



**Executive Board of the  
United Nations Development  
Programme, the United Nations  
Population Fund and the United  
Nations Office for Project Services**

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**Organizational matters**

**Report of the second regular session 2018  
(4 to 7 September 2018, New York)**

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## I. Organizational matters

1. The second regular session 2018 of the Executive Board of UNDP, UNFPA and UNOPS was held at United Nations Headquarters in New York in from 4 to 7 September 2018.
2. The Executive Board approved the agenda and workplan for its second regular session 2018 ([DP/2018/L.3](#)), and approved the report of the annual session 2018 ([DP/2018/17](#)). The Board approved the draft annual workplan for 2019 (DP/2018/CRP.2) and approved the tentative workplan for the first regular session 2019.
3. Decisions adopted by the Executive Board at the second regular session 2018 appeared in document DP/2019/2.
4. The Executive Board agreed in decision 2018/23 to the following schedule for future sessions of the Executive Board in 2019:

|                         |                       |
|-------------------------|-----------------------|
| First regular session:  | 21 to 25 January 2019 |
| Annual session:         | 3 to 7 June 2019      |
| Second regular session: | 3 to 6 September 2019 |

## UNDP segment

### *Statement by the Administrator*

5. In his address to the Board (available on the [Executive Board website](#)), the Administrator of UNDP stated that the United Nations development system and UNDP were at a critical juncture of deep reform. The Strategic Plan, 2018-2021, had set the momentum for the transformation of UNDP into the most forward-looking, widely networked development organization that delivered twenty-first century solutions to complex development challenges. UNDP had begun to evolve from a classic development agency into a cutting-edge provider of development advice able to connect countries to global knowledge resources and networks.
6. UNDP was applying its six signature solutions at country level, and by 2021 would set up country platforms in some 50 countries. It had redesigned its expertise into the Global Policy Network and a cadre of Sustainable Development Goals experts. The new UNDP Innovation Facility had invested in some 140 groundbreaking experiments across 85 countries since 2014, and it had launched its Country Investment Facility in March 2018. In September 2018, UNDP launched Sustainable Development Goals Impact, a start-up aimed at increasing private investment to achieve the Goals. And through Project Catalyst, UNDP was working with a small team of experts dedicated to generating insights into development trends and solutions. In 2018, UNDP had reached collaboration and partnership agreements with other United Nations organizations, while remaining committed to promoting South-South cooperation, including its hosting of the United Nations Office for South-South Cooperation.
7. UNDP had taken significant steps to improve its business model and had become more effective, efficient and results-oriented. Progress was visible in its prudent financial management, review of management services, a people-centred human resources approach, improvement and expansion of shared business and procurement services, fifty-fifty gender parity at the Assistant Secretary-General level, and prioritization of zero tolerance on sexual harassment and sexual exploitation and abuse. The Administrator underscored that while regular (core) resources had seen an increase for the first time since 2013, a number of donors had signalled uncertainty about future contributions in light of reform requirements. He appealed to Board members to urgently address the dangerous imbalance between core and other (non-core) resources, while underlining the need for greater predictability and flexibility. He noted that UNDP had linked its integrated results and resources framework to its portfolio of programmes
8. Since the adoption of General Assembly resolution 72/279 of 31 May 2018 on the repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review of operational activities for development of the United Nations system, UNDP had deployed significant resources to support the Secretary-General's transition team, and had set up a full-time team to facilitate the transfer of

129 resident coordinator positions and hundreds of resident coordinator offices staff and Development Operations Coordination Office staff to future contractual arrangements. UNDP would double its contribution to the UNSDG cost-sharing mechanism and continue to provide operational support on a fee-for service basis for the transitional period.

9. Across the Board, delegations welcomed progress against the Strategic Plan, 2018-2021, strengthening of the business model and the Administrator's strong leadership during reform. They welcomed new initiatives, especially the Global Policy Network, the cadre of Sustainable Development Goals experts and the new gender equality strategy, 2018-2021 ([DP/2018/21](#)). They expressed strong support for the UNDP leadership role and impact as a driver of innovation for the Goals and the 2030 Agenda, especially in thought leadership, data collection and mobilizing financing at country level, including through the funding compact.

10. Several delegations looked forward to seeing the results of UNDP prevention work in humanitarian-development transitions, and underscored the UNDP role in addressing the interconnectedness of peace, security and sustainable development, spelled out in General Assembly resolution 71/243 of 21 December 2016 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. They stressed the importance of the rule of law, human rights, good governance and civil society participation, as well as accountability and transparency, and expected thorough reporting on those issues.

11. Delegations underscored the important UNDP role in repositioning the United Nations development system. They welcomed the UNDP commitment to doubling its cost-sharing contributions, while recognizing the financial implications and larger reform challenges on the organization. They commended its collaboration with the Secretary-General's transition team on delinking the resident coordinator function from UNDP, and looked forward to updates. They stressed that the repositioning exercise should not adversely affect UNDP delivery on the ground. Emphasizing the important UNDP role as operational backbone provider for the United Nations development system, they called on UNDP to take into consideration the recommendations of the evaluation of UNDP inter-agency operational services ([DP/2018/25](#)). Many delegations shared the view that reform provided UNDP the opportunity to strengthen its position as a development leader, and requested it to provide details on implementation of its new integrator role and specific comparative advantages in the context of the repositioning exercise.

12. Delegations attached great importance to UNDP work in support of national efforts and capacity-building for development and achievement of the Goals, in accordance with national priorities. The 2030 Agenda required an integrated approach to sustainable development and collective action with the overarching goal of eradicating poverty in all forms and dimensions. UNDP had a key role to play in implementing the 2030 Agenda through its development-focused mandate. They underscored that General Assembly resolution 72/279 was aligned with the 2016 quadrennial review and specified that the primary focus of the resident coordinator system was development and poverty eradication in all its forms and dimensions, and its primary purpose was to effectively coordinate implementation of the United Nations Development Assistance Framework (UNDAF) under national ownership, leadership and priorities.

13. A group of delegations from the least developed countries (LDCs) requested that UNDP further align its programmatic focus and skillsets in LDCs with priority areas set out in the Istanbul Programme of Action, focused on poverty eradication, and support LDCs in their underserved Goals to ensure achievement of the 2030 Agenda. The group called on UNDP to avoid disruption in programme delivery and United Nations system coordination in LDCs during reform transition. They welcomed the Strategic Plan's structural-transformation-of-economies approach to eradicate poverty and sustain economic development in LDCs, and called for close coordination among United Nations development system organization towards that end, including through their executive boards.

14. On the budget, delegations welcomed the overall increase in contributions in 2017, including revenues from the private sector, foundations and civil society. However, they expressed deep concern with the continued imbalance between core and non-core resources, and stressed the need for robust, predictable, multi-year core resources for UNDP to fulfil its mandate and maintain its multilateral, intergovernmental nature. Many delegations urged donors to adhere to their commitments and countries in a position to do so to step up contributions to regular resources. They called on UNDP to continue to explore incentives and innovative

mechanisms to broaden its donor base, including with the private sector, civil society, international financial institutions and bilateral/multilateral banks. They underscored the importance of maximizing cost savings and efficiency gains, and ensuring full cost recovery in line with Board decisions.

