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Programme and of the
United Nations Population Fund**

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Organizational matters

**Report on the annual session 2001
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I. Organizational matters

1. The President of the Executive Board made an opening statement in which he informed the members of the Board of the meetings of the Bureau that had taken place since the Board had met in January.
2. The President informed the Board that the Vice President of the Western European and Others Group, Mr. Grant Robertson of New Zealand, had been transferred to another post. The Board elected Ms. Ginette LaChance of Canada to replace him for the remainder of the year. The President welcomed Ms. LaChance to the Bureau and said that he looked forward to working with her.
3. The Board adopted the revised agenda as detailed in document DP/2001/L.2 and Corr. 1 as orally amended by the Secretary.
4. The Secretary of the Board informed the Members of the status of the documentation to be discussed during the session. She reported that, regrettably, not all of the reports and conference room papers being made to that session of the Board were available in the official languages. They would be distributed to the Board during the session as they were issued by the United Nations Conference Services.
5. At the end of the session, the Executive Board agreed to the work plan for the second regular session 2001, to take place in New York, 10-14 September.

UNFPA segment

II. Report of the Executive Director for 2000

Annual report for 2000

6. The Executive Director opened the annual session 2001 by presenting a statement to the Board on recent events of interest since the previous session in January. She began by welcoming Ms. Imelda Henkin as the new Deputy Executive Director (Management). She reported that UNFPA was going through a transition process that had five main components: (a) developing and implementing a strategic vision of UNFPA's mid-term goals and operations; (b) assessing the realignment process; (c) formulating a human resources development strategy; (d) making UNFPA a knowledge-based organization; and (e) increasing the Fund's visibility. The Fund had received grants from the Bill and Melinda Gates Foundation, the John D. and Catherine T. MacArthur Foundation, the David and Lucile Packard Foundation, the Rockefeller Foundation and the Government of the United Kingdom to implement the transition process.

7. The Executive Director said that strengthened field operations was the top priority for UNFPA. For that reason, the Fund was undertaking a field needs assessment study. She would be presenting the results of that study and any recommendations for change resulting from it to the Board at a later date. In addition to carrying out the comprehensive review of the needs of UNFPA country offices, she said that the Fund's priorities for 2001 were: reinforcing programming in such areas as reducing maternal mortality, promoting adolescent reproductive health and preventing HIV/AIDS; further implementing the organizational realignment and developing a human resource strategy; mainstreaming results-based management throughout the organization and improving information, communications and knowledge sharing; and promoting global advocacy and partnerships.

8. The Executive Director reported that she had been traveling a great deal since taking up her post at the beginning of the year, both to programme countries, including to the very important African Summit on HIV/AIDS, and to donor countries to enlist their support. Many of the donor Governments she had met with had been very positive in their expressions of support for the work of UNFPA. Regarding financing, she said that she was both an optimist, because contributions to the Fund's regular resources were up slightly for the first time in several years, and a realist, because income was still below the level of \$312.6 million at which the Fund had peaked following the ICPD in 1995. She thanked the various donors, many of which had increased their contributions in 2000. She was especially pleased that for the first time the Fund had had 100 donor countries in 2000.

9. The Executive Director announced that Dr. Nafis Sadik, her predecessor as head of UNFPA, and the Japanese Organization for International Cooperation in Family Planning (JOICFP) had been awarded the United Nations Population Award for 2001. She concluded by talking about accountability, saying that it was important that it be instilled throughout the organization and that that was particularly true of senior management. In fact, she should be the most accountable.

She had prepared her three-year work plan with concrete results explicitly identified, and she expected to be held accountable by the Board for achieving those results.

10. In introducing the annual report for 2000 (DP/FPA/2001/4) to the Executive Board, the Executive Director said that the first part dealt with major events of the year, including the retirement of Dr. Sadik and the Board's tribute to her leadership, while the second part focused on the Fund's advocacy activities during the year. She said that it attempted to gauge the progress made in implementing advocacy activities at the country level by capturing the results most frequently cited in country office annual reports in order to give a sense of the magnitude of those activities and their rich diversity. She then mentioned some highlights from the statistical overview and Part III of the report, which had presented information on the Fund's work in six programme countries and in ensuring reproductive health commodity security and providing humanitarian assistance.

11. Numerous delegations congratulated the Executive Director on her first six months in office. One delegation commented that there appeared to have been a seamless transition under her new administration. Delegations also welcomed Ms. Henkin to her new position, saying they looked forward to working with her, noting the positive working relationships they had had in her various other positions in the Fund.

12. The annual report was well received, as was the progress report on the multi-year funding framework. Most delegations welcomed the focus on advocacy in part I of the report and commended the Fund for the quality of the presentation. One delegation expressed appreciation to the UNFPA secretariat for the high calibre of the report that had been produced. Another said that it was quite a good and comprehensive report but said that it would like to see future annual reports giving more extensive coverage on all areas of the Fund's work, including population and development strategies. Another delegation said that the annual report should be used to clearly demonstrate how close the Fund was coming to meeting the ICPD goals for 2015.

13. One delegation noted one seeming anomaly in the annual report and the statistical overview: while regular income had increased 5.1 per cent, programme expenditures were down 29 per cent. Another delegation noted that total resources had gone up by 27 per cent and did not understand why there had been such a decline in the amount going to programmes. Another delegation said that it hoped that the need to replenish the operational reserve had not led to a decrease in programme expenditures and that any such situation could be avoided in the future. One delegation said that it hoped that in the future there could be a better link between the statistical overview and other parts of the report so that, for example, the drop in programme expenditures would have been fully explained elsewhere in the report.

14. Several delegations said that they appreciated the report on advocacy in the annual report for 2000, and many called on the Fund to continue to strengthen its work in that area. One delegation said that it showed how the Fund was working to make profound changes in societal attitudes. Another delegation said that it agreed with the statement in the report that "good ideas do not sell themselves". In fact, targeted messages had been very successful in changing attitudes in its country. The delegation said that one of the main lessons learned was the need for flexibility:

messages had to be adapted to local situations. Another delegation mentioned the importance of capacity building in advocacy efforts. Delegations agreed that advocacy efforts had to have clearly defined results and that attempts had to be made to measure the results of advocacy activities more carefully. They also said that advocacy had to be an integral part of the design of subprogrammes and not something that was extraneous to them.

15. During the discussion, several delegations mentioned the important role that UNFPA had to play in advocacy in such areas as HIV prevention, maternal mortality, the status of women, adolescent reproductive health and the role of men. Several delegations emphasized that these issues always had to be dealt with in terms of national cultural values. In that regard, it was mentioned that the involvement of religious leaders, as mentioned in the report on advocacy and by the Executive Director, was often the key to success. One delegation said that it was very pleased that the Executive Director would actively take up the challenge of relating programmes to social and cultural backgrounds.

16. One delegation said that the Fund needed to continue to show how better reproductive health and population and development strategies were essential to development. Another delegation stated that advocacy in the area of population and development strategies seemed to be getting short shrift. Some delegations said that, in fact, the annual report did not give enough attention to the programme area of population and development strategies generally. They said that it was important an important area of the Fund's work. Lack of a census, for example, hindered development. One delegation encouraged UNFPA to pay more attention to population issues in regions of the world like Eastern Europe, where high mortality rates and ageing populations were becoming increasingly serious issues.

17. Addressing the question of resources, delegations said that the slight increase in regular resources in 2000 was very welcome. One delegation said that while it was glad that the declining trend in resources had been reversed, the Fund still did not have the resources needed to play its role in attaining the ICPD targets for 2015. One delegation said that many people would suffer if resources were not forthcoming and the donor community should realize that there was no time to slow down when HIV infection rates were escalating so rapidly, when maternal mortality rates continued to be so high and when pregnancies by adolescents was a growing problem.

18. In the area of reproductive health commodity security, one delegation said that creating national ownership and sustainability were vital. In that regard, building logistics capacity was extremely important. The delegation said it would like to have more information on expected outputs and wanted to see a concise list of reproductive health commodities. Another delegation said that UNFPA had a role to play not just in the supply of condoms but in other reproductive health commodities as well.

19. Several delegations expressed support for the work of UNFPA in the area of humanitarian assistance, but one delegation expressed regret that the report to the Board did not put such assistance in the context of a human rights based approach. One delegation said that as for humanitarian assistance, people in distress did not need just food but had other needs as well: maternal mortality, HIV/AIDS and adolescent reproductive health were all issues that needed to be addressed in humanitarian situations. One delegation emphasized that the Fund's effort in

training soldiers and peacekeepers as peer educators to prevent HIV was an initiative that needed to be carried out on a large scale. Another delegation asked for information on the share of core resources that were being devoted to humanitarian assistance and on the staffing arrangements for such assistance.

20. Two delegations reported that representatives of their countries had participated in the mid-term review of the UNFPA country programme in China, which was reported on part III of the annual report. Both delegations said that the programme had made a positive impact in the counties in which UNFPA activities were being implemented. One delegation said that progress had been made in terms of voluntarism, training and capacity building, and advocacy in support of reproductive health and said that improved reproductive health services had resulted in a reduced number of abortions. It said that the major constraint seemed to be lack of data to measure programme results. The delegation of China agreed with those delegations that had said that the UNFPA programme in its country was having a positive impact and reported that there had been declines in the number of abortions as well as in infant and maternal mortality. The delegation agreed that sometimes there were difficulties in getting data to assess results in the counties where UNFPA was working and that time was needed to make more qualitative assessments. The delegation also said that his country supported using the UNFPA-assisted counties to develop more effective HIV/AIDS monitoring and prevention programmes.

21. In her responses, the Executive Director said that, as mentioned by several delegations, UNFPA had an important advocacy role in promoting the ICPD throughout the world. Of course, in all its advocacy activities, UNFPA worked with or through other partners and that was one reason why it was very difficult to attribute directly the results of advocacy activities. Certainly, the whole United Nations country team needed to advocate together. In response to statements made by several delegations, she said that the Fund would continue to work with religious leaders and that she was setting up a special group to look at questions of cultural values. She strongly agreed that national ownership of advocacy, and other, programmes was essential and that they needed to be country-driven and based on the national priorities of each country.

22. The Executive Director said that the Fund divided its programme resources approximately 70 per cent for reproductive health, 20 per cent for population and development strategies and 10 per cent for advocacy. Those breakdowns were generally reflected in individual country programmes as well, depending on a country's specific needs, and that within those guidelines the Fund continued to emphasize work in the area of population and development strategies. It was certainly not an area that the Fund intended to overlook. Regarding humanitarian assistance, the Executive Director said the needs of women, especially pregnant women and new mothers, needed to receive increased attention.

23. The Deputy Executive Director (Management) thanked the members of the Board for their support. She said that as highlighted by several delegations UNFPA programme expenditures had indeed declined in 2000. That was because the Fund had had to draw on the operational reserve in the last couple of years. Because of that, in the first half of 2000 the Fund had reduced programme expenditures in order to replenish the operational reserve and to ensure that it would not overspend during the course of the year. In addition, \$25 million of pledges for the year had not been

received until the autumn of 2000, at which point it was too late to programme them effectively for the year.

24. The Chief of the Intercountry Programme Branch thanked those donor countries that had provided assistance for reproductive health commodity security. He informed the Board that the UNFPA strategy on reproductive health commodity security was being made available to the Board. The strategy provided additional information on how the Fund intended to make commodity security a core component of the Fund's work with programme countries, focusing on capacity building, partnerships, advocacy, resource mobilization, sustainability and technical backstopping. UNFPA continued to train and orient Representatives and the Country Technical Services Teams (CSTs) on implementing reproductive health commodity security in programme countries. The strategy tried to identify clear outputs as well as the means of verifying those outputs. The list of essential reproductive health commodities requested by delegations was under review at WHO. It would be confirmed at a review meeting that was scheduled to take place in July and would then be made available.

25. The Branch Chief said that the Fund was looking at updating its procurement facilities, including looking at Web-based procurement. Governments were devoting more resources to ensuring reproductive health commodity security and more attention was being given to social marketing so that those who could afford to pay at least part of the cost would do so. Efforts were also being made to increase collaboration with the private sector. However, the world's least developed countries would continue to rely on donated commodities. It was estimated that the total global requirements for contraceptives were just under \$1 billion a year, and about 40 per cent of that would have to come from donors.

26. The Chief of Humanitarian Assistance for UNFPA said that the needs of hundreds of thousands of refugees and internally displaced persons needed to be met so that they were not further traumatized. The strong commitment to human rights that was manifested in the ICPD Programme of Action was violated when those rights were taken away, as was also the case with displaced persons. With the support of several donors, UNFPA was working to strengthen its capacity to deal with such situations, with a small staff at headquarters and in Geneva. The Fund was looking at how to strengthen internal staffing, including a five-year strategy on staffing. UNFPA would continue to work with religious groups providing assistance in crisis situations. She said that only a very small part of regular resources were being used for humanitarian assistance. For most emergency-related support, the Fund had depended on contributions to the United Nations Consolidated Appeals Process (CAP) and other extrabudgetary support. The Fund had participated in all 2001 CAPS, and donor response was better than in previous years.

27. The acting Chief of the Population and Development Branch reported that the Fund had set up the branch within the Technical Support Division in order to support the work being carried out in the area of population and development strategies at the regional and country levels. He reported that the branch was working in several key areas, including the advocacy role it had played over three decades in building financial and technical support for population censuses. The Fund was working closely with the United Nations Population Division and the Paris 21 Consortium to build up a database to support evidence-based programming. UNFPA was working with its UNDG partners to ensure that population and

development strategies were duly taken into account in Common Country Assessments (CCAs) and United Nations Development Assistance Frameworks (UNDAFs). He informed the Board that the Fund was in charge of the Rio+10 chapter on the linkages between population, the environment and poverty and that the branch was preparing a report on operational aspects of those linkages.

28. The acting Branch Chief said that the next *State of World Population* report would be on population and the environment. He also informed the Board that a World Assembly on Population and Ageing would be taking place in 2002 to revise the plan of action that had been adopted in Vienna in 1982 and that UNFPA would be playing an active role. He said that one very important population and development issue was HIV/AIDS. The work of the Fund was not limited to HIV-prevention activities. UNFPA country offices were also involved in activities assessing and coping with the impact of HIV on different segments of the age structure, such as the growing number of AIDS orphans and the burdens placed on grandparents because of “missing generations”.

29. In discussing areas mentioned as important ones for the Fund’s advocacy efforts, the Deputy Executive Director (Programme) talked about the vital role that the Fund had to play in terms of HIV prevention among adolescents, for which it was particularly well placed because of its work in providing adolescent reproductive health services and counselling. He agreed with delegations that had said that more had to be done to reduce rates of maternal mortality and that more had to be done in integrating family planning into basic health services and in providing emergency obstetric care. Not only was the Fund active in helping to provide services in those areas, but it was also carrying out many advocacy activities to enlist the support of Governments, local communities and other partners.

30. The Director of the Asia and Pacific Division reported that he had recently returned from the mid-term review of the China country programme, in which a number of missions of Executive Board member countries in Beijing had participated. They had gone to three of the counties where UNFPA was operating. The review had been chaired by the Government of China and included the active participation of NGOs. The participants had come away with a very positive impression of the UNFPA country programme: the programme was being carried out with a human rights approach that had the full cooperation and support of the counties involved. The programme had set up local coordination groups at the county level; prevention and treatment of sexually transmitted infections had been incorporated into the training curriculum of health-care workers; and a database on local reproductive health indicators was being constructed. A final evaluation would be carried out later, and UNFPA would follow the situation systematically and report back to the Board.

Multi-year funding framework

31. The Executive Director said that she was pleased to introduce the first report of UNFPA on its multi-year funding framework (MYFF) for 2000-2003 (DP/FPA/2001/4/Part II). She said that the Fund was implementing the MYFF through a results-based management (RBM) approach. She reported that in order to gather data for this first report on the MYFF, the Fund had undertaken a situation

analysis in 123 countries. The analysis had given broad validation to the MYFF results framework and confirmed that the Fund's country programmes were making an important and direct contribution to achieving the MYFF results and meeting ICPD goals. The Fund had established a database that recorded planned results at the country level, how they were measured and how they were to be achieved and, crucially, captured the situation regarding the availability of data for measuring results. The Fund was setting up a system of results-based annual reporting from country offices and CSTs and making it accessible to all staff so that everyone could learn from it.

32. The Executive Director said that mainstreaming RBM was a key organizational priority. The Fund had previously adopted the logical framework as a programming and management tool, and the Fund would continue to work to strengthen skills in strategic programming and management as part of overall capacity building. The development and start-up of the MYFF had stimulated the Fund to consider its role in bringing about the goals of the ICPD. The MYFF was a work in progress, and it needed to be continually developed and refined. She said that the first report to the Board on the MYFF had tried to be completely honest – to report not where the Fund would like to be or be seen to be but what the situation actually was. Compiling the report to the Board had made the Fund look at its constraints and weaknesses as well as its strengths and achievements, especially in the field.

33. The Executive Director said that the beginning of new country programme cycles in 2002 was an excellent place to begin to mainstream the RBM approach into the Fund's work at the field level, especially since there would be 39 new programmes starting that year. The four areas for priority attention were: building capacity and national ownership; strengthening programme management skills and processes; improving data availability; and building a results-based culture within the organization. She said that the report before the Board was quite frank about the challenges UNFPA faced in carrying out such efforts. None of the challenges could be met overnight.

34. The Executive Director said that everyone at UNFPA needed to be individually accountable for results and that she would lead the senior management team in ensuring that they were ultimately accountable at the organizational level. The goals could not be achieved alone, and the Fund would continue to work with many partners, both within and outside the United Nations system. Nor could the goals be achieved without adequate resources. Building a predictable and growing funding base was critical to achieving sustainable results, and core funds continued to be the bedrock of the Fund's programme. She counted on the help of the Executive Board in obtaining the necessary financial resources.

35. Delegations welcomed the Fund's commitment to a results-based approach and to the MYFF. They expressed their appreciation for the progress report that had been presented to the Board and said that it was a good start in reshaping the Fund. Several delegations also mentioned the Executive Director's commitment to instill accountability and results-based management into the organization. Delegations agreed that staff accountability was essential and said that they were pleased with the Executive Director's statement that she had to be the most accountable of all.

