Myanmar in the context of the ILO resolution and could confirm that all grass-roots level activities were being carried out in a highly community-oriented participatory manner. No UNDP-funded activities directly or indirectly supported the practice of forced or compulsory labour. A note to this effect had been prepared and a response would shortly be sent to ILO.

122. The Resident Representative informed Board members that regular meetings continued to take place to the extent possible with the Secretary-General of the NLD. The assessment mission, which conducted its work in 2000, met with the Secretary-General and discussed the findings, conclusions and recommendations of its report. As a general rule, the Resident Representative and the Resident Coordinator also accompanied the Special Representative of the Secretary-General to his meetings with the NLD. Further discussions between the NLD and the Resident Representative were expected to take place in the near future.

123. The Executive Board took note of the Note by the Administrator on Assistance to Myanmar (DP/2001/5) and requested the Administrator, taking into account the findings, conclusions and recommendations of the independent assessment mission, to submit to the Board at the earliest possible date a proposal for continued UNDP assistance to Myanmar.

124. The delegation of Myanmar expressed its appreciation to the Administrator and Associate Administrator for the valuable report and to the Resident Representative for his contribution. They congratulated the newly appointed Assistant Administrator and Regional Director for Asia and the Pacific and assured him of their fullest cooperation in the discharge of his responsibilities. They noted that the HDI had been implemented for the past seven years and they were pleased that its objectives were being pursued successfully and satisfactorily despite the many challenges and limitations.

125. The delegation further expressed its appreciation to the Board for continued assistance to Myanmar. Given the critical need for more sustainable development assistance, however, they urged the Executive Board to consider a regular country programme for Myanmar, since the current operational modalities were not in line with that of a standard country programme. It was further indicated that the Government of Myanmar was committed to the development of the country and that assistance was tailored to the needs of the population.

Second global cooperation framework

126. The Administrator introduced the second global cooperation framework (DP/GCF/2) and the second cooperation framework for technical cooperation among developing countries (DP/CF/TCDC/2) (see chapter 4). He emphasized that UNDP was now well underway in retooling itself to respond more effectively to the complex challenges of the globalized world. The organization was listening carefully to its most important clients, the programme countries, and seeking to strengthen its in-house expertise and effectiveness in areas that corresponded to the principal services they were requesting. The global cooperation framework, and the related overhaul of the Bureau for Development Policy (BDP), was an indispensable component of the new UNDP. It was aimed at helping UNDP to respond better to new challenges, such as the information revolution, while placing renewed focus on its core strengths and mandate: providing innovative, practical support to developing countries for poverty reduction and human development. Similarly, the refocusing of technical cooperation among developing countries (TCDC) was aimed at identifying and harnessing the very best of Southern expertise and experience, both by mainstreaming South-South cooperation throughout UNDP programme work and acting as a catalyst for wider sharing of knowledge and experience between developing countries.

127. The global cooperation framework (GCF) underlined that UNDP must put advisory services and institutional development at the core of its programme work, allowing the organization to be a more credible and powerful advocate in critical areas. It would also enhance UNDP as a trusted partner and adviser at the national level through developing, supporting and promoting innovative approaches to poverty reduction driven by cutting-edge research and analysis. The framework would allow for the integration of the global development thinking and advocacy of the organization with country-level practices. Better policy alignment with the *Human Development Report* and the work of the Office of Development Studies would take place. UNDP global programmes and policy support would be integrated in three key ways through: (a) closer vertical integration, linking country, regional and global programmes to reinforce major policy shifts; (b) closer geographic integration by promoting greater South-South exchange and cooperation across regions; and (c) closer thematic integration by linking relevant themes and sectors in a more synergistic manner. BDP would emphasize applied advice, driven by the 100 staff that would be decentralized to the field, 50 of them thematic specialists funded by the global cooperation framework. Six key thematic practice areas would provide a dynamic and networked pooling of best practices and referral systems. The six

areas were: pro-poor policies, democratic governance, sustainable energy and environment, crisis prevention and recovery, HIV/AIDS, and information and communication technology for development. Commitment to gender mainstreaming and the special role of UNDP in aid coordination would be maintained. Partnerships with a wider range of institutions that share UNDP development goals, but which have complementary strengths, would be developed. Partnerships with South-based think tanks and development institutions would be emphasized.

128. As in the GCF, the lessons learnt from the first cooperation framework for TCDC indicated that sharper focus was required around strategic issues of common concern to a large number of developing countries. The new framework was limited to two specific areas of focus: using advocacy to mobilize broader support for a more dynamic global agenda of South-South cooperation and giving a strong Southern dimension to the advisory services role. The Special Unit for TCDC would thus help to nurture the new BDP knowledge networks while directly supporting pilot projects developed jointly with strategic partners. Two staff members from the Special Unit for TCDC would be among the policy specialists outposted to the field.

129. The Assistant Administrator and Director of the BDP provided further details on the second GCF. The framework encompassed three activities: (a) global advocacy and analysis to generate knowledge, build alliances, and promote enabling frameworks on key development issues; (b) policy advice, support and alignment across programmes, drawing on the global network of policy specialists; and (c) knowledge-networking and the sharing of best practices. She elaborated on the activities that would be undertaken under each of the three areas.

130. During the past year, BDP had gone through a huge turnaround. A new structure had been established, with a 32 per cent staff reduction and a total reconfiguration of the bureau units into competency groups. That turnaround had involved the preparation, classification and approval of over 100 job descriptions and the reestablishment of some 100 posts in 23 different locations. BDP staff had competed with other internal applicants for the majority of the posts in the internal job fair held in October 2000, which had reviewed 435 UNDP candidates. From those not selected for posts in the new BDP, 80 staff had already been separated, with the remaining 30 or so to leave by the end of 2001. An external recruitment process would be held to recruit the remaining 60 policy specialists. Every step of the design and selection of staff had been undertaken in consultation with the regional bureaux and country offices, the main clients of BDP, so as to ensure joint ownership of the structure. There has been further streamlining of the management of the former fragmented approach to global activities, including closing some 700 projects and conducting 10 evaluations and a general audit.

131. Circumstances were now ideal to ensure policy alignment between global, regional and country level activities. Policy support services had been identified based on demand. Non-core trust funds would enable UNDP to remain aligned to the priorities identified through the strategic results framework/results-oriented

annual report (SRF/ROAR) process and to avoid the resource-led fragmentation of the past.

132. Delegations welcomed the focus, objectives and priority support areas of the second GCF. One delegation, also on behalf of three others, noted that the second GCF was totally in line with the findings of the evaluation of the GCF presented at the third regular session 2000. The linkages between GCF and the development thinking of the Human Development Report Office, the Office of Development Studies and BDP were now clear. UNDP should build on its strength as an honest broker at the field level, its intellectual role could not be overestimated. Further information was requested on how the GCF related to the global programmes of other United Nations Development Group members. With regard to the estimated costs of the GCF, the delegations raised a query regarding the prospects for mobilization of the non-core resources required for some GCF activities. The explanation regarding the restructuring of BDP was welcomed.

133. One delegation noted the complementarity between the new global programme and the proposed framework for TCDC, and its linkage with country and regional frameworks. The strengthening of strategic partnerships, with such organizations as the United Nations Conference on Trade and Development and the World Trade Organization, was welcomed. The speaker stated that global activities in crisis situations would achieve the desired results through collaboration with the Emergency Response Division.

134. One delegation noted that UNDP would have greater leverage at the global level and stay fully engaged in the global debate on development for the benefit of programme countries. UNDP engagement in the global debate would also contribute to a strengthened UNDP profile that would help raise the political and financial support to the organization. That delegation, while fully supporting the objectives and priority support areas of the second GCF, found it somewhat difficult to identify what UNDP intended to do in concrete terms, with the exception of two elements which had its strong support, the *Human Development Report* and the Global Public Goods Initiative. The Poverty and Environment Initiative would contribute to the preparation of the Rio+10: The World Summit on Sustainable Development. The speaker suggested two more criteria to be applied in the design of future initiatives, in addition to that already mentioned in the document. The first would require that global initiatives to be in line with the results categories as defined in the strategic results framework. The second would assure that resources allocated to the GCF were not used as substitutes for the target for resource assignment from the core (TRAC) 1.1.1 resources.

135. Support was expressed for the linkages with national programmes, the decentralization of experts and the creation of knowledge networks. The use of Southern institutions to help to develop policies was also welcomed. Duplication should be avoided. Further information on the advisory committee, referred to in paragraphs 51 and 52 of document DP/GCF/2, was sought. One delegation, also on

behalf of another, welcomed the focus on governance and democracy and support for civil society. Criteria for cooperation with regional organizations, however, should be more explicit to avoid duplication and to be cost effective.

136. Several delegations requested more information on how UNDP would be involved in development-related issues and processes, such as the Conference for Least Developed Countries, the Meeting on Financing for Development and the Integrated Framework for Trade-related activities in least developed countries.

137. One delegation expressed its willingness to support the new GCF financially and through sharing its own expertise. Another speaker requested more clarity with regard to the implementation and interventions of activities financed by the thematic trust funds. Support was expressed for reevaluating the methodological base of the *Human Development Report*. One delegation emphasized the need for UNDP to use its global reach to analyse how the poor could benefit directly or indirectly from globalization and to understand the links between greater participation by the poor and policy outcomes and partnerships with the private sector. Greater commitment to combat HIV/AIDS was welcomed. Continued input by UNDP to the Consultative Group on International Agricultural Research (CGIAR), including continued co-sponsorship, was requested.

138. One speaker welcomed the promotion of South-South cooperation through the GCF. She underlined support for the role of the *Human Development Report* in monitoring global trends and in advocacy and noted policy changes to hasten poverty reduction. In her country, the *Human Development Report* had exerted positive influence in public policies through national and municipal human development reports. The speaker noted that a great distance existed between decisions made by headquarters and actions taken at the country level. It was of utmost importance to ensure that the priorities of the results-oriented annual report be aligned with actions taken at the country level. Her delegation felt that criteria for the global programme could be further developed and specified.

139. Other speakers underlined the key role of UNDP in providing opportunities for developing countries in coping with the challenges of globalization. The second GCF was visionary and similar to the Millennium Summit Declaration. Further information was sought with regard to the thematic trust funds and the coordinating role of UNDP. One delegation requested that a logical framework on indicators of objectives and results of the GCF be submitted to the Board.

140. One delegation noted the intense pressure faced by developing countries because of commercial interests. The sustainable human development perspective of the GCF, in particular networking within the South and using Southern expertise, was thus welcomed. The inclusion of crisis prevention and management as one of the four priority areas of the GCF was questioned, as the first GCF had phased out disaster preparedness, emergency relief, reconstruction and rehabilitation, and

refugees and displaced persons that had been funded through fifth-cycle mechanisms. The reason for the reversal was requested.

141. The representative of the United Nations Educational, Scientific and Cultural Organization stated that her organization had priorities identical to those of UNDP. She stated that coordination should be strengthened among global programmes and called for the linking of networks among United Nations organizations, including the UNDP subregional resource facilities (SURFs).

142. The Assistant Administrator and Director of BDP thanked the Board for its comments. The concerns and requests for clarification were noted. The more specific questions would be answered bilaterally. She explained that the thematic trust funds would be established in the priority areas, emerging from the SRF/ROAR process to make more non-core resources available to programme countries. The alignment between trust funds and the BDP network was that policy specialists at the global level and at the regional level (through SURFs) would support the design of projects through technical and policy support to country offices. She underlined that, with the limited resources available, particularly the limited staff resources, there was very little duplication. Coordination and linkage with knowledge networks of specialized and bilateral agencies was part of the design of the process. As the BDP priority in the last few months had been restructuring, discussion with partners had not progressed as far as desired. New methods of coordination would be developed in the coming months as a priority. In response to queries raised, she underlined that UNDP would have focused on strategic interventions in global processes, such as the Meeting on Financing for Development, Rio +10, and the Conference on Least Developed Countries. She noted that BDP was active in a pilot project to integrate the trade dimension into the PRSP processes in two countries, part of the work related to the Integrated Trade Framework for least developed countries. Upon approval of the GCF, UNDP would commence the programme process and develop programme documents, including indicators, and would report back to the Board with details. With regard to the advisory board, UNDP would consult the Bureau of the Board.

143. The Deputy Assistant Administrator and Deputy Director of BDP underlined the link between the CCA/UNDAF and the GCF, noting that BDP represented UNDP in the sub-group on programme matters of the United Nations Development Group. Using the SURFs, UNDP assisted the country offices and teams on the UNDAF process. With regard to results-based management, a table had been prepared, but not distributed, relating demand and targets. BDP had been quite involved in the analysis of the SRF and the SURFs helped countries in the formulation of their SRFs. BDP could thus continually update the support services to country offices. The logical framework analysis was thus far not being used because the level of aggregation was very high and because consulting the indicators for each of the reference areas would prove very difficult. He noted that the shortfall in core funding had created the need for additional non-core funding. It was hoped that the independence of the *Human Development Report* would be preserved. A trust fund for the *Human Development Report* would make support for the non-

core activities of the Human Development Report Office, including NHDRs, possible. The thematic trust funds would try to align the contributions at the regional and country levels. The Task Force demonstrated a special role for UNDP by selecting it to lead the establishment of the International Trust Fund. With regard to the query raised regarding crisis countries, he noted that in the fifth cycle, all activities related to crisis countries were financed through special programme resources that had been managed by BDP. In the sixth cycle, TRAC line 1.1.3 had been allocated for crisis and emergencies. It was now clear that development activities could not be divorced from crisis-related activities. It was important to follow closely issues related to prevention and post-crisis state-building from both operational and policy/conceptual points of view.

144. The Executive Board approved the second global cooperation framework (DP/GCF/2).

IV. Technical cooperation among developing countries

145. The Associate Administrator introduced the second cooperation framework for technical cooperation among developing countries (DP/CF/TCDC/2). (Note: The report on technical cooperation among developing countries: follow-up to decision 99/11 (DP/2000/36), originally submitted to the third regular session 2000, was re-submitted at the present session.)

146. During the period 1997-2000, the Executive Board had allocated 0.5 per cent of UNDP core resources, approximately \$15 million, to the activities supported by the Special Unit for TCDC. The first cooperation framework for TCDC had focused on support for sustainable development through TCDC and the promotion and coordination of TCDC on a global and United Nations system-wide basis. The second framework built on the major lessons learned in the course of implementing the first framework, including the need to focus on strategic issues of common concern to a large number of developing countries, nurture South-South knowledge networks, build broad-based partnerships, and work with strategic partners. The second framework was designed to draw maximum benefits from limited resources through concentrating on mobilizing global support for South-South cooperation and acting as a catalyst in the development of innovative models of South-South technical cooperation.

147. The second framework emphasized the need for developing countries to build and share capacities essential to effective participation in multilateral processes, the need to adapt domestic policy and institutional arrangements to the requirements of the new global economic system, and the need to protect and promote the development interests of the South by acquiring the knowledge and skills enabling developing countries to compete effectively in an increasingly competitive socio-economic environment. South-South cooperation was more viable at the present time than ever before; the second framework therefore focused the activities of the Special Unit for TCDC on issues that called for South-South solutions in international development cooperation. Key activities to be supported by the programme included initiatives to mainstream the practical use of the TCDC modality in UNDP and in the United Nations system. Those efforts would be supported by improved on-line services linking the TCDC information service, WIDE, to other databases in the United Nations system, including the subregional resource facilities (SURFs). Two staff members of the Special Unit for TCDC would be relocated in the Asia and the Pacific and Africa regions. The aim of the second framework was to mobilize South-South solutions to address the challenges of globalization and economic liberalization. The models of South-South cooperation to be developed in implementing the second framework would draw on Southern experience and technical know-how to improve policy and institutional capacities in the South in order to seize the opportunities presented by globalization.