15. A group of delegations expressed concern that inadequate funding could adversely affect small-island developing States (SIDS), multi-country offices and middle-income countries, and called for a comprehensive solution for concerned subregions. They underscored the need for objective criteria, fair methodology and accurate, verifiable data, using multi-dimensional measures of poverty, when determining resource allocations and UNDP country-level presence, without recourse to conditionalities or assigned focus areas. They cautioned against pressures on programme countries to take on added costs, including through a revised cost-sharing agreement for the resident coordinator system. Another LDC group underscored the importance of adhering to financing guidelines set out in the Addis Ababa Action Agenda.

16. Another group of delegations stressed the importance of preserving the ‘common but differentiated responsibility’ principle for North and South cooperation. Reiterating the importance of meeting official development assistance commitments, the group emphasized that domestic resource mobilization had to be viewed as additional to, and not a replacement for, adequate quantity and quality of funding. Furthermore, the group stressed that Member States should, as per the technical note on funding of the revamped resident coordinator system, exclude the 1 per cent levy on South-South cooperation and local government contributions and refrain from overestimating efficiency gains as a source of funding. They reiterated that South-South cooperation was not a substitute for but a complement to North-South cooperation.

17. In response, the Administrator reemphasized the centrality of the 2016 quadrennial review and the overarching goal of poverty eradication, in all its dimensions, in the Strategic Plan and the UNDP commitment to South-South cooperation and the SIDS Accelerated Modalities of Action Pathway. He affirmed that UNDP was committed to minimum disruption in delivery as a result of United Nations reform, while underlining the reform’s unprecedented intensity. He stressed that it was not the role of UNDP to secure funding for the resident coordinator system but rather to support the Deputy Secretary-General in implementing transition. UNDP was nevertheless determined to capitalize on the reform and its delinking from the resident coordinator system to become a stronger and more effective and efficient organization, while continuing to provide backbone services to the broader system. He stated that funding UNDP and the United Nations development system had to be discussed within broader international development financing discussions, while drawing attention to how negative incentives prompted individual United Nations organizations to focus on raising funds for their own operations rather than for the United Nations development system which led to continued interagency competition and fragmentation. UNDP was committed to pursuing innovative approaches to financing, such as the Lion’s Share initiative. He highlighted that in delivery and turnover UNDP was in high demand, with regular annual increases in overall funding, but cautioned that expanding demand for UNDP services could not be sustained at current levels of core funding or cost savings.

## **II. UNDP structured funding dialogue**

18. The Director, Bureau of External Relations and Advocacy and the Director, Bureau for Management Services introduced the annual review of the financial situation ([DP/2018/19](#) and [Add.1](#)) and the report on the status of regular resources funding commitments to UNDP and its funds and programmes for 2018 and onwards ([DP/2018/20](#)).

19. Board members expressed strong support for the ongoing structured funding dialogue and review of the financial situation, and commended UNDP for its engagement with delegations. A group of delegations highlighted that the imbalance between core and non-core resources constituted the organization’s most difficult challenge. They called on UNDP to include in future reports suggestions on how it would address the core/non-core imbalance and manage exchange rate volatility. They reiterated their request for UNDP to submit a proposal on how it would format the structured funding dialogue, as requested in decision 2018/5. They requested that in future UNDP should: (a) provide a clear vision of the principles and goals of the structured funding dialogue; (b) use the dialogue as a tool that facilitated Board oversight of the strategic plans of UNDP and other United Nations organizations; (c) establish a process and annual cycle for the dialogue to create more interactive discussion; (d) improve financial reporting to include information on financial needs, gaps and

predications, degree of alignment of financial resources to the Strategic Plan budget, and details on which tasks should be funded through core or flexible resources; and (e) explain its variety of funding sources and explore how to improve the quality of earmarked contributions. They welcomed the UNDP commitment to transparency, through the International Aid Transparency Network, and its new transparency tool, especially use of digital tools. They encouraged UNDP to work with United Nations organizations in developing the structured funding dialogue format.

20. Other delegations welcomed the revised funding dialogue agenda, which better aligned the UNDP and UNFPA funding dialogues; they encouraged UNDP to work with United Nations organizations and include in future revisions cross-cutting funding issues as well as funding/reporting on common chapter implementation. They stressed that the funding dialogue should reflect and build on broader discussions on funding related to the repositioning of the United Nations development system and the funding compact. They called for a significantly strengthened linkage between the Strategic Plan and funding dialogue to better demonstrate Strategic Plan funding needs. They welcomed the UNDP focus on innovation, new ways of implementing the 2030 Agenda and integral cross-sectoral approaches to achieving the Sustainable Development Goals.

21. In response, the Director, Bureau of External Relations and Advocacy reiterated the UNDP commitment to working with other United Nations organizations and linking the structured funding dialogue to the broader funding compact. She highlighted the challenge UNDP faced to meet the target of 30 per cent core funding, established in the funding compact. At 12 per cent core, UNDP could not drop any further without jeopardizing its capacity to deliver. UNDP would provide the Board with concrete proposals on linking funding to development results in the Strategic Plan ahead of future funding dialogues, and concrete proposals to address the core/non-core imbalance. It would explore cross-cutting funding in areas such as the humanitarian-development nexus, conflict prevention and resilience-building. UNDP remained committed to a balanced budget, strengthened efficiency, assuming its United Nations reform responsibilities and exploring innovative approaches to funding and delivery.

22. The Director, Bureau for Management Services drew attention to the diverse UNDP core funding base, from traditional donors and programme countries. UNDP funding and resource mobilization were moving in tandem with the funding compact and discussions around United Nations reform. On surplus funds, she highlighted that the ‘surplus’ derived from multiyear funding UNDP received, via organizations such as the Green Climate Fund and Global Environment Facility, which was not fungible but appeared in UNDP annual financial statements and referred to received funds for programmes in subsequent years. Cumulatively, those funds reached into billions of United States dollars and reflected multi-year non-core project funding. To harbour them from exchange rate fluctuations and maintain their value, UNDP had one of the largest treasury service functions among United Nations organizations. UNDP managed those funds through conservative investments, allowing it to hedge against uncertainty. It was a surplus UNDP could not use to offset core resources. She stressed that pressures on UNDP demanded a stronger core resources base.

23. The Deputy Director, Bureau for Management Services noted that the UNDP treasury function provided services to other United Nations organizations using a conservative investment policy that was independently vetted, benefited from a strong checks and balances system, and actively kept pace with market investment dynamics. The surplus funds in UNDP accounts were immediately converted to United States dollars and were highly earmarked and non-fungible, as per Board regulations. UNDP did however earn interest on the invested surplus funds, and hedged the surplus funds to protect them from exchange rate fluctuations, which helped offset the core/non-core imbalance.

24. The Board adopted decision 2018/16 on the UNDP structured funding dialogue.

### III. Gender in UNDP

25. The Director, Bureau for Policy and Programme Support, UNDP, introduced the UNDP gender equality strategy, 2018-2021 ([DP/2018/21](#)).

