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Programme and of the
United Nations Population Fund**

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Annual report of the Executive Director

Annual report of the Administrator

Joint report of UNDP and UNFPA on the recommendations of the Joint Inspection Unit in 2007

Summary

In line with General Assembly resolution 59/267, the present report provides a synopsis of management comments on the recommendations of the Joint Inspection Unit (JIU). In 2007, JIU issued 10 reports. These comprised five organization-specific reports and five having cross-organizational impact. In line with the wishes of the Executive Board and the current United Nations emphasis on simplification and harmonization, the present report was prepared jointly by UNDP and UNFPA. It provides UNDP and UNFPA management responses to key recommendations of the JIU reports of specific relevance to those organizations.

Elements of a decision

The Executive Board may wish to take note of the present report, particularly those aspects of the JIU reports that have particular relevance to the work of UNDP and UNFPA.



I. Overview of JIU reports issued in 2007

1. Of the 10 reports issued by the Joint Inspection Unit in 2007 (see list of reports, annex 1), five are specific to organizations other than UNDP and UNFPA; hence those recommendations are not reviewed in the present report. Of the five reports remaining, the report on liaison offices in the United Nations system (JIU/REP/2007/10) was relevant only to UNDP.
2. The five JIU reports that have direct relevance to UNDP and/or UNFPA included an analysis of the trends in voluntary funding and its impact on programme delivery and resource mobilization strategies (JIU/REP/2007/1); an assessment of staff medical coverage (JIU/REP/2007/2); and an examination of the age structure of staff across the United Nations system organizations (JIU/REP/2007/4) and liaison offices in the United Nations system (JIU/REP/2007/10). While neither UNDP nor UNFPA was among the organizations surveyed by JIU in preparation for the report on knowledge management in the United Nations system (JIU/REP/2007/6), comments have been provided based on their experience in that area.

II. Synopsis and review of relevant JIU reports and recommendations

3. The present chapter reviews the key recommendations of the five relevant reports issued by the JIU in 2007.

A. Voluntary contributions in United Nations system organizations: impact on programme delivery and resource mobilization strategies (JIU/REP/2007/1)

4. This report analyses recent trends in voluntary funding in United Nations system organizations; determines the impact of those trends on programme delivery; recommends measures to alleviate negative impact; and identifies best practices.
5. The report makes seven recommendations, five of which (71 per cent) UNDP and UNFPA have accepted, and which either have been or are being implemented. For instance, UNFPA continues to develop flexible funding modalities such as thematic funding and pooled funding. UNDP has enhanced its cost-recovery policy for activities funded through non-core resources (decision 2007/18).
6. Neither UNDP nor UNFPA supported the recommendation to establish an inter-governmental working group to develop proposals for a voluntary indicative scale of contributions for core resources, based on the model adopted by the United Nations Environment Programme. While recognizing that the recommendation has some merit, UNFPA believes that its fund-raising approaches are very solid and the introduction of an indicative scale would not add value. UNDP cautioned against a 'one size fits all' approach to securing adequate, predictable core resource levels, and reiterated the need to recognize ongoing discussion at the country level with regard to the coherence of the overall governance and funding structures of the United

Nations development system. On the recommendation to develop a corporate resource mobilization strategy for consideration and approval by the legislative body, UNFPA has had a resource mobilization strategy in place since 2006, key elements of which are contained in the UNFPA strategic plan, 2008-2011. UNDP has had experience with its second multi-year funding framework (MYFF, 2004-2007). For the 2004-2007 period, UNFPA raised more core and non-core resources than had been envisaged in the MYFF, 2004-2007.

B. United Nations system staff medical coverage (JIU/REP/2007/2)

7. This report provides an overview of United Nations system staff medical coverage, and suggests ways of dealing with the emerging challenges to be faced by its health insurance schemes. These challenges result from the soaring cost of medical coverage and the need to guarantee adequate medical coverage to staff and retirees and their dependants in the context of “zero budget growth” practices adopted by the United Nations system. The report makes seven recommendations, three of which are not relevant to UNDP and UNFPA. The other four will be considered by the Executive Board.

8. Both UNDP and UNFPA agree that staff health insurance should be considered an integral part of the common system, and that the scope of coverage, conditions of eligibility and medical benefits should be harmonized across the United Nations system.

9. UNDP and UNFPA welcome the recommendation to request the International Civil Service Commission to undertake periodic reviews with a view to making recommendations to the General Assembly.