36. Delegations said that they had found the report on the MYFF to be clear and "user-friendly", but one delegation mentioned that it needed to be shortened in the

future. Perhaps some of the data could be aggregated and presented in tabular fashion. Delegations said that serious restraints in the implementation of the MYFF should be highlighted and solutions to them should be enumerated. One delegation said that progress documented in the MYFF report was encouraging given that the MYFF had been only operational for a year. Many delegations agreed that the MYFF was a work in progress and said that they were pleased with what had been accomplished to date. The MYFF needed to be continuously refined and improved and adapted to reflect the actual results that were achieved or not, and the Fund needed to look at the effects of results to adjust its policies.

37. Delegations said that they realized that the document before them was an interim report after less than a year of experience, but they asked that in the future it should have greater focus on results and outcomes. Members of the Executive Board looked forward to a results-oriented annual report in the future. Reporting on the MYFF needed to show clearly what worked and what did not and why. In that regard, one delegation said that the report before them did not give any indication of future strategy to meet the problems enumerated. Another delegation said that it would like the Fund to signal those results that occasioned surprise.

38. As for the goals of the MYFF itself, delegations said that the MYFF that had been approved in decision 2000/9 was a good reflection of the ICPD goals and that it focused on the comparative advantages of UNFPA. The MYFF reiterated the close partnerships that UNFPA had with other United Nations agencies such as UNDP and UNICEF. One delegation said that since all three agencies had elaborated their MYFFs at more or less the same time, they should help to create a more holistic approach towards United Nations development assistance. One delegation said that dealing with the consequences of unsafe abortion should be a clear priority in the Fund's MYFF and that the Fund should continue to work with WHO on safe motherhood initiatives. Another delegation said that close collaboration between headquarters and the field was essential and that the biggest challenge was strengthening partnerships with the UNDG organizations, Governments, the World Bank. One delegation said that the strategic considerations for future implementation of the MYFF during the coming year, as detailed in section VII of the report, were very relevant and asked UNFPA to update the board if it foresaw any changes in those priorities.

39. Delegations commented that the outputs in the area of population and development strategies were not as tangible as those in the area of reproductive health. One delegation said that it was clear that population and development was one of the most important issues in social and economic development and that it had to be looked at with a medium- and long-term view. That was one reason that the MYFF was so important.

40. Delegations agreed that there was still a great need for data in order to measure the achievement of the MYFF goals. The need for accurate data was reiterated by numerous delegations during the discussion. The reliability of data to establish baselines was always a concern. Without a baseline, it was impossible to do analytical work. Several delegations asked UNFPA to detail in what ways it was working with other United Nations agencies to come up with a common strategy on data collection and analysis. Strengthening data collection and analysis needed to be part of every UNFPA country programme. There was a need for evidence-based

monitoring and evaluation tools and more empirical evaluation of results. Achieving common periodicity of data collection was also a challenge.

41. Delegations were pleased that RBM was being instilled in the Fund, but they said it had to take root and grow and to address all aspects of the Fund's work. The results-based culture inside the staff needed to be strengthened. One delegation asked what kind of training was being carried out to instill RBM concepts and tools among the staff at UNFPA. One delegation said that RBM could not become the province of a few insiders but had to be a culture instilled throughout the organization. One delegation called on the Fund to invest more in country office capacity building, particularly in terms of using the logical framework.

42. Numerous delegations said that it was necessary to realize the funding targets projected in the MYFF if its goals were to be realized. Without sufficient income, the MYFF would not work. One delegation said that although there had been a gap in resources compared to what had been projected in the MYFF adopted in decision 2000/9, it would be counterproductive for the Fund to make its financial plans on the basis of projections that would clearly not be reached. Another delegation pointed out to the Board that regular income was lower than expected even though the Fund had made serious efforts to manage for results. In that regard, one delegation said that members of the Board had responsibilities in securing financial resources for the Fund and called on Board members to carry out their responsibilities. It was also stated that there was a need for multi-year pledging in order to give the Fund predictable resources on which to base its programming.

43. One delegation said that it had listened very closely to the points raised in the discussion and said that the major issues that delegations had raised were relevant to all development organizations: the problems of getting accurate and up-to-date data to measure results; the problems of instilling results-based culture within organizations; the need to update and refine the MYFF in light of experience; and the need to tie the framework more closely to resource mobilization. No one had the recipe for success; each organization could learn from the others and they all needed to share their experiences. But the delegation was confident that the work that was being done now would bear fruit in the future. Everyone had to remember that results-based management was not a goal in itself but a tool to use in achieving goals. In that regard, perfection could be the enemy of the good – spending time and resources in elaborating perfect logical frameworks while the work itself languished. Another delegation agreed that the MYFF should not become too much of a bureaucratic hurdle to be overcome and weigh too heavily on programme implementation. It should be seen and used as a tool. The need for investment in human resources also had to be based on a reasonable cost-benefit analysis.

44. The Executive Director responded to the views expressed by delegations by saying that, as mentioned, the report was rather lengthy, but the Fund had wanted to present the experiences of the beginning of the MYFF implementation with as much detail as possible and wanted to have a transparent dialogue with the Board. She agreed with the members of the Board on the points they had made during the discussion, such as: (a) the need to tie resources more closely with the MYFF; (b) the need for partnerships if the goals of the MYFF were to be achieved; and (c) the necessity of having accurate data to measure results. She said that the Fund would try to simplify its reporting on the MYFF and not present overlapping reports and

would hopefully be in a position to produce a more analytical report that focused on results next year.

45. The Director of the Strategic Planning and Coordination Division echoed the remarks of delegations that had said that the MYFF was a work in progress and that everyone was learning how to implement it. The Fund was moving forward in a pragmatic way, and he agreed that perfection should not become the enemy of the good. He also agreed that the MYFF needed to be used both as an evaluation and a management tool, and that perhaps the latter had not been sufficiently stressed. He reviewed some of the common issues brought up during the discussion. He noted that all the delegations had emphasized data issues, and he said that the international community had to supporting data gathering and analysis if RBM was to be a success. He agreed that development of baseline data was a good investment and said that one would see more emphasis on this in the country programmes starting in 2002. Data collection and analysis activities had to be set up in a way that they became routine and produced comparable data over time. The Fund would continue to work with the UNDG on this issue because it was one that was faced by all of the development agencies.

46. The Director said that accountability of the staff was an issue that had been mentioned frequently in the report to the Board and was one that would continue to be looked at – how to help the staff buy in to the RBM approach. The Fund would work to build internal staff capacity but the greatest challenge was in helping programme countries that needed training and institutionalization of RBM. Much remained to be done in that regard. The Director said that matching results to be attained with the resources that were available challenged every organization, i.e., resolving the question of how to translate inputs into desired outputs.

47. The Director said that the resource goal upon which the MYFF was based had been the best determination that the Fund had been able to develop when the MYFF was elaborated. If the totality of the MYFF was to be realized, then the funding goals of Scenario One described in document DP/FPA/2000/6 had to be met. In the case of resource shortfalls, there needed to be an understanding of how to adjust the pace of programming to take account of any shortfalls. He said that the discussion had given the Fund a lot comments to reflect on in order to strengthen future implementation of RBM. The Fund would not leave out advocacy and would work to strengthen its focus on population and development strategies.

48. The Chief of the Results-Based Management Branch agreed with those delegations that said that all development agencies, both multilateral and bilateral, were concerned in the process of building RBM into their programmes and had to help each other. She also agreed with those that had said that accountability had to extend throughout the organization; as the delegations had heard, that had the full support of senior management. Every staff member's work performance plan had to reflect the results expected, and all staff needed to understand how those results contributed to achieving the overall goals that the organization was aiming for. It was also necessary to build staff skills in RBM, including in the use of such tools as the logical framework. She agreed that the obstacles to performance management, especially data, needed to be taken into account when programmes were designed. All programmes needed to work to strengthen sustainable national data capacity. UNFPA would work to build national ownership and to increase stakeholder participation and to build partnerships with other agencies.

49. The Deputy Executive Director (Programme) said that the Fund was working to mainstream RBM into country programmes, mid-term reviews, and all other aspects of the monitoring and evaluation process. He reported that UNFPA was looking at the format of the annual reports from the country offices to see how RBM could be better reflected in them. All of the staff realized that it was their professional challenge to demonstrate results. He agreed that it was necessary to strengthen data collection and analysis and to work to find appropriate intermediate indicators. He reported that the Fund was working closely with other members of the undg on devising such indicators. Hopefully, next year's report would begin to show the results that were being achieved.

50. The representative of UNESCO reported that UNFPA and UNESCO had had a long and productive partnership working together. The representative said that the two agencies were experiencing ever-closer cooperation at the field level, especially as regards the follow-up to the World Education Forum, which had taken place in Dakar, Senegal, in April 2000.

51. The Board took note of the report of the Executive Director for 2000 (DP/FPA/2000/4 (Part I and Part I, Add.1, Part II, Part III and Part IV)).

52. At the end of the session, the Executive Director expressed appreciation to the Executive Board for the valuable assistance it had given to the Fund during the week. She said that the week's discussions had been about renewal and the transition process, organizational priorities, accountability, and results. She also added that a crucial element of the week's discussion had concerned resources and the need to achieve funding targets if the Fund was to achieve the results outlined in the MYFF. She said that she continued to be optimistic that UNFPA would receive the necessary resources.

III. Funding commitments to UNFPA

53. In presenting her report to the Board on funding commitments (DP/FPA/2001/5), the Executive Director said that she was both optimistic and realistic – optimistic because the Fund had realized a small increase of 3.3 per cent in its regular resources in 2000, but realistic because that was still a long way from matching its peak funding level. She was cautiously optimistic that the growth in regular resources would continue in 2001. She stated that it was the strength of UNFPA field operations that encouraged donors to support the Fund and said that she had made resource mobilization one of her top priorities as Executive Director. She called on the Board to help bring the Fund's regular resource level back up to \$300 million level and beyond.

54. The Chief of the Resource Mobilization Branch said that he wanted to share with the Board some of the dynamics that were behind the figures presented in the document before it. He reported that the goals of the branch for 2000-2001 had been to stem the downward trend in the Fund's regular resources, to broaden the donor base to 100 countries, to broaden the base of contributions among the major donors and to continue to strengthen the monitoring and accountability of supplementary income. As reported by the Executive Director, regular resources had increased somewhat, and the Chief of the Resource Mobilization Branch thanked those donors who had been able to maintain or increase their contributions in 2000. He also reported that the target of 100 donors had been reached. That was a very significant goal because it led the contributing states to assume a partnership role in advancing the Fund's agenda. The goal of enhanced monitoring of supplementary resources was not a fundraising goal per se, but, in fact, it helped to increase such contributions by instilling donors with the confidence that financial resources were being used wisely. He concluded by pointing members of the Board to table 13 in document DP/FPA/2001/5, which showed the highest level of contribution of each of the Fund's major donors – if each of them could once again reach that level the Fund's resource situation would be very bright.

55. Several delegations took advantage of the Board session to announce their countries' contributions to UNFPA for 2001 and, in some cases, future years. Delegations registered their approval that UNFPA had experienced a small but "pleasant" increase in regular contributions. One delegation said that the report of the Branch Chief had occasioned ambivalent feelings – optimism because of the increase in the number of donors but disappointment that the funding target of \$270 million for regular resources had not been met. Delegations pointed out that there had been a declining trend over the previous three years and that funding was still short of the peak that it had attained in 1995. Some delegations brought up the issue of burden sharing, i.e., some donors were contributing disproportionate amounts. In that regard, one delegation noted that official development assistance as a percentage of national income continued to decline among the largest donor countries. Delegations also pointed out the importance of regular resources. They were pleased that UNFPA supplementary resources had registered a significant increase but maintained that regular resources still had to be the bedrock of the United Nations development agencies if the multilateral nature of their work was to continue. Delegates also noted that UNFPA was suffering because of the strength of the United States dollar in relation to many other currencies. In that regard, one delegation asked whether it would not be possible to maintain accounts in currencies

other than United States dollars: presumably many of the bills paid by the Fund were denominated in other currencies.

56. One delegation noted a remark of the Branch Chief that perhaps it was too late in the year to hold a pledging event, such as the present one, at the annual session in June. The delegation noted that UNICEF had held its 2001 pledging event in January. Should UNFPA and UNDP adopt the same schedule? As for multi-year pledges, one delegation said that it was good that 25 donors were able to make such pledges and hoped the number would increase in future years. Some delegations, however, stated that their countries would not be able to make multi-year commitments because of their national budgeting processes. One delegation pointed out that the Executive Board had adopted the multi-year funding framework (MYFF) for UNFPA and the Fund had committed itself to demonstrating tangible results through that framework; however, the corresponding commitment on the part of donors to come up with the required resources to reach the goals of the MYFF had not been forthcoming.

57. In his responses, the Branch Chief pointed out that the exchange rate issue was not a recent one – it had hampered the Fund over the preceding three years. He said that the idea of keeping accounts in currencies other than United States dollars had been looked at in the past, especially with regard to the possibility of maintaining accounts in euros. It remained a possibility, although it posed certain problems as well. He said that the MYFF and the funding commitments needed to be linked more closely. He agreed with those delegations that had said that January might be a better time for a pledging conference.

58. The Executive Director concluded by again expressing appreciation to the Fund's donors, including those such as the European Commission, the Netherlands and the United Kingdom that had provided large sums of supplementary resource funding for such initiatives as HIV/AIDS prevention and reproductive health commodity security.

59. The Executive Board took note of the report on the multi-year funding commitments to UNFPA (DP/FPA/2001/5).

IV. Information and communication strategy

60. The Director of the Information, Executive Board and Resource Mobilization Division introduced the report on the Fund's information and communication strategy (DP/FPA/2001/6). The report detailed the actions taken by UNFPA to implement the strategy adopted in Executive Board decision 97/13, four years previously. The Director stressed that the International Conference on Population and Development (ICPD) had positioned UNFPA to assume a leadership role in international advocacy on population and reproductive health issues. The ICPD and the ICPD+5 review had also brought to the forefront a number of issues, such as HIV/AIDS, adolescent reproductive health, violence against women and unsafe abortion, all of which constituted key issues in the Fund's advocacy efforts.

61. The Director reiterated the point made in document DP/FPA/2001/6 that advocacy aimed at programme countries was carried out at the national level through UNFPA country programmes while headquarters provided information materials, advice and training. The Executive Director's annual report for 2000 had covered national-level advocacy extensively, with some salient examples of successful initiatives. Therefore, he would limit his presentation to the Board on the Fund's global communication and advocacy efforts.

62. The Director reviewed the scope of those global communication efforts, including the Fund's flagship publication, the annual *State of World Population* report, and its other publications and advocacy brochures and the *Population Issues Briefing Kit*. He discussed the impact of the Internet on the Fund's communication efforts. He reported that The Hague Forum, which took place in 1999 as part of the ICPD+5 review, and the Day of Six Billion, also in 1999, had been events that had received worldwide media coverage. He acknowledged the valuable work that had been accomplished in countries around the world by the Fund's Goodwill Ambassadors. He said that the target audiences for advocacy initiatives were the general public, parliamentarians and Governments in both programme and donor countries.

63. The Director informed the Board that the strategy adopted in decision 97/13 had worked. Given the size of the Fund and the resources available to it, he felt that it had implemented the strategy well and had achieved some notable successes. He said that one result of those successes, however, was that UNFPA had become more visible and was facing attacks from a number of fronts, often by opponents who were misinformed or purposely distorted the work of the Fund for their own ends.

64. He concluded by saying that the challenges before the Fund included tying advocacy and communication more closely to resource mobilization, intensifying partnerships with NGOs and parliamentary groups to amplify the ICPD message, and increasing the visibility and image of UNFPA. He said that identifying the impact of the Fund's communication and advocacy efforts was difficult and expensive, but that that was also a priority. The Chief of the Media Services Branch stressed the importance of the revolution that had been created by the ever-increasing use of the Internet and the opportunities and challenges that presented to UNFPA. The Director then introduced a multi-media presentation, which presented some highlights of UNFPA communication efforts.

65. Numerous delegations welcomed the multi-media introduction of the report and commended the Fund for its excellent record in implementing its information and communication strategy. Delegations said that the report showed that the Fund was implementing a large variety of activities in the area of information and communication and that its limited resources were being used well. One delegation acknowledged the critical importance of advocacy, both as a core programme area and as a strategy for achieving the goals of the multi-year funding framework. It was pleased that the strategy included achieving national-level results, such as the formulation of new policies and legislation. It strongly encouraged the Fund to develop intermediate targets that more accurately measured results achieved. Another delegation said that it was pleased that the global communications strategy was designed, and was being used, to complement national advocacy efforts.

66. One delegation took up the question of the Fund's role in responding to negative attacks. It said that rebutting media reports that distorted or falsified the work of UNFPA should not be seen as a distraction but should be viewed as an opportunity to be pro-active and to build larger constituencies for population and reproductive health programmes internationally. These provided good opportunities to engage influential audiences. Another delegation said that members of the Board should remember that attacks on the Fund were attacks on all members. Another delegation said that UNFPA should not be too shy and should sell its message in an even bolder way.

67. One delegation stressed that what was most important was not the visibility of UNFPA itself but the ability of the information and communication strategy to advance the population and development agenda. Promoting the Fund's "corporate image" should not get in the way of its advocacy efforts in developing countries. The same delegate complimented the Fund on the valuable work being carried out by its Goodwill Ambassadors.

68. Another delegation mentioned such initiatives as the *Population Issues Briefing Kit*, the *State of World Population* report, and World Population Day as worthwhile activities that the Fund was implementing professionally and that had great resonance throughout the world. One delegation requested that the printed version of the annual report, designed for the general public, be available at the annual session of the Board.

69. In responding to the comments, the Executive Director said that the Fund had been looking at its "marketing" strategy to see how best to position UNFPA in a changing environment so that it could successfully press for the implementation of the goals of the ICPD. These efforts had to be linked globally, regionally and nationally. Because UNFPA was visible internationally, it posed a convenient target for those who had political motives for attacking UNFPA. Varying opinions had been expressed on the issues considered at the ICPD and ICPD+5 review, but the kind of attacks that the Fund was experiencing could not be equated with such legitimate differences. She said that the Fund's global advocacy efforts were meant to be available in all parts of the world but were sometimes hindered by lack of access – that was one reason the Fund was investing in ensuring connectivity with all of its field offices. As for Goodwill Ambassadors, the Executive Director said that they had indeed proven to be very successful and effective. There were no pre-determined criteria for selecting Goodwill Ambassadors, who were chosen according to how well they represented UNFPA within their own national contexts.