26. A cross-regional group of Board members welcomed the new strategy and commended UNDP for its commitment to gender equality throughout its work. They recognized that UNDP had done comparatively well in advancing gender equality and women’s empowerment under its previous gender equality strategy, 2014-

2017. Noting progress had been stronger in some countries and thematic areas, they nevertheless affirmed that the policy framework, gender team capacities and institutional means provided a solid foundation on which to build, and should serve as a minimum standard going forward. Overall, it implied an even more ambitious way forward. The group stressed that women and girls were overrepresented among those left behind and UNDP should increasingly prioritize and measure its results based on how it improved the prospects and conditions for women and girls ‘the farthest behind’, including those facing multiple, intersecting forms of discrimination and those in crisis settings, and ensure it engaged men and boys as agents of change

27. The same group welcomed the new strategy’s compliance with the United Nations System-wide Action Plan on Gender Equality and the Empowerment of Women and continued work with gender equality seals and gender markers. While recognizing that gender-specific indicators in each signature solution had improved the UNDP integrated results and resources framework, 2018-2021, they stated that as a guide to implementation the gender equality strategy could benefit from more detailed links to the UNDP work streams.

28. They stated that the new strategy was not as detailed on institutional commitments and resources for implementation as the previous one, and expected UNDP to specify those commitments and build appropriate capacity across the organization as implementation proceeded. They underscored the importance of maintaining leadership and accountability and incentivizing innovation.

29. They welcomed that UNDP would continue to issue a progress report on the gender equality strategy as a complement to the annual report.

30. They highlighted that there was overwhelming evidence that gender equality was not only fair but benefited all levels of society with positive impact on economic growth, health, education and sustained peace. The gender equality strategy, 2018-2021, allowed UNDP to continue to be a champion for gender equality through targeted action.

31. One delegation specified that, while fully supporting the new UNDP gender equality strategy and work to empower women, it did not support or endorse the inclusion of the terms ‘sexual and reproductive health services’ and ‘sexual and reproductive health’. The delegation stressed that its country did not, as consistent with the International Conference on Population and Development, recognize abortion as a method for family planning. The delegation nevertheless underscored its continued strong moral and financial commitment to women’s health, preventing child deaths and improving maternal health worldwide.

32. In response, Director, Bureau for Policy and Programme Support affirmed that UNDP would step up its promotion of gender equality in crisis situations. He stressed that gender equality was at the heart of UNDP work and streamlined in all its signature solutions. He reiterated the organization’s institutional commitment to gender equality in all areas, including at country, regional and global levels.

33. The Executive Board took note of the UNDP gender equality strategy, 2018-2021.

#### **IV. UNDP country programmes and related matters**

34. UNDP introduced nine country programmes for Board approval, as well as the extensions of three country programmes. The regional directors for Africa, the Arab States, and Asia and the Pacific presented the country programmes for: Benin, Bhutan, Equatorial Guinea, Lesotho, Libya, Namibia, the Philippines, Senegal and South Sudan, as well as the first one-year extensions of the country programmes for Cuba and Mexico and the second one-year extension of the country programme for Liberia.

35. The Executive Board reviewed and approved, in accordance with decision 2014/7, the country programme documents for Benin ([DP/DCP/BEN/3](#)), Bhutan ([DP/DCP/BTN/2](#)), Equatorial Guinea ([DP/DCP/GNQ/3](#)), Lesotho ([DP/DCP/LSO/3](#)), Libya ([DP/DCP/LBY/3](#)), Namibia ([DP/DCP/NAM/3](#)), the Philippines ([DP/DCP/PHL/3](#)), Senegal ([DP/DCP/SEN/3](#)) and South Sudan ([DP/DCP/SSD/3](#)).

36. The Board also approved the second one-year extension of the country programme for Liberia from 1 January to 31 December 2019 and took note of the first one-year extensions of the country programmes for Cuba and Mexico from 1 January to 31 December 2019 ([DP/2018/22](#) and [Corr.1](#)).



## V. Evaluation

37. The Director, Independent Evaluation Office (IEO), UNDP, introduced the evaluation of UNDP inter-agency pooled financing services ([DP/2018/23](#)) and the evaluation of UNDP inter-agency operational services ([DP/2018/25](#)). The Director, Bureau for Management Services, UNDP, provided the management response to the evaluation of UNDP inter-agency operational services ([DP/2018/26](#)) and the Executive Director, United Nations Multi-Partner Trust Fund (MPTF) Office, provided the management response to the evaluation of UNDP inter-agency pooled financing services ([DP/2018/24](#)).

38. A cross-regional group of delegations welcomed the two evaluations' timeliness. They underscored that attracting contributions to inter-agency pooled funding depended on the effectiveness of programmes using them. They commended the MPTF Office for its strong fund design, transparency and administration, while noting the need to review existing United Nations Development Group (UNDG) guidelines to reflect evolving demands for financial results reporting. The group expressed support for developing clear UNDG guidance for programme quality, planning, implementation, and ensuring accountability and risk management. They welcomed the document UNDP would present to UNDG on approaches to strengthening quality and design of the results framework in the United Nations pooled funding context, but sought clarity on its development. They stressed that integrated approaches would only materialize when the principle of mutual recognition of business practices was translated into action throughout the United Nations development system. They expressed support for expanding the role of the MPTF Office as fund manager, especially to harvest lessons learned and plan/report on results. They welcomed the office's initiative to improve results reporting through its online portal and proposal to enhance its financial narrative reporting framework for system-level results, for discussion in UNDG. The group agreed with the recommendation to establish a multi-stakeholder steering committee for the MPTF Office to exchange ideas and lessons learned, but expressed concern about diverting attention of headquarters staff at a time of constrained resources.

39. The same group welcomed insights from the evaluation of UNDP inter-agency operational services, and recognized that UNDP was already undertaking action to improve its business model. They highlighted that UNDP had the largest geographic footprint of operational services among United Nations organizations and would remain important as United Nations development system repositioning unfolded and the resident coordinator system delinked from UNDP. In line with the evaluation's recommendations, they called on UNDP to clearly outline how it could best serve the United Nations development system.

40. The Director, IEO, welcomed delegations' comments and the high-quality management response, including specific timelines. He noted that some points on the timeline could take longer to implement as the process of United Nations repositioning moved forward.

41. The Director, Bureau for Management Services, UNDP, underscored that the evaluation of UNDP inter-agency operational services was extremely useful and timely, and reaffirmed the UNDP commitment to implementing the evaluation's recommendations. UNDP would report regularly to the Board on its changes and innovations to become more effective and efficient, in line with larger United Nations reform efforts.

42. The Executive Director, MPTF Office, responding to delegations' concerns, explained that the evaluation recommendation to establish a multi-stakeholder steering committee aimed to create a forum for better information exchange, dialogue and strategic discussion, while avoiding any additional burden to headquarters staff.