10. On the recommendation to harmonize the existing health insurance schemes, initially at the level of the duty station and, in the longer term, across the common system, UNFPA is already harmonized with UNDP with regard to health insurance for locally-recruited staff. At headquarters, UNDP and UNFPA participate in the larger United Nations health plan, under which staff are given a range of options. The current ‘cafeteria’ approach (offering a choice of health-care providers) works best for individual participants, since health-care providers vary in their reach and coverage, and in the level of service they provide.

11. UNDP and UNFPA welcome proposals for periodic actuarial studies to determine the extent of accrued after-service health insurance (ASHI) liabilities and their disclosure in the financial statements. Since the 2000-2001 biennium, UNDP has made accounting accruals of \$54 million per biennium. It has disclosed its accrued ASHI liabilities (based on actuarial studies conducted jointly with United Nations Secretariat) in its audited financial statements. UNFPA has started funding the ASHI liability by imposing a 4 per cent charge on payroll, which is consistent with the recommendation of the report. For prior-year liabilities, UNFPA has set aside funds from its carryover balance. This is consistent with the recommendation that organizations should utilize the “unspent balance of any appropriations from the regular budget”. So far, UNFPA has funded \$22 million through its carryover balance. UNDP and UNFPA note the

recommendation that the General Assembly explore the establishment of a common fund to pool ASHI resources, which can then be invested in a manner similar to the assets of the United Nations Joint Staff Pension Fund.

12. UNFPA will continue to work with other organizations, through the mechanism of the Chief Executives Board human resources network, on issues of staff well-being (which includes medical coverage).

C. Age structure of human resources in the organizations of the United Nations system (JIU/REP/2007/4)

13. This report examines the age structure of the staff across the United Nations system organizations, to assess the overall dimensions of the ageing of staff, its impact on human resources management policies – including succession planning – and its financial implications.

14. The report makes eight recommendations. Seven of them (88 per cent) have been accepted, and one is considered not relevant to UNFPA. This is the same situation as that of UNDP.

15. Three of the accepted recommendations are being implemented, and the remaining four will be taken into consideration in a succession planning framework to be finalized in 2008. That framework will lead to the development of recruitment, career development and retention strategies that will ensure that UNFPA can attract and retain a high-quality, diverse workforce. UNDP, through its talent management programme, aims to place talented individuals into the right opportunities at an appropriate pace over the span of their careers. UNDP has several programmes in place to encourage an influx of young professionals. These include the Management Training Programme – followed by its successor, the Leadership Development Programme – and the Junior Professional Officers programme.

16. To reduce the risks associated with prolonged vacancies, staffing trends are reviewed regularly by senior management and actions are monitored to manage vacancies proactively and effectively. In anticipation of vacancies due to retirement, UNFPA has established rosters of pre-screened candidates for key positions such as representatives, deputy representatives and operations managers. Creation of a number of entry-level professional positions for motivated, skilled young people will support the mission of the restructured UNFPA.

17. When considering candidates for all posts, the new UNFPA personnel policy emphasizes competency, proficiency and other qualifications (such as education) over years of experience. Competency-based recruitment and selection result in a better match between the qualifications and competencies of the candidate and the requirements of the post. UNDP provides its staff with the opportunities and resources for career advancement through its learning management system and its staff professionalization programme.

D. Knowledge management in the United Nations system (JIU/REP/2007/6)

18. This evaluation examines how the Secretariat, funds and programmes share knowledge, within and among themselves, both generally and in the context of the Millennium Development Goals. Unfortunately, neither UNDP nor UNFPA was among the organizations surveyed by JIU for the purpose of this report, though both organizations have experience and have made significant progress in this area in recent years. The report makes five recommendations, three of which have been accepted, while the other two were directed to the Chief Executives Board.

19. UNDP has benefited from its experience in establishing a corporate “knowledge-management roadmap” and a policy support unit to promote knowledge-management policies and practices across its core practice areas, including the implementation of “communities of practice” through its practice networks, connecting UNDP staff and experiences globally, and encouraging knowledge-sharing among United Nations organizations. UNFPA has a major focus on knowledge-sharing and management, and has done ground-breaking work in that area. Of particular note is the methodology and system of knowledge assets developed for capturing and sharing distilled experiential knowledge gained, including lessons learned, from UNFPA-supported programmes and their evaluations. UNFPA has also developed an online institutional document repository – DocuShare – to provide all staff with easy access to UNFPA substantive reports, operational documents and publications. Another notable achievement is the establishment of a knowledge-sharing competency as part of the UNFPA staff performance appraisal and development system.

E. Liaison offices in the United Nations system (JIU/REP/2007/10)

20. This report examines the roles of liaison offices in the United Nations system and suggests criteria and benchmarks for assessing their effectiveness. The report makes eight generic recommendations, which UNDP supports. The report is not relevant to UNFPA.