148. The Officer-in-charge of the Special Unit for Technical Cooperation Among Developing Countries gave a presentation on the second framework and the work of the Special Unit.

149. Delegations welcomed the second framework for TCDC and the presentations made. Many speakers emphasized the importance of TCDC and welcomed the planned activities under the new framework, including increased advocacy for the TCDC modality. The incorporation of answers to questions raised at the third regular session 2000 was welcomed. Specifically, delegations expressed support for trade-related and finance activities, work to bridge the digital divide, and the provision of assistance to developing countries for capacity-building in negotiations and fulfilment of international codes and standards. One delegation raised a query regarding the inclusion of food security in the new framework. Speakers cited positively the emphasis on building South-South networks, sharing of South-South experience, enhanced information networks on TCDC and the increased use of experts from the South. The enhanced use of partnerships would increase the effectiveness of the second framework and should include work with international organizations such as the Portuguese-speaking Union. Triangular cooperation was supported and should be further developed. Some delegations noted specific TCDC activities undertaken by their governments.

150. The intention to mainstream the use of the TCDC modality throughout UNDP and the United Nations system was welcomed. Some speakers noted the planned collaboration of the activities of SU/TCDC in the context of the global cooperation framework and with regional programmes. Several speakers underlined the need to ensure the incorporation of TCDC into the United Nations Development Assistance Frameworks (UNDAFs), strategic results frameworks, country cooperation frameworks and the results-oriented annual reports. One delegation emphasized that Governments should be directly involved in the implementation of the framework's activities and that SU/TCDC actions should be complementary to bilateral initiatives.

151. While several speakers advocated an increase in core financial resources for the activities of the Special Unit for TCDC during the present programming period, others preferred increased financing through non-core resources, specifically through contributions to the South-South Trust Fund. Several speakers noted that they had already contributed to the Fund. The core funding allocation to the Special Unit could be examined in the context of the next programming period, to be discussed by the Board in 2002. Several speakers cited the designation by the General Assembly of the special role of UNDP in promoting TCDC in the United Nations system.

152. One delegation stated that while many of the activities undertaken under the first TCDC framework had been of much value, others had seemed to have little relevance from a sustainable human development perspective. The speaker did not agree that TCDC interventions should be more policy oriented and strategic, but rather they showed support to South-South cooperation in developing national policies and strategies for reducing poverty and enhancing development. The delegation would not support UNDP assistance for developing consensus only among the countries of the South on policies discussed in international organizations

since there had to be a global consensus in the United Nations. In this context, the speaker noted her delegation's earlier concern that UNDP had supported the development of a partisan stand on negotiating positions through the publication of the South Centre, which advocated the development of a common Group of 77 negotiating strategy. She urged UNDP and the SU/TCDC to continue work to equip developing world negotiators with the skills and tools to negotiate more effectively and leave the development of positions to each nation who might decide to cooperate with others. The reference in DP/CF/TCDC/2 to supporting South-South policy dialogues through "policy analysis and publications reflecting Southern perspectives" did not ease that concern. The speaker was pleased, however, with the Administrator's reassuring remark that policy assistance in the context of TCDC would primarily be in the form of capacity-building.

153. The Associate Administrator underlined the strong recognition of the importance of South-South cooperation in the comments made. He underlined that the key role of Governments in the implementation of TCDC activities. Partnerships with regional organizations were anticipated. He hoped that TCDC would be systematically used throughout the United Nations system, as many speakers had stated. He noted the concern raised by one delegation with regard to an increased upstream focus and with regard to the concept of a global economic system, which could be discussed bilaterally. He underlined that resources available for the activities of SU/TCDC were currently limited and could be enhanced through non-core resource mobilization.

154. The Officer-in-charge of the Special Unit for TCDC noted the intention to raise \$15 million for TCDC activities through the South-South Trust Fund. The Special Unit would work with the Bureau for Development Policy to ensure the development of policy instruments to ensure that TCDC was fully integrated into UNDP programmes at all levels. The Special Unit also intended to provide support to United Nations system-wide efforts toward integrating TCDC into operational activities. The United Nations system would adopt a common resource framework for measuring progress in mainstreaming as required by the High-level Committee on TCDC and the General Assembly. With regard to trade-related activities, as reflected in the cooperation framework, the Special Unit intended to provide support to strengthening the institutional and policy capacities of developing countries to respond to emerging global issues. He cited the work in support to diversification of rice species by the West Africa Rice Development Association (WARDA) as a positive example of contributing to food security. Another positive example of partnerships was through the Africa-Asia Business Forum. In response to the query raised regarding the focus on globalization, he noted that there were several areas of intervention in the framework that did not concentrate specifically on that area. He confirmed that all initiatives would involve Governments as well as other partners. He also stated that the Special Unit would ensure that its activities were closely linked to the country, regional and global frameworks.

155. The Executive Board approved the second cooperation framework for technical cooperation among developing countries (DP/CF/TCDC/2) and adopted the following decision:

2001/2 Technical cooperation among developing countries

The Executive Board

1. *Recalls* that the second cooperation framework for technical cooperation among developing countries 2001-2003 (DP/CF/TCDC/2) was approved on 31 January 2001 and also recalls General Assembly resolution 53/192 of 15 December 1998 and Economic and Social Council resolution 2000/19 of 28 July 2000;
2. *Notes* the lessons learned from the first cooperation framework, which include the need for synergy between, and complementarity with, other efforts of the United Nations Development Programme in this area, the need for a more systematic assessment of the impact of technical cooperation among developing countries and the need to focus on facilitating south-south capacity-building processes;
3. *Welcomes* the Administrator's efforts to enhance and mainstream technical cooperation among developing countries within the United Nations Development Programme and recognizes the unique role of the Special Unit for TCDC in these efforts;
4. *Appreciates* the contribution made to the South-South Trust Fund by a number of countries and other donors and encourages all partners to increase their efforts to support technical cooperation among developing countries, in particular through innovative models of south-south cooperation, recognizing that ongoing and new partnerships among developing countries and their regional organizations are a good basis for fostering development;
5. *Reiterates* its concern about the low level of core resources of the United Nations Development Programme, which in turn has affected the resources allocated to the Special Unit for TCDC;
6. *Requests* the Administrator to consider reviewing, in the context of the successor programming arrangements, the allocation of additional resources for activities involving technical cooperation among developing countries, taking into account the overall financial situation and the need for appropriate resources for other activities.

2 February 2001

UNDP/UNFPA segment

V. Reports to the Economic and Social Council

UNDP

156. The Associate Administrator introduced the report of the Administrator to the Economic and Social Council (DP/2001/6), noting that UNDP, UNFPA, and the United Nations Children's Fund (UNICEF) had agreed on a common format and approach for their respective reports to the Council. The report was an important contribution to the triennial comprehensive policy review of operational activities to be undertaken by the General Assembly later in the year. It was clear that UNDP had made considerable headway towards meeting the directives of Assembly legislation such as those contained in resolution 53/192. With other members of the United Nations Development Group (UNDG) and in turn the broader United Nations system, UNDP was assisting the Department of Economic and Social Affairs in the assessment of progress achieved in response to resolution 53/192. Coordinated inputs would be provided to the Council at its substantive session 2001.

157. The report highlighted progress made in the reform of the Administrative Committee on Coordination (ACC) and its subsidiary bodies and the streamlining of UNDG through the introduction of "sunset clauses" for its working groups. The area of funding and resources was examined in light of the introduction of the multi-year funding framework and results-oriented annual report, as well as the UNDP Ministerial Meeting, held in September 2000. Significant progress was noted in the areas of the resident coordinator system, and with regard to the implementation of the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF). In that regard, partnership with the Bretton Woods institutions at the country level was a high priority, in particular through collaboration with the World Bank in the context of the Comprehensive Development Framework, the poverty-reduction strategy papers (PRSPs), and the CCA/UNDAF, and the interrelationships between those instruments.

158. Other areas addressed in the report included the harmonization of programming periods and procedures, gender-mainstreaming, gender balance, capacity-building, common premises and services, monitoring and evaluation, follow-up to international conferences, and the follow-up to special economic, humanitarian and disaster-relief assistance.

Comments by delegations

159. Several delegations praised the common format presented by UNDP, UNFPA and UNICEF in their reports to the ECOSOC, as well as the fact that the reports were presented at the first regular sessions of the respective Executive Boards. The reports were seen as useful contributions to the discussion that would take place at the Council's substantive session for 2001 and to the triennial comprehensive policy review process.

160. The strong focus on implementation of the reform programme of the Secretary-General was welcomed. The High-Level Programme Committee (HLPC) was considered a good initiative. One delegation asked for clarification regarding the different language used in documents DP/2001/6 and DP/FPA/2001/1 regarding the "sunset clauses" of the UNDG working groups.

161. One delegation noted that the reference in paragraph 10 (c) to a continued decline in core funding in "other funds and programmes" was not accurate. Another delegation underlined its support for paragraph 10 (d) in which it was suggested that the ECOSOC make recommendations on the future of the United Nations pledging conference, taking into account the experience gained at the second funding meeting at the second regular session 2000 of the Executive Board, as well as the experience of other funds and programmes.

162. Several delegations noted that, while 93 programme countries had harmonized their programming cycles, completely different country programmes or country cooperation frameworks had been submitted to the respective Executive Boards of the funds and programmes at their first regular sessions 2001. Moreover, in spite of harmonized programming cycles, there had been little evidence of collaborative programming at the country level and no evidence of joint programming. In that regard, speakers requested further information on the progress achieved by the UNDG Working Group on Harmonization and Simplification of Programming Processes and Approval at the annual session 2001, when the Executive Board would receive a progress report on follow-up to decision 2000/12. There was also a need to continue to streamline programming, administrative and financial guidelines. The need for greater harmonization of programming periods and procedures with budgetary processes and national planning cycles was underlined.

163. Further efforts to streamline programming instruments as progress was achieved in introducing CCAs and UNDAFs was encouraged, in particular in order to relieve the burden of already overstretched national capacities. In addition, there should be clear references to the CCA and UNDAF in UNDP country cooperation frameworks and UNFPA country programmes and how they related to one another in terms of goals, objectives and partnerships agreed upon by the country team and the Government. A clear linkage between UNDAF goals and international development goals was sought. Some speakers underlined the leadership role of national governments in programming at the country level and in the follow-up to international conferences.

164. Several delegations reaffirmed their support for closer collaboration at the country level between the United Nations system and the Bretton Woods institutions. The importance of the overall coordination role of national authorities was emphasized. One delegation cited its Government's intention to monitor and report on the results of field-level collaboration between the United Nations system

and the Bretton Woods institutions. Speakers also called for greater linkage between the CCA/UNDAF, the CDF and the PRSPs, where applicable.

165. Speakers called for further progress in mainstreaming gender considerations in operational activities for development. One delegation suggested building on the experience of the United Nations Development Fund for Women.

166. Many delegations cited the lack of progress in addressing gender balance in the senior ranks of UNDP and in particular among resident coordinators. One delegation requested further information on how UNDP intended to reach the targets that had been set for achieving gender balance.

167. One delegation requested that the wording in paragraph 74 (a) be amended to read: "Take note of document DP/2001/4 on the role of UNDP in crisis and post-conflict situations, as well as the comments made by members of the Executive Board, along with the approaches of partner funds and programmes contained in their respective reports to the Council."

168. The representative of the United Nations Educational, Scientific and Cultural Organization underlined the need to strengthen the CCA and UNDAF processes. She also cited the important role of UNDP as the coordinator of the United Nations system and the vital importance of the United Nations system support for policy and programme development and support for technical services. The issue of gender balance among resident coordinators was a sensitive issue, in particular because many organizations did not have or were unwilling to release women at the senior level.

Response of the Administration

169. The Associate Administrator, in response to the comments made, noted that there was no discrepancy between UNDP and UNFPA with regard to views on the "sunset clauses" of the undg sub-groups. With regard to gender balance, he explained that the appointment of resident coordinators was carried out through an inter-agency mechanism, and that all sponsoring organizations were encouraged to place women in the pool of resident coordinator candidates. He noted that 48 per cent of candidates for the most recent assessment programme for resident coordinator competencies were women. However, those candidates needed to pass the assessment and also be available to serve. He confirmed that there would continue to be greater dialogue with the World Bank at the country level. He also confirmed that the future country cooperation frameworks would include the inputs of CCA and UNDAF processes where applicable. He underlined that 22 UNDAFs had been approved, with 17 in progress. While there had been some delays due to individual country situations, UNDP was committed to moving forcefully. He informed the Executive Board that there were undg guidelines for joint programming, especially for those who had approved the UNDAF.

170. The Executive Board took note of the UNDP report to the Economic and Social Council (DP/2001/6) and the comments made thereon and decided to transmit them to the Council.

UNFPA

171. In his introduction of the report of the Executive Director to the Economic and Social Council (DP/FPA/2001/1), the Director of the Strategic Planning and Coordination Division emphasized that the report was presented in a format jointly agreed by UNDP, UNFPA and the United Nations Children's Fund (UNICEF) and focused on the implementation of United Nations reforms, the forthcoming triennial policy review of the Council, the follow-up to international conferences and on humanitarian and disaster relief assistance. In particular, the triennial policy review would focus on the common country assessment (CCA) and the United Nations Development Assistance Framework (UNDAF). The Director stated that these two mechanisms, if carried out well, would provide critical opportunities to strengthen the national capacity of programme countries in a coordinated and complementary manner.

Comments by delegations

172. In commenting on the report, several delegations said that they had found it to be both useful and informative. One delegation questioned a seeming discrepancy between the report of UNFPA and that of UNDP on the effectiveness of "sunset clauses" concerning the working groups of the United Nations Development Group (UNDG). The same delegation also noted that the goal of developing 32 UNDAFs by 2000 had not been achieved. Several delegations noted the importance of mainstreaming gender into the CCAs and UNDAFs and of increasing the number of women who served as resident coordinators. In that regard, UNFPA was commended in coming very close to achieving a gender balance in its professional staff (48 per cent), a better record than most other United Nations organizations. Delegations echoed the comments of the Director in speaking of the potential value of the CCAs and UNDAFs in promoting national capacity-building, especially regarding the follow-up to international conferences.

173. In discussing the harmonization of the programmes of United Nations organizations, one delegation noted that, although a large number of programming cycles had been harmonized, the schedule for presentation of country programmes to their respective Boards seemed not to coincide at all. The delegation hoped that proposals being developed on the programming process by a working group headed by UNFPA would address that concern. The same delegation also expressed its desire that the UNFPA Country Population Assessment (CPA) could be merged into the CCA process in order to reduce duplication of efforts. Delegations also expressed their desire that the CCA and UNDAF processes should result in more joint programming by United Nations development organizations.

174. In discussing the trend in core resources of the funds and programmes, delegations pointed out that UNFPA was in a unique situation in that its annual revenues were very much influenced by whether one major donor contributed to the Fund or not. One delegation noted, however, that the Fund's core resources for 2000 represented an increase of 5.1 per cent over the previous year and the number of countries contributing to the Fund had expanded to 102. The same delegation asked for a clarification of "180 degree feedback" appraisals as used in paragraph 15 of document DP/FPA/2001/1 and requested that open meetings on the occasion of mid-term reviews of country programmes be well publicized. The delegation also asked what measures were being taken to ensure the security of the personnel of non-governmental organizations (NGOs) involved in executing UNFPA programmes in emergency situations.