43. The Executive Board adopted decision 2018/17 on UNDP evaluation.

### UNFPA segment

#### *Statement by the Executive Director*

44. In her statement (available on [Papersmart](#)), the Executive Director drew attention to the twenty-fifth anniversary of the International Conference on Population and Development (ICPD) and the fiftieth anniversary of UNFPA in 2019: a time to assess progress and recommit. That included the Fund's role in repositioning the United Nations development system to deliver on the 2030 Agenda for Sustainable

Development. In accordance with its Strategic Plan, 2018-2021 and ICPD mandate, UNFPA was committed to the three transformative results of ending: (a) unmet needs for family planning; (b) preventable maternal deaths; and (c) gender-based violence and all harmful practices against women and girls. An integral element of that approach was ‘ending invisibility’ through high-quality population data. She highlighted UNFPA work in crisis countries and role in bridging the humanitarian-development continuum, its joint work for persons living with HIV/AIDS and disabilities, and engagement with youth, as per the Secretary-General’s youth strategy.

45. The Executive Director reiterated the Fund’s commitment to United Nations reform, and to working with United Nations development system organizations. UNFPA was co-leading the Sustainable Development Goals Strategic Financing Results Group to help countries shift to financing for transformative results. That included creating a knowledge and research hub on financing the Goals, building staff financial literacy, developing principles of engagement and setting United Nations financial data standards for reporting. UNFPA would help to develop country-presence modalities for a new generation of country teams, and co-lead joint efforts to support national statistical capacities.

46. On the revised integrated budget, 2018-2021, UNFPA was implementing its change management processes and setting up its new architecture for a more robust, coherent corporate approach to intergovernmental and inter-agency processes. The Fund had established a branch for that purpose within its revamped Policy and Strategy Division, and placed the Executive Board Branch within the Office of the Executive Director. The Fund was redeploying resources from headquarters to countries and regions to ensure proximity of technical support where most needed. UNFPA was implementing new architecture for humanitarian affairs, including a UNFPA humanitarian office in Geneva. The Executive Director made an appeal for continued Member States support for the Fund’s work in humanitarian settings.

47. UNFPA had seen an increase in regular (core) and co-financing resources in 2017 to over \$1 billion, an increase of 27 per cent from 2016. Ensuring predictable core funding nevertheless remained a challenge. The Executive Director appealed to Member States to step up contributions to regular resources, and noted that 44 programme countries had contributed to regular resources in 2018. UNFPA was focused on gaining high-quality co-financing, in tandem with efforts to build stronger partnerships with non-traditional donors and the United Nations system. She reiterated the Fund’s commitment to zero tolerance on sexual exploitation and abuse and on sexual harassment. It would continue to build capacities in that area, and had appointed a dedicated coordinator focused on rolling out a comprehensive strategy to prevent and respond to sexual misconduct, revise the harassment policy, introduce pre-employment screening, and review contract agreements with implementing partners to strengthen zero tolerance. To support the objective of securing adequate levels of sustainable funding for the Strategic Plan, the Executive Director announced that Egypt and Sweden had accepted to become UNFPA co-champions on structured funding dialogues, and thanked them for taking up this important role.

48. Board members reiterated their strong support for the Fund’s ICPD mandate and sexual and reproductive health and reproductive rights work in development and crisis settings, including its fight against gender-based violence. They expressed appreciation for its engagement with the Board in efforts to make UNFPA fit for purpose to deliver on the Goals and the 2030 Agenda. They were pleased with the Fund’s strong commitment to United Nations reform and to playing a central role in revamping the resident coordinator system, and noted with appreciation that over 70 per cent of UNFPA country offices used common premises and services. They encouraged the Fund to share its best practices in that area across the United Nations system.

49. A group of delegations sought clarity on how United Nations reform would affect funding to regions and subregions, and encouraged the Fund in restructuring to focus on national capacity building to implement programmes at country level, actively supporting countries to achieve sexual and reproductive health and reproductive rights and the 2030 Agenda, in line with national sovereignty and ownership. They underscored the importance of thematic synergies, focused on multidimensional aspects of poverty. They welcomed the budget provisions to fund the resident coordinator system and the Fund’s engagement to build a new UNDAF design, but stressed that the 1 per cent levy to fund the resident coordinator system should not come from programme country Governments or South-South and triangular cooperation. They underscored that UNFPA repositioning of its multilateral affairs approach should benefit programme countries and country programmes,



with the Board playing an advisory role. Other delegations stated that any review of the ICPD should focus on implementation, not on mandates and policies. They urged UNFPA to adhere to its mandate and distance itself from controversial issues not agreed on by Member States. One delegation discouraged UNFPA involvement in coerced abortions and involuntary sterilizations.

50. Board members welcomed UNFPA resource mobilization achievements in 2017 and encouraged it to continue to pursue innovative partnerships to mobilize additional funding, including through the private sector. They expected that reported funding increases would be matched by greater impact at country level and clearer results-to-resources links in the budget. They expressed concern regarding the continued decrease in regular resources, and urged UNFPA to address the negative trend through the revised budget, especially to benefit the least developed countries. There were calls for UNFPA to partner with programme countries for greater burden sharing. Delegations underscored the importance of predictable, multi-year, adequate core funding for UNFPA to fulfil its ICPD and 2030 Agenda mandate. They sought clarity as to whether the 15 per cent resource allocation to joint activities covered UNFPA activities on the ground, and whether it included financial support for common back offices and contributions to the common country assessment. They stressed that UNFPA allocate savings resulting from the revised budget to country programmes, with the balance between institutional and programme budgets in favour of programming. They stated that the structured funding dialogue should be viewed within wider United Nations reform.

51. Board members expressed strong support for UNFPA work with youth and combatting sexual exploitation and abuse through a zero-tolerance policy, including in humanitarian settings. They urged the Fund to continue to mobilize funding for humanitarian assistance to ensure access to sexual and reproductive health and reproductive rights and family planning in crisis settings. The UNFPA and United Nations development system humanitarian approach should focus on prevention and capacity-building, addressing foremost the needs of the most vulnerable. They welcomed and encouraged greater focus on disaster risk reduction and the Sendai Framework for Disaster Risk Reduction within the Strategic Plan, 2018-2021. Strong support was expressed for universal health coverage and deepening discussions on population issues, including for ageing societies. Some delegations emphasized the need for more concrete, quantifiable indicators and statistics on population and sexual and reproductive health and reproductive rights in UNFPA results and resources frameworks. They recognized UNFPA work with Member States to develop a more results-oriented system, focused on comparative advantages, and stressed the importance of accountability and transparency.

52. In response, the Executive Director stressed that human dignity was the key element in the cycle of life and within the Fund's strategy for sexual and reproductive health and reproductive rights. The purpose of the 2019 ICPD review was to assess progress and challenges to date – not to reopen the ICPD mandate for discussion. As such, the Fund was reinvigorating its focus on ageing and gender biases in reproductive health, and on Sendai Framework principles, especially protection of women and girls in humanitarian settings. UNFPA was leading efforts to ensure the skills set of future resident coordinators reflected sexual and reproductive health and reproductive rights principles, and committed to accountability and transparency. The purpose of the change management exercise was to bolster the Fund's ability and leadership to deliver on the Goals and forge a coherent, fit-for-purpose approach that allowed it to respond quickly to situations at country and regional levels. UNFPA was working to ensure United Nations reform and other change processes did not affect programme delivery, while it focused on broad-based delivery through its partnerships, including the private sector. UNFPA placed a high premium on intergovernmental processes and transparent engagement with Member States, and would continue to meet with Board members through regular informal consultations.