70. In his responses, the Director of the Information, Executive Board and Resource Mobilization Division said that he appreciated the comments of delegations on not being too shy and that the Fund would attempt to be bolder. He agreed with those delegations that had said that the Fund had to continue to work to build a stronger image. He appreciated the Board's support in those efforts. The Director said that the Fund was trying to commission public polling in certain countries in order to get a better view of how well advocacy efforts were working, but that was an expensive process and the Fund did not have millions of dollars to spend. He said that the basic attributes of an effective advocacy campaign were well known: (a) be sure of the facts; (b) keep the message simple; (c) make it short; and (d) repeat it over and over again. He said that a lot of things influenced people and mentioned the events surrounding the ICPD+5 as ones in which population questions had been brought to the attention of a large number of people. The Director said that the Fund would try to ensure that the printed annual report was ready for the annual session of the Board. The major problem was in obtaining final financial data for the previous year in time for typesetting and printing before the Board session.

71. The Executive Board adopted the following decision:

2001/8

UNFPA information and communication strategy

The Executive Board

1. *Takes note* of the review of the UNFPA information and communication strategy contained in document DP/FPA/2001/6;
2. *Endorses* actions taken by UNFPA to strengthen its ability to carry out the information and communication strategy endorsed by the Executive Board in decision 97/13;
3. *Urges* UNFPA to continue to build on its past experience and to continue to develop innovative ways of implementing the Fund's information and communication strategy;
4. *Urges* the international community to increase its financial support for the promotion of the goals of the ICPD and ICPD+5.

12 June 2001

UNDP/UNFPA segment

V. Programming process

72. The UNFPA Deputy Executive Director (Programme) introduced the joint UNDP and UNFPA report on progress and future options in the programming process (DP/2001/12 and DP/FPA/2001/7). He noted that the document represented a milestone in collaboration and cooperation among the four members of the Executive Committee of the United Nations Development Group (UNDG). He highlighted the process by which the four organizations had been able to agree upon options for a common programming process that were outlined in the document before the Board. The result showed that the UNDG agencies could come together in a short period of time, work together on a common proposal and agree on a common vision and approach.

73. The benefits of the new process as outlined by the Deputy Executive Director were that it provided for substantive, timely and joint oversight options by the respective Executive Boards; it took concrete steps to make the Common Country Assessment (CCA) and United Nations Development Assistance Framework (UNDAF) integral parts of the programming process; and it reduced the burdens placed on Governments through cumbersome and uncoordinated programming processes. It built on the work done in harmonizing programme cycles by facilitating further harmonization of programmes among the UNDG member organizations.

74. He explained the difference between the two options presented in the joint document. Under proposed option 1, UNDP and UNFPA would submit documentation only once in the programme development and approval cycle while under option 2, the two agencies would present such documentation twice. For that reason, he told the Board that the two agencies had a strong preference for option 1.

75. The Deputy Executive Director stressed that under either option, the programming process had to be country-driven. The leadership role of Governments in directing the programme development process and shaping the content of the programmes was indisputable. Governments were in the driver seat, with the United Nations agencies providing support and assistance.

76. The remarks of the Deputy Executive Director were seconded by the Associate Administrator of UNDP. He said that he believed the proposals before the Executive Board constituted a major step forward in addressing the General Assembly's repeated concern about the multiplicity of United Nations systems and processes in providing development assistance at the country level. UNDP was increasingly preoccupied with the need to keep procedures to the minimum that quality and accountability required.

77. He said that under either of the options proposed in the paper, the programmes of all four agencies would be prepared simultaneously, which would allow the United Nations country team to engage country-level counterparts in a single programming process. He said that the proposed programming process would lead to improved quality in the programmes because each fund or programme would benefit from a more complete and holistic situation analysis than any one agency

could achieve on its own. He reiterated that UNDP preferred option 1 of the two options presented.

78. Delegations commended the agencies for working together so effectively. It was a step forward in the United Nations reform process at the country level. It facilitated coordination, coherence and synergy among the programmes of the different funds and programmes concerned. One delegation said that it concurred that it was necessary to simplify the programming process and avoid overlapping and therefore it endorsed the principles stated in document DP/2001/12. Many other delegations concurred. One delegation said that it was pleased that the proposed process provided for Executive Board input earlier in the programming process. A number of delegations asked that Resident Representatives make every effort to involve country-based representatives of Executive Board members in the consultation process during programme formulation. One delegation said that while it favoured the proposed new process, it would require pragmatism in its implementation. Another delegation agreed that the process had to be flexible and should not be a straitjacket.

79. Numerous delegations commented on the relation of the CCA and UNDAF to the proposed programming process. Several delegations said that they were strongly committed to the CCA and UNDAF as the foundations of programmes. One delegation said that in its view the proposed process preserved the prerogatives of the Government, which would in fact be reinforced because the national strategies that were adopted would apply to all agencies. Many delegations felt, however, that the document before them did not adequately stress that the programmes had to be country-driven. One delegation said that the role of the Government was primordial and that was not clearly stated in the document. The programme development process had to be led by the Government: it was the Government that guided and led the process and laid out its national priorities, which were presented to the Resident Coordinator as the basis for a consensus, a consensus that had to be formed under the guidance and leadership of the Government. Thus, document DP/2001/12 had erred when it stated in paragraph 13, step 3, that strategy meetings would take place “under the auspices of their respective representatives and in close cooperation and collaboration with government counterparts”. Moreover, the Government had to be an effective participant in the CCA and UNDAF processes. One delegation said that the steps enumerated in paragraph 13 of document DP/2001/12 needed to be modified to strengthen the oft-stated principle of ownership by the programme countries of the programming process. Another delegation said that it would be difficult to take note of a document in which there were several such paragraphs that were problematic.

80. There was general agreement that the quality of the programmes would depend upon the quality of the CCA and UNDAF and that specific national situations definitely had to be taken into account. The programme country needed to be satisfied with the results of the CCA and UNDAF processes and be confident that they accurately reflected national priorities. One delegation emphasized, however, that the elaborations of the CCA and UNDAFs did not necessarily represent a simplification of processes. In its country’s experience, the elaboration of the UNDAF involved very complex procedures that represented extra burdens both for programme countries and the country offices of the United Nations agencies. It noted that many UNDAFs were weak and of widely varying quality, points that had been mentioned in the Administrator’s results-oriented annual report. Another

delegation said that it was clear that sometimes the development of the CCAs and UNDAFs had worked well but that that was not always the case.

81. Several delegations said that it was not clear how the proposed process would actually be implemented on the ground. One delegation was of the opinion that that it would lead to greater harmonization among programmes, which was highly desirable. Another delegation, however, questioned how much harmonization of programmes would actually be achieved in the field. Several delegations asked for clarification on how UNICEF and WFP would go about adopting a process that was the same as that of UNDP and UNFPA. One delegation said that, in its view, proposed country programmes should only be discussed by the Board if five members requested such a discussion.

82. In his responses, the Associate Administrator emphasized that members should not fear that Governments would be left out of the programming process – theirs was the central role and that would not change. He regretted that the document before the Executive Board had not made that point clearly. He noted that some delegations had expressed reservations about the way that the CCA and UNDAF processes had been carried out in some instances. He said that it was appropriate to bring such concerns to the attention of the administrations of UNDP and UNFPA and other United Nations agencies so that they could address those issues. He asked, however, that the Board look at how they could advance the present discussions in the interests of coming forth with a programming process that simplified current procedures and that harmonized the processes of the four agencies concerned. He felt that those were goals that everyone could agree upon.

83. The UNFPA Deputy Executive Director (Management) emphasized that the proposals before the Board needed the Board's input and that the views expressed during the discussion were very welcome and helpful. He said that the momentum that had been generated by the collaboration of the members of the UNDG Executive Committee working on the programming proposals needed the encouragement of the Board so that they would become a model for future inter-agency cooperation and collaboration.

84. The Executive Board adopted the following decision:

2001/11

UNDP/UNFPA programming process

The Executive Board

1. *Reiterates* that the fundamental characteristics of the operational activities of the United Nations funds and programmes should be their universality, voluntary and grant nature, their neutrality and their multilateralism;

2. *Reaffirms* its decision 2000/12, and in this regard welcomes efforts made by the Executive Committee members of the United Nations Development Group towards further harmonization of programmes and standardization of procedures for their programmes;

3. *Emphasizes* that the programming process should be country-led and country-driven, and based on national priorities and needs, and in this connection reaffirms that the national Government has the primary responsibility for the

formulation of the country programmes, in consultation with relevant United Nations agencies, including specialized agencies, and other relevant partners, as appropriate;

4. *Stresses* the importance of further strengthening the resident coordinator system through the enhancement of the collaborative partnership among United Nations specialized agencies, funds and programmes at both headquarters and country levels with a view to greater coherence, synergy and coordination;

5. *Stresses* the importance of a country-specific framework on which the United Nations Development Group partners would base their programmes with a view to enhancing the impact of the operational activities for development of the United Nations system;

6. *Encourages* programme countries that have already developed or are planning to develop a common country assessment/United Nations Development Assistance Framework jointly undertaken and approved by the Government to use it, on a pilot basis, as the common planning framework for United Nations operational activities at the country level, with effect from the annual session 2002;

7. *Decides* that:

(a) The common programming process will be based on the existing common planning framework and that the national Government will develop the country outlines of the respective organizations in consultation with relevant United Nations agencies, including specialized agencies, and other relevant partners, as appropriate;

(b) The draft country outlines will highlight the main components of the proposed country programmes, such as priorities, strategies, outcomes and proposed budget;

(c) The draft country outlines will be presented to the Executive Boards for discussion at their annual sessions, and where applicable, the common country assessment/United Nations Development Assistance Framework will be made available for information;

(d) The Executive Board will review the draft country outlines, upon which the Administrator of the United Nations Development Programme and the Executive Director of the United Nations Population Fund will assist the Government in finalizing the country programmes, taking into account comments made by the Board;

(e) The country programmes will be posted by October of the last year of the country programme on the web sites of the respective United Nations Development Group partners and will be approved in January on a no-objection basis without presentation or discussion, unless at least five members have informed the secretariat in writing before the meeting of their wish to bring a particular country programme before the Executive Board;

8. *Requests* the Administrator and the Executive Director to report to the Executive Board at its annual session in 2003 on common tools to monitor progress and evaluate outcomes/results of respective country programmes with a view to further harmonizing and standardizing the programming process;

9. *Requests* the United Nations Development Group to refine further the programming process on the basis of the present decision, taking into account the comments made in the respective Executive Boards;

10. *Invites* the Executive Boards of the United Nations Children's Fund and the World Food Programme to discuss the programming process at their next sessions;

11. *Requests* the Administrator and the Executive Director to report to the Executive Board at its annual session 2004 on progress in implementing the present decision.

22 June 2001

VI. Internal audit and oversight

85. The Associate Administrator introduced the report of UNDP on internal oversight and audit activities in 2000 (DP/2001/13). He advised the Board that the Administrator intended to further strengthen the internal audit function by conducting an in-depth review of internal audit services. He explained that the document before the Board included comments on the involvement of the United Nations Office of Internal Oversight Services, provided in-depth explanations of problems identified by the auditors and addressed the question of the adequacy of national execution audit coverage. For the first time, the report for 2000 included a list of the types and numbers of audit ratings for all offices audited in 2000. The report provided an analysis of recurring problems. The report also included statistics on ongoing fraud investigation cases and their resolution.

86. The Associate Administrator addressed the question of audit coverage of nationally executed projects. UNDP had developed an action plan for improving the extent to which national execution expenditures would be covered by audit certificates. However, remaining difficulties included complying with reporting deadlines and the high costs of audits. UNDP was working with the Board of Auditors to address those issues. The Director of the Office of Audit and Performance Review provided supplementary information regarding the status of national execution audits.

87. The UNFPA Deputy Executive Director for Management introduced document DP/FPA/2001/8. She reported that compared with 1999, the coverage of UNFPA internal audits was much reduced in 2000. This was because in Africa and in the Latin American and Caribbean regions, new audit arrangements were being made. The Fund's audit section had been understaffed, but she reported that that situation should be rectified by the last quarter of 2001, effectively doubling the number of staff. She stated that the senior management of the Fund was seriously concerned that in the most recent audit report the number of country offices receiving a satisfactory rating had declined and that the number with a marginally deficient rating had risen significantly. She then detailed training initiatives that were being undertaken to strengthen the management capacity of the country offices. She mentioned that a comprehensive assessment of field office capacity and requirements was about to be undertaken.

88. The Deputy Executive Director of UNOPS reported that his organization utilized the services of the Office of Audit and Performance Review of UNDP for audit coverage. In 2000, a total of 34 audit assignments were carried out in the areas of finance, personnel, administration, programme and project implementation, and management. UNOPS had expressed its concurrence with the great majority of the recommendations made by the auditors and was addressing and following up on those recommendations. UNOPS had completed all recommendations with respect to procurement against the administrative budget.

89. Several delegations commented that improving internal audit controls was a very important issue. Delegations also said that they found it helpful that all three reports had the same format. However, delegations stressed that a dynamic review of what was being done to address problems as they arose would be very helpful and that information on follow-up activities to audit recommendations was very important. Descriptions of what has been done to implement previous

recommendations should be comprehensive and more detailed. One delegation stated that the audit function needed to be situated more strategically within all three of the organizations under review.

90. A number of delegations noted the large number of country offices of both UNDP and UNFPA that had been rated as deficient and asked for explanations of the reasons for that and what was being done to correct the situation. In the case of UNDP, a total of 39 country offices had received ratings of satisfactory, marginally deficient or deficient, while none had been rated as good. In the case of UNFPA, less than half of country office got a satisfactory rating, while nine had been rated marginally deficient, four as deficient and two as seriously deficient. Delegations said that this caused concern as to the level of compliance with procedures and policies by the country offices and that this seemed to be an ongoing problem. One delegation noted that UNFPA had instituted a comprehensive audit and recommendation database (CARDS) and hoped that would help that organization to improve its level of compliance.

91. Several delegations pointed out that the number of nationally executed projects for which audit reports had not been received was still quite large. In that regard, one delegation said that improvements could be made without contradicting national legislation. Delegations asked what plans had been made to deal with situations in which national audit capacity was insufficient. One delegation said that programme countries needed to be held to their agreements concerning auditing requirements and that there was an ongoing need for capacity building in that regard.

92. In the case of UNDP, one delegation was concerned about the statement in the report that some Governments were reluctant to undertake UNDP audits in addition to those required by international financial institutions. The delegation wanted to know how the auditing processes of those institutions and the United Nations system could be harmonized. Further, the delegation noted that a number of investigation cases from 2000 were still being pursued and wanted to know how they were being addressed.

93. In regards to UNFPA, one delegation said that it was very worried to note that the daily functioning of the country offices did indeed suffer from a decline in resources. It asked for examples of how the Fund was finding the CCA and UNDAF processes slow and time-consuming, as had been stated in the report. It was also concerned about the statement in the report that UNFPA did not have a clear picture of its role in the development of sector-wide approaches (SWAp) in the health sector. One delegation felt that UNFPA was still at the crossroads in terms of strengthening its management in that the number of recommendations made by the internal audit had increased over the previous year. In particular, country offices seemed to have difficulties in applying the logical framework properly and wondered what was being done to address that situation. The delegation noted that the Fund was making some progress in closing out projects that had been completed.

94. Regarding UNOPS, one delegation said that the report had noted several shortcomings but had not been very clear as to their causes and what future actions would be taken to rectify them. It also stated that UNOPS had reacted to 173 out of 207 recommendations and wondered as to what was being done about the remaining recommendations.

95. The Director of the Office of Audit and Performance Review informed the Board that a procurement audit was part of every country office audit and was under way. Travel audits were being carried out in cooperation with the United Nations Office of Internal Oversight Services. The results of both the procurement and travel audits would be reported on the following year. Regarding the question of audit certifications, the Director reported that coverage for 1999 had reached 80 per cent while the coverage for 1998 was 69 per cent, for a combined percentage of 74 per cent over the two-year period. At the date of the Board of Audit's audit opinion, the percentage had been 51 per cent, on expenditures of \$2.9 million; as of 31 January 2001 the percentage had reached 69 per cent. For 2000, country offices had submitted plans indicating that they would be auditing 87 per cent of expenditures. Of the expenditures planned for audit, \$734 million had been completed and \$376 million was outstanding.

96. Concerning the question of the capacity of national audit offices, the Director of the Office of Audit and Performance Review said that the problem was often one of planning more than anything else. Because national audit offices were not informed in advance of what was expected of them, they were sometimes caught unawares when it came time to audit projects and programmes. The real need was to get them involved at an early stage when the programme was being designed so that they could be better prepared to fulfill their responsibilities. He said that in some cases UNDP, in consultation with national governments, would consider the use of private sector firms if that were necessary.

97. On the question as to why none of the UNDP country offices had received a rating of good, the Director of the Office of Audit and Performance Review said that although that was unfortunate, the Board should not overreact to marginally deficient rating. His office could have chosen to use a rating of marginally satisfactory but chose the marginally deficient term in order to ensure that problems highlighted in the audit report received attention by senior managers. In many cases the offices were only marginally deficient in certain areas and the problems could be fairly easily rectified – the ratings were not indicative of major shortcomings. As for harmonizing the type and scope of audits with the international financial institutions, he stated that UNDP had no concerns concerning the scope of those audits – the major difficulty was one of timing. The timing requirements for audits of the international financial institutions and of the United Nations system were substantially different and that often placed a great burden on programme countries. In discussing the question of ongoing investigative actions, he said that, while he could not comment on individual cases, the organization was committed to making it clear that serious misconduct had serious consequences.

98. The Deputy Executive Director (Management) of UNFPA reiterated that the Executive Director was committed to a culture of accountability within UNFPA. She expected that the Fund's audit office would be fully staffed by the end of the year. As mentioned in the discussion, the Fund had set up the CARDS system to follow up on the recommendations of previous audits, and he felt that this would increase the level of compliance with those recommendations.

99. The Chief of the UNFPA Office of Oversight and Evaluation said that comments made during the discussion would be helpful in improving the quality of the internal audit and oversight report presented to the Board in the future. In replying to questions concerning the audit coverage of nationally executed projects,

the Fund had worked with the United Nations Board of Auditors to devise a strategy for improving audit coverage that was accepted by the Fifth Committee. She said that there had been satisfactory progress in addressing the question of project closure and that the Fund had not relaxed its efforts in that regard. UNFPA was in the process of closing 1,362 projects whose financial records had shown no transactions in the past three years.