Response of the Administration

175. In replying to the various comments and questions, the Director of the Strategic Planning and Coordination Division noted that there was no fundamental discrepancy in the views of UNDP and UNFPA concerning the "sunset clauses" of the UNDG working groups: it was a question of whether the glass was seen as half full or half empty. He acknowledged that the goals for completing UNDAFs in 2000 had not been achieved but said that the system had performed remarkably well in finalizing more than 20 UNDAFs and in almost completing 38 more. He strongly concurred with delegations that had emphasized that the CCA and UNDAF processes should result in a greater sense of government ownership of programmes. He stated that the greater degree of joint programming that could result from the CCA and UNDAF processes might entail some modification in the financial rules and regulations of different organizations; that was being examined, he noted.

176. The Director said that the "180 degree feedback" of appraisals meant that field offices were able to comment on the assessments made by headquarters of field reports and that the goal was to ensure mutual feedback into the system. The Director appreciated the comments concerning gender-mainstreaming and the success that UNFPA had had in filling professional posts with women candidates; indeed, at the senior-management level, women represented more than 50 per cent of managers. The Fund would continue to publicize mid-term reviews in order to solicit as much outside involvement as possible. Concerning security, the Director stated that in engaging NGOs to execute UNFPA programmes in emergency situations, the Fund relied on large international NGOs with accumulated experience working in difficult situations. These NGOs necessarily had expertise in ensuring staff security, but this was an important area that the Fund would continue to consider a priority and on which it would continue to work with partner organizations.

177. The Deputy Executive Director (Programme) commented on the relationship between the CPAs and the CCAs and UNDAFs. She said that in those situations where CCAs were being developed, the Fund would not duplicate that work by carrying out a separate CPA. However, that made it incumbent on UNFPA to work to ensure that population and reproductive health concerns were reflected in the

CCAs and UNDAFs. In that context, she noted that for the UNFPA country programmes submitted to the Executive Board at its current session, it had indeed been possible to reflect CCAs and UNDAFs since a significant number of those mechanisms had recently been completed. She informed the Board that the UNDG working group charged with developing common programming approval processes for UNDP, UNFPA and UNICEF, chaired by UNFPA, was submitting proposals to UNDG the following month and would be making a presentation to the Board at its next annual session. She pointed out that the proposals would be designed so as not to add to the workload of programme staff.

VI. Recommendations of the Board of Auditors 1998-1999: UNDP, UNFPA, UNOPS

178. The Associate Administrator introduced the report of the Administrator on UNDP follow-up to the report of the Board of Auditors for 1998-1999 (DP/2001/7) and the report on steps taken by UNDP after the qualification of the financial statements of the 1998-1999 biennium (DP/2001/CRP.5). Also addressed in the documents were the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/55/487). UNDP was grateful to the Board of Auditors and to ACABQ for engaging in a constructive dialogue that helped to maintain transparency in matters of institutional accountability.

179. Document DP/2001/7 contained a summary of the recommendations of the Board of Auditors for the biennium 1998-1999, listed by area of audit, and the UNDP response to the recommendations and the status of follow-up action, including target dates for completion. Progress had been made in many areas and efforts were being made to address outstanding issues. The conference room paper supplemented the information contained in document DP/2001/7 and included information on steps taken to address audit certification of nationally executed projects and on other outstanding items. Those problems had arisen in April 1999 as a result of the introduction of the Integrated Management Information System (IMIS), which had taken longer than expected to become operational, thus resulting in delays in audit reporting. There had been an increase in receipt of audit certifications, the Associate Administrator stated, although there remained some \$423 million in expenditure that had not yet been audited. Country offices had been instructed to increase the number of audits required for 2000 activities. Measures had been taken to encourage the timely reporting of audit certifications so that the qualification on the financial statements could be removed.

180. The Fifth Committee had requested the Board of Auditors to recommend that, if satisfactory progress had been made, that the financial statements for 1998-1999 be approved. UNDP was working closely with the Board of Auditors to satisfy the requirement. All but \$0.7 million of the \$11.1 million of outstanding funds relating to the bank reconciliation had been cleared and UNDP was sure that there was no risk of loss from the outstanding amount.

181. The Associate Administrator emphasized that the results of the biennium 1998-1999 had been negatively affected by the implementation of IMIS.

182. The Deputy Executive Director (Management) introduced the follow-up to the report of the Board of Auditors for 1998-1999. He said that the report before the Executive Board (document DP/FPA/2001/1) contained a concise summary of steps taken to address the auditors' concerns and designated responsibility for implementing each recommendation and a time-table for doing so. He also updated the Board on steps taken to increase audit coverage. The Fund had received the

Board's approval to harmonize UNFPA's audit requirements with those of UNDP. He had instructed country offices and geographical divisions to prepare audit plans for 2001, which would be strictly monitored by the Fund's Internal Audit Section. Each Representative and programme manager was responsible of complying with audit requirements and following up on audit recommendations.

183. The Deputy Executive Director said that in the last quarter of 2000, UNFPA had begun a series of training workshops for country office staff in which audit procedures were emphasized. The Fund was actively engaged in recruitment in order to bring its own Internal Audit Section up to authorized strength. He said that the Fund took note of the restricted audit opinion of the audit report ending 31 December 1999 and the decision of the General Assembly to defer action on UNFPA financial statements. He emphasized that the difficulties in achieving an appropriate audit coverage of government and NGO-executed projects were largely a matter of timing. Indeed, as stated in a previous report, "most audit reports are eventually received". The Fund would make a concerted effort to improve the timing of submissions. Analysis showed that there were only a limited number of non-complying agencies, and, if necessary, the Fund would consider not entering into new contractual agreements with those agencies that had not provided the necessary audit documents.

184. The Deputy Executive Director of the United Nations Office for Project Services (UNOPS) introduced the Report of the Executive Director on the follow-up to the report of the Board of Auditors for 1998-1999 (DP/2001/8). He expressed appreciation to the outgoing Board of Auditors from the United Kingdom and welcomed the new team from South Africa. UNOPS had expressed its agreement with the recommendations of the report of the Board of Auditors for 1998-1999 and was actively working to implement them. New benchmarks were being developed in the context of the business planning process for 2001-2002 to respond to operational demands and to improve financial information regarding targets. UNOPS was working more closely with its clients on project documents regarding performance and risks. Matrices regarding roles and responsibilities for the services provided by UNOPS were now included in project documents. Improvements had been made in the internal project-acceptance process, applying more rigorous standards.

Comments on UNDP reports (DP/2001/7 and DP/2001/CRP.5)

185. Delegations thanked UNDP for the additional information provided in document DP/2001/CRP.5, which had answered many outstanding questions. It was important that the recommendations be implemented. It was noted that the concerns of the Board of Auditors and ACABQ had been taken very seriously by UNDP.

186. One delegation stated that her Government preferred to use its own national auditing authorities for nationally-executed projects. The speaker noted that a

combination of government and outside auditors would require delays in producing the audit reports because of the streamlining required.

187. Another delegation raised several queries regarding the documents. With regard to paragraph 55 of document DP/2001/7, more information was sought on the priority activities referred to with respect to monitoring plan for the Business Plans, 2000-2003. Further information was also sought on the number of job descriptions yet to be completed, whether executing agencies reported on project implementation and how those reports were used, and whether the Office of Audit and Performance Review (OAPR) included an evaluation of internal controls in all its audits. UNDP was commended for adopting measurable performance indicators and other results-based budgeting tools to control finances and operations.

188. Another delegation expressed concern that UNDP had received for the third time a qualification on its financial statements. It supported the efforts of OAPR to make additional efforts to explore the reasons for non-compliance with audit reports as described in document DP/2001/CRP.5. Additional qualifications on financial statements could adversely affect her Government's support for UNDP. It was hoped that the situation regarding the need for bank reconciliation would be resolved without delay.

189. One delegation, also on behalf of another, noted that it was not the first time that the financial statements of UNDP had been qualified. However, the explanations provided in document DP/2001/CRP.5 and by the Associate Administrator had answered all of their remaining questions. The speaker understood that according to the procedure, after the publication of the report of the Board of Auditors and consideration by ACABQ and the Fifth Committee, the Executive Board would take note of the follow-up. However, if the Board took note on the follow-up, it would in fact be approving the financial data provided by UNDP for the past biennium. The speaker understood that the Fifth Committee, when it had considered the reports of the Boards of Auditors and ACABQ in autumn 2000, had suspended its acceptance of its financial statements subject to further explanations. The question was thus raised with regard to procedure as to whether the financial statements could in fact be taken up by the Board when the Committee had not yet approved them.

Comments on UNFPA report (DP/FPA/2001/2)

190. One delegation had several specific questions concerning UNFPA's response to the recommendations of the Board of Auditors. What were the results of a meeting held to discuss a \$1 million advance made in 1994 from UNFPA to UNDP for field accommodations? What steps had been taken to ensure that country offices did not exceed their expenditure ceilings? What improvements had been made in ensuring compliance with controls over advances for projects? What had UNFPA done to enforce the requirement that executing agencies submit final project reports?

For the third time in the past 10 years, the Board of Auditors had found significant problems in managers' bypassing the procurement system; what had been done to rectify that? What actions had UNFPA taken to ensure that services and products provided conformed to contract specifications? What success had the Fund had in recovering the funds overpaid to a contractor as discussed in paragraph 81 of the Board of Auditors report?

191. Another delegation reiterated its concern that UNFPA had received a qualified report from the Board of Auditors because it did not receive audit reports from governmental and non-governmental executing agencies in a timely fashion. The delegation hoped that the Fund could arrive at a suitable solution that would result in better quality and timeliness of the reporting of funds advanced to those agencies. The delegation also said that UNFPA seemed to have difficulty in adjusting its level of expenditures to live within its reduced means, leading to a recurrent habit of dipping into the operational reserve. It hoped that UNFPA would find solutions to that problem and that a new financial management system would contribute to addressing that issue. The delegation was also concerned with lack of compliance with procurement regulations.

Comments on UNOPS report (DP/2001/8)

192. One delegation, speaking also on behalf of four other delegations, felt that document DP/2001/8 provided an indirect response to the report of the Board of Auditors for 1998-1999. The perceived lack of details in the UNOPS response was significant in view of the oral report made by the Executive Director at an informal meeting of the Board during the current session regarding the difficult financial situation presently faced by UNOPS, while reporting during the previous session that the financial situation was good. The delegations indicated three instances in which UNOPS could have reported on the follow-up of the Auditor's recommendations in a more comprehensive manner. Those related to the recommendations regarding : review of returns from imprest holders; the strengthening of performance indicators included in project documents that would allow for measurement of progress against objectives; and the relocation of UNOPS headquarters . Regarding the latter, the delegations would have expected a clear statement from UNOPS as to the steps taken to insure that such as situation would not occur again. UNOPS should have provided responses that acknowledged more clearly the recommendations of the Board of Auditors, indicated UNOPS acceptance of the recommendations and provided dates by which it would comply with the recommendations.

193. Another delegation requested further information on the identification of risks associated with projects, on strengthening of performance indicators through the review process , and whether projects were funded in segments according to performance.

Responses

194. The Secretary of the Executive Board, in response to the query raised, informed the Board that it could take note of document DP/2001/7, bearing in mind the additional explanations included in document DP/2001/CRP.5. The explanations would be provided to the Fifth Committee and the General Assembly.

195. The Associate Administrator stated that the specific questions raised would be responded to bilaterally in writing.

196. The Director of the Office of Audit and Performance Review stated that UNDP also preferred to use national audit offices to conduct audits of nationally executed projects. However, he noted that national audit offices did not always have the same standards as those set by the Board of Auditors. In response to the query raised, he stated that the audit qualification was treated very seriously by UNDP and every effort was being made to have it removed by making progress on the audits of nationally executed projects. While changing financial regulations could help to make progress in that area, they would also change the costs associated with the audits.

197. In his response, the Deputy Executive Director of the United Nations Population Fund said that we would try to take corrective action and to put in place systematic controls to address the problems mentioned. The operational reserve would be replenished. UNFPA had an excellent procurement system and he would work to ensure that it was utilized as intended. The Director of the Division for Management Services said that the payment for the reserve for field accommodation was still outstanding; the United Nations Office of Legal Affairs had given its legal opinion and discussions were continuing with UNDP. She said that greater control over the cash situation in field offices was being enhanced by strengthening UNFPA's automated financial systems. Referring to decentralized authority, she stated that UNFPA Representatives had to be held accountable for the financial management of their offices, and the Fund was helping them to better manage their financial accounts by providing more training.

198. The Director also informed the Board that a system was being worked on that would warn about ceilings and advances in order to guard against overexpenditures. A system had been put in place that required Directors to certify that procurement procedures were being followed. As for suppliers, an inter-agency working group was devising a common system for ensuring that suppliers met contractual agreements, and the Fund also had its own system in place. She concluded by saying that there was an ongoing study to ascertain the amount in question in paragraph 81 of the report of the Board of Auditors.

199. The Deputy Executive Director, UNOPS, underlined that all recommendations of the Boards of Auditors had been accepted by UNOPS. Written answers could be provided to the queries raised by delegations. Regarding financial aspects, he noted that the Auditors report on UNOPS did not have qualifications. Concerning imprest account returns, he pointed out that timely receipt of vouchers from the UNDP country offices was not always ensured. Consequently, a time lag was often generated in the reconciliation of payments. To the extent that it could be controlled, UNOPS had made much progress to expedite the process in 2001, thereby foreseeing completion by February 2001. In response to the query on performance indicators, he explained that UNOPS did not have much control over them since the funding agencies normally formulated the project documents and assumed responsibility for the performance indicators they wished to be utilized. As to risk associated to projects, the Deputy Executive Director indicated that political, financial, legal and other risks were the responsibility of the funding agency whereas risks associated with implementation were identified and monitored by UNOPS, to the extent that that was feasible. When possible, UNOPS made recommendations based on previous experience but could not change the documents once finalized. In response to another query raised, he noted that UNOPS control of project funding was determined by the degree of UNOPS involvement in the project. In those cases when UNOPS exercises control on project funding – i.e., when performing loan administration – funds were released from the funding agency to the borrower in tranches, and UNOPS ensured that such funds were utilized for the intended purposes. Usually, the tripartite review process that included UNOPS allowed for analysis using performance indicators and monitoring of progress.

200. The Executive Board adopted the following decisions:

2001/3

UNDP: Follow-up to the report of the Board of Auditors for 1998-1999

The Executive Board

1. *Notes* that considerable progress has been made by the United Nations Development Programme in implementing the recommendations of previous reports of the Board of Auditors and that action is being taken to address all recommendations made by the Board of Auditors in its report for the biennium 1998-1999;
2. *Welcomes* the measures described in document DP/2001/CRP.5 and urges the secretariat to take further appropriate measures to ensure the timely delivery of compliant and accurate financial statements according to the United Nations system accounting standards.

1 February 2001

2001/4
UNOPS: Follow-up to the report of the Board of Auditors for 1998-1999

The Executive Board

1. *Takes note* of the report on the follow-up to the recommendations of the Board of Auditors (DP/2001/8);
2. *Requests* the Executive Director to provide the Executive Board, at its first regular session 2002, with an updated overview of the implementation of the recommendations of the Board of Auditors, including follow-up action completed.