53. The Deputy Executive Director (Management) reiterated that UNFPA shared 70 per cent of its back office services with other United Nations organizations at country level. The Fund was a pioneer in common services: a backbone of its business model and a driver of efficiency and effectiveness. UNFPA was an active member of the United Nations Big Operations Group to see how best to implement the reform process. UNFPA was running its own common services pilot in Southern Africa, combining business operations from a number of small countries to free up resources for programming. The Fund was co-chairing the UNDAF redesign team, a centrepiece of reform, focused on enhancing the common country assessment.

54. The Deputy Executive Director (Programme) stated that the 2019 ICPD review would assess achievements since 1994, identify gaps (and the reasons for them) and renew commitments to the ICPD.

Different regional conferences would take place in anticipation of the ICPD review exercise, the results of which would appear in regional ICPD reports to be issued at the 2019 ICPD international conference.

55. The Director, Communications and Strategic Partnerships highlighted that the purpose of the Fund's funding compact was to secure adequate funding for the Strategic Plan, 2018-2021, which was fully aligned with the United Nations system-wide funding compact. The structured funding dialogue was between UNFPA and Board members, at the exclusion of none, to rally behind the Fund's agenda. UNFPA would not use programme resources to cover the 1 per cent levy for the revamped resident coordinator system.

56. The Director, Division of Management Services stated that UNFPA and the other United Nations development system organizations were exploring the most efficient, effective cost-recovery rate and methodology across the system, relating them to management costs, which had fluctuated owing to economies of scale. The organizations were focused as well on achieving a harmonized cost-recovery methodology and cost-recovery rates.

## **VI. UNFPA structured funding dialogue**

57. The UNFPA Deputy Executive Director (Programme) introduced the report on contributions by Member States and others to UNFPA and revenue projections for 2018 and future years ([DP/FPA/2018/10](#), addendum and annexes). He thanked the delegations of Egypt and Sweden for accepting the role of co-champions of the structured funding dialogue, and highlighted their role in rallying a broader group of committed partners around realizing the UNFPA funding compact and operationalizing the funding architecture.

58. The Director, Communications and Strategic Partnerships Division contextualized the Fund's proposal on how to enhance the structured funding dialogue through a UNFPA funding compact, building on 2017 funding analysis and 2018 perspectives. He presented how UNFPA was realigning its funding architecture around the three transformational results, with strong advocacy for core resources, complemented by thematic funding through trust funds, flexible funding against country programmes and strategic United Nations pooled or joint funds.

59. Board members welcomed the Fund's structured funding dialogue and appreciated its close engagement with Member States to strengthen its funding architecture to deliver against the Strategic Plan, 2018-2021. They welcomed the proposed UNFPA funding compact as part of broader United Nations reforms, and appreciated its clear goals and processes for engagement with Board members and partners. They stated that through its efforts in the structured funding dialogue, UNFPA was leading by example and encouraged it to continue to align the structured funding dialogue with the broader United Nations funding compact and dialogue. In that regard, there was a proposal to change the name of the UNFPA funding compact so as not to confuse it with the broader United Nations funding compact proposed under General Assembly resolution 72/279.

60. Delegations requested information and analysis showing how the proposals emerging from the funding dialogue were in line with strategic plan objectives so that the Board could carry out its oversight and guidance. They sought details on the type and quality of resources, and specifics (at outcome and output levels) on which results would best be served through core resources, and others that required more flexible, lightly earmarked non-core resources. Delegations asked whether certain outcomes/outputs might benefit from one-on-one discussions with individual donors, and encouraged UNFPA to engage with Member States that provided limited core funding and with non-State actors for more flexible resources. They expected the funding dialogue to help UNFPA attract predictable, multi-year core funding and urged that reform efforts be undertaken in accordance with programme country needs, guided by the Board, with additional funds allocated to country programmes.

61. Delegations stressed that the UNFPA repositioning exercise should be viewed within the wider United Nations reform, without prejudice to that reform. They underscored the importance of coordinating with United Nations development organizations as part of the system-wide funding compact, and commended the Fund's inclusion in the proposed budget of its share of the contribution to the resident coordinator system, including the 1 per cent levy. They welcomed the concept of 'mutual commitments' but suggested to provide more

UNFPA-specific targets for its own commitments, and requested details on lessons learned through the funding dialogue and how they could be shared across the United Nations development system.

62. In response, the Director, Communications and Strategic Partnerships Division assured delegations that UNFPA was engaged with United Nations organizations on the wider reform agenda, and undertaking the structured funding dialogue within that context. The Fund had set up an internal cross-divisional task force to improve reporting and gap analysis to attract quality funding. Core resources remained crucial for stability and success, and national ownership was the bedrock of UNFPA programming. UNFPA would channel additional resources generated through funding changes into programming. A critical mass of core resources was needed in the four strategic outcomes because each spoke to the Fund's normative role as ICPD champion and advocate. Additional non-core resources served to address those outcomes' non-normative aspects. A principle reason for the decline in core funding was exchange rate fluctuations, while some activities were best served through other funding modalities such as joint or trust funds. UNFPA was pursuing innovative funding approaches with international/regional banks and public-private financing; it sought funding for the sole purpose of achieving the Strategic Plan objectives, not to mobilize resources indiscriminately. The Fund shared a mutual commitment with Member States to achieve those outcomes, for which core and non-core resources were necessary to address the ICPD mandate and Member States concerns.

63. The Deputy Executive Director (Programme) reiterated that UNFPA had developed a forward-looking funding proposal, in consultation with Board members and in a spirit of mutual commitment, to transform the structured funding dialogue into a UNFPA 'funding compact' with Member States, aligned with the system-wide United Nations funding compact and broader reform agenda. He stressed the Fund's commitment to the repositioning of the United Nations development system and engagement in the Secretary-General's transition team.

64. The Executive Board adopted decision 2018/18 on the UNFPA structured funding dialogue.

## VII. UNFPA integrated budget, 2018-2021

65. The Deputy Executive Director (Management) introduced the item and the Chief, Resource Planning and Budgeting Branch, UNFPA gave a detailed presentation on the UNFPA integrated budget, 2018-2021 revision ([DP/FPA/2018/8](#) and [Corr.1](#) and annexes), in which she recapped the budget revision timeline and discussed the reserve for field accommodation, the report of the Advisory Committee on Administrative and Budgetary Questions on the UNFPA revised integrated budget, 2018-2021 ([DP/FPA/2018/9](#)), the integrated resource plan and next steps.

66. Board members welcomed the consultative process followed with Member States in revising the integrated budget, 2018-2021. They stressed that United Nations reform should not slow down UNFPA delivery on the ground in programme countries. In that regard, they sought clarification on the implications of the 1 per cent levy to fund the revamped resident coordinator system for UNFPA work on the ground, and expected cuts in the institutional budget to positively impact country-level delivery. They sought clarification on the distribution of resources between headquarters and the field.