100. As for SWAps and health sector reform, the Chief of Oversight and Evaluation said that the Fund had presented a paper to the Board on that subject in 1999. Currently, headquarters was in the process of developing guidelines to provide more operational guidance to the country office staff on participation in SWAps. UNFPA was also working to provide more practical guidelines at the country level on mid-term and other internal reviews by issuing clearer formats for those reviews in order to achieve greater uniformity. Related to that, the Office of Oversight and Evaluation had just completed an analysis of the follow-up to mid-term reviews over the last five years. The logical framework was being used successfully as programming tool, but it also had utility as a management tool and staff needed to receive more training in this aspect to ensure that appropriate actions were taken. Staff were also being trained to use the country programme logical framework matrix as an integral part of monitoring actions. In the case of the CCA and UNDAF, there was no unwillingness or resistance on the part of UNFPA to participate in those exercises, but it had to be realized that UNFPA country offices were often small, sometimes with only 2-3 people. Participation in the CCA and UNDAF processes, which could be rather labour-intensive and time consuming, often created a strain for them. Some organizations had used consultants to get around those constraints, but the quality of results had been uneven.

101. The Deputy Executive Director of UNOPS commented on the question about the number of recommendations that had not been acted on. These were related to a large project in Africa, where there were indeed shortcomings in that there was lack of an audit trail. The situation was being rectified to ensure that it was not repeated.

102. The Executive Board took note of the reports on the internal audit and oversight activities of UNDP (DP/2001/13), UNOPS (DP/2001/15) and UNFPA (DP/FPA/2001/8).

VII. Reports on field visits to Honduras and Bosnia and Herzegovina

Honduras

103. The report on the field visit to Honduras (DP/2001/CRP.6), which took place from 19-27 March 2001, was presented by the representative of Canada, speaking on behalf of Brazil, Bulgaria, China, Ethiopia, Indonesia, Mauritania, the Russian Federation and Switzerland. She reported that the visit had been very dense in terms of the information gleaned and a rich experience for all concerned. She expressed the appreciation of the participants in the field visit to the entire United Nations team in Honduras who had made the visit such a success.

104. The representative reported that the visit had made it possible for participants to see how the United Nations reforms and Executive Board decisions were being carried out in the field. The entire United Nations team was working together with the Government in the development of the CCA and the UNDAF, which reflected the national poverty reduction strategy. UNDP had strengthened its policy role and was playing a greater role in providing “upstream” policy advice. She noted the role of UNDP in developing the Democracy Trust Fund, a consensus-building forum for dialogue that had been launched by the President of Honduras and 25 United Nations agencies and multilateral institutions. She also reported that UNDP had played a key role in coordination and mobilization of resources following the destruction caused by Hurricane Mitch. She said that the participants had, as a general reaction to UNDP activities, found that its work was consistent with its thematic areas of governance, where it was working very closely with the Government; decentralization, where it was working at the municipal level; and the environment, where it was helping to translate the lessons learned from Hurricane Mitch into actions to safeguard against future environmental devastation.

105. As for UNFPA, she reported that although the Fund had very limited resources in Honduras, it was collaborating closely with the Government in integrating population into sectoral activities. The field visit team had been impressed with the role of UNFPA in training nurses and auxiliary nurses. The Fund was collaborating with the Ministry of Education in putting sex education into school curricula and had used articles in youth-oriented magazines to introduce young people to reproductive health issues. Both UNFPA and UNDP were assisting the Government in preparations for a national population and housing census. Honduras was the Central American country most affected by the HIV/AIDS pandemic, which was becoming an increasingly pressing issue. Both agencies were involved in efforts to prevent the spread of HIV and to cope with the impact of HIV/AIDS on the country’s development. She concluded by saying that the field visit participants returned from their trip quite satisfied with the work of both UNDP and UNFPA in Honduras.

106. Another participant in the field visit reiterated the views expressed by the representative of Canada, congratulating the secretariat for the organization of the field visit and expressing his confidence in the work being carried out by UNDP and UNFPA. He noted especially the devastation caused by Hurricane Mitch and the continuing environmental challenge of widespread deforestation. The programmes of both agencies needed to be continued even if they required adjustments along the way.

107. The representative of Honduras expressed the appreciation of her Government for the visit made by members of the Executive Board. The work of the two agencies had been crucial in meeting the humanitarian crisis caused by Hurricane Mitch. She noted that many people were still living in camps and that it had been a major national disaster, the repercussions of which would be felt for years. She noted the collaboration of the Government and the United Nations system in elaborating the UNDAF for Honduras and noted the importance of the current decentralization efforts, being supported by UNDP, that were of vital importance to the development of her country.

108. The Director of the UNFPA Latin America and Caribbean Division noted that Honduras was one of the few countries in the region that was classified as a "Category A" country under the Fund's resource allocation criteria. Mobilization of resources to support the work of UNFPA in Honduras and other Central American countries was very important. These were poor countries that were extremely susceptible to natural disasters and were now facing greatly increased risks from the HIV/AIDS pandemic. She strongly concurred with the comments on the effective coordination taking place among the activities of different parts of the United Nations system in Honduras.

109. The UNDP Assistant Administrator and Regional Director for Latin America and the Caribbean agreed that the United Nations system was functioning cohesively. In fact, Honduras had been one of the first countries to have a UN House. She said that she would convey to the Resident Coordinator the concerns of Board members, expressed in other discussions during the annual session, that the UNDAF process had to be nationally owned. Indeed, all progress that had been made in Honduras had been the result of partnerships with the Government. She addressed the question of natural disaster mitigation saying that one area on which the UNDP programme would concentrate was in better watershed management. Global warming was a fact of life and the region would, as a result, likely be more susceptible to hurricanes, floods and drought. The whole region could suffer setbacks in development.

Bosnia and Herzegovina

110. The representative of Honduras presented the report (DP/2001/CRP.7) on the field visit to Bosnia and Herzegovina, which had taken place 6-12 April 2001, speaking on behalf of the participants from Belarus, Ecuador, Ethiopia, Finland, Gabon, Germany, Greece, Philippines, Switzerland, Ukraine and Viet Nam. She began by thanking the local offices of UNDP, UNFPA and the United Nations Volunteers (UNVs), which had provided such valuable support for the visit. During the course of the visit, they had met with representatives of the Government, the international community and NGOs. She reported that the country was still facing special circumstances in that it was undergoing a transition from a state-run to a market economy and the power of the Government was quite limited, with two autonomous entities making up the state.

111. The field team had looked at the United Nations system's framework of cooperation with Bosnia and Herzegovina within the context of the country's national priorities, noting that UNFPA had no regular programme in the country. They had also examined the modalities of programme execution and had noted that

it was necessary to make the transition to national execution as soon as possible. As regards coordination among the members of the United Nations system, the representative noted that the situation was complicated by the large number of international organizations that were present in the country and that UNDP could increase its coordinating role. She reported that the work of both UNDP and UNFPA was dependent on their ability to mobilize non-core resources. The team had looked at the comparative advantages of the two organizations, noting that UNDP was working in the area of democratic governance, in favour of post-war ethnic reconciliation and the establishment of the rule of law. The contribution of UNFPA was largely in the area of reproductive health and was constrained by a serious lack of resources. The conclusion was that the agencies had to have development, rather than humanitarian assistance, as their goal; that flexibility was required; that there was a need for sufficient resources; and that there had to be a global strategy to coordinate the work of different agencies.

112. The representative of Bosnia and Herzegovina thanked the members of the Executive Board for their visit and the valuable report. He said that as outlined by the report, the country faced a number of challenges, including moving from humanitarian to development assistance and from a state economy to a market economy. The work of UNDP and UNFPA were important to the Government of Bosnia and Herzegovina, and it looked forward to future cooperation with the two agencies.

113. The UNDP Deputy Assistant Administrator for Europe and the Commonwealth of Independent States said that the visit had been a very valuable one because it pointed up the important role of UNDP and the United Nations country team in moving from a post-conflict to a development situation. The representative of the UNFPA Division for Arab States and Europe said that given the Fund's limited in Bosnia and Herzegovina, it had to focus on its special niche, which was in improving the reproductive health status of women and young people, with emphasis on national capacity building, and to try to get more non-core funding for necessary programmes.

114. The Executive Board took note of the reports on the field visits to Honduras (DP/2001/CRP.6) and to Bosnia and Herzegovina (DP/2001/CRP.7).

VIII. Reports of UNDP and UNFPA on contributions to the United Nations strategic plan for UNAIDS

UNDP

115. In introducing the report on the contribution of UNDP to the United Nations system strategic plan for HIV/AIDS for 2001-2005 (DP/2001/16) to the Executive Board, the Assistant Administrator and Director of the Bureau for Development Policy began by emphasizing the urgency of scaling up the responses to HIV/AIDS at all levels of UNDP in order to operationalize the commitments made during the Millennium Summit held in September 2000.

116. The Assistant Administrator stated that responding to the HIV/AIDS challenge was an organizational priority for UNDP and that UNDP saw its role in terms of addressing the governance challenge. With its sustainable human development mandate, and as a co-sponsor of UNAIDS, UNDP was uniquely positioned to help countries manage a comprehensive and coordinated response and to integrate HIV/AIDS strategies and interventions into the mainstream of development policy and planning, including such instruments as poverty reduction strategy papers.

117. The Assistant Administrator said that the proposed HIV/AIDS strategy built on the comparative strengths of UNDP as well as experience gained through country, regional and global programmes. UNDP focused on advocacy and policy dialogue for strong leadership at all levels and in favour of coalition-building and national policy dialogue. It also had roles to play in capacity and institutional development for planning, management, implementation and decentralization of multisectoral and gender-sensitive national HIV/AIDS programmes; integrating AIDS into mainstream development planning, poverty reduction strategies, and budget allocation processes; promoting human rights as a normative and ethical framework for the response to HIV/AIDS; and promoting information and multimedia technology for large-scale information and awareness-raising interventions.

118. The Assistant Administrator underlined the increased importance of the role of the Resident Coordinator in the context of the new challenges posed by the AIDS pandemic. In response, the total number of theme groups on HIV/AIDS in programme countries as of 2000 had reached 113. The Resident Coordinator ensured a cohesive and mutually reinforcing response to the HIV/AIDS crisis through these theme groups. Since a coordinated response was essential, UNDP would continue to support and enhance the Resident Coordinator system to play its full role at the country level.

119. The Assistant Administrator stated that partnership had been the key to the UNDP response, sometimes compensating for the severe limitation in its resources. For example, the involvement of more than 150 United Nations Volunteers (UNVs) since 1990 at community, national and regional levels had had a significant impact on the effectiveness of the efforts of UNDP. However, she stressed that for UNDP to play its full role in the UNAIDS family, in accordance with its corporate strategy, there was a critical need for increased resources to support the work of UNDP at the country level.

120. The Assistant Administrator highlighted that increasing the scale of its response was the greatest challenge for UNDP and that it was taking various approaches to produce concrete results, including: focusing on policy analysis and advice; supporting capacity and institutional building; helping to create an enabling environment for effective prevention and care; assisting countries in planning and implementing national strategies for poverty reduction and development that addressed the longer-term socio-economic impact of HIV/AIDS; networking with a wide range of stakeholders; actively supporting South-South cooperation; and establishing the global SURF system and an HIV/AIDS knowledge network.

121. The Deputy Executive Director of UNAIDS welcomed the commitment that UNDP had shown by including HIV/AIDS in its six thematic priority areas, and as one of the co-sponsors of UNAIDS, actively taking leadership roles in the areas of its mandate. She commended the focus of UNDP on its comparative strengths and development of its corporate strategy. She expressed the appreciation of UNAIDS for the initiatives that UNDP had taken in country-level coordination as well as for its leadership in terms of supporting multisectoral approaches and mitigating the socio-economic impacts of HIV/AIDS.

122. Many delegations congratulated UNDP on establishing HIV/AIDS as one of its priorities and endorsed the five focused service lines that UNDP had spelled out in its corporate strategy paper. The active involvement of UNVs was also praised by delegations.

123. Several delegations encouraged UNDP to refine its strategy following the upcoming United Nations General Assembly Special Session (UNGASS) on AIDS, taking into account the commitments to be made in the special session. Delegations also emphasized the importance of the alignment of UNDP interventions at global, regional and country levels to produce concrete results and sustained impacts. There needed to be policy coherence at all three levels, and responses taken at each one should be well coordinated and mutually enhancing.

124. Some delegations underlined the importance of governance and socio-economic impacts and the need for results-based management, including impact assessment and accountability. One delegation asked how UNDP could play a larger role in elucidating the links between poverty and HIV/AIDS. Several delegations requested more information on the roles of Resident Coordinators and of the United Nations theme groups on HIV/AIDS. Delegations also stressed the need to clarify the advocacy role of each United Nations agency at the country level in order to ensure that messages from all agencies were consistent.

125. Some delegations expressed their concern about the human resource capacity of UNDP as well as the availability of funding to implement its corporate strategy. One delegation emphasized the importance of training of staff members in that HIV/AIDS involved sensitive issues that were sometimes difficult to discuss openly. The delegation called for UNDP to invest considerably in strengthening staff capacity.

126. In response to the question concerning staffing levels, the Assistant Administrator said that, currently, there were five staff members at headquarters and two out-posted staff members, as well as around 70 country focal points working in the area of HIV/AIDS. She acknowledged that these numbers were not enough, but she reported that UNDP had adopted such innovations as the programme-team

approach and the knowledge network in order to increase the productivity of the limited human resource capacity available.

127. In explaining the role of UNDP at the UNGASS, the HIV/AIDS Team Leader explained that several initiatives had been taken. UNDP was a lead agency for the UNGASS official round table on the socio-economic impact of the AIDS pandemic and had published a report entitled "HIV/AIDS: Implication for Poverty Reduction". UNDP had been working closely with UNAIDS and the World Bank on mainstreaming HIV into the poverty reduction strategy papers in some countries. National human development reports had also proven to be an effective tool. At the same time, however, she acknowledged that further efforts needed to be made.

128. Concerning United Nations theme groups, the Team Leader explained that, out of 125 countries in which there were programmes, 113 countries had taken some action towards establishing a theme group but that there were still 12 countries where a United Nations theme group on HIV/AIDS did not yet exist. She informed the Board that in some countries, the Resident Coordinator was working almost full-time on HIV/AIDS, and increased coordination and integrated planning, such as inclusion of HIV/AIDS in the CCA, had been seen in many countries. There were five challenges that United Nations country teams had to address: supporting the new commitments from UNGASS to Governments, including increased responses to national strategic plans; supporting civil society organizations; clarifying the roles and responsibilities of each agency; strengthening teamwork; and enhancing accountability for results.

129. In summary, delegations commended the commitment of UNDP to include HIV/AIDS in its priority areas as well as its focused response in developing the corporate strategy. However, some delegations felt that the references to vulnerable groups and human rights in document DP/2001/16 were not acceptable. Since these were issues of concern to the entire United Nations system, these delegations said that they should be discussed in the context of the UNGASS. They, therefore, requested UNDP to revise the report on its contribution to the United Nations strategic plan for AIDS in light of the decisions taken at the UNGASS and to resubmit the report for the consideration of the Executive Board at its first regular session 2002.

UNFPA

130. In introducing the report on the UNFPA proposed contribution to the United Nations strategic plan for HIV/AIDS for 2001-2005 (DP/FPA/2001/9) to the Executive Board, the Director of the Technical Support Division said that the support provided by UNFPA in the fight against HIV/AIDS was guided by the principles of the International Conference on Population and Development (ICPD), which called for achieving universal access to reproductive health services by 2015, and by the ICPD+5 review, which emphasized the priority of HIV prevention. She said that UNFPA brought a number of comparative advantages to HIV-prevention activities, including the consideration of sociocultural contexts with a particular focus on gender issues, such as empowerment of women and male responsibility. The Fund also had the ability to incorporate HIV-prevention activities into integrated reproductive health programmes including behaviour change communication interventions. She said that the Fund worked with a broad range of

partners and took the lead among United Nations agencies in several areas such as, for example, condom procurement, logistics and programming.

131. The HIV/AIDS Coordinator for UNFPA informed the Board that the Fund would focus support on three core areas: (a) HIV prevention among young people; (b) comprehensive programming for both male and female condoms; and (c) prevention of infection among pregnant women and transmission to their children. She said that preventing HIV among young people required interventions that took account of each country's cultural context, that were youth-friendly and that provided education, information and services aimed at promoting responsible and safer sexual behaviours. In the area of condom programming, as part of its reproductive health commodity security strategy, UNFPA would work to strengthen country capacities in logistics management, quality assurance and social marketing. Protection against HIV infection for all pregnant women would be integrated into all UNFPA-supported maternal and child health services.

132. In order to achieve its goals, UNFPA would continue to work with partners in all relevant sectors. She said that lessons learned by the Fund included that prevention worked, was cost effective and was feasible; strong political commitment was necessary; the success of prevention, care and support efforts depended upon taking a multisectoral approach; prevention, care and support were inextricably linked and were most effective when programmed together; reproductive and sexual health programmes provided needed information and services but also served as entry points for social and behavioural change; programmes should build on existing structures rather than create new ones; and that all relevant stakeholders needed to be involved.

133. The Deputy Executive Director of UNAIDS reported that UNFPA had been the leader among the co-sponsors in such areas as programme review, development of institutional strategies, prevention campaigns among adolescents and condom programming.

134. During the discussion on the proposed contribution of UNFPA to the United Nations strategic plan for HIV/AIDS for 2001-2005, several delegations expressed support for the Fund's efforts in its core programme areas, and in particular its emphasis on prevention, especially among adolescents. Numerous delegations underscored the importance of advocacy in the work of UNFPA in this area and welcomed the Fund's efforts to increase male involvement in HIV/AIDS prevention. Delegations also emphasized the need to invest in country-level activities and to tailor those activities to the realities of individual countries. The Board endorsed the substantive focus that had been outlined and recognized the experience and comparative advantage of UNFPA in fulfilling its lead role in implementing the goals of the ICPD and the benchmarks of ICPD+5. Several members of the Board requested UNFPA to intensify its efforts and to take a more visible leadership role in the prevention of HIV infection, especially among young people.

135. Several delegations said that the three core focus areas corresponded well to the mandate, comparative advantages and technical capacities of UNFPA. The role of UNFPA in working with young people was particularly emphasized – the Fund's experience in that area and its knowledge of the sensitivity of such interventions would hold it in good stead. One delegation noted that it was important not to leave boys out. Another delegation said that the advocacy role of the Fund needed to be stressed. Another delegation endorsed the UNFPA strategy but said that all that was

being done was still not enough in face of the devastating consequences of the pandemic.