1 February 2001

2001/5
UNFPA: Follow-up to the report of the Board of Auditors for 1998-1999

The Executive Board

Takes note of the progress report provided by the Executive Director on the measures that have been taken or are planned in implementing the recommendations of the Board of Auditors for the biennium 1998-1999, as contained in document DP/FPA/2001/2.

1 February 2001

201. The Secretary of the Executive Board informed the Board that the documentation submitted to the Executive Board had been extracted from the report of the Secretary-General to the General Assembly to the Fifth Committee entitled "First report on implementation of recommendations of the Board of Auditors on the United Nations funds and programmes for the biennium ended 31 December 1999". It was proposed that in the future, in order to improve efficiency, only the extract relating to a particular fund, with a short cover note providing updated information, be submitted to the Executive Board.

VII. Financial, budgetary and administrative matters

202. Speaking for both UNDP and UNFPA, the Director of UNFPA's Division for Management Services introduced document DP/FPA/2001/3-DP/2001/9. She said that the new common financial regulations were being proposed in response to Executive Board decision 2000/5, in which the two organizations were asked to develop a common regulation concerning contributions from non-governmental sources. The proposed new common regulations would not require prior approval from the Executive Board for contributions from NGOs consistent with the mandates of the two organizations but would require the two organizations to report annually to the Board on all contributions over \$100,000.

203. One delegation said that it was pleased at the new common regulations but wondered if they should have been channeled through the Advisory Committee on Administrative and Budgetary Questions (ACABQ) before coming to the Board and wondered why the \$100,000 limit was being inserted into the proposed new financial rule and not the regulation. Another delegation echoed that question.

204. In her response, the Director said that the regulations were not being submitted to the ACABQ because they were restatements of existing regulations, not new ones. She said that the reason the \$100,000 limit had been placed in the rule and not the regulation was because it was easier to modify a rule if at any time in the future it was thought necessary to change the dollar limit on reporting requirements. The Chief Financial Officer of UNDP said that he concurred that the dollar level was better placed in the rule but that, along with the dollar limit to be established, was up the Board to decide.

205. The Executive Board adopted the following decision:

2001/6

Proposed common financial regulations concerning contributions from non-governmental sources

The Executive Board

1. *Takes note* of the report on common financial regulations concerning contributions from non-governmental sources (DP/FPA/2001/3 and DP/2001/9);
2. *Approves* the proposed common financial regulations as annexed to the present decision.

31 January 2001

Annex
PROPOSED COMMON REGULATIONS

1. First common regulation

For UNFPA

“Contributions may be accepted by UNFPA from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies themselves. Other contributions, including those from intergovernmental, non-governmental, or private sector sources, may be accepted by UNFPA and utilized for the general support of UNFPA or for purposes consistent with those of UNFPA.”

For UNDP

“Contributions may be accepted by UNDP from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies themselves. Other contributions, including those from intergovernmental, non-governmental, or private sector sources, may be accepted by UNDP and utilized for the general support of UNDP or for purposes consistent with those of UNDP.”

2. Second common regulation

For UNFPA

“The Executive Director shall report annually to the Executive Board on individual contributions received from intergovernmental, non-governmental, or private sector sources, subject to such limits as the Executive Board may specifically decide.”

For UNDP

“The Administrator shall report annually to the Executive Board on individual contributions received from intergovernmental, non-governmental, or private sector sources, subject to such limits as the Executive Board may specifically decide.”

3. In the implementation of the second common regulation, the following common new rule is established: “Individual contributions above a value of

\$100 000 received from intergovernmental, non-governmental, or private sector resources shall be reported annually to the Executive Board.”

4. For UNFPA, the first common regulation replaces Financial Regulation 4.1, and Financial Regulation 4.9 is deleted. The second common regulation takes the place of the current Financial Regulation 4.11.

5. For UNDP, the first common financial regulation replaces current Financial Regulation 5.02, while the second common financial regulation replaces the current Financial Regulation 5.09.

31 January 2001

UNFPA segment

Statement by the Executive Director

206. In her first statement to the Executive Board in her new position, the Executive Director began by paying tribute to her two predecessors. She introduced herself and spoke about her family and professional background. She said that she had come from a middle class family in Medina, Saudi Arabia, and that her parents had taken seriously their obligation under Islamic principles to provide her with an education. She had also received financial support and encouragement from her Government. She said that as a result she felt that in many ways she was what the ICPD Programme of Action was all about – the empowerment of women. She spoke of the links between the Executive Board and the International Conference on Population and Development (ICPD) – both dated from 1994. She said that the support of the Board was crucial to the success of UNFPA in helping to achieve the goals of the ICPD Programme of Action. She intended to work in cooperation with the Board so that together they could achieve the organization's goals.

207. The Executive Director said that the organization had three main challenges in front of it: ensuring a financially stable Fund; strengthening its institutional capacity; and addressing the social and cultural context of programme development and delivery. She said that in securing the Fund's financial future, core resources had to be counted as the bedrock of the organization. However, core resources had reached a peak in 1995, following the ICPD, but had been declining since then, although there had been a modest improvement in 2000 compared to the previous year. On the other hand, there had been a dramatic increase in supplementary resources, particularly from the Netherlands and the United Kingdom in support of reproductive health commodity security. However, the shortfall in core resources had kept UNFPA from playing its full role in implementing the ICPD Programme of Action, and she called on all countries to work to rectify that situation and to make multi-year pledges if possible.

208. In order to strengthen the institutional capacity of UNFPA, the Executive Director said that she planned to concentrate on: (a) developing and implementing a strategic vision of the Fund's mid-term goals and operations; (b) assessing the recent realignment process after six months and making any necessary changes; (c) formulating a human resources development strategy; (d) developing a system to share knowledge and enhance communications both inside and outside the organization; and (e) increasing the visibility of UNFPA.

209. The Executive Director said that the third challenge that she had put forth, reconciling universal principles and differing cultural values, was as much a matter of personal conviction on her part as it was an organizational priority for UNFPA. Finding the balance between universal principles, national aspirations and cultural identities was a challenge for all countries and for UNFPA. The key understanding agreed to at the ICPD had to be kept close to heart: universal principles enunciated

at the ICPD and national priorities and cultural values are not contradictory but can interact to energize global and national debates and programmes. The challenge was for UNFPA to help countries in a way that was fully sensitive towards unique cultural values and with an infinite willingness to work with what was positive in terms of values and attitudes and to link the Fund's agenda with universal principles.

210. The Executive Director raised the topic of sector-wide approaches (SWAps) and said that the Fund would continue to participate actively in them and would work to ensure that reproductive and sexual health and rights and population concerns were fully reflected. She said that UNFPA was taking a lead role in ensuring reproductive health commodity security. She said that the Fund would continue to work with its partner agencies in pursuing United Nations reform and that UNFPA was committed to achieving the goals of the Millennium Summit.

211. At the end of her statement, the Executive Director paid tribute to Ms. Kerstin Trone, Deputy Executive Director (Programme), who was retiring. She outlined Ms. Trone career, which had included several responsible positions at UNFPA since 1975, and paid tribute to her personal qualities. The Executive Director said that Ms. Trone had been an invaluable asset to UNFPA.

212. Discussing her own leadership, the Executive Director said that she would be ably supported by the new Deputy Executive Director (Programme). She said that she intended to pursue a cabinet style of management that would include all of the Fund's Executive Committee in the decision-making process. She was also exploring modalities for including Representatives in the field in that process as well. She concluded by thanking all of the donors to the Fund, especially its major donors, and asked Governments to help the Fund in achieving its goal of financial stability. She also asked the Board to postpone consideration of the Fund's Technical Advisory Programme from the third regular session 2001 to the first regular session 2002.

213. Speaking on behalf of his group, the Vice-President from the Asia and Pacific group thanked the Executive Director for her excellent statement. He also expressed his group's appreciation for the work of Kerstin Trone in her career at UNFPA and congratulated the new Deputy Executive Director (Programme). He stated that there were numerous challenges facing the UNFPA, and the international community as whole, in building on the legacy of Dr. Nafis Sadik and in reaching the goals of the ICPD. He pledged the support of his group in working with the new Executive Director. He stressed the challenges posed by the worldwide HIV/AIDS pandemic and said that it had to become an even greater priority of the organization.

214. The Vice-President from the Western European and Others group welcomed the Executive Director to her new position. He said that members of his group were confident she would be able to take over where her predecessor had left off. UNFPA had an important mandate that it had to carry out in cooperation and

collaboration with other partners throughout the world. This was particularly true if women were to be empowered throughout the world. Increased resources were indeed vital if UNFPA was to carry out its mandate, and his country was increasing its contribution by 35 per cent in 2001. He asked that the Fund work more closely with foundations as a way of increasing resources. Institutionalizing results-based management (RBM) and incorporating lessons learned into UNFPA programmes was crucial if the institutional strengthening that the Executive Director had commented on was to be achieved. SWApS were vital and needed to be looked at by all parts of the United Nations system. He asked what specific strategies were being looked at to get men involved in promoting reproductive health and in empowering women. He echoed the importance of addressing HIV/AIDS, both within UNAIDS and outside of it. He also paid tribute to Ms. Trone, who would be greatly missed.

215. The Vice-President from the Eastern European group welcomed the Executive Director on behalf of his group. He paid tribute to the invaluable contribution that Dr. Sadik had made to UNFPA and to Ms. Trone as well. He noted that his region was well acquainted with the new Executive Director in her previous role as Director of the Division for Arab States and Europe. He expected cooperation between the countries in his region and UNFPA to develop and expand. He noted the many problems in his region, including high levels of mortality among the active population, decreasing life expectancies, the increased rates of sexually transmitted diseases (STDs), including HIV/AIDS, and the complexity of migration patterns. It was impossible to overemphasize the tasks ahead and the Fund would need effective mechanisms for management and a very clear system of priorities among its activities if the ICPD Programme of Action was to be put fully into place.

216. The Vice-President from the African group took the floor on behalf of the Members from his region. He noted that UNFPA was the lead agency for achieving the ICPD goals. He saw three key challenges: (a) the need to mobilize resources to meet the increased demand for UNFPA's services; (b) an effective human resource strategy; and (c) enhancing capacities at the field level. He stated that there was a need to involve national personnel in the programming process and said that schools and health centres were important entry points for accomplishing ICPD goals, which, he noted, had been incorporated into the Millennium Goals. He thanked Ms. Trone for all her work. He noted that she had devoted the largest part of her career to the population and reproductive health concerns of the developing world, including as Director of the Country Technical Services Team in Harare, Zimbabwe.

217. Many delegations congratulated the Executive Director on her new position and said that they felt certain that under her leadership the organization would continue the successful work of UNFPA and would build on the achievements of her predecessor. Several delegations commented on her opening statement, saying that they had found it to be inspirational. One delegation was pleased at the honesty of the Executive Director's presentation and felt that her ability to convey her passions to others would be a valuable asset to the organization.

218. Several delegations commented on the kinds of population and reproductive health challenges that the world was facing. One delegation noted that world population had surpassed 6 billion and that that had a great impact on diseases related to childbirth and the HIV crisis. Among the priority areas mentioned by delegations for attention were adolescent reproductive health, maternal mortality, violence against women and HIV/AIDS. It was noted that UNFPA was a well-established United Nations organ for addressing those challenges. One delegation stated that the Fund should find its own niche in each of these areas of concentration and then work with other partners in addressing their multi-dimensional aspects. One delegation said that perhaps it was time to re-examine the organization's mission statement to make it more focused and to more clearly concentrate on meeting the increased need for reproductive health services.

219. Several delegations addressed the role of UNFPA in empowering women. One delegation said that the world as a whole was giving insufficient attention to the rights of women and that this was an area in which UNFPA could lead. Another delegation concurred that the Fund was in a position to further the rights of women and adolescents and had to do so. Several delegations said that they considered the empowerment of women to be indispensable to human development, and many added that the role of men in achieving that empowerment had to be enhanced in spite of obstacles. UNFPA needed to be a stronger advocate for all such efforts.

220. Several delegations mentioned the devastation being caused by the HIV/AIDS pandemic and said that it had to be given the highest priority it deserved. One delegation noted the importance of the upcoming General Assembly Special Session on HIV/AIDS. Delegations mentioned that the role of men in combating HIV/AIDS needed to be emphasized, and one delegation asked the Executive Director how UNFPA was working to involve men in combating its spread. Several delegations said they were pleased that the Fund was addressing the issue of reproductive health commodity security. They noted especially the importance of reproductive health commodity security in the fight to prevent the spread of HIV/AIDS. This was an area where success could be tangible, and the Fund needed to work to give it higher impact and make it sustainable. The recent contributions of the Netherlands and the United Kingdom in support of reproductive health commodity security were noted with appreciation.

221. Several delegations said that if progress were to be made in meeting the challenges facing the world in terms of population and reproductive health, it would be necessary for all partners, including bilateral donors, to work together. Therefore, partnerships by UNFPA with other agencies needed to be continued and made stronger. The Fund should realize that the CCA and the UNDAF presented very good entry points for population and reproductive health issues into stronger and more coherent development programmes. Several delegations pointed out instances in which their own bilateral programmes were working together effectively with those of UNFPA. Programme countries also mentioned the value of the cooperation they were receiving from the Fund. One delegation, however, felt

that there was insufficient coordination among United Nations agencies and felt that the Resident Coordinator system needed to be further strengthened.

222. Delegations agreed that the Fund needed to be strengthened institutionally and said that only a competent, dedicated staff could do the work that needed to be done and noted that its staff was the Fund's most valuable resource. In order to obtain the maximum benefit from its staff, UNFPA needed to strengthen its human resource strategy. There was a new and challenging climate of good cooperation with the outside and within the staff. Indeed, the staff was enthusiastic about the new challenges, and that could be enhanced by getting young staff involved in helping to meet those challenges. Several delegations said that they were pleased with the new cabinet-style leadership that was being introduced and looked forward to seeing its results. One delegation said that results-based management needed to be further institutionalized if progress was to be made in reaching the goals of the ICPD and ICPD+5. The delegation said that UNFPA's ability to demonstrate results and its ability to attract greater funding were mutually reinforcing.

223. Several delegations concurred with the Executive Director that if the Fund was to fulfill its mandate, resources had to be increased. Delegations endorsed the view that core resources were the bedrock of the organization. Even though multi-bilateral resources had been increasing in recent years, the Fund's ability to carry out its programme depended on its ability to attract core funding. In that regard, the increase of 5 per cent in core resources in 2000 over the previous year gave cause for hope, even though the amount fell short of what was envisioned in the multi-year funding framework (MYFF). One delegation said that although the countries of the world were increasingly interdependent, not all states were assuming their responsibilities; indeed assistance to developing countries was declining. Increased efforts by a few donor countries were not enough. In that regard, it was encouraging that the donor base had increased in the last year. Another delegation urged underperforming donors to reconsider what they could do. Several delegations stated that lack of resources must not be an impediment to achieving the goals of the organization and felt that it was necessary to return quickly to the funding level of 1995 and to surpass it.

224. Several delegations referred to the Executive Director's remarks concerning the necessity of reconciling universal principles with cultural traditions. The Fund's guiding principle had to be the implementation of the ICPD Programme of Action. It was agreed that getting countries to implement universally agreed principles was not always easy but the agreements made at Cairo and Beijing had to be fulfilled. Often, universal principles were acknowledged but getting political support for their enforcement was difficult.