67. One group commended UNFPA efforts to become more efficient and undertake the comprehensive resources review, and looked forward to learning more about results from the change management process, especially its ability to deliver in accordance with the Strategic Plan, 2018-2021, and enhance its normative role. They stressed that changes to the organizational structure should build on analysis of how to achieve the Strategic Plan efficiently and effectively. They requested UNFPA to include information in final reporting on financial needs, gaps and projections, including alignment of financial resources to budgeting for the strategic plan. They welcomed the UNFPA analysis of the implications of United Nations development system reform, and looked forward to information on its implementation and financial implications, including the effects of doubling the UNFPA share to the resident coordinator system. They reiterated strong support for the Strategic Plan, 2018-2021 and its mainstreaming of gender equality and women's empowerment throughout implementation, and appreciated the continued country focus and prioritization of those most in need.

68. In response, the Chief, Resource Planning and Budgeting Branch stated that UNFPA was addressing budget gaps through a cross-functional perspective to better determine links between results and resources.

While the Strategic Plan remained the overarching organizational guide, the Fund adapted delivery priorities to meet country programme needs, which affected the results-to-resources links locally. Funding for the revamped resident coordinator system would come from: (a) doubling UNFPA contributions; (b) the 1 per cent levy; and (c) voluntary contributions. The United Nations Secretariat would manage how those funds were used for the resident coordinator system. She clarified that the reference in the Advisory Committee on Administrative and Budgetary Questions report to country-level and headquarters staff positions related to the number of International Professional positions was limited to the institutional budget and did not reflect UNFPA total resources.

69. The Deputy Executive Director (Management) stated that UNFPA sought to provide a comprehensive view of its resources to ensure they were aligned with the Strategic Plan, 2018-2021, the Sustainable Development Goals and United Nations reform. Discussions on the integrated budget and comprehensive resources review had likewise helped UNFPA to better focus its indicators and theory of change, making the budget stronger. The change management process focused on four organizational and efficiency outputs, in addition to corporate culture and mind-set change, all of which were making UNFPA more results-focused, agile, innovative and value-minded. That included business model changes to align process, people and structures to the Strategic Plan.

70. The Executive Board adopted decision 2018/19 on the revised UNFPA integrated budget, 2018-2021.

## **VIII. Country programmes and related matters**

71. The UNFPA Deputy Executive Director (Programme) introduced the item and provided an overview of 14 country programmes presented for Board approval, as well as five country programme extensions. In turn, the respective UNFPA regional directors presented the country programmes for the Arab States, Asia and the Pacific, East and Southern Africa, and West and Central Africa. They included Benin, Bhutan, Burundi, Ecuador, Equatorial Guinea, Lesotho, Libya, Malawi, Namibia, Nicaragua, Philippines, Senegal, South Sudan and Togo, as well as the first one-year extensions of the country programmes for Comoros, the Republic of the Congo and Mexico, and the second one-year extensions of the country programmes for the Democratic Republic of the Congo and Liberia.

72. The Executive Board reviewed and approved, in accordance with its decision 2014/7, the country programmes documents for: Benin ([DP/FPA/CPD/BEN/9](#)); Bhutan ([DP/FPA/CPD/BTN/7](#)); Burundi ([DP/FPA/CPD/BDI/8](#)); Ecuador ([DP/FPA/CPD/ECU/7](#)); Equatorial Guinea ([DP/FPA/CPD/GNQ/7](#)); Lesotho ([DP/FPA/CPD/LSO/7](#)); Libya ([DP/FPA/CPD/LBY/1](#)); Malawi ([DP/FPA/CPD/MWI/8](#)); Namibia ([DP/FPA/CPD/NAM/6](#)); Nicaragua ([DP/FPA/CPD/NIC/9](#)); Philippines ([DP/FPA/CPD/PHL/8](#)); Senegal ([DP/FPA/CPD/SEN/8](#)); South Sudan ([DP/FPA/CPD/SSD/3](#)); and Togo ([DP/FPA/CPD/TGO/7](#)).

73. The Board took note of the first one-year extensions of the country programmes for Comoros, the Republic of the Congo and Mexico, and approved the second one-year extensions of the country programme for the Democratic Republic of the Congo and Liberia ([DP/FPA/2018/11](#)).

## **UNOPS segment**

### **IX. Statement by the Executive Director**

74. In her statement, the Executive Director, UNOPS affirmed that UNOPS was committed to United Nations reform, pursuing greater cost savings and efficiency, and contributing to the funding model for the revamped resident coordinator system. UNOPS was at an all-time record high for delivery, while its average fees had dropped and its new 2016 enterprise resource planning system had reduced system and transaction costs. Its shared service model allowed it to intervene ‘anytime, anywhere’ in a manner that optimized value for money, as recorded in its sustainability reports aligned with the Global Reporting Initiative. The bulk of UNOPS activities would not be affected by the 1 per cent levy for the resident coordinator system, nor would partners cover the related increased costs. It was crucial, however, that as a non-resident agency, it remained an integral member of United Nations country teams.

75. The Executive Director highlighted that initial results confirmed that 60 per cent of new leadership hires in 2018 were women, while targeted outreach had prompted a 20 per cent rise in applications from women, and in September 2018 UNOPS had launched a new gender mainstreaming strategy and action plan. UNOPS was working with several national partners to design infrastructure planning, delivery and management practices in line with global best practices, which had significant value for LDCs and SIDS. Social impact investing continued to be a top UNOPS initiative, with a major renewable energy project in Mexico having just been signed (a ground-breaking initiative where the entire equity portion of the investment was funded from UNOPS own balance sheet), and others potentially to follow in Africa, Asia, Latin America and the Caribbean.

76. Procurement continued to be a major driver of UNOPS delivery, exceeding \$1 billion in 2017, more than half of which went to local suppliers, creating local jobs and local economic activity. UNOPS would continue to develop its means to measure, inspect and manage suppliers to ensure they adhered to the highest standards of integrity. She invited Board members to review the annual statistical report on the procurement activities of the United Nations system, 2017 ([DP/OPS/2018/5](#)) for detailed information on system-wide trends. She drew attention to the UNOPS response to the Joint Inspection Unit (JIU) review of management and administration in the United Nations Office for Project Services ([DP/OPS/2018/6](#)), which recognized the value of the UNOPS business model and benchmarking against international standards, and underscored its high degree of transparency.

77. Board members welcomed the annual statistical report on the procurement activities of the United Nations system for 2017 and stressed the role of joint procurement in driving efficiency and effectiveness as part of reform. They encouraged UNOPS to build on lessons learned with the private sector, ensure more user-friendly procurement services, and include in future reports details on sustainability in procurement. UNOPS role in humanitarian and challenging settings was important, as was its close work with other United Nations organizations. They stressed the importance of transparency in procurement activities and objective, non-discriminatory awarding of contracts.

78. Delegations welcomed the UNOPS response to the JIU review and moves to strengthen the ethics framework, and highlighted that the Audit Advisory Committee had a mandate to advise the Board and improve oversight. One delegation suggested that the Board consider taking up discussions on operational reserves to determine if the UNOPS risk profile had changed. They welcomed UNOPS commitment to implementing United Nations reform and expected it to contribute to meeting targets to harmonize back office functions for country teams by 2022. They called for improvements on how the Board dealt with individual organization's JIU reports, and suggested the Board assign it a separate agenda item in future. Delegations were pleased with UNOPS constructive approach to private sector engagement, in particular news about investment in Mexico, and ideas on how the United Nations development system could better use innovation.