136. One delegation noted the importance of involving people living with HIV/AIDS in programme development and implementation. One delegation asked what the Fund was doing in terms of microbicides. Another delegation said that the recent meeting of the Programme Coordinating Board of UNAIDS had called for greater cooperation at the field level and stated that such cooperation needed to be pursued globally. Another delegation challenged UNFPA to accelerate its actions and to hold field staff accountable for results.

137. In response, the Director of the Technical Support Division and the HIV/AIDS Coordinator said that the positive feedback given by members of the Executive Board would renew the Fund's energy in its efforts in HIV prevention. They fully agreed with members of the Board on the importance of partnerships. The involvement of target groups in the design and implementation of programmes had been a philosophy that UNFPA had followed in all of its activities. As far as accountability and the importance of results-based monitoring and indicators, the Executive Director had already indicated that this was considered a priority up to the highest levels of the Fund. They assured the Board that the Fund would continue to work with the education sector, both in and out of school, as a way of positively influencing the behaviours of young people. The Director strongly agreed that it was important to train UNFPA staff on HIV/AIDS to enable them to fully support efforts of national counterparts in addressing HIV prevention. It was not just a question of technical issues but of being comfortable with sensitive topics as well, and she said that she was looking forward to cooperating with others on that.

138. As for the effectiveness of theme groups, the Director said that some of them were working more effectively than others and that efforts needed to be made to strengthen them. She agreed with those delegations that had said that there was a need for increased resources. The Fund would accelerate and re-double its efforts to get the needed financial support. Finally, she said that the Fund had learned many useful lessons from national efforts and thanked the Members of the Board who had shared their experiences.

139. The UNFPA HIV/AIDS Coordinator reported that microbicides were being investigated by research partners of the Fund, such as The Population Council, but the products were still not a reality for programme implementation. These held out great potential for women who wanted to become pregnant but also wanted to protect themselves against HIV infection. In addressing the impact of HIV-prevention efforts, she said that, since the UNFPA response to HIV/AIDS was being undertaken in the context of reproductive health, it was indeed very difficult to get accurate data to determine levels of success, in, for example, measuring the change in the percentage of members of vulnerable groups who engaged in unprotected sex. On the need for capacity building among the staff, she welcomed the opportunity to increase the understanding and sensitivity of UNFPA staff members on the issues surrounding the HIV/AIDS pandemic.

140. The Executive Board adopted the following decision:

2001/9 UNFPA strategic plan for HIV/AIDS for 2001-2005

The Executive Board

1. *Takes note* of document DP/FPA/2001/9;
2. *Endorses* the proposed substantive focus for the years 2001-2005 with respect to HIV/AIDS as set forth in document DP/FPA/2001/9;
3. *Endorses* the Fund's overall approach to collaboration and coordination with the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the United Nations Development Group, and with other United Nations agencies and organizations, non-governmental organizations and the private sector;
4. *Recognizes* the experience and comparative advantage of UNFPA in fulfilling its lead role in implementing the goals of the International Conference on Population and Development (ICPD) and the benchmarks of the ICPD+5 and in making use of its extensive networks at the country level and, in that regard, requests UNFPA, in the context of the recommendations of the UNAIDS Programme Coordinating Board,¹ to intensify its efforts and to take a more visible leadership role in the prevention of HIV infection, especially among young people;
5. *Encourages* UNFPA to build further on its experience in addressing gender issues, including the role of men, as an integral part of HIV-prevention activities;
6. *Also encourages* all Governments to support the efforts of UNFPA by increasing their commitment, including financial commitment, to curb and reverse the spread of HIV/AIDS in programme countries.

14 June 2001

¹ As contained under agenda item 2 of the United Nations System Strategic Plan on HIV/AIDS for 2001-2005 in the report of the Executive Director of UNAIDS on the eleventh meeting of the Programme Coordinating Board.

UNDP segment

IX. Annual report of the Administrator for 2000

Annual report of the Administrator for 2000

141. The Administrator introduced his report for 2000 (DP/2001/14 and Add.1-3). He noted that UNDP had been working hard to ensure that the agenda set by the Executive Board would bear fruit, especially in relation to the follow-up activities to the Millennium Summit and the Third United Nations Conference on the Least Developed Countries (LDCs), the preparations for conferences on racism, financing for development, the World Summit for Social Development (WSSD) and the special session of the General Assembly on HIV/AIDS.

142. The Administrator stressed the need for immediate, decisive action to ensure that the majority of LDCs would meet the development targets set out in the Millennium Declaration. To that end, a more equitable structure of global governance was required and developing countries, in particular the poorest, should have a real voice and impact at international conferences. UNDP country offices were already deeply involved in supporting the preparation for financing for development projects and WSSD and in working to guarantee that developing countries seeking UNDP support would have their issues and priorities addressed.

143. The Administrator stressed that to attract resources and to gain the political commitment needed to win the fight against poverty, it was important to engage public opinion. UNDP had been working with the Department for Economic and Social Affairs of the United Nations Secretariat and the United Nations Development Group (UNDG) on follow-up activities to the Millennium Summit goals. The Administrator reported that, starting in 2001, he planned to undertake a global campaign targeted at governments, parliaments and civil society to create the political momentum needed to raise adequate resources and to give priority to public policy to ensure that globalization benefited everybody.

144. The Administrator then outlined some of the key achievements in 2000 and the challenges that lay ahead. Organizational reform, whose rewards often materialized slowly, was starting to show real results and impact at the country level. He paid tribute to the dedicated staff of UNDP, who had endured a decade of unprecedented turmoil. UNDP was doing more with fewer people. The Administrator believed that the greatest reward would be to see UNDP as the preferred partner for development. The Administrator's Business Plans, 2000-2003, were designed to allow UNDP to embark on that journey.

145. The Administrator reported that the major task of the first year of the Business Plans had been to realign the overarching vision, structures and measurement systems of UNDP. Emphasis had shifted in the second year from reform at headquarters to reform in the country offices, focusing on people and performance. The first two years had seen huge progress. Re-profiling support from headquarters had been provided to 80 country offices. The third year would be devoted to development performance, applying new strengths at the country level to

achieve a comprehensive, coherent development impact and to help programme countries to take better advantage of the revamped services offered by UNDP.

146. The results-oriented annual report (ROAR) for 2000 provided evidence of tangible results in the six practice areas – democratic governance, poverty reduction, environment and energy, crisis prevention and reduction, information and communication technology and HIV/AIDS – based on national priorities and demands for UNDP services. Gender-mainstreaming and South-South cooperation were also starting to bear fruit. On gender, UNDP would continue to strive to build on the effective partnership with the United Nations Development Fund for Women (UNIFEM) although the challenges remained tremendous.

147. The Administrator stressed that the path to a renewed UNDP, based on the Business Plans, was through a new operational model at the country level that emphasized policy and advisory services, support to the resident coordinator system and development support assistance. UNDP would thereby take the lead role in creating a set of integrated common development services in each programme country based on nationally owned programmes. The Administrator underlined that the new upstream focus of UNDP in no way signified an organizational retreat from project-specific work. The purpose was to align projects better with broader objectives that were more in harmony with the strategic priorities of developing countries. All programmes were designed to maximize the real assets of UNDP: innovative policy expertise, unique position of trust and catalytic effect on broader development strategies.

148. The Administrator noted that UNDP needed to continue improving efficiency by re-allocating budget resources to strategic priority areas, such as business re-engineering, information technology, staff learning, entry-level posts, substantive policy support and staff needs relating to security and HIV/AIDS. The organization also needed to strengthen support further to the resident coordinator system, through collaborative efforts to ensure greater country ownership of mechanisms such as the common country assessment (CCA) and United Nations Development Assistance Framework (UNDAF) and to pursue ways of aligning them behind the Millennium Summit goals.

149. The Administrator reported that in December 2000 UNDP had launched the re-profiling exercise, with a clear set of commitments from headquarters and additional resources to be used by country offices for transformation initiatives at the country level. Staff from all countries, as a result, had been exposed to the principles and methodologies of re-profiling through a series of workshops backed by some 80 missions, which had assisted country offices in drawing up their transformation plans. By the end of 2001, at least 80 per cent of country offices would have prepared and implemented plans of activities that would align human and financial resources around strategic areas determined by the country.

150. Regarding the important issue of learning, the Administrator reported that existing staff, particularly national professionals, would enhance their managerial and substantive skills through the new Virtual Development Academy, for which the first 100 fellows had been selected. In 2000, a total of 110 country offices were involved in learning new skills for gender mainstreaming.

151. On staff security, the Administrator assured the Executive Board that UNDP strongly supported the proposal of the Secretary-General to the General Assembly

and would do everything in its power in addition to implementing common safety and security measures to ensure the protection of all staff.

152. The Administrator reminded the Executive Board that to help developing countries to achieve their strategic development goals meant that UNDP had to go beyond producing the ROAR. Developing country partners had to be engaged in dialogue on how the new UNDP could best support nationally owned strategies. Resident representatives were already engaged in such dialogue with the support of the Executive Team. He committed himself to reorienting the focus of management – from internal processes to country strategies, highlighting and consolidating UNDP niche strengths and comparative advantages. The Administrator stressed the expansion of partnerships with centres of knowledge and learning in developing countries, allowing for the steady expansion of South-South cooperation.

153. Regarding national ownership and effective delivery of services, the Administrator emphasized the central goal of enhancing the national ownership of all development activities. He emphasized that national execution would continue to be the preferred operating modality and would be strengthened by freeing UNDP to provide more flexible service support. He looked forward to the discussion on follow-up activities to non-core and direct execution evaluations at the second regular session of the Executive Board in September 2001.

154. The Administrator reported that the total net income of UNDP for 2000 was \$634 million, some \$47 million below the income figure for 1999 – owing in part to the strength of the dollar. He reported a projected increase of 2 per cent for 2001 over figures for 2000, representing the first real increase in contributions to UNDP in over eight years, and noted that as many as 14 donors from the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) had indicated that they would increase their contributions to regular (core) resources. He reported that some 42 programme countries had pledged contributions to the regular resource base of UNDP despite their considerable constraints. Notwithstanding these positive trends, the Administrator noted with regret that, in 2000, total Official Development Assistance (ODA) had shrunk to its lowest level as a proportion of OECD gross national product, less than a third of the accepted 0.7 per cent. He further noted with concern that the donors' tendency to focus on particular themes and countries had left many LDCs with donors that did not consider them designated priority development partners. In the 1990s, ODA to LDCs had dropped 45 per cent in per capita terms. That reinforced the need to double efforts to increase regular resources, which were largely allocated to the very poorest – particularly in Africa.

155. In conclusion, the Administrator reminded the Executive Board of the need to remain focused on the challenge of setting a new agenda for development in the 21st century, as emphasized in the Millennium Declaration. He hoped that the upcoming financing for development conference and WSSD+5 would provide the necessary platform from which to articulate an appropriate plan of action. He expressed hope that when the Business Plans had been fully implemented, a revamped, refocused, fully resourced UNDP would be at the centre of global and national efforts to achieve them.

General comments on the annual report of the Administrator for 2000

156. Delegations welcomed the annual report of the Administrator for 2000. They commended the excellent introduction by the Administrator and the candid, clear and balanced presentation summarizing the results achieved and what remained to be done in the six practice areas and the Business Plans; delegations also commended the staff for its excellent performance. Some delegations encouraged the Administrator to continue with the reform programme so as to improve the efficiency and effectiveness of UNDP. Consultations with national Governments should be undertaken by UNDP, as appropriate, in re-profiling country offices. The quality of performance, particularly at the country level, would determine the level of contributions to UNDP resources. Several delegations also encouraged the Administrator to establish synergies between upstream and downstream approaches to development, paying particular attention to diverse needs and circumstances in programme countries.

157. Several delegations welcomed the involvement of UNDP in HIV/AIDS, stressing the development issues posed by the epidemic. UNDP was one of the very few organizations that understood the development dimension of the epidemic. Some delegations encouraged UNDP to continue its work in information technology for development and to coordinate its activities with other partners, including the business sector, non-state actors and international financial institutions, and to focus on areas in which UNDP had a comparative advantage. Some delegations urged UNDP, in light of its comparative advantage, to strengthen its coordination role, engage national authorities, the United Nations system and other sources of development funds. A number of delegations emphasized that the programming process, however, must be country-led and -driven and stressed that the complementary relationship between national and direct execution could work to strengthen national capacities. The issue of capacity-building was underscored as a vital component in poverty-reduction efforts, sustainable development and effective participation in the global economy. One delegation added that existing training institutions should be fully utilized.

158. Several delegations took note of the efforts to mainstream gender issues in UNDP programmes at headquarters and in programme countries. The Administrator was urged to do more in concert with UNIFEM despite formidable obstacles in some programme countries.

159. Many delegations expressed concern at the security and safety of United Nations personnel in the field. As the operational arm of the United Nations and administrator of the resident coordinator system, UNDP had special responsibilities in that regard. Delegations emphasized, however, that primary responsibility for United Nations staff rested with host Governments and local communities. The provision of United Nations security should be based on accountability, solid coordination in the field, standardized training and basic operational guidelines.

160. Many delegations welcomed the improvement in the regular resources of UNDP although the level remained inadequate. Following the example of the Administrator, several delegations appealed to the donor community to summon political will and to contribute generously so that the organization could attend adequately to the overarching Millennium Declaration goal of halving absolute poverty by 2015. Some delegations recommitted themselves to maintaining or raising their contributions to the core budget of UNDP. Other delegations called for a balance between core and non-core resources and advised that thematic funding and spending arrangements should be handled carefully so as not to compromise the priorities and needs of programme countries. A request was also

made for UNDP to assist in mobilizing support in preparation for the financing for development conference in 2002.

The response of the Administrator

161. The Administrator thanked the Executive Board for its incisive comments and was pleased that there was a balance among speakers from the donor and programme countries. He regretted that the report had not been distributed in all languages, largely as a result of the volume of documents and the overwhelming burden on the United Nations documents-processing services. He promised to look into the matter so as to avoid similar situations in the future.

162. He noted the concern and support expressed on gender issues, which UNDP shared. He stated that an improvement over 1999 was reported in 2000. He observed that success in gender-mainstreaming was difficult to measure because it was cross-cutting and integral to overall development. The Administrator assured the Executive Board that UNDP would continue to work on the gender issue in concert with UNIFEM, whose Executive Director had been designated the internal champion on gender issues in UNDP.

163. On the costs and budgets of UNDP, the Administrator reported that the restructuring exercise had had upfront costs, which were funded in two ways: through extrabudgetary support to restructuring initiatives and through savings. He observed that the total administrative cost of UNDP as a proportion of overall income was among the best; the costs were generally lower than those of other United Nations organizations.

164. The Administrator clarified the upstream and downstream relationship by observing that what was needed was the right strategic marriage of both, where projects had had a demonstrated catalytic effect and drive toward national change. He noted that projects that did not meet the standards of policy/project synergy would be discontinued in agreement with national authorities.

165. He also explained that the purpose of the campaign around the Millennium Summit goals was to build support for meeting the goal of cutting absolute poverty in half by 2015. The results of the pilot cases would help to mobilize public opinion in the North by showing what was happening on the ground in programme countries in order to raise needed resources.

166. On the issue of HIV/AIDS, the Administrator observed that UNDP had a role to play in developing national AIDS policies and in disseminating information to build awareness and change behaviour, thereby helping to contain the spread of the epidemic. He further observed that UNDP and the entire United Nations system, including the joint United Nations Programme on HIV/AIDS (UNAIDS), had a critical level of capacity that was vital in building national capacity, coordination and advocacy at national and international levels. He stressed that UNDP would not engage in areas where others had comparative advantages.

167. The Administrator stressed that there was a clear niche for UNDP in information and communication technology (ICT) for development. The organization was moving out of demonstrative projects into policy-based approaches, using advisory services to help countries to think through their ICT strategies.

168. On the issue of bureaucratic streamlining, the Administrator noted that speed was crucial in delivering services to programme countries. He also observed that UNDP would remain flexible and respond to country needs and priorities. Regarding the reduction of staff in country offices, the Administrator stated that the re-profiling of country offices had been designed to create teams that would deliver the services of the new UNDP. The reduction in staff was also the result of no-growth budgets. He reminded the Executive Board that a much greater reduction had occurred at headquarters than in the country offices, without generating much savings because most posts affected were extrabudgetary. In concluding, the Administrator once again thanked the Board for a very constructive debate on his report.

Overview of the results-oriented annual report

169. The Associate Administrator introduced the results-oriented annual report (ROAR) for 2000 (DP/2001/14/Add.1). He stated that the production of the report represented another milestone in results-based management, noting that UNDP had achieved results beyond expectations, thanks to the encouragement, support and active participation of Executive Board members. He reminded the Board that the first ROAR had focused on capturing results. The ROAR 2000 focused on drawing lessons on managing the organization. In preparing the report, UNDP had also embraced results-based management as part of its agreement with the Board.

170. The Director of the Operations Support Group (OSG) reported that the preparation of the ROAR had drawn inspiration from the Millennium Declaration to ensure that globalization became a positive force for all the people of the world and to create an environment at the national and global levels conducive to development and the eradication of poverty. The presentation focused on the nature of support, performance and methodology.

171. The ROAR revealed an interface between the upstream and downstream activities within the six goals, which in turn were subdivided into sub-goals, outcomes and outputs. More than 75 per cent of UNDP activities related to capacity-building, policy and strategy-setting. The distribution of outcomes was similar to that of 1999. Progress in 2000 reported at the outcome level ranged from 53 to 77 per cent. The achievement of annual output targets ranged between 57 and 92 per cent. The main priorities (governance, poverty and environment) were consistent with core and non-core resources. The lower level of core resources constrained coverage and performance.

172. National human development reports (NHDRs) had moved from advocacy and analysis to action. Activities in support of human rights had doubled at the request of governments and broad-based actions in poverty reduction amounted to 90 per cent of all cases. The number of countries receiving support through HIV/AIDS programmes had doubled. Capacities had also been developed for the sustainable management of the environment.

173. Considerable progress had been achieved in the area of gender-mainstreaming. Efforts had also been made to close the gap between humanitarian and development activities in crisis and post-conflict situations.

174. The Director reported that some challenges remained. They included reform of the public sector to make it more efficient; reduction of the negative impact of globalization; re-evaluation of work on the asset base of the poor; weaving environmental issues into

poverty and governance programmes; more concerted action on gender-mainstreaming; and a reduction in transaction costs.

175. With regard to methodology, achievements came in the areas of data verification, the introduction of baselines and structural refinements while the challenges included the utilization of situational indicators, assessment of cross-cutting issues and partnerships. There was, however, a need to simplify further without compromising rigour, refine methodology and revise the database.