225. One delegation welcomed the Executive Director's remarks concerning SWApS and stressed that her Government considered SWApS to be a very positive innovation in securing national ownership of development programmes. The delegation urged UNFPA to intensify its participation in SWApS because the Fund's

expertise in reproductive health and HIV/AIDS could be of great benefit in integrating those areas into the relevant sectoral programmes. She noted that guidelines on participation in SWAps were being prepared for Resident Coordinators and other field staff and said that, when completed, these guidelines would be helpful in orienting the participation of United Nations agencies.

226. The Deputy Executive Director (Programme) expressed her appreciation for the generous comments made by several delegations on the occasion of her retirement. The Executive Director said that she felt very warmly welcomed and thanked the delegations for their expressions of encouragement and support. She said that she wanted to maintain an informal relationship with members of the Board. Following on comments made by various delegations, she said that HIV/AIDS was definitely a priority and that the Fund was working in a number of areas, including on such topics as mother-to-child transmission. Partnership with African countries in the fight against AIDS, including the \$57 million from the Gates Foundation, showed the importance the Fund attached to combatting HIV/AIDS in sub-Saharan Africa. Procurement of commodities was one of the Fund's comparative advantages and ensuring the availability of condoms was an important weapon in the fight against HIV/AIDS. She said that she was proud that UNFPA had been ranked as the most responsive partner of UNAIDS. She said that the role of men was crucial in fostering reproductive health and the empowerment of women. The Fund was working to do more to get men involved as peer educators, to increase their understanding of the male role in the transmission of HIV/AIDS, and to educate boys on gender issues. In response to one specific question, she said that the Fund was using increasingly using national experts as technical advisers.

227. The Executive Director thanked the delegations for the support they had manifested on the resource issue. She was pleased that 102 countries had contributed to the Fund in 2000; the large number of developing countries that had contributed showed their commitment to population and reproductive health issues. The Fund had to continue to work to make population and development part of national agendas. The President of the Board concluded by thanking the Executive Director and saying that the discussion had been much more than a merely protocol welcome of the new Executive Director and had touched on many substantive matters of importance that the Executive Board would be looking at in coming sessions.

VIII. Country programmes and related matters

Progress report on the implementation of the intercountry programme

228. The Deputy Executive Director (Programme) gave an oral progress report on the first year of implementation of the intercountry programme approved by the Executive Board in January 2000. She said that the intercountry programme was based on the Fund's experience that certain needs of programme countries could be more effectively and efficiently addressed through global, interregional and regional cooperation and exchanges. The intercountry programme consisted of one interregional and four regional components. Together, these components contributed to achieving the Fund's overall goals by building capacity in reproductive health; supporting international and regional efforts to build information and data systems; and carrying out global and regional advocacy and information, education and communication (IEC) campaigns in order to mobilize public and political support for population and reproductive health programmes.

229. The priority areas in the intercountry programme relating to reproductive health included reducing maternal mortality, developing a comprehensive framework for quality reproductive health care, increasing reproductive health commodity security, providing reproductive health information and services to adolescents, preventing HIV/AIDS, and providing reproductive health care in emergency situations. The Deputy Executive Director gave several examples of UNFPA's work in each of these areas.

230. Likewise, in the area of population and development strategies, the Fund was concentrating on strengthening global, regional and national data systems, including indicators, for population and reproductive health policy formulation. A key focus of the intercountry programme was support to interagency efforts and publications that provided updated research and statistical data on gender and the situation of women. In the area of advocacy, support was provided to priority activities that would contribute to changing policies, legislation and attitudes in support of ICPD+5 and related goals and to mobilizing resources at the international and national levels.

231. The Deputy Executive Director concluded by saying that the intercountry programme played an important role in helping countries achieve their goals in UNFPA's core programme areas. In order to make the programme effective, the Fund needed to focus on strategic interventions responding to country needs. To do so, guidelines for monitoring the intercountry programme were being updated and weaknesses identified in the programme's last cycle were being addressed.

232. In commenting on the Deputy Executive Director's overview of the first year of the intercountry programme, some delegations asked about the value added by the intercountry programme, its overall focus and the prioritization of its activities. One delegation said that the presentation showed the potential of the programme but did not sufficiently demonstrate the value that it contributed to making country programmes more effective. The delegation said that it was encouraged to see that the programme was closely linked to ICPD+5 goals and promoted South-South cooperation. The same delegation asked for more explanation of how the intercountry programme was being coordinated with country programmes at the field level. It also said that the Fund needed to look at the capacity of the NGOs that were being supported through the intercountry programme and their role and contribution to national capacity-building. Another delegation said that it had no difficulty in agreeing with the rationale for an intercountry programme but wanted to be assured that it was designed properly and that the results were worth the investment. In that regard, it was necessary to demonstrate the value added and difference that the intercountry programme made to country programmes.

233. In her response, the Deputy Executive Director said that since the programme had only been operating for a year, the aim in the oral progress report had been to try to identify expected outcomes. The results would have to be looked at later to see if they met those expectations. She felt that the programme did have clear areas of focus that reflected needs identified at the country and regional level. These included reducing maternal mortality, promoting adolescent reproductive health and combatting HIV/AIDS. The work that was being done on developing indicators was of immediate utility in all of UNFPA's country programmes. South-South cooperation and training outside the home country were other examples of activities that were carried out through the intercountry programme but had direct impact on country programmes.

234. The Director of the Technical Support Division said that in order to achieve maximum results from the intercountry programme it was necessary to ensure better coordination of the programme at headquarters. An interdivisional working group was looking at how to improve such coordination and, particularly, at how to get country offices involved in intercountry programme activities, including through pilot activities at the country level. She reiterated that the programme was becoming much more focused in its reproductive health aspects, working only in the areas of maternal mortality, quality of care, HIV/AIDS, reproductive health commodity security and adolescent reproductive health.

235. The Executive Director stated that the programme was working to enhance linkages between national, regional and interregional activities. She cited two examples from her previous experience as Director of the Division for Arab States and Europe. One was the use of the Scouts movement in the Arab States to train adolescent peer educators regionally for service in their home countries. The other was the Pan Arab Family Survey, which looked at health requirements in the region of different members of the family, thereby providing data for use in national programmes.

Country programmes

236. The proposed UNFPA country programmes for Burkina Faso, Chad, Ghana, Namibia, Uganda, Indonesia, Turkey, Ecuador, Guatemala and Peru and the programme of assistance for the Palestinian people were approved by the Executive Board without separate discussion on any of the proposed programmes, as provided for in decision 97/12.

237. Following the approval, several delegations took the floor to ask questions about or comment on the newly approved programmes. In areas of general concern, one delegation commended UNFPA's work in helping countries to combat female genital mutilation (FGM), especially in such high prevalence countries as Burkina Faso, Chad, Ghana and Uganda. Concerning reproductive health commodity security, one delegation stated that worldwide demand for condoms had not expanded in recent years. This was a worrisome trend, and the delegation said that UNFPA should strengthen support in its country programmes for information, education and communication (IEC) efforts that promoted the use of condoms. It also asked the Fund to expand its assistance for technical management of reproductive health commodities, as was the case in the Ghana programme that had just been approved. The delegation also commended UNFPA for including post-abortion care in such programmes as Ghana and Peru but wondered why post-abortion care was not mentioned in other programmes, especially Burkina Faso and Chad, a country where 11 per cent of admissions to gynaecological wards were related to problems from abortions.

238. Concerning the Burkina Faso programme, one delegation said that there did not appear to be a link between the just-approved country programme and the Poverty Reduction Strategy Paper adopted the previous year and wondered if there had been sufficient participation of all stakeholders in the country programme formulation process. It noted that in the last six years, use of contraceptives in Burkina Faso had increased only a very modest amount – from 4 per cent to 6 per cent. The delegation asked about the implementation of sector-wide approaches (SWAs) in the country and UNFPA's involvement in them. It noted that UNFPA needed to work with the decentralized authorities as well as those at the central level. There was concern on the part of the delegation that coordination among United Nations agencies needed to be strengthened and that the work of other agencies, notably that of WHO and UNICEF in the areas of safe motherhood and HIV/AIDS prevention, had not been sufficiently acknowledged in UNFPA's country programme document. One delegation noted that its own work in Burkina Faso had been overlooked in the country programme presentation and felt that it was important that it be mentioned as it focused on fighting the spread of HIV/AIDS among adolescents, which was also a focus of UNFPA's programme.

239. Concerning Namibia, delegations concurred with the focus of the programme on reproductive health, particularly adolescent reproductive health as a way of

combatting the spread of HIV/AIDS. There were questions, however, as to why such a large percentage of the total was being sought through multi-bilateral assistance and whether or not that assistance had been secured. One delegation wanted further information on activities to coordinate the programmes of various donors that were working to prevent the spread of HIV/AIDS. One delegation pointed out the need for closer cooperation among government ministries involved in the fight against HIV/AIDS and felt that UNFPA might have a role in facilitating such cooperation. The delegation also felt that the Fund could help to strengthen the institutional capacity of the Ministry of Health and Social Services as well as to improve community involvement in the provision of reproductive health information and services to young people. As part of that effort, the regional AIDS committees, established by the Government to increase community participation, needed greater technical support. The introduction of the female condom in Namibia was felt to be complex and might bring only limited results.

240. In comments on the Ghana country programme, one delegation noted that its own bilateral programme overlapped with UNFPA's programme in three regions and felt that the work being done in the area of improving women's health was a good entrée for other work in the area of community empowerment. Concerning Uganda, one delegation spoke in favour of its concentration on reproductive health and in supporting successful national efforts to combat the spread of HIV/AIDS.

241. In remarks about the Indonesia country programme, one delegation said that it differed with UNFPA's characterization that the use of contraceptives was "stagnant": given the enormous economic upheaval in that country in recent years, the fact that the contraceptive prevalence rate had been maintained was quite a remarkable achievement.

242. Concerning Guatemala, one delegation noted that UNFPA's programme had many similarities to its own bilateral programme, which was working in the framework of poverty alleviation, and felt that there would be important synergies between the two programmes.

243. In discussing the programme of assistance for the Palestinian people, one delegation noted the large discrepancy between knowledge of modern family planning methods and the use of such methods. It said that that showed the need for greater advocacy and IEC efforts. The delegation also asked for further details about the activities that would be supported in the approved programme and their geographical focus. The same delegation noted that the country programme presentation had reported a high level of cooperation between UNFPA and the Palestinian Authority. The delegation said that its own bilateral cooperation programme had experienced resistance in introducing reproductive health topics into the educational system and wondered whether UNFPA was being over-optimistic about how much could be achieved in that regard. It also asked how recent unrest in the Occupied Palestinian Territory might affect the implementation of the programme. Another delegation said that it had found that the UNFPA programme

responded appropriately to conditions in the Occupied Palestinian Territory. The delegation requested additional information on communications between UNFPA headquarters and the field office and on coordination with other United Nations agencies. It also asked the extent to which the programme was dependent on outside support and what was being done to build up the capacity of the Palestinian Authority and local NGOs to ensure future sustainability.

244. The Permanent Representative of Ghana expressed his appreciation for UNFPA's programme in his country. He commented on certain aspects of the programming process. He said that preparations had begun with the mid-term review of the previous country programme. The entire process included Ghanaian stakeholders and had emphasized the concept of national ownership. The development of the programme and subprogrammes was undertaken using the logical framework, enabling clear identification of programme priorities and deliverables. Linkages with relevant national policies were emphasized as was complementarity with the programmes of other development partners. The approach was consistent with the objectives of the UNDAF and CCA. He noted that the focus on 24 northern districts came about as the result of recommendations from the mid-term review. He informed the Board of the positive role that the CST headquartered in Addis Ababa, Ethiopia, had played in the development of the country programme. He recommended that whatever system for technical support was decided on in the future that funds for technical assistance be held at the field level and be allocated according to the country's own felt need for technical assistance. He also said that he hoped that the global strategy for ensuring reproductive health commodity security would be vigorously pursued. He asked for the consideration of donor governments towards the multi-bilateral component of the approved UNFPA programme for Ghana.

245. The delegation of Burkina Faso commended UNFPA on helping to develop a strategy for reducing maternal mortality, which was producing results. It noted that the Fund was active in the fight to combat the spread of HIV/AIDS. The delegation also spoke about the country's need for financial support in conducting the upcoming census.

246. The Permanent Representative of Ecuador expressed his Government's appreciation for the programme approved by the Board. He noted that with support from UNFPA and others in the international community his country had made much progress in reaching its population goals, in improving the situation of women and in combatting HIV/AIDS. He noted, however, that other international donors were no longer funding programmes in the areas of population and reproductive health in his country and that UNFPA might be left as the only player in the field.

247. The General Director of the Office of Financing, Investment and External Cooperation of the Ministry of Health of Peru said that his ministry supported the proposed programme and that it would also be devoting its own resources to population and reproductive health programmes in line with the UNFPA programme

that had just been adopted. The Government supported the ICPD Programme of Action and current programmes were in conformity with it, as part of the country's development priorities. He thanked the Board for approving the programme; his country still faced a number of challenges and the UNFPA country programme would help to meet them.

248. The representative of Palestine thanked the Board for the approved programme and said that he would particularly like to express appreciation for the work of the UNFPA field office in Jerusalem, which was excellent. He noted that the General Assembly had recently reiterated to the international community the need for economic and social assistance to the Palestinian people and for freedom of movement in the Occupied Palestinian Territory. He stated that the Palestinian Authority would continue to cooperate with UNFPA in population and reproductive health programmes.

249. The Director of the Africa Division thanked the various delegations for their useful comments and suggestions. She said that they would be taken into account in implementing the approved programmes in Burkina Faso, Ghana, Namibia and Uganda. She noted that in specific areas of cooperation with other international assistance partners it had not always been possible to spell out the details in the necessarily short country programme documents that were presented to the Board. Longer versions of the country programmes generated for internal use were much more explicit in that regard. The specific mention that had been made of one such bilateral programme in Burkina Faso had already been addressed with a corrigendum to the country programme document. The Director also said that some countries did not want post-abortion care to be mentioned explicitly in their programmes but that it was included in reproductive health services supported by UNFPA.

250. In relation to the large amount of multi-bilateral assistance being sought for the Namibia programme, the Director of the Africa Division pointed out that Namibia was classified as a "B" country under the Fund's resource allocation system. Therefore, the amount of core resources that could be devoted to the programme was limited. However, the AIDS pandemic was devastating the country, and active discussions were under way with other partners, including the European Union, for multi-bilateral support to combat the spread of HIV/AIDS. If such support were not forthcoming, the programme was designed so that activities could be concentrated in a limited geographical area. The Director also stated that the Fund's work in increasing community involvement in HIV/AIDS prevention had been elaborated in more detail in the long version of the country programme and would be fleshed out as the subprogrammes and component projects were developed. Because of resource constraints, the Fund was focusing its activities on HIV/AIDS and adolescent reproductive health. It would not be possible to provide financial assistance for the census, but UNFPA would provide technical assistance through the CST.