79. A group of Board members welcomed UNOPS continued work in sustainable project management, infrastructure construction, procurement, ability to build production capacity, especially in SIDS, and swift response to operational challenges. They encouraged UNOPS to continue to strengthen its niche areas in sustainability and expand work in LDCs, SIDS and middle-income countries. Given its added value, they called on UNOPS to continue to provide services to partners and United Nations organizations. They welcomed UNOPS funding reserves, called on it to invest in developing countries and requested details on its investment priorities. UNOPS should continue to ensure its financial health remained at the highest levels while catering to programme country needs and Delivering as One. They called on UNOPS to ensure its delivery aligned with national ownership and priorities.

80. Delegations welcomed increased procurement from developing countries, especially LDCs and those in transition, and expected procurement increases to support local economies and generate transparent, efficient local systems. They requested more disaggregated data to specify procurement opportunities in programme countries and more emphasis on supplier engagement to enhance capacity to deliver sustainable products. There was a call for greater analysis of efficiencies of separate procurement schemes, increased collaborative procurement among United Nations organizations, and sharper division of labour between UNOPS and United Nations organizations based on comparative advantages. UNOPS could make better use of its multi-country hub structures and increase its role in system-wide shared service centres and back offices. They sought



clarification on whether UNOPS would pay the resident coordinator system 1 per cent levy for services it provided to United Nations organizations.

81. In response, the Executive Director stressed that UNOPS main role in reform was to offer effective, cost-efficient solutions to all partners and beneficiaries. Because procurement was key to reform, it was necessary to reform procurement throughout the United Nations system. UNOPS reporting on procurement on behalf of the system was based on transparency in order to identify gaps and challenges in pursuit of sustainability. It was committed to effective and efficient division of labour with other United Nations organizations, built on comparative advantages, while collaborating closely with the private sector. As noted in the JIU report, risk management was key and UNOPS would report to the Board on all JIU and the Audit Advisory Committee recommendations.

82. The Executive Board adopted decision 2018/20 on the United Nations Office for Project Services.

## **Joint segment**

### **X. Follow-up to the Programme Coordinating Board Meeting of the Joint United Nations Programme on HIV/AIDS**

83. The Director, Bureau for Policy and Programme Support, UNDP, and the Deputy Executive Director (Programme), UNFPA, gave a joint presentation on the report on the implementation of the decisions and recommendations of the Programme Coordinating Board (PCB) of the Joint United Nations Programme on HIV/AIDS (UNAIDS) ([DP/2018/27-DP/FPA/2018/12](#)).

84. A group of delegations recognized the important UNDP and UNFPA contributions to UNAIDS, and progress achieved against the Sustainable Development Goal target of ending the AIDS epidemic as a public health threat by 2030, while noting it had been uneven. Progress had been especially insufficient on HIV prevention, key to reaching the 2030 target. They welcomed the report's focus on adolescent girls and young women, and stressed the need to increase access to sexual and reproductive health and reproductive rights services and education and to tackle broader drivers of infection, including violence against women and girls and gender inequalities. The group encouraged UNFPA to take a lead role in integrating HIV into sexual and reproductive health and reproductive rights services globally, including reaching adolescent girls, supporting increased condom distribution and promoting double protection. They welcomed discussion on the new funding allocation model and unified results and accountability framework at the June 2018 PCB meeting, but requested clarity on how cosponsors were using funds and how they could better demonstrate progress against targets (especially in fast-track countries), including through improved reporting and accountability at future PCB meetings. Welcoming work in humanitarian settings, the group encouraged UNFPA to continue to provide sexual and reproductive health and reproductive rights services in humanitarian settings. They fully supported the conclusion at the forty-first PCB meeting that more was needed to address discrimination and stigma. They welcomed the focus on better integration of efforts to address HIV and tuberculosis.

85. Another group welcomed the revised UNAIDS operating model, especially its focus on country-level joint work and improved governance, and the revised UNAIDS division of labour, aligned with the Goals and the 2016 Political Declaration on Ending AIDS. They expressed concern at slow progress in reducing new infections, especially among adolescents and key populations. They stressed the importance of comprehensive sexuality education, sexual and reproductive health and reproductive rights, dedicated efforts to reach key populations, broad focus on women and girls, and engaging men and boys. They underscored the importance of respect for human rights in prevention efforts, and urged UNDP and UNFPA to continue to integrate a human rights perspective in the HIV response. Both groups noted the PCB establishment of an independent expert panel to review sexual exploitation, abuse and harassment in the UNAIDS secretariat and expected its application to the broader United Nations system.

86. In response, the Director, New York Office, UNAIDS, commended UNDP and UNFPA for their contributions in the fight address HIV/AIDS on complex, challenging development issues and on human rights, gender and key populations. Progress however was varied, fragile and reversible across regions, countries and populations. The most updated numbers indicated an HIV prevention crisis, characterized by stubbornly high



infection rates coupled with inadequate prevention services. UNDP and UNFPA had a crucial role to play in scaling up services to key populations. He welcomed cosponsors' collective engagement in implementing the new UNAIDS operating model, and stressed the need to focus on joint, integrated planning and action at country level. He pointed out that the below-target funding level risked jeopardizing progress, and called on all partners, including Board Members, to step up contributions to UNDP and UNFPA AIDS-related work.

87. The Director, Bureau for Policy and Programme Support, UNDP, reiterated the UNDP commitment to work with other members of the Global HIV Prevention Coalition to scale up collective efforts focused on prevention and sexual exploitation and abuse. In line with its Strategic Plan, UNDP was invested in addressing HIV, as illustrated by its multisectoral partnerships for sustainable development, leveraging power and commitment to amplify the impact of funding in the fight against the pandemic.

88. The Deputy Executive Director (Programme), UNFPA, stressed that prevention was the most cost-effective, efficient approach to fighting HIV, noting UNFPA was fully engaged in technical assistance to programme countries, including for monitoring and reporting. UNFPA had integrated HIV into its sexual and reproductive health and reproductive rights work, specifically in meeting unmet family planning needs and reaching women and girls. Beyond procurement, UNFPA worked to improve supply chain functions in countries in collaboration with government and civil society. UNFPA was closely engaged with the private sector, particularly on access to condoms, in efforts to accelerate HIV prevention.

89. The Executive Board took note of the report on the implementation of the decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS.

## **XI. Financial, budgetary and administrative matters**

### *Joint report on cost recovery*

90. The Deputy Executive Director (Management), UNFPA, and the Director, Bureau for Management Services, UNDP, presented the joint report on cost recovery ([DP/FPA-ICEF-UNW/2018/1](#)) and updated the Board on the UNDP and UNFPA evidence-based proposals for a harmonized cost-recovery policy.