General comments on the ROAR 2000

176. Delegations considered the ROAR 2000 an improvement over that of the previous year and commended UNDP on its performance. The document represented a significant step forward in terms of methodology – especially with regard to the distinction made between performance at outcome and output levels; the classification of progress and data corroboration; the structured and systematic approach to obtaining results; the wealth of information on various aspects of focus and performance; and the candour with which performance had been assessed. Some delegations felt that those attributes set a good example for other United Nations organizations. The integration of the associated funds and programmes in the annual report, especially UNV, was also appreciated and UNDP was encouraged to stress reporting on the associated funds to enhance synergies, roles and attribution. Overall, delegations stated that the ROAR provided ample proof that UNDP was making a difference in people's lives. Some delegations also requested an informal session to discuss the methodology used to prepare the ROAR, which was organized on 21 June.

177. Delegations suggested that the executive summary of the ROAR should be part of the report and recommended that future reports should be simplified and made more accessible to a broader audience. There was consensus to merge the annual report of the Administrator and the ROAR to avoid duplication and to reduce the volume of the text. It was felt that, together with the annual report of the Administrator on evaluation, the proposed package of analytical documents would provide a good basis for considering issues of development effectiveness. Other suggestions included making a sharper distinction between progress at the outcome and output levels; placing greater emphasis on the analysis of outcomes; focusing on the assessment of poorly performing areas; identifying future-oriented actions; outlining follow-up actions to the issues raised on previous reports; and exploring the possibility of external or independent involvement in the preparation of the ROAR. Support was also voiced for the continued use of situational indicators.

178. Delegations appreciated the emphasis placed on the Millennium Development Goals, international development targets and the global advocacy campaign proposed by the Administrator. Some delegations underscored the role of UNDP in addressing globalization challenges, especially through capacity development. Delegations stressed the importance of the continuing UNDP support to technical cooperation among developing countries. UNDP was asked to clarify its involvement in the financing for development conferences.

179. While some delegations welcomed the emerging focus on human rights, one delegation expressed some concern over the rights-based approach to programming. The delegation recommended that UNDP remain focused on a country-driven approach to poverty reduction.

180. Delegations expressed appreciation for the leading role and support of UNDP in helping countries to prepare Poverty Reduction Strategy Papers (PRSP) and the Poverty Strategies Initiative. Some delegations noted that the ROAR had not provided sufficient evidence on cross-cutting approaches to poverty reduction. Some delegations stressed the linkage between governance and poverty reduction and called for the continued leadership of UNDP. Other delegations requested UNDP to clarify its comparative advantage in dealing with the HIV/AIDS epidemic since UNDP was one of the few organizations that understood the development dimension of the problem.

181. Delegations welcomed the engagement of UNDP in the environment and energy sector; in linking poverty reduction with environmental management; in preparing a revised policy on the environment; and in launching the Poverty-Environment Initiative.

182. UNDP was encouraged to continue its work on gender-mainstreaming, equality and empowerment as a strategic priority for the organization, in concert with UNIFEM.

183. A number of delegations expressed satisfaction with the performance of UNDP in crisis and post-conflict situations – for example, in capacity-development for human security and peace-building. They requested more reporting on those areas in future reports. Delegations supported forging closer links within the United Nations system and with subregional and regional organizations. UNDP was asked to focus more on crisis and post-conflict situations in the next ROAR.

184. On the subject of United Nations reform, delegations noted and expressed some concern about the qualified nature of progress achieved and emphasized the central role of UNDP in coordinating United Nations system field operations, not only to spur teamwork on the CCA and the UNDAF but also to reduce transaction costs. Some delegations proposed that goal six of the strategic results framework on support to the United Nations system be included in the next ROAR.

185. Concerning the reform of UNDP, several delegations felt that the ROAR confirmed the significance and relevance of the move upstream by the organisation. At the same time, a number of delegations observed that UNDP needed to balance its upstream and downstream work with better linkages forged between the two levels of action. It was noted, however, that progress was being thwarted by the precarious state of core resources.

186. Delegations supported the ongoing reforms in UNDP and the results already achieved, such as the internalization of results-based management (RBM) at headquarters and at the country level. There was a request for specific examples illustrating how the strategic results frameworks and ROAR had helped to build on the strengths of UNDP and improve the organization's programming and management, by sharpening focus, reducing the number of projects and encouraging a withdrawal from marginal areas of engagement.

Response to general comments on the ROAR

187. The Administrator welcomed the constructive comments, suggestions and observations from members of the Executive Board. He noted, in particular, that the greatest value of the ROAR lay in its ability to test market demand for services provided or developed by UNDP.

188. The Associate Administrator responded to the comments under four broad categories: the presentation and format of the ROAR itself; implementation of UNDP reforms; special issues of interest; and the financial situation of the organization. He concurred with the suggestion to consider merging the ROAR with the annual report of the Administrator, reducing the focus on process issues and preparing a simplified and more user-friendly document. He also noted the concern about internalizing the results of the ROAR in the management of the organization. He pointed out that credit for achieving results should be given to programme countries to which assistance was provided by UNDP.

189. Regarding the implementation of UNDP reforms, he identified the main points of the debate: (a) a reaffirmation of the role of UNDP as an anti-poverty organization; (b) an emphasis on the importance of capacity-development; (c) the encouragement of stronger linkages between upstream and downstream actions; and (d) continued support for the integration of RBM in programming and management. The Associate Administrator stressed that UNDP would continue to operate according to the principles of RBM with a view to changing fundamentally the working culture of the organization.

190. Under the special issues category, the Associate Administrator mentioned a wide range of topics, including the monitoring of management development groups; assessing how globalization could be of benefit to the poor; participating in PRSPs by advocating a serious effort by the donor community to tackle poverty reduction; fostering participatory processes; clarifying the effects of macroeconomic policy on the poor and testifying (through monitoring) that poverty-reduction strategies were actually addressing the problem; and reinforcing the contribution of UNDP in the areas of environment and energy, HIV/AIDS and the preparation of NHDRs. He reassured the Executive Board that gender issues were being taken very seriously by the organization.

191. On the subject of substantive discussions in the Executive Board, the Assistant Administrator and Director of the Bureau for Resources and Strategic Partnerships (BRSP) informed members that a conference room paper would be presented at the second regular session of the Executive Board in September 2001 on streamlining documentation. He also reported that UNDP was paying great attention to the financing for development conference and was doing everything possible at the local and regional levels to assist in its preparation. Informal meetings had been held on the matter with permanent representatives in New York. The issue of global public goods was being supported by UNDP.

192. The Director of the Operations Support Group stated that situational indicators in the ROAR posed a difficulty because of a time lag in receiving data, among other constraints. Reporting on millennium development goals might be an alternative way of obtaining a general picture of country-level developments. It would not, however, meet the more ambitious expectation of having information on situational indicators with respect to each sub-goal of the strategic results frameworks.

Selected sub-goals

193. The three selected sub-goals were introduced by the Assistant Administrator and Director of the Bureau for Development Policy (BDP), the Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific (RBAP), and the Director of the Emergency Response Division (ERD).

*Goal 1: Creation of an enabling environment for sustainable human development:
Sub-goal 1: National, regional and global dialogue that widens development choices
for sustainable and equitable growth*

194. The Assistant Administrator and Director, BDP, stated that with 95 countries reporting on goal 1/sub-goal 1, over half of the activities were in advocacy and policy dialogue for sustainable human development (SHD). It was the second most heavily reported of all strategic areas of support across all regions. The main thrust was on using NHDRs for policy analysis, advocacy and formulation; consultation and consensus-building; and development planning. Some countries had incorporated the gender development index and gender empowerment measures in their NHDRs. In others, NHDRs had influenced medium- and long-term development planning, including in the preparation of poverty-reduction strategy papers.

195. UNDP country offices were involved in assessing the impact of globalization on socio-economic development, focusing on vulnerable groups and on developing measures to mitigate its negative impact.

196. Performance in policy and legal environment for private-sector development and regional and subregional cooperation and economic and technical cooperation among developing countries (ECDC/TCDC) left room for improvement. ECDC/TCDC and gender-mainstreaming presented a methodological challenge. Because of their cross-cutting nature, it had proved difficult to obtain results, which were reported across all goals and sub-goals. Regional programmes, however, played a notable role in ECDC/TCDC.

197. Among the challenges ahead, the Assistant Administrator stressed that UNDP and United Nations country teams should assign a more central role to the Millennium Summit outcomes in policy advocacy and dialogue within the framework of national priorities and goals. She emphasized the need to strengthen TCDC as the key mode of operation in UNDP; to collaborate with country offices and regional bureaux through the Bureau for Development Policy; and to provide a platform for the exchange of experience and knowledge for programme countries, civil society organizations, the private sector and think tanks.

198. The Assistant Administrator reported that in support of goal 1, a thematic trust fund had been established to attract non-core resources primarily for country programming. She noted that one of the biggest challenges for UNDP was to ensure that UNDP staff were networked into communities, thereby bringing added value to the quality of work.

Comments on goal 1/sub-goal 1

199. Several delegations welcomed the emphasis placed by UNDP on advocacy for SHD and the preparation of NHDRs. They also sought assurances that UNDP would continue to invest in NHDRs, especially to raise their quality, with one delegation offering to consider the provision of technical and financial assistance for this purpose. Another delegation, while expressing its appreciation for the use of NHDRs for advocacy on globalization, expressed some uncertainty about the utilization of such a tool to address so broad a phenomenon.

200. A number of delegations cautioned the Executive Board about the speed with which it could expect to see progress towards outcomes focused on policy reform, noting

that such changes had occurred slowly and could take years to achieve. They also noted the difficulty of attributing success to any single agency. At the same time, it was acknowledged that an organization did need to know whether or not it was on the right track towards achieving a policy-centred outcome.

201. Delegations expressed their satisfaction with the work of UNDP on regional and sub-regional cooperation and called for an expansion of the ongoing effort from the 14 per cent of country offices currently active in this area. Delegations looked to UNDP establishing its niche through well-articulated global and regional programmes to address challenges such as those presented by globalization.

202. A request was made by a delegation for information on the integrated resources framework (IRF).

Response to comments on goal 1/sub-goal 1

203. The Assistant Administrator and Director, BDP, responded that in the preceding two to three years, UNDP had recognized the value of NHDRs, not just for analysis but also for advocacy and policy dialogue. Action had been taken through the creation of the NHDR Unit and network of practitioners supported by the Human Development Report Office, the network of UNDP policy specialists and institutions such as the South Asia Centre for Human Development. On the IRF, she acknowledged that implementation had been slow during the first two years, but that the initiative had been recently revamped. She offered to provide further details upon request. With reference to ECDC/TCDC, she agreed that they were important but noted the methodological challenge in obtaining results arising from what were in effect modalities of cooperation.

*Goal 2: Economic and social policies and strategies focused on the reduction of poverty:
Sub-goal 2: The asset base of the poor expanded and protected*

204. The Assistant Administrator and Director, RBAP, reported that poverty reduction had emerged as the overarching goal in UNDP development efforts. Expanding and protecting the asset base of the poor, however, was the principal sub-goal in terms of programme expenditure. A total of 90 country offices were already active under goal 2/sub-goal 2. Three key areas of involvement in the attainment of the sub-goal were: (a) access of the poor to resources, assets and employment; (b) access to basic social services and systems for risk management and reduction in vulnerability; and (c) access to information, through ICT. The issues of equitable distribution of land and land reform remained potentially contentious. The focus of resources and assets was mainly on micro-finance, with an emphasis on women. There had been significant successes in Africa and Asia in promoting policy, regulatory and institutional change. About two thirds of outputs, however, involved scattered community-level interventions. Although downstream interventions took place, especially those of the Micro Start programme, more needed to be done to direct community-level lessons into the upstream debate on micro-finance, small and medium enterprise policy and regulatory frameworks. He further noted that, in employment promotion and social production, the tendency towards scattered interventions with lower rates of performance at the outcome level was visible. This was also noted in the ROAR 2000.

205. The Assistant Administrator noted four main emerging issues from the ROAR 2000 analysis: (a) clarifying the position of corporate UNDP with respect to investments in the asset base of the poor by establishing macro-micro linkages; (b) focusing on social security and national disaster management; (c) integrating gender and HIV/AIDS issues into poverty- reduction goals, verifying that reporting in the ROAR 2000 reflected the new ways in which country offices had mainstreamed gender as a cross-cutting issue; (d) and focusing on ICT to enhance the human resource base of the poor.

Comments to goal2/sub-goal 2

206. Many delegations emphasized the link between decentralization and poverty reduction and requested further information on institutional development for poverty reduction.

207. Concerning the monitoring of poverty, a delegation queried whether the focus was just on income or broader measures and what UNDP intended to do in that regard. Information was also requested on the actions being taken to ensure the sustainability of UNDP assistance for micro-finance services.

Response to comments on goal 2/sub-goal 2

208. In his response, the Assistant Administrator and Director, RBAP, suggested that the decentralization process was possibly moving ahead too quickly, highlighting how important it was to understand its negative implications. He noted two concerns in particular: the capacity of local institutions to provide services and the danger of “elite capture”, in which benefits went to the privileged. He also assured the Executive Board that UNDP was working closely with national institutions to develop ways to measure human poverty.

Goal 5: Special development situations:

Sub-goal 2: Conflict prevention, peace-building and sustainable recovery and transition in countries emerging from crisis

209. The Director of the Emergency Response Division reported that 33 country offices had reported under goal 5/sub-goal 2 on conflict prevention, peace-building and sustainable recovery and transition in countries emerging from crisis. He added that securing livelihoods for people affected by conflict continued to be a focus of UNDP. The countries involved included the Democratic Republic of the Congo, Liberia, the Philippines and Sri Lanka. The creation of the social capital of peace-building, prevention and recovery (skills, networks and institutions) was also a strong feature of UNDP at community and national levels. Support had been provided to East Timor, Eritrea and Kosovo, among others.

210. The Director noted that other key activities included mine action in Angola, Croatia, the Lao People’s Democratic Republic and Somalia; small-arms reduction in Albania; the reintegration of war-affected populations through programmes for secure livelihoods; improved access to essential social services; support to peace processes at the national level; capacity-development of national institutions in key areas of development planning; and support for the rule of law through training and

capacity-building programmes in Guatemala, Haiti, Rwanda and Somalia. UNV volunteers were playing an increasing role in providing capacity to UNDP programmes and other partner organizations, such as the Office of the United Nations High Commissioner for Refugees (UNHCR) and the Department of Peace-keeping Operations (DPKO) of the United Nations Secretariat. UNV volunteers had been assigned to East Timor, Kosovo and Sierra Leone. The Director stressed that the work of recovery programming at the community level had emerged as the most visible area of UNDP work in 2000.

211. The Director concluded his introductory remarks with a reference to some emerging issues. UNDP was committed to creating and demonstrating positive returns on peace-building by focusing on the development dimensions of peace-building in crisis and post-conflict work. There was a need to improve linkages between upstream and downstream work and to strengthen linkages and alignment between work at the community and national levels. He stressed that greater attention was needed in reporting the subregional and regional initiatives that could be crucial in supporting more national efforts.

Comments on goal 5/sub-goal 2

212. A number of delegations expressed some concern at the low level of reporting under the goal and sub-goal and the limited attention given to the resident coordinator system. One delegation expressed its concern about a statement in the ROAR to the effect that the demand for the services of UNDP increased as the proportion of people dependent upon humanitarian assistance declined. Another delegation noted its surprise that, given the importance of the linkage between relief and development, only 11 countries had reported on the subject. It queried whether that was a reflection of limited activity or limited results.

213. One delegation requested information on the role of UNDP in places such as East Timor and Kosovo.

Response to comments on goal 5/sub-goal 2

214. The Director, ERD, outlined the shortcomings in reporting. He stated that the Executive Board had taken note of the report of the Administrator on the role of UNDP in crisis and post-conflict situations (DP/2001/4) in its decision 2001/1, adopted on 5 February 2001, adding that the number of countries reporting should be reviewed within the context of a relatively small group of 33 countries, only those which were currently of concern to the United Nations system. On the coordination of the United Nations system, he noted that UNDP was at the heart of the function and that reporting on the subject would improve in the future with the application of better tools and skills.

215. He observed that moving from relief to development meant most of all dealing with development concerns from the outset. He informed the Executive Board that UNDP was working on the issue and had already tested the concept in Gujarat, India, in collaboration with other United Nations organizations and international financial institutions. The foundation was being laid by focusing on poverty, vulnerability and participation while at the same time providing relief. He added that a meeting devoted to the subject would be held in the near future. The Director concluded by explaining that the

statement in the ROAR regarding the demand for UNDP assistance was meant to draw attention to the development dimension of relief activities.

216. The Executive Board took note of the annual report of the Administrator for 2000, including the results-oriented annual report for 2000 (DP/2001/14 and Add.1-3).

X. United Nations Capital Development Fund

217. In his introduction to the results-oriented annual report of the United Nations Capital Development Fund (UNCDF) (DP/2001/17), the Associate Administrator commended the work of UNCDF and highlighted its comparative advantage in local governance and micro-finance. He emphasized the partnership between UNCDF and UNDP in those areas and recognized the contribution of UNCDF toward poverty reduction, especially in the LDCs.

218. The Executive Secretary of UNCDF reported that the recommendations of the 1999 organizational evaluation had been implemented. In introducing the first ROAR, he emphasized the positive results and the remaining challenges. He also presented the 2001/2002 Business Plan, which covered a series of initiatives aimed at ensuring that UNCDF operations tallied with its policy objectives of ownership, participation, capacity-development, innovation, risk-taking, policy impact and replication. On resource mobilization, the Executive Secretary reported that, because of resource constraints, UNCDF had been unable to respond fully to demand. Unless it could mobilize additional core resources, UNCDF would be unable to maintain its current level of activity. Resources would continue to fall far short of the demand for the type of investment financed by the Fund. UNCDF would nevertheless remain innovative and provide quality service for replication. It would continue to work with other partners in local governance and micro-finance. He asked the Executive Board to postpone the impact evaluation of the organization to 2003, which could then be reported to the Board in 2004.

219. Many delegations thanked the Associate Administrator and the Executive Secretary for their presentations and the high quality of the report, noting that it was innovative, user-friendly and balanced. In appreciation of UNCDF work, one delegation announced a contribution of \$1 000 while another reported that the contribution of its country to UNCDF had increased by 15 per cent in 2001.