251. In relation to Burkina Faso, the Director informed the Board that a working group in Ouagadougou was studying the issue of training of reproductive health service providers. Lack of adequate skills by these providers might be one reason why the rate of contraceptive use had seen such modest increases. If so, the UNFPA programme would look at providing more support for training activities. If, as one delegation had suggested, there was inadequate coordination with the programmes of other United Nations agencies in Burkina Faso, then that would be looked into and rectified. She noted that as part of the UNDAF, all United Nations agencies would be involved in coordinated and integrated programme activities. For example, the same three regions had been selected by all United Nations agencies working in the country in order to maximize synergy and impact. The Fund would work within that framework with all stakeholders, led by the Government.
252. The Director of the Division for Asia and the Pacific said that he fully shared the analysis offered by the delegation concerning the contraceptive prevalence rate in Indonesia. He commended the Government for the work it was doing in spite of the economic crisis. He noted that the programme was being implemented in coordination with Indonesia's own national programme and that UNFPA activities would be concentrated in three provinces.
253. The Director of the Latin America and Caribbean Division thanked delegations for their positive comments about coordination in the approved programmes. She noted that post-abortion care was included in reproductive health services in all countries for which new programmes had been approved, even if it was not mentioned explicitly. She also called attention to the fact that all three programmes would require substantial efforts for the mobilization of extra-budgetary resources due to the limited amount of regular funds that were available for "B" countries, even though wide social disparities and high rates of poverty still prevailed in those countries.
254. The cluster manager for the Arab States thanked delegations for their comments about the programme of assistance to the Palestinian people. She said that UNFPA was solidly positioned as lead agency in the area of population and reproductive health and in assisting in establishing reproductive health systems in the Occupied Palestinian Territory. The Fund worked with all partners present in the Occupied Palestinian Territory in the context of a health and population coordination group. UNFPA had, from the beginning of its operations in 1996, concentrated on institutionalizing integrated reproductive health services, logistics management, a health information system, counseling and referral service and in developing normative standards, including protocols and guidelines for quality of care. UNFPA had adopted a participatory approach that involved the Ministry of Health, civil society, other United Nations agencies and donors. She reported that UNFPA enjoyed the full trust of national counterparts.
255. The cluster manager said that the programme of assistance to the Palestinian people adopted by the Executive Board built on the achievements of the Fund's

previous programme in terms of building capacity in the health sector and in data systems. It employed a multi-pronged strategy that addressed humanitarian needs as well as rehabilitation and medium-term capacity building and development. UNFPA focused on the geographic areas with the lowest indicators (high fertility rate, low contraceptive prevalence rate and high maternal mortality and morbidity) and proposed to follow an incremental strategy in working to improve those indicators. The six provinces selected for UNFPA intervention were in the northern and southern portions of the West Bank and in the southern part of Gaza.

256. UNFPA worked with national counterparts to promote an approach based on choice and access to the highest quality of reproductive health care. It encompassed a holistic approach to reproductive health that included family planning, maternal care and, in some service delivery points, screening and management of sexually transmitted diseases (STDs). Screening for breast and cervical cancer and counselling to promote adolescent reproductive health counseling would be added to those services. The Fund planned to collaborate with the European Commission and United States Agency for International Development (USAID) to ensure reproductive health commodity security and would help the Ministry of Health and such NGOs as the Palestinian Family Planning Association to expand contraceptive choices and develop a logistics management system. The cluster manager said that adolescent reproductive health activities had been successfully developed in the context of in-school and out-of-school programmes. Two model centres in the camps of Al-Bureij and Jabalia were addressing the reproductive health needs of women, including young women and adolescents. The centres offered innovative activities such as counseling and psycho-social support in the context of gender-based violence. These activities also benefited from Italian funding and arrangements towards sustainability were being sought as medium-term objectives.

257. The cluster manager said that UNFPA would seek diverse modalities for implementing the programme as dictated by the security situation. For example, in the past months, UNFPA had used local procurement to ensure continuous access to supplies and basic drugs in the reproductive health centres. Similarly, due to the restrictions in mobility between one community and the other, staff from various development and aid agencies has been deployed to serve in neighbouring project sites, thus allowing the continuation of service delivery. The cluster manager concluded by saying that communication with the UNFPA Representative was carried out on a daily basis, particularly during the emergency situation.

258. The Deputy Executive Director (Programme) noted that limitations on space in the Executive Board documents precluded extensive detail about the programmes but said that the Fund was grateful to get comments from the Executive Board because they helped in orienting the country programme presentations. She noted that the country programme documents were a kind of "moving target" in that the format was constantly evolving. She said that perhaps the documents needed to include more information on cooperation with other development partners and to discuss at greater length the linkages between UNDAFs and the UNFPA programmes.

259. As for the programming process, the Deputy Executive Director thanked the Permanent Representative of Ghana for his statement. Indeed, the Fund concurred with him that the programming process was on the right track in that it started with the mid-term review, worked to foster national ownership, stressed linkages with the UNDAF, used the logical framework, strengthened linkages between subprogrammes, and provided for technical assistance from the CSTs in programme development. Of course, there was always room for improvement. She noted that the country population assessment (CPA) had preceded the CCA in Ghana, but that would change as more and more CCAs were completed.

IX. Other matters

UNOPS: State of the operational reserve

260. The Executive Director of the United Nations Office for Project Services (UNOPS) informed the Board that planning and budgeting had been synchronized in UNOPS for several years. Reporting on business results achieved had been based on each year's Business Plan, in a planned-versus-actual mode. As experience with business planning accumulated, actual achievements had become increasingly close to targets previously established for virtually all key variables of the UNOPS financial model.

261. In 2000, however, for reasons largely beyond UNOPS control, delivery fell significantly short of the target set in the Business Plan for that year. As a consequence, a shortfall in income could be expected for the financial year 2000.

262. In the financial regulations approved by the Executive Board in 1995, such a scenario had been anticipated. Shortfall in income and uneven cash flow were the principal elements that could be compensated for by the operational reserve. In the financial regulations, the Executive Director had the authority to make a drawdown from the reserve when such events occurred. The Executive Director was expected, however, to report to the Board, through the Management Coordination Committee (MCC), at the following regular session of the Board. That meant that there was no formal requirement for Board approval of a drawdown of the operational reserve in the instances foreseen in the financial regulations. It could also be argued that a report to the Board at the present time could be premature as the 2000 financial records were not yet finalized.

263. As the year 2000 was coming to an end and the possibility for an income shortfall became apparent, the Executive Director had send a written note to the MCC members advising them of the situation. That was followed by a presentation to the MCC in January 2001. As it was the first time that such a situation had arisen since the establishment of UNOPS in 1995, the MCC felt that an independent validation of the financial variables as they had evolved in 2000, including a critical review of the perspectives for the financial year 2001, should be undertaken. That was to include an evaluation of the ability of UNOPS to begin reinstating the drawdown into the reserve. The Executive Director had contracted the consulting firm KPMG for such an independent review. The following remarks were based on the KPMG validation exercise.

264. Having reviewed the UNOPS business cycle, KPMG had pointed out that "inevitably there would be times when money was going out faster than it comes in. In this regard, UNOPS is no exception." The role and function of a financial reserve could be different for funding organizations functioning on the partial funding principle. In the case of UNOPS, funding was either provided up front, or firm

financial commitments were made by the funding client, such as in the case of UNDP.

265. KPMG had reconfirmed that temporary shortfalls in income were considered a frequent occurrence for the business area in which UNOPS operated. The decision by the Executive Board to authorize UNOPS to establish an operational reserve was therefore a wise one.

266. The consultants also felt, as did the MCC, that a drawdown to compensate for a temporary shortfall in income was consistent with the use of the operational reserve as stipulated in the financial regulations.

267. In reviewing 2000 financial data available to date, KPMG had noted that since the introduction of the Business Plans in UNOPS, actual delivery had never deviated from planned delivery by more than 5 per cent. In 2000, however, delivery, as it currently stood, was expected to fall short 25 per cent of the target. The consultants had reviewed in some detail the three main elements that UNOPS had identified as having contributed to the extraordinary shortfall in delivery, and therefore in income in 2000: unanticipated reductions in project budgets approved under UNDP core resources; difficulties in receiving timely implementation authorizations for projects under Management Services Agreements (MSAs), and changes of government that required reconsideration of priorities. The first two of those elements had accounted for 86 per cent of the shortfall.

268. Based on provisional figures for 2000, KPMG had estimated that the shortfall in income could amount to some \$3 to \$5 million, or about 10 per cent of the UNOPS income target set for the year. The consultants had also reviewed measures taken by UNOPS management in anticipation of a shortfall in income. A number of steps had been identified that had been taken to reduce administrative expenses in 2000. KPMG concluded that: "Given that a significant portion of the income shortfall was a direct result of client decisions to defer or delay otherwise authorized programmes, it is difficult to see what other steps senior management could have taken to prevent the deficit."

269. As requested in the terms of reference, the consultants had then addressed the question of when and how the drawdown would be returned to the operational reserve. That was based on a review of the existing portfolio for implementation in 2001 and firm pipeline for the year. In that context, the consultants had observed: "With respect to 2001, we are able to see examples of project deferrals of 2000 now moving forward. New year activity also seems strong and, perhaps, conservatively projected. In addition, administrative expenses are being held tightly. This combination should provide for a financially successful year in which the surplus could be used to replenish the 2000 reserve."

270. KPMG had substantial experience in dealing with numerous clients in the not-for-profit area that maintained operational reserves. Based on that experience, and the observations made during the UNOPS review, a few additional recommendations were made. The Executive Director explained those recommendations to the Executive Board as they referred to issues under review by the Board. As regarded the nature of the reserve, the point was raised as to whether the prescribed level should be a mandated amount or a permitted maximum. KPMG believed "that treating the calculation as a permitted maximum (with perhaps an established minimum as well) [would be] a better tool for effective financial management."

271. Concerning the formula for calculating the level of the reserve, KPMG had made the following comment: "The calculation is the exclusive product of prior year actual results (of both programme and administrative costs). In the event of an anomaly, particularly in programme expenses, in a given year, the impact of calculated reserve could be dramatic. We therefore suggest that UNOPS consider an alternative mechanism (for example, a three-year moving average) in calculating permitted reserves." Other recommendations referred to management information systems and to fee setting, both topics that were envisaged for inclusion in the 2001 Business Plan.

272. As validated by KPMG, UNOPS had faced in 2000 a delivery and income shortfall for reasons beyond its control. As a result, in accordance with the provisions of the financial regulations, which the executive Board had approved for UNOPS, the Executive Director would make a drawdown from the operational reserve in order to bridge the temporary shortfall in income. The reserve itself was built up as a result of the strong financial performance of UNOPS during the previous four years and would continue to be replenished already beginning in 2001.

273. The Under-Secretary-General for Administration and Management noted that the Executive Director had identified that there was a possibility of an income shortfall for 2000 and the need to replenish that shortfall or a proportion of it during 2001. The Executive Director had based his comments on the work of KPMG. The MCC had not yet received that report (or a draft of it) nor had it discussed it. The report was expected to document how much was deferred in project income and the potential for make-up in 2001. It was also expected that the report would deal with validation of cost reductions and comments on the expected level of delivery and related income in 2001 as well as the mechanics of how much replacement could be foreseen in 2001. The MCC did not intend at the present time to take a decision with regard to the calculation of the operational reserve. The immediate task was to validate the financial statements for 2000 and the financial projections to be included in the Business Plan for 2001.

274. One delegation requested that a copy of the KPMG report be distributed to Executive Board members. With regard to comments made by KPMG regarding the

conservative income projection for 2001, he stated that conservative projections should be maintained given the performance in 2000.

275. The Executive Director of UNOPS would make the KPMG report available to the members of the Executive Board. He noted that, as stated in the report, UNOPS had made a number of assumptions that were quite different from the ones made last year. That had been at the origin of the KPMG comments on the conservative nature of the estimate. A very large proportion of the UNDP portfolio was still in question. UNOPS had assumed, in terms of rephasing, that only 80 per cent of the activities in 2000 would be rephased in 2001. Therefore, additional care had been taken in planning for 2001. It was the first time in UNOPS history that firmly made commitments by a funding source for projects that were already ongoing could not be honoured at the last moment. He confirmed that UNOPS did not intend to invoke any damages but rather utilize the operational reserve.

276. The Executive Board took note of the oral report on the UNOPS operational reserve.

277. The Executive Board concluded its work by adopting the following decision:

2001/7

Overview of decisions adopted by the Executive Board at its first regular session 2001

The Executive Board

Recalls that during the first regular session 2001, it:

Item 1

Organizational matters

Elected the following members of the Bureau for 2001:

President H.E. Mr. Gert Rosenthal (Guatemala)

Vice-President Mr. Grant Robertson (New Zealand)

Vice-President Mr. Azanaw Taddesse Abreha (Ethiopia)

Vice-President Mr. Le Hoai Trung (Viet Nam)

Vice-President Mr. Volodymyr G. Krokhmal (Ukraine)

Took note of the election by the Economic and Social Council of the delegation of Djibouti to replace the delegation of Comoros as a member of the Executive Board 2001-2003;

Approved the agenda and work plan for its first regular session 2001 (DP/2001/L.1 and Corr.1), as orally amended;

Approved the report of the third regular session 2000 (DP/2001/1);

Approved its annual work plan 2001 (DP/2001/3);

Agreed to postpone consideration of agenda item 8 on UNFPA Technical Advisory Programme from the second regular session 2001 to the first regular session 2002;

Agreed to the following schedule of future sessions of the Executive Board in 2001:

Annual session 2001: 11 to 22 June 2001 (New York)

Second regular session 2001: 10 to 14 September 2001

UNDP segment

Item 2 UNDP Business Plans, 2000-2003

Took note of the update on the UNDP Business Plans, 2000-2003 (DP/2001/CRP.2);

Took note of the report on the follow-up to the Ministerial Meeting of 11 September 2000 (DP/2001/CRP.3) with comments made thereon;

Adopted decision 2001/1 of 2 February 2001 on the role of UNDP in crisis and post-conflict situations;

Item 3 Country cooperation frameworks and related matters

Took note of the report on assistance to Myanmar (DP/2001/5) and requested the Administrator, taking into account the findings of the independent assessment mission to Myanmar, to submit, at the earliest possible date, for the consideration of the Executive Board, a proposal for continued United Nations Development Programme assistance to Myanmar in accordance with the guidelines established in Governing Council decision 93/21 and in Executive Board decisions 96/1 and 98/14;

Approved the following country cooperation frameworks:

First country cooperation framework for Turkey DP/CCF/TUR/1

Turkey	
Second country cooperation framework for Bangladesh	DP/CCF/BGD/2
Second country cooperation framework for Belarus	DP/CCF/BLR/2
Second country cooperation framework for Bosnia and Herzegovina	DP/CCF/BIH/2 and Corr.1
Second country cooperation framework for Cambodia	DP/CCF/CMB/2
Second country cooperation framework for Croatia	DP/CCF/CRO/2
Second country cooperation framework for Georgia	DP/CCF/GEO/2
Second country cooperation framework for Latvia	DP/CCF/LAT/2
Second country cooperation framework for Lithuania	DP/CCF/LIT/2
Second country cooperation framework for Mauritius	DP/CCF/MAR/2
Second country cooperation framework for the Russian Federation	DP/CCF/RUS/2 and Corr.1
Second country cooperation framework for Saint Helena	DP/CCF/STH/2
Second country cooperation framework for Saudi Arabia	DP/CCF/SAU/2
Second country cooperation framework for Uganda	DP/CCF/UGA/2
 Took note of the following extensions of country cooperation frameworks:	
First extension of the first country cooperation framework for Burundi	DP/CCF/BDI/1/EXTENSION I
First extension of the first country cooperation framework for Kuwait	DP/CCF/KUW/1/EXTENSION I
First extension of the first country cooperation framework for the Lao People's Democratic Republic	DP/CCF/LAO/1/EXTENSION I
First extension of the first country cooperation framework for Libyan Arab Jamahiriya	DP/CCF/LIB/1/EXTENSION I
First extension of the first country cooperation framework for Rwanda	DP/CCF/RWA1/EXTENSION I
First extension of the first country cooperation framework for Syria	DP/CCF/SYR/1/EXTENSION I