21. Several of the recommendations are already in place in the UNDP liaison offices, including: optimizing skill-sets of staff; providing opportunities for staff learning; and the optimal use of modern technologies to share knowledge and foster cohesion.

III. Status of UNDP and UNFPA implementation of JIU recommendations in 2005-2006

22. In accordance with General Assembly resolution A/60/748 requesting the JIU to enhance dialogue with participating organizations and thereby strengthen the follow-up of the implementation of its recommendations, the JIU requested UNDP and UNFPA to provide information on the follow-up to recommendations issued in 2005 and 2006. Annexes 2 and 3 list 15 JIU reports issued during the period 2005-2006, 10 of which were relevant to UNFPA and 11 to UNDP.

23. Of the 105 recommendations issued by JIU in 2005-2006, 29 were directed specifically to funds and programmes, and were hence relevant to UNDP and/or UNFPA. Of those relevant to and accepted by UNDP and UNFPA, all have either been implemented or are being pursued. The remaining recommendations, which are specifically directed at the General Assembly, the Secretary-General or the legislative bodies, are taken up by the appropriate entities.

Annex 1. Reports issued by the Joint Inspection Unit in 2007

Report symbol	Name of report	Number of recommendations	Relevant to UNDP or UNFPA
JIU/REP/2007/1	Voluntary contributions in United Nations system organizations. Impact on programme delivery and resource mobilization strategies	7	Yes
JIU/REP/2007/2	United Nations system staff medical coverage	7	Yes
JIU/REP/2007/3	Review of the Working Capital Fund in the World Meteorological Organization (WMO)	6	No
JIU/REP/2007/4	Age structure of human resources in the organizations of the United Nations system	7	Yes
JIU/REP/2007/5	Review of management and administration in the International Civil Aviation Organization (ICAO)	14	No
JIU/REP/2007/6	Knowledge management in the United Nations system	5	Yes (see note 1)
JIU/REP/2007/7	Review of management and administration in the International Maritime Organization (IMO)	11	No
JIU/REP/2007/8	Funding and staffing of the Office of the United Nations High Commissioner for Human Rights	8	No
JIU/REP/2007/9	Review of the national competitive recruitment examination as a recruitment tool	9	No
JIU/REP/2007/10	Liaison offices in the United Nations system	8	Yes (see note 2)

Note 1: UNDP and UNFPA were not included in the organizations surveyed by JIU.

Note 2: Relevant to UNDP only.

Annex 2. Reports issued by the Joint Inspection Unit in 2006

Report symbol	Name of report	Relevant to UNDP/UNFPA
JIU/REP/2006/1	Evaluation of results-based budgeting in peacekeeping operations	
JIU/REP/2006/2	Oversight lacunae in the United Nations system	Yes
JIU/REP/2006/3	Follow-up to the management review of the Office of the United Nations High Commissioner for Human Rights	
JIU/REP/2006/4	A second review of implementation of headquarters agreements concluded by United Nations system organizations: provision of headquarters premises and other facilities by host countries	Yes
JIU/REP/2006/5	Towards a United Nations humanitarian assistance programme for disaster response and reduction: lessons learned from the Indian Ocean tsunami disaster.	Yes
JIU/REP/2006/6	Results-based management in the United Nations in the context of the reform process	Yes
JIU/REP/2006/7	Staff mobility in the United Nations	Yes

Annex 3. Reports issued by the Joint Inspection Unit in 2005

Report symbol	Name of report	Relevant to UNDP/UNFPA
JIU/REP/2005/1	Review of management and administration at the World Intellectual Property Organization (WIPO): budget, oversight and related issues	No
JIU/REP/2005/2	Some measures to improve overall performance of the United Nations system at the country level. Part I: a short history of United Nations reform in development	Yes
JIU/REP/2005/3	Policies of United Nations system organizations towards the use of open-source software in the secretariats	Yes
JIU/REP/2005/4	A common payroll for United Nations system organizations	Yes
JIU/REP/2005/5	Review of the Management, Administration and Activities of the Secretariat of the United Nations Convention to Combat Desertification (UNCCD)	Yes (to UNDP only)
JIU/REP/2005/6	External review of the implementation of strategic budgeting within a results-based management framework in the International Labor Organization (ILO)	No
JIU/REP/2005/7	Policies of United Nations system organizations towards the use of open-source software for development	Yes
JIU/REP/2005/8	Further measures to strengthen United Nations system support to the New Partnership for Africa's Development (NEPAD)	Yes
JIU/REP/2005/9	Common services in Vienna: buildings management	No