220. Many programme countries commended UNCDF for its high-quality work in their countries in capacity-development, decentralization and micro-finance. They appealed for additional resources so that the Fund could meet client demands adequately.

221. Some delegations from the donor community appreciated the positive comments by programme countries on the work of UNCDF in their countries. A number of delegations sought clarification on the low level of women's participation in development and on how the Fund monitored older projects. One delegation requested more detailed information on the coordination arrangements and beneficiaries of UNCDF work in its country. Another delegation questioned the validity of conclusions drawn from a small number of projects.

222. A number of delegations from the donor community also reported that their countries had increased contributions and hoped to continue supporting the work of the Fund.

223. The Executive Secretary thanked the delegations for their constructive interventions and responded to the requests raised. On the issue of coordination and beneficiaries, he reported that there was a committee on micro-finance that brought together all actors. The beneficiaries of UNCDF programmes and projects included all members in the community at the local level. He observed that the noticeable

difference between women's high-level of participation at the needs-assessment stage and their low level at the planning stage was often a question of culture. He stressed, however, that UNCDF was doing everything possible to increase the level of women's participation.

224. With regard to the evaluation of older projects, the Executive Secretary reported that the Fund carried out ex-post evaluations of a selected number of projects every year. He added that the practice of cutting back on ongoing projects since 1999 would continue. On the issue of indicators, he observed that while reporting for some indicators was based on a few projects, the Fund was comfortable with reaching conclusions based on independent external evaluations.

225. The Executive Board took note of the results-oriented annual report of the United Nations Capital Development Fund (DP/2001/17) and agreed to postpone consideration of the evaluation of the impact of the Fund's programmes and projects requested in its decision 99/22 to the year 2004.

XI. Information technology for development

226. The Administrator introduced the report on the role of UNDP in information and communication technology (ICT) for development (DP/2001/CRP.8), highlighting the main challenges that countries faced and UNDP strategy to address them and provide assistance. He underlined the importance that he personally attached to the effective deployment of ICT to improve development interventions. He then proceeded to elaborate why ICT was a key priority area for UNDP in the fight against poverty.

227. The Administrator stressed that addressing the digital divide could help to eradicate social and economic inequalities – thanks to the potential role of ICT as a development facilitator. Tackling the issue was important for UNDP not only from the knowledge-divide viewpoint but also from the vantage point of opportunities to further democratic governance and to increase productivity, competitiveness and jobs – deriving positive benefits from globalization and enhancing development opportunities.

228. The scale of the challenge and ICT potential were too great for countries to address the issue solely at the project level, the Administrator stated. UNDP would help countries to address policy issues because they needed to be more proactive in responding to the challenges and opportunities presented by the global networked economy. They would otherwise risk marginalization. UNDP could assist countries in adopting innovative policies and in utilizing emerging technologies that allowed them to capitalize on opportunities. Wireless technologies, for example, were becoming more affordable and were actually suited to developing country conditions. Greater private-sector involvement was becoming essential in addressing the investment and development of infrastructure challenges. It had raised, however, a variety of policy issues, including market failure, public access, inter-connection charges, budget support and competition in services which developing countries needed to negotiate. The Administrator indicated that the potential of UNDP to assist developing countries in the area stemmed from its traditional comparative advantages, its role as a development and capacity-building organization, its newly emerging strengths and its participation in strategic partnerships and forums of growing relevance to ICT. Through programmes and initiatives, which included the Sustainable Development Networking Programme (SDNP), the Asia Pacific Development Internet Programme (APDIP) and the Internet Initiative for Africa (IIA), UNDP had already helped to deploy the first Internet nodes in more than 45 countries and had trained more than 25 000 organizations and institutions. UNDP and UNV had joined together in a strategic partnership with Cisco Systems and others to train students in 24 LDCs and to provide skills necessary to build and maintain the Internet infrastructure in those countries.

229. The Administrator specified that UNDP support had focused on promoting connectivity, access, local content development, e-governance, e-government, e-commerce, e-jobs, education, training, capacity-development and advocacy. As it adopted a more upstream policy-oriented focus to complement catalytic downstream projects, UNDP would be partnering with others in the field, adopting new and innovative ways to assist developing countries in leveraging partnerships and resource networks to address market failures more effectively, mobilize resources and share expertise and good practices. The Global Network Readiness and Resource Initiative (GNRRI), for example, a public-private partnership with the Markle Foundation, was expected to provide technical expertise and support to e-readiness and national strategy development. Its assistance at the country-level would focus principally on providing policy guidance and support to the development and implementation of national e-strategies. Further support by new public-

private partnerships included the Digital Opportunity Initiative, a project between Accenture, the Markle Foundation and UNDP, that had been seminal in supporting the work of the G-8 DOT force, in which UNDP acted as co-secretariat with the World Bank. Although ICT was expected to be mainstreamed into all UNDP focal areas, e-governance would be a signature service. An e-grant initiative would provide support to catalytic, bottom-up initiatives to complement the national strategy focus. Finally, NetAid and the Cisco Network Academy, operating in 24 LDCs projects, had been viewed as breakthrough public-private partnerships in the areas of public fund-raising and technical training.

230. The report was well received by the members of the Executive Board. While expressing appreciation for what UNDP has already done in the field, some delegations requested further clarification of the role and niche of UNDP, given its resource constraints and the assistance provided by other actors. A number of delegations confirmed the important role played by UNDP ICT for development initiatives and gave examples from their own country experiences as to how the focus of UNDP on ICT had been catalytic.

231. In response, the Administrator and the Senior Adviser to the Administrator and Director of the ICT for Development programme argued that UNDP had a definite role to play and that the main niche for UNDP lay in assisting developing country Governments to address the ICT development “policy challenge” – determining strategic areas of action and implementation for national e-strategies to deploy ICT and to use it to impact the achievement of development goals. UNDP also had a special responsibility to help countries in crisis, transition and special circumstances. The Senior Adviser to the Administrator pointed out that national ICT strategies represented a new and emerging field and no agency appeared to be uniquely qualified to provide support in that area. Its development focus and competencies in ICT for development equipped UNDP to be active in that area; it was working in partnership with many other development organizations focusing on ICT for development. UNDP was also well positioned to work with Governments that were primarily responsible for addressing those issues. It could assist them in leveraging technical expertise and resources from public-private partnerships and resource networks, which could be critical for addressing market failures, in creating new businesses and development models and in bringing much needed resources to bear on ICT for development.

232. The Executive Board took note of the report on the role of UNDP in information technology for development (DP/2001/CRP.8).

XII. Financial resources

Funding commitments

233. In introducing the report on the status of regular funding commitments to UNDP and its associated funds and programmes (DP/2001/18) and the update on funding commitments (DP/2001/CRP.9), the Administrator reiterated the need to translate the political commitment generated by the Ministerial Meeting, and underpinned by the multi-year funding framework (MYFF)/ROAR process and the implementation of the Business Plans, into increased core resources. He indicated that the Millennium Development Goals and the upcoming financing for development conference provided an opportunity to address, with political decision-makers, the funding situation for the United Nations in development. He underlined the inadequacy of current levels of funding for UNDP to carry out its mandate, to address the needs of the LDCs, especially countries in sub-Saharan Africa, and to be a trusted partner. He acknowledged the importance of non-core resources, emphasizing at the same time that it was core resources that formed the cornerstone of UNDP work. Non-core resources were a supplement and not a substitute.

234. The Administrator outlined the current resource situation in terms of projected core income for 2001, which was expected to rise by over 2 per cent compared to 2000. Exchange rate factors drew attention away from the fact that as many as 14 OECD/DAC countries were increasing their contributions. He also encouraged donors, both OECD/DAC and programme countries, to ensure a real and sustainable increase in core resources. The Administrator acknowledged both those donors that had made the largest contributions, in terms of volume and on a per capita basis, and those that had attained substantial and sustained growth in contributions. Improvements were anticipated, not only in terms of volume of contributions but also in terms of predictability, including improvements in payment performance, i.e., respecting fixed schedule of payments.

235. The Administrator encouraged those donors that had not yet announced their contributions to do so and those that had already made their pledges to look seriously at the possibility of making supplementary commitments. He also urged donors to present the existing evidence to their Governments of the progress that UNDP had made in its reforms and to ensure that UNDP would figure on the broader political agendas of donor Governments.

236. The Administrator provided an overview of the funding situation of UNDP-administered funds, underlining the growth trend experienced by UNIFEM and UNV over the past two years. Core contributions to UNIFEM had grown by 13 per cent in 2000 and further increases were expected in 2001, with six donors increasing their contributions by 20 per cent or more. While contributions remained at \$3 million for UNV, a substantial increase expected in 2001 would raise contributions to \$10 million, as the real achievements of UNV were gaining global recognition. Owing to exchange rate movements, there had been a decline in contributions for UNCDF, which had nevertheless been able to expand its donor base with two new OECD/DAC donors in 2000 and three additional donors making commitments for 2001. Those favourable developments were expected to lead to a modest increase in core funding in the following three years.

237. Delegations acknowledged the projected increase in contributions for 2001 announced by the Administrator, making a turnaround after seven years of decline. At the same time, they pointed out that, while increasing, contributions were still below the agreed targets. Speakers converged on the need for higher resources to enable UNDP to carry out its mandate and attain the MYFF goals. Some donors highlighted the importance of recognizing the reforms and progress achieved by UNDP. One donor stressed the importance of the mandate of UNDP driving its agenda and asked about the use of savings generated by staff reductions. The Administrator clarified that these savings had been redeployed mainly towards staff development.

238. Some delegations commented on the negative impact of exchange rates on increased contributions to regular resources. One delegation raised the issue of the overall impact of purchasing power for local inputs. He enquired about the amount of UNDP expenditures tied to the dollar and the amount tied to local currency, stressing the need for clarification.

239. Several speakers indicated that their Governments intended to increase or maintain core contributions in 2001. One delegation made an additional commitment, while a second stated that, being a key UNDP partner, it would make the case for supplementary funding. While some delegations confirmed their compliance with the multi-year pledge requirement, others indicated that they were unable to do so owing to budget laws.

240. Some delegations suggested measures that UNDP could take to ensure continued support, notably the need for a definable profile, harmonization of programmes and standardized procedures. One delegation stated that its Government was adopting a framework to assess the performance of multilateral organizations, based on which it would determine its level of contributions and supplementary funding. Some speakers noted the alignment of non-core to core resources and recommended integrating existing trust funds into thematic trust funds.

241. In response to issues raised by delegations, the Administrator indicated that it was necessary to undertake a campaign in support of widespread mobilization behind the Millennium Development Goals. He also underlined the need to inform ministers of finance of the resource issue and to continue to ensure that an adequate funding base for the United Nations in development, and UNDP in particular, was consistently brought to their attention.

Programme financing

242. The Associate Administrator noted that the purpose of the conference room paper on programme financing (DP/2001/CRP.10) was to initiate a consultation process leading to an Executive Board decision in 2002 on programming arrangements for 2004 and beyond. The new arrangement would meet the goal of focusing on the poorest countries and improving the impact on human development. Experience showed that UNDP internal arrangements regarding the target for resource assignment from the core (TRAC) line 1.1.2 could be improved. Country offices required flexibility when accessing resources for their advocacy and upstream advisory role.

243. One delegation expressed concern that the variable elements of the three-tier TRAC system could have a negative impact on resource flows to LDCs and low-

income countries (LICs) when compared with the fixed nature of the former indicative planning figure (IPF) system. He pointed out that it would be too early to review the TRAC system at the first regular session 2002. He proposed postponing it until the second regular session in 2002. Another delegation sought clarification on the following, contained in paragraph 8 of DP/2001/CRP.10: "...the internal arrangements in UNDP for assigning TRAC line 1.1.2 can be improved; for example, they could be made less labour-intensive...".

244. One delegation stressed that particular attention should be given to how various resource distribution formulas could affect resource allocations to large programme countries. He emphasized the importance of increasing core resources assigned to large and small programme countries.

245. The Assistant Administrator and Director, Bureau of Management, responded to the queries. He pointed out that the conference room paper was simply a beginning to a long consultative process on this important matter. In accordance with Executive Board decision 95/23, the TRAC system had resulted in increased progressiveness over the IPF system towards LDCs and LICs. The TRAC system ensured that at least 60 per cent of programme resources were allocated to LDCs and 88 per cent to LICs. The calculations for IPFs assigned during the fifth programming cycle had provided LDCs with only about 56 per cent of total programme resources. He also noted that, given the low level of available core resources, the transaction costs associated with the TRAC 2 and TRAC 3 assignment processes were relatively high, especially in light of their ex-ante nature. UNDP would aim to streamline internal procedures in line with results-based management principles in order to cut those costs.

246. The Associate Administrator added that TRAC 2 was designed to reward high-quality programmes based on performance. Measuring performance, however, first meant defining a set of objective criteria to clarify related issues: Whose performance should be considered – that of country offices or countries themselves? Should more money be given to top performers as opposed to those most in need?

247. The Executive Board took note of the report on the status of regular funding commitments to UNDP and its associated funds and programmes (DP/2001/18) and the update on funding commitments (DP/2001/CRP.9).

248. The Executive Board took note of the report on issues and principles for possible improvements in the present arrangements for programme financing (DP/2001/CRP.10).

XIII. Cooperation frameworks and related matters

249. The Associate Administrator introduced the report on the options for new UNDP country programming instruments (DP/2001/CRP.11). He recalled that results-based management tools had constituted a burden on programme countries in their present form and recommended that they be simplified and aligned with other instruments and procedures.

250. The proposed procedures would not affect any of the key principles of programming, including national ownership, results orientation and accountability. These initiatives would reduce the costs of running country offices and would enable staff to devote more time to the programme country development.

251. One delegation expressed satisfaction with the conference room paper on programming instruments (DP/2001/CRP.11), noting that the modified tools would reduce the burden on programme countries. The delegation recommended that the paper should be discussed in detail at the second regular session.

252. Another delegation sought clarification on the relationship between the CCF and the strategic results framework (SRF), noting that it would be better to use the country programme, rather than the UNDAF and the CCA, as a base for the SRF. It also expressed reservation about the proposed annual updates.

253. In response, the Associate Administrator observed that the relationship between the CCF and the SRF would require further consultations with other United Nations system organizations. He noted, however, that the SRF was a mechanism for updating and adjusting, rather than modifying, the CCF.

254. The Associate Administrator gave a general presentation covering the second CCFs for the Former Yugoslav Republic of Macedonia (DP/CCF/MCD/2) and Tajikistan (DP/CCF/TAJ/2) from 2001 to 2003. This presentation also covered the extensions of the ongoing CCFs for Algeria, Lesotho, Namibia and Ukraine, which had been requested in order to synchronize the CCFs with the planning period of the Governments concerned and to harmonize UNDP planning with that of other United Nations organizations operating in those countries.

255. The Executive Board took note of the report on the options for new UNDP country programming instruments (DP/2001/CRP.11).

256. The Executive Board approved the second CCFs for the Former Yugoslav Republic of Macedonia (DP/CCF/MCD/2) and Tajikistan (DP/CCF/TAJ/2).

257. The Executive Board approved the second extension of the first CCF for Ukraine (DP/CCF/UKR/1/Ext.II).

258. The Executive Board took note of the first extensions of the first CCFs for Algeria (DP/CCF/ALG/1/Ext.I), Lesotho (DP/CCF/LES/1/Ext.I) and Namibia (DP/CCF/NAM/1/Ext.I).

XIV. United Nations Office for Project Services

259. In introducing the annual report (DP/2001/19), the Executive Director of the United Nations Office for Project Services (UNOPS) focused on several features that distinguished 2000 from previous years. He pointed out that UNOPS had experienced the first shortfall in income owing to external factors that could have an impact on the conduct of UNOPS business in 2001. The Executive Director noted other significant developments with a much longer-lasting effect, such as: (a) the definitive breakthrough in client diversification; (b) establishment of the Business Advisory Council; (c) creation of partnerships with non-UNDP entities that are characterized by clearly defined divisions of labour and areas of accountability; (d) development of the city-to-city cooperation modality; (e) provision of advisory services in the area of UNOPS comparative advantage, i.e., project management expertise; and (f) development of a task-based approach to the rehabilitation and reconstruction work of the United Nations in countries emerging from conflict. After providing an update on UNOPS key business variables since the start of 2001, the Executive Director concluded by expressing optimism for 2001 and underscoring the dedication of UNOPS staff in both projects and offices.

260. Numerous delegations thanked the Executive Director for the report, which was described as clear, concise and comprehensive. One representative suggested that the report would benefit from greater linkage of the UNOPS contribution to development in general with the operational priorities of the United Nations system as a whole. Timely delivery of the report was a concern of several delegations. One speaker expressed pleasure that the report had been reviewed by the Management Coordination Committee (MCC). Some delegations described UNOPS as a vital, innovative, client-oriented organization that provided high-quality services. One representative pointed to the expansion of the range of services as a positive result; another urged broader geographic coverage of the service offerings. Support was also voiced for UNOPS efforts to strengthen its capacity to partner more effectively with organizations of the United Nations system and the private sector, and to diversify its client base.

261. Two representatives viewed the financial difficulties as temporary and expressed their conviction that UNOPS would be able to overcome them; one attributed the financial situation to dynamic market conditions rather than to an oversight on the part of UNOPS management. According to another delegation, it was the responsibility of the Executive Board to provide guidance to the Executive Director in managing UNOPS. Delegations made suggestions in a number of areas, including lowering the cost of services and transaction costs; continuing efforts at cost containment; improving the fee-setting mechanism; creating a single, integrated financial system to facilitate the accurate, timely collection, processing and reporting of cost data; preparing, with a number of organizations, a manual on managing rehabilitation and social stability in post-crisis countries to facilitate harmonization and coordination of activities; and submitting a timetable for the replenishment of the operational reserve to the Executive Board for discussion at its second regular session 2001. Furthermore, plans for expansion should be preceded by careful assessment and analysis and UNOPS should focus on its comparative advantage and guard against duplication of effort.

262. Delegations requested clarification or additional information on a variety of issues, e.g., the relationship between UNOPS partnership initiatives and the Global Compact of the Secretary-General; the apparent decrease in business with the Office of the United Nations High Commissioner for Human Rights (UNHCHR); the reasons for the

establishment of offices in Copenhagen, Tokyo and Washington, D.C.; and the role of UNOPS vis-à-vis the Inter-Agency Procurement Services Office (IAPSO).