Approved the following extensions of country and regional cooperation frameworks:

Second extension of the first country cooperation framework for Eritrea	DP/CCF/ERI/1/EXTENSION II
Second extension of the first country cooperation framework for Estonia	DP/CCF/EST/1/EXTENSION II
Second extension of the first country cooperation framework for the Republic of Moldova	DP/CCF/MOL/1/EXTENSION II
Second extension of the first regional cooperation framework for Europe and the Commonwealth of Independent States	DP/RCF/REC/1/EXTENSION II

Took note of the following country and regional reviews:

First country review report for Lesotho	DP/CRR/LES/1
First country review report for Lithuania	DP/CRR/LIT/1
First country review report for Nepal	DP/CRR/NEP/1
First country review report for Yemen	DP/CRR/YEM/1 and Corr.1
Review of the first regional cooperation framework for the Arab States	DP/RRR/RAS/1

Approved the second global cooperation framework (DP/GCF/2);

Item 4 Technical cooperation among developing countries

Approved the second cooperation framework for technical cooperation among developing countries (DP/CF/TCDC/2);

Adopted decision 2001/2 of 2 February 2001 on technical cooperation among developing countries;

UNDP/UNFPA joint segment

Item 5 Reports to the Economic and Social Council

Took note of the reports of the UNDP Administrator (DP/2001/6) and the UNFPA Executive Director (DP/FPA/2001/1) to the Economic and Social Council and agreed to transmit them to the Economic and Social Council with comments made thereon;

Item 6

Recommendations of the Board of Auditors 1998-1999

Adopted decision 2001/3 of 1 February 2001 on UNDP: Follow-up to the report of the Board of Auditors 1998-1999;

Adopted decision 2001/4 of 1 February 2001 on UNOPS: Follow-up to the report of the Board of Auditors for 1998-1999;

Adopted decision 2001/5 of 1 February 2001 on UNFPA: Follow-up to the report of the Board of Auditors for 1998-1999;

Item 7

Financial, budgetary and administrative matters

Adopted decision 2001/6 of 31 January 2001 on the proposed common financial regulations concerning contributions from non-governmental sources (DP/FPA/2001/3 and DP/2001/9);

UNFPA segment

Item 8

Country programmes and related matters

Took note of the oral report on progress on implementing the 2000-2003 intercountry programme;

Approved the following programmes of assistance:

Assistance to the Government of Burkina Faso	DP/FPA/BFA/5
Assistance to the Government of Chad	DP/FPA/TCD/4
Assistance to the Government of Ghana	DP/FPA/GHA/4
Assistance to the Government of Namibia	DP/FPA/NAM/3
Assistance to the Government of Uganda	DP/FPA/UGA/5
Assistance to the Palestinian people	DP/FPA/PAPP/2
Assistance to the Government of Turkey	DP/FPA/TUR/3
Assistance to the Government of Indonesia	DP/FPA/INS/6
Assistance to the Government of Ecuador	DP/FPA/ECU/3
Assistance to the Government of Guatemala	DP/FPA/GTM/4
Assistance to the Government of Peru	DP/FPA/PER/6

Item 9
Other matters

Authorized the Bureau of the Executive Board to confirm the selection of representatives from the African States, the Asian States and the Latin America and Caribbean States to serve on the WHO/UNICEF/UNFPA Coordinating Committee on Health for a two-year term;

Took note of the oral report of the Executive Director of the United Nations Office for Project Services on the utilization of the operational reserve;

Item 10
Joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP

Held a joint meeting of the Executive Boards of UNDP/UNFPA and UNICEF, with the participation of WFP, on progress with the use of common country assessment indicator frameworks.

5 February 2001

**Tentative work plan
Executive Board of UNDP/UNFPA
Annual session 2001 (11-22 June 2001, New York)**

Day/date	Time	Item	Subject
Monday, 11 June	a.m.	1	Organizational matters: agenda and work plan; report on the first regular session 2001 <i>UNFPA segment</i>
		2	Report of the Executive Director for 2000
Tuesday, 12 June	p.m.	2	Report of the Executive Director for 2000
	a.m.	2	Report of the Executive Director for 2000
Wednesday, 13 June	p.m.	2	Report of the Executive Director for 2000
	a.m.	3	Funding commitments to UNFPA - Report on funding commitments
	p.m.	4	Programming process - Report on progress and future options in the programming process (dec. 2000/12)
Thursday, 14 June	a.m.	5	Information and communication strategy - Report on review of the UNFPA information and communication strategy (dec. 97/13)
	p.m.		<i>UNDP segment</i>
		14	United Nations Office for Project Services - Annual report of the Executive Director - Implementation of recommendations of the evaluation of the relationship between UNDP and UNOPS: final report (dec. 99/12)
Friday, 15 June	a.m.	14	United Nations Office for Project Services (continued if need be)
	p.m.		<i>UNDP/UNFPA joint segment</i>
		6	Internal audit and oversight - Reports of UNDP, UNFPA and UNOPS on internal audit and oversight
		8	UNAIDS and reports of UNDP and UNFPA on their contributions to the United Nations System Strategic Plan for HIV/AIDS for 2001-2005 (Economic and Social Council resolution 1999/36, para.9 (c))
	p.m.	7	Reports on field visits

Day/date	Time	Item	Subject
Monday, 18 June	a.m.		<i>UNDP segment</i>
		9	Annual report of the Administrator and results-oriented annual report for 2000
Tuesday, 19 June	p.m.	9	Annual report of the Administrator and results-oriented annual report for 2000 (continued)
	a.m.	9	Annual report of the Administrator and results-oriented annual report for 2000 (continued)
Wednesday, 20 June	p.m.	12	Financial resources - Review of funding commitments
	a.m.	12	Financial resources (continued) - Evaluation of non-core funding (dec. 98/2, para. 10)
Thursday, 21 June	p.m.		Financial resources (continued) - Issues and principles for possible improvements in the present target for resource assignments from the core (TRAC) resource distribution model, including a review of thresholds
	a.m.	10	United Nations Capital Development Fund - Results-oriented annual report
Friday, 22 June	p.m.		<i>United Nations Volunteers Special Event</i>
	a.m.	13	Programme cooperation frameworks and related matters - Proposal for new UNDP country programming instruments
	p.m.		Pending decisions
		15	Other matters: - Report on outcome of Coordinating Committee on Health

**Joint meeting of the Executive Boards of UNDP/UNFPA
and UNICEF, with the participation of WFP
(26 January 2001)**

X. Frameworks for common country assessment indicators

Address by Poul Nielson, European Commissioner for Development and Humanitarian Aid: "The United Nations and Europe: active multilateral partners"

278. The first part of the joint meeting was chaired by H.E. Dr. Movses Abelian (Armenia), President of the Executive Board of the United Nations Children's Fund. The Administrator of UNDP, the Executive Director of UNICEF, the Executive Director of the United Nations Population Fund (UNFPA), the Assistant Executive Director of the World Food Programme (WFP), and Mr. Poul Nielson, European Commissioner for Development and Humanitarian Aid, were on the podium. The Administrator of UNDP introduced Mr. Nielson.

279. Mr. Nielson underlined the strengthening of relations between the European Commission and the United Nations, noting that there was scope for improvement and for the development of a more effective partnership. Cooperation with the United Nations system needed to be more systematic and programmatic and less ad hoc and project-based, and needed to intensify the mutual engagement in policy dialogue. This enhanced collaboration would be based on the recognition of the added value and core capabilities of United Nations bodies in relation to the development policy priorities of the European Community.

280. Citing the change in the development policy of the European Commission during the past year, Mr. Nielson described the three major elements that had helped to shape the new approach of the European Community to development policy and development cooperation. First, the European Commission and development ministers of the European Union had, in the Development Councils of May and November 2000, agreed to a European Development Policy. Second, the 15 European Union countries and 77 African, Caribbean and Pacific (ACP) countries in the ACP-European Union partnership had set a new milestone in their relationship by establishing the new Cotonou Agreement. Third, the Commission had taken far-reaching decisions on how to reform and improve radically the management of Community external aid. The three decisions had aimed to help the Community to respond to the double challenge of making external aid more effective and to help developing countries to integrate progressively into the world economy.

281. The resultant new development policy of the European Community focused on poverty reduction as the overall objective of its policies and activities. Within that global objective, the Commission would concentrate on six areas of comparative advantage: trade and development; regional integration and cooperation; macro-economic policies linked with poverty reduction strategies, in

particular the strengthening of social sectors such as health and education; reliable and sustainable transport; food security and sustainable rural development strategies; and institutional capacity-building, good governance and the rule of law. Cross-cutting issues such as gender, environment and human rights would be fully integrated into all activities.

282. The Community, as one of the largest donors in the area of development assistance, was trying to make the best use of existing frameworks and processes, such as the Poverty Reduction Strategy Papers (PRSP) and the United Nations Development Assistance Framework (UNDAF). In the development of country strategy papers for future multi-annual planning, the European Union would base its programming on those instruments, where available.

283. The commitments made at the World Summit for Social Development had served as a base for the new policy orientation of the European Commission for development cooperation. Those commitments had been fully incorporated in the ACP-European Union partnership agreement signed at Cotonou on 23 June 2000. The agreement emphasized poverty reduction and the integration of developing countries into the global economy. A first step would be to reinforce the political dimension of relations between ACP countries and the European Union, including human rights, democratic principles, rule of law, good governance, gender equality, attention to corruption and the importance of communication and information. Regional economic partnership agreements would be included in regional free trade areas, allowing ACP countries to integrate gradually into the world economy. Regional cooperation and integration were seen as cornerstones to effective response to globalization and trade was strongly linked to environmental and labour standard issues. The Cotonou agreement paved the way for increased foreign direct investments, which the European Union intended to stimulate through a new 2.2 billion euro business investment facility. Allocation of funds would be based on evaluation of the individual requirements of each country and their performance.

284. Mr. Nielson also described the reform of the external service of the Commission beginning in 2001. The aim to improve effectiveness was based on three main elements: a new Europe-Aid Cooperation Office to manage European Union external assistance; the establishment of stronger and more articulate internal mechanisms to ensure quality and coherence of European Commission assistance programming; and the thorough screening of existing commitments in an effort to improve the speed and quality of spending. The launch of the first phase of deconcentration and devolution of powers to 23 delegations in 2001 was well advanced and included the provision of human and material resources. All delegations would be included by the end of 2003.

285. One of the goals of the management of external assistance was to strengthen cooperation with selected United Nations development and humanitarian organizations. Changes to legal requirements would provide scope for more flexible cooperation with the United Nations, as would changing the corporate culture in the

European Commission with regard to the United Nations. A number of key meetings relating to eradication of poverty would be held in 2001, including the Third Conference on Least Developed Countries and the Meeting on Financing for Development.

286. The development policy of the European Community had entered a new era. Given its role as a major global partner in development cooperation, the Community was ready to bear its share of the responsibility to improve international society. More global governance was required, not less. Closer cooperation between the European Community and the United Nations family would strengthen that effort.

287. In closing, Mr. Nielson expressed regret over the recent decision by one major donor regarding the United Nations Population Fund (UNFPA), in particular at a time when there were so many abused and marginalized women who needed support from that organization. He emphasized the importance of the work of UNFPA and the International Planned Parenthood Foundation, organizations that contributed greatly to poverty eradication and a decent global community.

Comments by delegations

288. One delegation welcomed the "new era" in development cooperation heralded by the European Commission. Partnership with the United Nations, in particular, represented a very positive step. The main challenge was to intensify and build on coordination and cooperation. The speaker cited strengthened United Nations operational activities, the growing importance of regional activities, and enhanced collaboration between the United Nations and the Bretton Woods Institutions as positive developments. A realistic and holistic approach to development was required, one in which emerging ideas could be translated into policy guidance and strategies. Closer relations between the European Commission and United Nations in development and humanitarian activities was an important priority for her delegation, which currently held the Presidency of the European Union. Future dialogues between the Boards and the Commissioner would be welcomed.

289. Another delegation expressed gratitude to the Commissioner for his visit to Japan prior to attending the joint meeting of the Executive Boards. The speaker underlined the importance of ensuring public support for official development assistance (ODA) through more effective and efficient programmes. His delegation welcomed the opening of the Europe-Aid Cooperation Office. His country shared many of the objectives described by Mr. Nielson, in particular cooperation with the United Nations. At the country level, the PRSPs and sector-wide action plans (SWAps) were key instruments. Aid coordination, the speaker noted, should be a gradual process, without imposing views on developing countries. It was important for recipient countries to select the right form of development assistance depending

on the circumstances in their country. In that regard, both programme and project approaches could be considered.

290. Other delegations welcomed the importance that the European Union placed on development assistance and the growing cooperation with the United Nations. It was hoped that the Meeting on Financing for Development would help to reverse the decline in resources for development. One delegation underlined the successful experience of regional collaboration in the Latin America and the Caribbean region in poverty eradication. Another speaker raised queries regarding coordination among programming instruments at the country level and about how individual aid programmes of European Union members would be coordinated with the overall European Union aid programme.

291. The Executive Director of UNICEF expressed appreciation for the leadership of Commissioner Nielson in forging a partnership between the European Union and the United Nations. UNICEF was committed to working with the European Union in the ongoing dialogue proposed by the Commissioner. She also noted that UNICEF looked forward to the 10 year review of the World Summit for Children to be held in 2001.

292. The Executive Director of UNFPA thanked the Commissioner for expressing support for UNFPA, which would support the activities he had proposed, particularly in the regional context.

293. The Assistant Executive Director of the World Food Programme thanked the Commissioner for his statement and explained that his organization had recognized the important role of the European Union by adding a permanent observer seat for the European Union at its Executive Board.

294. The Administrator of UNDP expressed support for the partnership between the United Nations and the European Union, underlining the importance of the new initiative.

295. Mr. Nielson responded to the comments and queries raised. He stated that the Commission looked forward to accelerating the dialogue with the United Nations. He underlined the importance of cooperation in the area of conflict prevention and in activities aimed at bridging the gap between crisis and development. He emphasized the importance of effectiveness in development cooperation in maintaining public support for ODA. With regard to programming, he stressed the key importance of sector-wide action plans as a way of improving the quality and predictability of development activities. Using PRSP as a framework enabled better donor coordination, through the involvement of the Bretton Woods institutions. He emphasized the need for collective action on feasible programmes with demonstrable results. In response to a query raised, Mr. Nielson stated that the

European Union would not provide core contributions to the United Nations funds and programmes, as individual members were already donors. It was hoped that the Meeting on Financing for Development would help to mobilize public support for ODA.

Presentation on progress with the use of common country assessment indicator frameworks

296. The second part of the joint meeting of the Executive Boards of UNDP/UNFPA, UNICEF and WFP was chaired by Ms. Ulla-Maija Finskas-Aho (Finland), Vice-President of the Executive Board of the WFP, who conveyed the greetings of the President of the Board. She informed the delegations that the session would look at the progress that was being made in developing and using common country assessment (CCA) indicators. She introduced the Chairperson of the ad hoc working group of the United Nations Development Group (UNDG) on CCA indicators.

297. The Chairperson of the ad hoc working group said that the development of the CCA indicators was an example of United Nations system cooperation at its best. In addition to the organizations represented on the podium, the Statistics Division of the United Nations Department of Economic and Social Affairs (DESA), all of the regional commissions and other agencies participated actively in that work. He stressed that the CCA was a country-driven process for reviewing and analyzing the national development situation, that flexible guidelines ensured responsiveness to local needs and conditions, and that the CCA promoted partnerships among national and international development partners. He stated that the list of indicators included in the framework contained in the CCA guidelines was suggestive and not prescriptive or exhaustive. The indicators were designed to demonstrate the progress towards achieving the major development goals of United Nations conferences, summits and conventions held in the 1990s. The indicator framework also helped to identify data gaps and areas in which national statistical systems needed to be strengthened.