263. The Executive Director thanked the delegations for their comments. In responding to their concerns and questions, he indicated that UNOPS adjusted its income rate so that benefits accruing beyond what was needed for the self-financing principle reverted back to the client community. He noted that the work of UNOPS with the Business Advisory Council would have an impact on the permanent quest of the organization to lower administrative costs; however, UNOPS would also pursue opportunities in the area of value-for-money procurement. He informed the Board of the continued productive relationship with UNHCHR. He also stated that UNOPS gave priority to working with private-sector partners who were committed to social accountability and therefore to the principles underlying the Global Compact. He also reported that UNOPS and the Global Compact Office had recently agreed to hold a joint conference in November 2001 on private-sector partnerships and their interface with the principles embodied in the Compact. He emphasized the strictly operational as opposed to representational nature of UNOPS activities and he explained that offices had been established in Tokyo and Washington, D.C. to provide liaison and support to clients located there. The office in Copenhagen would enable UNOPS to lower transaction costs for UNOPS procurement operations and be able to respond more proactively to countries that could be covered more easily from a European location. He stated that UNOPS had used the services of IAPSO for the procurement of specific items and that the relationship between the two organizations would depend on further discussions between UNDP and UNOPS. An update on the existing timetable for the replenishment of the operational reserve would be discussed at the second regular session 2001 of the Executive Board.

264. The Under-Secretary-General of the United Nations Department of Management, as a member of the MCC, addressed the Executive Board on the work of the Committee in connection with UNOPS and its annual report. He thanked the delegations for their comments, which very often focused on issues that the MCC had also handled in 2001. He stated that the role of the MCC was to advise, guide and oversee UNOPS business activity, including its planning and reporting processes, and he provided examples of ways in which the MCC had carried out those functions once the prospect of a shortfall in UNOPS income had become apparent. He observed that the annual report had greatly improved with the inclusion of additional analytical information that the MCC considered important, but he also stated that the MCC continued to urge the Executive Director to publish more definitive, expansive business-line profitability data. He indicated the MCC was very mindful of the fact that UNOPS, in its quest for additional services, should not offer services at any price simply to build volume.

265. In the ensuing discussion, one representative, speaking on behalf of her group, suggested that the Executive Board merely take note of the annual report since the remainder of the draft decision contained some elements that pertained to the review presently being carried out by the Office of Internal Oversight Services. Another representative, speaking on behalf of his region, indicated readiness to adopt the decision as it appeared in the annual report. A proposal was also made to defer consideration of DP/2001/CRP.15 on evaluation to the second regular session 2001 in view of additional information that had been obtained during the week. One delegation indicated the need for time for consultations before being able to take a decision on the second proposal. As a point of information, the President of the Board stated that neither UNDP nor UNOPS would object to postponing consideration of agenda item 14 until the second regular session 2001.

266. The Executive Board adopted the following decision:

2001/10

**Annual report of the Executive Director of the United Nations
Office for Project Services**

The Executive Board

1. *Takes note* of the report of the Executive Director of the United Nations Office for Project Services (DP/2001/19);
2. *Also takes note* of the fact that a drawdown from the operational reserve of the United Nations Office for Project Services was effected in 2000, in the amount of \$6.8 million, consisting of previously approved non-recurring expenditures of \$3.0 million and a shortfall in 2000 income of \$3.8 million;
3. *Requests* the Executive Director of the United Nations Office for Project Services to keep the parameters of the Office's financial model under close review and report on trends at the second regular session 2001 as part of the report on budget estimates for the current and future bienniums.

14 June 2001

XV. Evaluation

267. The Director of the Evaluation Office introduced the report on the evaluation of non-core funding resources (DP/2001/CRP.12) and the report on the evaluation of direct execution (DP/2001/CRP.13), noting that both evaluations were conducted by independent teams. The evaluation of non-core resources had been requested by the Executive Board in its decision 98/2 and the evaluation of direct execution had been undertaken at the initiative of the Administrator. Both evaluations addressed common elements such as the issue of national ownership and UNDP capacity for efficient service delivery. The inadequacy of UNDP business systems had resulted in high transaction costs; the evaluations, therefore, had recommended rethinking the execution systems in support of national ownership.

268. The Associate Administrator provided comments on the two evaluation reports from the viewpoint of management. He stressed that UNDP remained committed to the principle of national execution while focusing on the need to improve current practices. He observed that the current debate should be viewed as the beginning of a consultation process culminating in a full substantive discussion at the second regular session of the Executive Board in September 2001.

269. Delegations thanked the Associate Administrator and the Director for their constructive opening comments. They concurred that Executive Board members had not had time to read the report and that a full discussion should be postponed to the second regular session in September 2001. They underscored the remark by the Associate Administrator that UNDP remained committed to national execution. That commitment dispelled the concern raised in the conference room paper on the evaluation of direct execution, which appeared to recommend that the scope of the model should go beyond assisting countries in special circumstances. It was stressed that direct execution should not replace national execution. The issue of corruption raised in the paper was unacceptable to one delegation. The discussion on non-core funding raised the issue of the lack of cost-accounting with regard to cost recovery.

270. In response, UNDP concurred that the topic should be discussed in full at the second regular session of the Executive Board in September 2001.

271. The Director of the Evaluation Office underlined that, given the new environment for development aid with an emphasis on performance and effectiveness, existing systems had to adapt to strengthen national ownership. The evaluation findings called for measures to strengthen national execution, to which UNDP had a strong commitment. The direct execution model should not be interpreted as competing with national execution. The new environment in which UNDP was operating, however, necessitated refinements, including the potential expansion of direct execution beyond crisis situations. A balance should be struck between effective delivery at the upstream and downstream levels of UNDP interventions. High transaction costs were common to all existing methods of implementation. The issue of accountability for results pressed the case for increased accountability in service delivery, irrespective of modality.

272. The Executive Board took note of the executive summaries on non-core funding and direct execution and agreed to have substantive discussions during the second regular session in September 2001.

273. The Executive Board decided to take up consideration of the evaluation of non-core funding resources (DP/2001/CRP.12) and the evaluation of direct execution (DP/2001/CRP.13) at its second regular session 2001.

XVI. Other matters

Report on the outcome of the Coordinating Committee on Health

274. The Acting Chief of the Reproductive Health Branch reported to the Executive Board on the third meeting of the WHO/UNICEF/UNFPA Coordinating Committee on Health (CCH), which had taken place 19-20 April 2001. Representatives of five members of the Executive Board – Denmark, Ethiopia, Guatemala, the Russian Federation and Viet Nam – had participated. The representative of Denmark had chaired the meeting.

275. At its meeting, the CCH had noted that significant progress had been achieved in advocacy and that work was continuing in the areas of programme development, implementation, monitoring and evaluation. It recommended that future reports to the CCH from the secretariat should detail more clearly the extent to which the Committee's recommendations had been fulfilled. The CCH stressed that in the area of maternal mortality reduction more needed to be done to ensure access to care for all women. It did not, however, recommend the establishment of maternal theme groups in programme countries because the subject was already covered by other, broader, theme groups. With respect to adolescent health, the CCH stressed the need to expand the scope of current programmes and to establish a set of indicators to evaluate them. Again, it did not recommend the establishment of specific theme groups. In the area of HIV/AIDS, the CCH focused on the need to scale up interventions to prevent HIV infection in pregnant women and transmission to their children.

276. The main topic of the third meeting of the CCH was sector-wide approaches (SWApS). The Acting Chief said that SWApS were not a blueprint but a framework for managing development assistance, led by Governments, through a coordinated action plan in which donors, the Government and civil society participated. The CCH had heard from representatives of the Governments of Cambodia and Uganda who had detailed their countries' experiences with health-sector SWApS. One of the main findings was the need to avoid the multiplication of global initiatives and the importance of integrating new, more relevant strategies into existing practices.

277. The Acting Chief reported that UNFPA was strengthening its participation in SWApS in a number of countries, with the objective of ensuring that reproductive health, gender and population issues received the attention they deserved. The Fund was increasing its capacity at headquarters and building the knowledge and skills of its Representatives in the field to take up the challenge of the SWApS. She said that linkages between SWApS and other coordination mechanisms, such as the CCA, UNDAF and poverty reduction strategy papers, needed to be developed further. The Fund welcomed the recommendation of the CCH to continue to examine the implications of SWApS for the work of the three agencies.

278. SWApS would continue to be discussed at the fourth CCH meeting, scheduled to meet in Geneva in 2003, as would maternal and newborn health, violence against women and girls, and HIV/AIDS among young people.

279. One delegation said that the CCH had the potential to be a valuable forum for coordinating the work of the three organizations in the area of health. However,

at present, it was only meeting every other year. The delegation wondered whether it needed to meet more frequently in order to be more effective. It also held the view that the meetings of the CCH needed to be more goal oriented. Another delegation said that it had supported the formation of the CCH and the participation of UNFPA in it. However, after three meetings, it was beginning to wonder what the real value added was, especially given the turnover in its membership and the infrequency of its meetings. The three agencies were already cooperating in the areas common to their mandates; this needed to be sustained and reinforced, but perhaps it was time to look at the role of the CCH in fostering such collaboration.

280. The representative of UNICEF reported to the Executive Board that UNICEF and UNFPA enjoyed a close relationship both in the field and through the undg. Specific areas of joint concern included safe motherhood, prevention of the spread of HIV and, as had been discussed at the most recent CCH meeting, health-sector SWaps. The two agencies could look forward to ever-closer cooperation, both through the CCH and at the secretariat level.

281. The Director of the Technical Support Division thanked the representative of UNICEF for the supportive comments. She welcomed the comments of delegations on the role of the CCH. It was an important avenue for cooperation, but she agreed that there were many such avenues and their number seemed to be expanding. Perhaps it was time to review the CCH mechanism in terms of the periodicity of its meetings, its agenda items and the costs incurred. At this year's meeting it had been decided to review the terms of reference of the CCH at the next meeting with the three agencies and CCH members.

282. The Executive Board took note of the oral report on the outcome of the third meeting of the WHO/UNICEF/UNFPA Coordinating Committee on Health, which took place 19-20 April 2001.

Technical Cooperation among Developing Countries

283. The Associate Administrator reported that the High-level Committee on the Review of Technical Cooperation among Developing Countries (TCDC) had held its twelfth session from 29 May to 1 June 2001. He introduced the Decisions of the High-level Committee on the Review of TCDC adopted at its twelfth session, 29 May-1 June 2001 (DP/2001/CRP.14).

284. UNDP reaffirmed the importance of South-South partnerships in implementing the Millennium Development Goals and called for new tools, including new partnerships and new knowledge, for that purpose. UNDP reiterated its commitment to funding South-South cooperation activities, to assist in the formation of broad-based partnerships and to enable developing countries to pool their experiences and coordinate strategies in the delivery of services under TCDC arrangements.

285. The High-level Committee had requested the Administrator to support, as a matter of priority, efforts towards mainstreaming the use of the TCDC modality in operational activities for the development of the United Nations system; to take the necessary action to mobilize more resources for TCDC through the Voluntary Trust Fund for the Promotion of South-South Cooperation; to promote the effectiveness of

the TCDC focal-point mechanism, especially at the regional level, and at the country level through the resident coordinator system; to ensure that the separate identity of the Special Unit within UNDP is maintained; and to submit a comprehensive report to the Committee at its thirteenth session on progress made in the implementation of the Buenos Aires Plan of Action, the strategy underpinning the new directions for technical cooperation among developing countries, and the implementation of the decisions adopted by the High-level Committee at its twelfth session.

286. The Executive Board took note of the decisions of the High-level Committee on the Review of Technical Cooperation among Developing Countries (DP/2001/CRP.14) adopted at its twelfth session, 29 May-1 June 2001.

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

2001/12

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

The Executive Board

Recalls that during the annual session 2001, it:

Item 1

Organizational matters

Elected Ms. Ginette Lachance (Canada) to the Vice-Presidency of the Board to replace Mr. Grant Robertson (New Zealand);

Approved the agenda and work plan for its annual session 2001 (DP/2001/L.2 and Corr.1) as orally amended;

Approved the report of the first regular session 2001 (DP/2001/11);

Agreed to the following schedule of sessions of the Executive Board in 2001 and 2002:

Second regular session 2001:	10-14 September 2001
First regular session 2002:	28 January-8 February 2002
Annual session 2002:	17-28 June 2002 (Geneva)
Second regular session 2002:	23-27 September 2002

Agreed to the work plan for the second regular session 2001 of the Executive Board, contained in the annex to the present decision;

Held a special event on the occasion of the thirtieth anniversary of the United Nations Volunteers on 21 June 2001;

UNFPA segment

Item 2

Report of the Executive Director for 2000

Took note of the report of the Executive Director for 2000 (DP/FPA/2000/4 (Part I and Part I/Add.1, Part II, Part III and Part IV));

Item 3
Funding commitments to UNFPA

Took note of the report on the multi-year funding commitments to UNFPA (DP/FPA/2001/5);

Item 4
Information and communication strategy

Adopted decision 2001/8 of 12 June 2001 on the UNFPA information and communication strategy;

UNDP/UNFPA joint segment

Item 5
Programming process

Adopted decision 2001/11 of 22 June 2001 on the UNDP/UNFPA programming process;

Item 6
Internal audit and oversight

Took note of the reports on internal audit and oversight activities of the United Nations Development Programme (DP/2001/13), of the United Nations Population Fund (DP/FPA/2001/8) and of the United Nations Office for Project Services (DP/2001/15);

Item 7
Reports on field visits

Took note of the reports on the field visits to Honduras (DP/2001/CRP.6) and to Bosnia and Herzegovina (DP/2001/CRP.7);

Item 8
UNAIDS

Adopted decision 2001/9 of 14 June 2001 on UNFPA contributions to the United Nations strategic plan for HIV/AIDS for 2001-2005;

Decided to resume consideration of UNDP contributions to the United Nations strategic plan for HIV/AIDS (Economic and Social Council resolution 1999/36, paragraph 9) at its first regular session 2002;

UNDP segment

Item 9

Annual report of the Administrator

Took note of the annual report of the Administrator for 2000, including the results-oriented annual report for 2000 (DP/2001/14 and Add.1-3);

Item 10

United Nations Capital Development Fund

Took note of the results-oriented annual report of the United Nations Capital Development Fund (DP/2001/17) and agreed to postpone consideration of the evaluation of the impact of the Fund's programmes and projects requested in its decision 99/22 to the year 2004;

Item 11

Information technology for development

Took note of the report on the role of UNDP in information technology for development (DP/2001/CRP.8);

Item 12

Financial resources

Took note of the report on the status of regular funding commitments to UNDP and its associated funds and programmes (DP/2001/18) and the update on funding commitments (DP/2001/CRP.9);

Took note of the report on issues and principles for possible improvements in the present arrangements for programme financing (DP/2001/CRP.10);

Item 13

Programme cooperation frameworks and related matters

Took note of the report on the options for new UNDP country programming instruments (DP/2001/CRP.11);

Approved the following country cooperation frameworks:

Second country cooperation framework for the Former Yugoslav Republic of Macedonia	DP/CCF/MCD/2
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Second country cooperation framework for Tajikistan	DP/CCF/TAJ/2
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Approved the second extension of the first country cooperation framework for Ukraine (DP/CCF/UKR/1/Ext.II);

Took note of the following extensions of country cooperation frameworks:

First extension of the first country cooperation framework for Algeria	DP/CCF/ALG/1/Ext.I
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First extension of the first country cooperation framework for Lesotho	DP/CCF/LES/1/Ext.I
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First extension of the first country cooperation framework for Namibia	DP/CCF/NAM/1/Ext.I
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Item 14

United Nations Office for Project Services

Adopted decision 2001/10 of 14 June 2001 on the annual report of the UNOPS Executive Director (DP/2001/19);

Item 15

Evaluation

Decided to take up consideration of the evaluation of non-core funding resources (DP/2001/CRP.12) and the evaluation of direct execution (DP/2001/CRP.13) at its second regular session 2001;

Decided to postpone consideration of the overall relationship between UNDP and UNOPS to its second regular session 2001;

Item 16

Other matters

Took note of the oral report on the outcome of the third meeting of the WHO/UNICEF/UNFPA Coordinating Committee on Health, which took place on 19-20 April 2001;

Took note of the decisions of the High-level Committee on the Review of Technical Cooperation among Developing Countries adopted at its twelfth session, 29 May-1 June 2001.

22 June 2001

**Tentative work plan
Executive Board of UNDP/UNFPA
Second regular session 2001
(10-14 September 2001)**

<i>Day/date</i>	<i>Time</i>	<i>Item</i>	<i>Subject</i>
Monday, 10 Sept.	a.m.	1	Organizational matters <ul style="list-style-type: none"> - Adoption of report of the annual session 2001 - Streamlining of documentation - List of items for 2002
		2	UNDP: Financial, budgetary and administrative matters <ul style="list-style-type: none"> - Annual review of the financial situation - Biennial budget estimates for 2002-2003 - Report of the Advisory Committee on Administrative and Budgetary Questions on biennial budget estimates for 2002-2003
Tuesday, 11 Sept.	p.m.	2	UNDP: Financial, budgetary and administrative matters (continued)
	a.m.	4	UNDP: Multi-year funding framework <ul style="list-style-type: none"> - Updated resources allocation (dec.99/23 and 99/12) and revised integrated resources framework
		8	UNFPA: Financial, budgetary and administrative matters <ul style="list-style-type: none"> - Biennial support budget for 2002-2003 - Annual financial review 2000 - Report of the Advisory Committee on Administrative and Budgetary Questions on the UNFPA estimates for the biennial support budget for 2002-2003
	p.m.	8	UNFPA: Financial, budgetary and administrative matters (continued)
Wednesday, 12 Sept.	a.m.	6	UNOPS: Financial, budgetary and administrative matters <ul style="list-style-type: none"> - Budget estimates for 2002-2003 - Report of the Advisory Committee on Administrative and Budgetary Questions on budget estimates for 2002-2003 - Annual review of the financial situation
		6	UNOPS: Financial, budgetary and administrative matters (continued) <ul style="list-style-type: none"> - Report on the implementation of recommendations of the evaluation of the relationship between UNDP and UNOPS
		4	UNDP: Evaluation <ul style="list-style-type: none"> - Annual report of the Administrator on evaluation - Evaluation of non-core funding resources and direct execution
	p.m.	6	UNOPS: Financial, budgetary and administrative matters (continued)
Thursday, 13 Sept.	a.m.	4	UNDP: Evaluation (continued)
	p.m.	5	UNDP: Country programmes and related matters
Friday, 14 Sept.	a.m.	7	UNFPA: Country programmes and related matters
		9	Other matters
			Pending decisions
		1	Organizational matters