298. In order to assess progress in the use of CCA indicator frameworks, the working group had sent a questionnaire to those countries that had completed CCAs since the guidelines had been developed and had received responses from 36 out of the 37 countries canvassed. The survey had shown that United Nations country teams, working with national Governments, were using country-specific indicators. Data availability was the key determinant of which indicators were used. Most of the country teams reported close working relations with Governments, particularly national statistical offices and line ministries, with national experts being widely used. The survey found that the role of the national statistical office was central in terms of selecting and validating the indicators. In that regard, most country teams reported that they relied primarily on national data sources and that only in crisis or post-crisis situations did they rely heavily on international sources.

299. The survey had shown that most United Nations country teams had either established databases for the follow-up of international conferences or planned to do so. The ability to keep these databases up-to-date, however, was hampered by resource constraints and lack of expertise. The indicators in CCA frameworks were used as a basis for country assessment and analysis, for identifying key areas for policy and programme development and as a tool for joint advocacy and programming. Many country teams reported CCA linkages with other ongoing policy frameworks and several mentioned linkages with PRSPs. A majority of country teams reported having programmes to strengthen their statistical capacity or plans to do so within UNDAF.

300. The Chairperson indicated that there were several future challenges. The CCA indicator frameworks needed to evolve to respond to new priorities in national plans, conference reviews and the Millennium Declaration. Data collection was costly and only limited resources exist to strengthen statistical systems. Continued international financial assistance and technical expertise were therefore required. The development of new indicators should build on best practices from previous experiences and should take advantage of greater country and regional participation.

Presentation by Nepal Country Team

301. The Vice-Chairman of the National Planning Commission of the Government of Nepal reported that the United Nations system had been working in Nepal since 1951 and that many tangible results had been achieved in improving the lives of the Nepalese people. The United Nations was a trusted friend and partner of the Government. He noted three projects in which UNDP, UNICEF and WFP were working to complement each other by making best use of their comparative advantage. He took special note of the concrete steps taken to enhance cooperation through the CCA and UNDAF. As Chair of the national workshop on the CCA draft, he had been particularly pleased with the rich debate on the development challenges of the country that the formulation of the CCA had generated.

302. The CCA indicator framework had been created over a period of 18 months during which a series of consultations had taken place with various government bodies engaged in data collection and with policy makers and other officials who needed and used that data. They concluded that a balance was needed between what was desirable and what was feasible. He singled out the United Nations inter-agency theme groups for their instrumental role in finalizing data needs and their sources. The data, comprehensive and up-to-date, would allow the Government to monitor systematically the realization of goals agreed to at the international conferences. One noteworthy intervention had been the close cooperation between the Government and United Nations organizations to make the upcoming population census more gender sensitive.

303. The United Nations Resident Coordinator and UNDP Resident Representative said that the CCA indicator framework in Nepal had helped to assess the overall development situation and to identify the main challenges. It underpinned the analysis of development needs and helped to monitor progress towards the achievement of global targets and the realization of UNDAF objectives. It identified data gaps and the need for capacity building. It was part of a "Triple A" strategy in which assessment, analysis and action all played into each other. The CCA indicators that were being used had been selected because of their relevance to the Nepal context and the availability and quality of data. The participants in the process, the Government, United Nations organizations and other development partners, met in inter-agency theme groups to decide on the indicators. They had reached a consensus on 114 indicators, based on 28 government and 7 international sources, although some gaps remained. To close those gaps, the national information system had to be strengthened in the areas of data collection, data processing and the harmonization of national statistical systems.

304. The UNFPA Representative in Nepal reported that the development of CCA indicators in Nepal had reduced the duplication of efforts by different organizations and had increased team spirit and the sense of purpose among United Nations staff in the country. The CCA document that had been produced had been well received, both in Nepal and beyond. In noting lessons learned, the UNFPA Representative said that the process could have been even more participatory, adding that it had increased the already heavy workloads of the inter-agency theme groups. He also said that it would have been more productive to have used a rights-based approach from the outset.

305. The results of the CCA highlighted the development challenges facing Nepal. The overall challenge was to reduce widespread income poverty: 42 per cent of the population lived below the Government-established poverty line, and the national development plan called for cutting that percentage in half by 2015. There were great disparities in income and the country ranked low on the UNDP human development index. The population growth rate continued to be high (with population doubling every 29 years) and health indicators, such as the maternal mortality rate and the infant and under-five mortality rates, were disquieting. Nepal had the highest child mortality rates in South Asia and women had little access to antenatal care. Primary school enrolment was improving but was still low compared to other countries and there were large discrepancies between the education of girls and boys. Women continued to suffer other disabilities as well.

306. The UNICEF Representative discussed how UNDAF would help the country move from analysis to action. He gave two examples. In the first case, he began with an assessment of girls' education: the net primary enrolment rate of girls was 19 points below that of boys. An analysis of that assessment had shown that current programmes were not closing the gap and that there was a need to increase the percentage of female teachers and to improve the quality of education provided to girls. UNDAF had now developed a joint programme to reach those goals. In the second example, the assessment showed gaps in labour market data with regard to

gender distribution, child labour and the informal sector. As a result, it became apparent that the government employment policies failed to address some of the country's critical problems. UNDAF had therefore included joint support for the establishment of a labour market information system and a labour force survey.

307. The WFP Representative/Country Director concentrated on joint United Nations actions in Nepal. He pointed out the geographic concentration of United Nations activities in the most deprived parts of the country. United Nations organizations were cooperating in a number of projects in several districts in the food-deficit western part of the country. He discussed the Achham Initiative in a western district, where UNICEF, the World Health Organization (WHO), UNFPA, WFP, UNDP and the United Nations Educational, Scientific and Cultural Organization (UNESCO) were all collaborating on projects that encompassed the empowerment of women; child survival, growth and development; control of HIV/AIDS; good governance; income generation and employment opportunities; and improvement of the social and economic status of low caste and oppressed peoples. Several organizations were also cooperating on a joint initiative against the trafficking of women and girls.

308. The Permanent Representative of the Kingdom of Nepal said that the fact that Nepal had been chosen for a special presentation to the joint meetings of the Executive Boards was testimony to the mutual confidence and successful partnership that existed between the Government and the United Nations organizations. Since those organizations had traditionally been the country's best and most reliable partners, the Government sought to increase its cooperation with them. The Government would work within any model that promised to improve development performance; the Permanent Representative saw the CCA and UNDAF as such mechanisms. He cautioned however that Nepal could not afford the luxury of experimentation that held no reasonable chances of success and that there was very little margin for error. He stressed that cross-donor and cross-sector compatibility were essential but that the development of a multiplicity of donor-specific planning tools would pose great problems to a vulnerable country such as Nepal.

309. In their comments, delegations appreciated the presentation by the United Nations country team in Nepal and the statements of the Vice-Chairman of the National Planning Commission and of the Permanent Representative. Several delegations noted the importance of the CCA and stated that it had to be at the heart of United Nations development efforts. They hoped that the role of CCA would be to focus on the discussion during the triennial policy review of the Economic and Social Council (ECOSOC) as well as in the substantive discussions on indicators and capacity-building in the Statistical Commission. The presentation, and that of the Chairperson of the UNDG Working Group on CCA Indicators, had shown what the CCA could contribute to capacity-building. It had also shown the centrality of the role played by indicators in helping countries to reach their national development goals and in orienting United Nations assistance.

310. Several delegations stated that they were pleased that the CCAs gave priority to nationally developed indicators. One delegation said that more consideration should be given to the validity of regional indicators as well. It was stated that more had to be done to analyze the validity of the different indicators – one single, global indicator would not work for all countries. CCAs had to be Government-owned but consultations needed to be made with all members of the United Nations system and, to the extent possible, with civil-society organizations, the private sector and bilateral donors as well. Greater coherence was needed among data collection processes and demands in developing countries. It was hoped that joint situational analysis would help to reduce the number of analyses that donors and the Government would have to do.

311. One delegation stressed how vital it was to establish clearly that CCAs and UNDAFs needed to correspond with the objectives of the countries concerned and that Governments needed to play a leading role in their development. It was pointed out that the indicators used to monitor the progress of conference goals needed to be reviewed for their technical validity by the United Nations Statistical Commission, an inter-governmental body. For example, there were no internationally agreed goals and no way to monitor the application of good governance. The delegation stated that all indicators needed to conform to the principles of the Charter of the United Nations. It was also pointed out that agreements made at global conferences applied to all countries, not just to developing countries.

312. One delegation reported on the evaluations of its Government regarding the implementation of CCAs and UNDAFs in two countries. It reported that progress had been made in building teamwork and believed that greater collaboration in developing the CCA meant better development assistance programmes. It must be remembered that the CCA was a process and would continue to evolve and develop. Another delegation pointed out that it was ever more difficult to convince taxpayers of the value of official development assistance. The CCA and UNDAF mechanisms had roles to play in showing the public that donor funding was not being wasted. The key was to make sure that the processes did not become overly bureaucratic and that they remained flexible in meeting the needs of different developing countries. The same delegation called for more coordination with the work being done by bilateral donors.

313. In his response, the Vice-Chairman said that capacity-building was absolutely central to the concepts of the CCA and UNDAF. In his country, the process had worked very well, with the Government having been involved since the very first discussion on the development of CCA indicators. That was absolutely necessary if the Government was to have a sense of ownership. The process, however, had revealed the extent to which it was necessary to strengthen the national information infrastructure. United Nations organizations, in that regard, were helping to enhance the ability of the Central Bureau of Statistics to generate and disseminate data.

314. The Resident Representative said that bilateral donors were involved in the theme groups and were part of the consultation process. The challenges ahead included the shortage of data and the need to strengthen the capacity of national institutions to meet that need. The Chair of the working group said that there had been great progress in implementing CCAs, but the process was still in its infancy. It was necessary to keep reviewing and fine-tuning, especially to ensure government involvement and ownership. Further capacity-building was necessary, especially with regard to gender-related data, which were often only rudimentary. That was one area in which United Nations organizations were particularly involved. He acknowledged that there was a lack of good governance indicators. He said that it was true that the CCA was a tool for use in developing countries. The monitoring bodies of international treaty, however, were involved in assessing civil and political rights in both developed and developing countries.

Discussion with Executive Heads of funds and programmes

315. The third part of the joint meeting was chaired by H. E. Mr. Gert Rosenthal (Guatemala), President of the Executive Board of UNDP/UNFPA. He welcomed to the podium the Executive Director of UNICEF, the Executive Director of UNFPA, the Administrator of UNDP and the Assistant Executive Director of WFP.

316. The President of the Board suggested that delegations move their discussion from the country level to a more corporate, general level. One delegation asked what the next step would be in integrating the CCA/UNDAF process into programme procedures. He further queried the role of a rights-based approach. The UNDP Administrator highlighted the goals adopted at the United Nations Millennium Summit, which, he said, brought new energy to the UNDAF process and committed all Governments to global and national alliances. This would allow country teams to align themselves behind the goals of the Summit, engendering more effective cooperation among all partners, thus facilitating programming. The Administrator emphasized that the implementation of a rights-based approach was not the imposition of an outside agenda, but rather an opportunity to mobilize partners at the country level to achieve progress in a way everyone could support. The Executive Director of UNFPA noted that the rights-based approach gave Governments the tools to fulfil their treaty obligations.

317. The Executive Director of UNICEF stated that a number of countries – for example, Cambodia, Colombia and Mozambique – were adopting a rights-based approach. She stressed that the CCA/UNDAF processes should be led by the Government, with participation of all partners, including non-governmental organizations. She noted that great progress had been made toward government ownership of the process and that the CCA and UNDAF were being linked with the PRSP and the Comprehensive Development Framework (CDF). She reflected on how, in the early joint meetings, the Executive Boards had considered what the CCA/UNDAF could be, and at this meeting, Board members were already, after a relatively short period, discussing what had been achieved. To ensure that the

process was not a burden, both the Executive Director of UNICEF and the Executive Director of UNFPA stated that situational analyses at the agency level could no longer be required and had already been replaced by the CCA/UNDAF processes in certain cases.

318. A number of delegations thanked the Nepal country team for their fine presentation and noted that there was both merit and substance in United Nations cooperation in that country. One delegation asked how the lessons of a successful CCA/UNDAF process, as demonstrated in Nepal, could be used by other country teams and what kind of leadership could be exercised from the central level. Another delegation asked what could be done to support wider development and dissemination of information and how the Bretton Woods institutions could be more involved with the work of the United Nations system. One delegation requested information on the link between data used in national human development reports and those of the CCA.

319. The Administrator of UNDP stated that major efforts were under way to diffuse good practices through joint training and that in cases where it was determined that the UNDAF process was lagging, missions were sent by the United Nations Development Group (UNDG) to evaluate the situation and to support country teams with their exercises. In the area of information dissemination, he brought to the attention of Board members the new Internet sites: RC Net (the United Nations Resident Coordinator Network) and DevLink (communications to support United Nations country teams). He stated further that national human development reports drew heavily on CCAs. He also noted that United Nations organizations were cooperating with the Bretton Woods institutions through their involvement in CDFs and PRSPs. He emphasized that ultimately what was needed was strong country ownership.

320. One delegation noted that national data collection in developing countries was generally weak and stressed the need for capacity-building. Another stated that CCA indicators should be varied and flexible, depending on the country situation. Another delegation asked for clarification on the role of regional commissions. The Executive Director of UNICEF said that regional commissions had been briefed and there was improved and growing interaction. The Executive Director of UNFPA stated that her organization had supported regional commissions in data collection, adding that there was already a great deal of cooperation in this area.

321. The Assistant Executive Director of WFP outlined periods in history when the United Nations system dramatically changed course. The CCA/UNDAF process was a logical and sensible tool to understand preceding movements, including the international conferences of the 1990s. He said that there was currently a will to cooperate and many effective country teams. He noted also, however, that each organization had an important, separate mandate.

322. The President of the Board summarized, by stating that there had been significant progress in the area of indicator frameworks. He highlighted the importance of government ownership and noted that frameworks needed to be adapted to local needs.

Statement by Executive Director of UNICEF on staff security

323. The Executive Director of UNICEF addressed the meeting, on behalf of the UNDG, on concerns about staff security. She stated that the safety of United Nations staff was a matter of greatest importance for the entire system. In recent years, risks had grown sharply, in direct proportion to the spread of armed conflict and instability. She said that additional resources were urgently needed to bring about significant improvements in staff security in the field. Only Governments could provide the political will and additional resources needed and only Governments could institute measures to end the culture of impunity, in which those who perpetrate crimes against United Nations staff go free.

324. She noted that the Secretary-General had drawn up a series of proposals designed to establish minimum security arrangements and that he had requested that an additional \$5 million be placed in an existing trust fund. She noted that contributions to the fund had lagged and therefore appealed to members of the Executive Boards to make a firm commitment to the fund in order to protect United Nations staff.

325. In closing the meeting, the President of the Board thanked the distinguished members of the panel, executive heads of agencies and colleagues from the Executive Boards. He noted that the meeting brought added value to the organizations concerned, without detracting from their respective responsibilities. He stated that, as requested by the Economic and Social Council, the report of the joint meeting would be transmitted to the Council by the three bureaux of the Boards.