91. A group of Board members welcomed the organizations' efforts to harmonize their cost-recovery policies, recognizing them as frontrunners within the United Nations development system. They stressed that full cost recovery remained the guiding principle governing financing of non-programme costs. After considering different options and organizational mandates, structures and business models, they concluded that the existing harmonized cost-recovery framework was the most feasible to ensure the overarching principles of participating United Nations organizations and reduce risks for their financial setup. They proposed that the organizations take concrete steps to: (a) further harmonize current cost classification categories to provide a clearer, more transparent, standardized framework; (b) close loopholes, reduce the number of waivers granted, and ensure transparent, standardized criteria for the granting of waivers; and (c) maintain existing recovery rates and explore the full spectrum of differentiated rates which provided incentives for favourable funding modalities and discouraged less favourable modalities.

92. One delegation stated it was premature to revise the cost-recovery policy and called on the organizations to conduct further joint analysis of classification of expenditures, given recent changes to the organizations' business models. They underscored the need for beneficiaries and donors to adhere to full cost recovery as endorsed by the Board, timely in light of the 1 per cent levy to finance the resident coordinator system.

93. The Director, Bureau for Management Services, UNDP, underscored the importance of cost recovery for UNDP and affirmed it would continue its work with the other organizations to harmonize cost categories and classifications, noting all had different business models. UNDP followed a stringent policy in granting waivers, including to representatives of Member States at country level; she appealed to delegations to ensure their country missions, which used development cooperation funds, were aware of the Board's instructions to UNDP on 'no waivers'.

94. The Deputy Executive Director (Management), UNFPA, likewise stressed that UNFPA was equally stringent in granting waivers, which were minimal, and echoed the appeal for Member States to inform their

country missions of the Board's instructions on 'no waivers'. UNFPA would continue to report on cost recovery transparently.

95. The Executive Board adopted decision 2018/21 on the joint report on cost recovery.

*Report on UNDP, UNFPA and UNOPS joint procurement activities*

96. The Director, Bureau for Management Services, UNDP, the Director, Office of Sourcing and Operations, UNDP, the Chief, Procurement Services Branch, UNFPA, and the Global Director, Procurement Group, UNOPS, presented the report of UNDP, UNFPA and UNOPS on joint procurement activities ([DP-FPA-OPS/2018/1](#)) and outlined the key findings and outcomes of their common procurement work conducted in 2017; they also detailed the initiatives currently underway in 2018, as part of efforts begun in 2011 to identify common procurement initiatives among the organizations and pursue more efficient processes, stronger procurement practices and lower costs.

97. There were no interventions from Board members on this report.

98. The Executive Board took note of the report on UNDP, UNFPA and UNOPS joint procurement activities.

## **XII. Working methods of the Executive Board**

99. On behalf of UNDP, UNFPA and UNOPS, the Chief, Executive Board Branch, UNFPA, highlighted the joint efforts of the Executive Boards of UNDP/UNFPA/UNOPS, the United Nations Children's Fund (UNICEF) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) to improve their working methods in response to requests by Member States in the preceding years. He drew attention in particular to the 'convergence of views' reached by Member States at the Joint Meeting of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and UN-Women on 1 June 2018 which covered five areas: the work of the Bureau; sessions; participation; field visits; and joint meetings of the Executive Boards.

100. There were no interventions from Board members on this item.

101. The Executive Board adopted decision 2018/22 on the working methods of the Executive Board.

## **XIII. Field visits**

102. The rapporteur presented the report of the joint field visit of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and the World Food Programme (WFP) to Uganda (DP/FPA/OPS-ICEF-UNW-WFP/2018/CRP.1), which took place from 29 April to 3 May June 2018, followed by a short film on the joint field visit.

103. The rapporteur presented the report of the Executive Board field visit to Haiti (DP/FPA/OPS/2018/CRP.1), which took place from 24 to 29 June 2018, followed by a short film on the field visit.

104. In both presentations, the rapporteurs provided the highlights of the two visits and the lessons learned, and underscored the importance of the field visits to the Board members' understanding of the United Nations funds, programmes and specialized agencies work at country level, a key aspect of Board oversight.

105. There were no interventions from Board members on this item.

106. The Executive Board took note of the report on the joint UNDP/UNFPA/UNOPS, UNICEF, UN-Women, WFP field visit to Nepal (DP/FPA/OPS-ICEF-UNW-WFP/2018/CRP.1).

107. The Executive Board took note of the report of the Executive Board field visit to Haiti (DP/FPA/OPS/2018/CRP.1)

## XIV. Other matters

*Address by the Chairperson of the UNDP/UNFPA/UNOPS and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) Staff Council*

108. In his statement to the Board, the Chairperson, UNDP/UNFPA/UNOPS/UN-Women Staff Council highlighted the strong working relationships and collaboration the Staff Council had with the management of the UNDP, UNFPA and UNOPS. Similarly, he underscored the Staff Council's close working relationship with the United Nations Secretary-General in efforts to drive United Nations reform. He reiterated the Staff Council's long-standing request to the Board to convene regular consultations with staff as an integral part of corporate decision-making. He stressed the critical importance of United Nations staff, both international and national, in supporting countries in achieving the Sustainable Development Goals and the 2030 Agenda, and appealed for better synergy between the interests of the different United Nations organizations and those of their staff. Ongoing structural changes, undertaken since 2008, had had significant impact on staff. He recognized the open door policy the Staff Council enjoyed with the Executive Office of the UNDP Administrator and highlighted the need for human resources reform to retain talent, including renewed contractual modalities with merit-based career promotions, an effective staff assessment performance tool and a stronger managerial culture. He recalled that General Assembly resolution 63/250 of 24 December 2008 on human resources management called for contractual arrangements and harmonization of conditions of service aimed at providing greater stability and predictability to staff members through three types of appointments (temporary, fixed-term and continuing). The Chairperson called for full implementation of the resolution, and greater efforts to guarantee a culture of accountability within the organizations.

109. In response, the Director, Bureau for Management Services, UNDP, commended the Chairperson for his long service to UNDP and the Staff Council and underscored the good working relationships UNDP had with the Staff Council and measures each was taking to address staff concerns. She highlighted the commitment of the UNDP Administrator to staff-related concerns since assuming office in 2017 and in response United Nations reform's impact on staff. UNDP was in the process of renewing its human resources function, with the appointment of a new Director, Office for Human Resources, a signal to modernize and professionalize human resources and talent management, focused on young talent, women and diversity. UNDP and the other organizations were in the midst of significant change and open to suggestions on how to better manage a skills culture and talent management going forward.

110. The General Counsel and Director, Legal Group, UNOPS, expressed appreciation to the Chairperson for his service and the Staff Council for its commitment to staff and all personnel. He underscored that the Staff Council had been involved in all change management, gender parity strategy and grievance management discussions, and in reintroducing a staff contract to cover personnel working in the field. Despite differences, UNOPS and the Staff Council had a strong working relationship.

111. The Deputy Director, Division for Human Resources, UNFPA, likewise commended the Chairperson for his service and commitment, and underscored the strong working relationship between the Staff Council and UNFPA. He echoed the Chairperson's assertion about the centrality of staff in delivering the Fund's mandate, though he stated that realignments were at times necessary. UNFPA offered staff career, promotional and leadership opportunities, actively sought to retain staff and assisted staff at times of separation.

112. There were no interventions from Board members on this item.

113. The Executive Board took note of the statement by the Chairperson of the UNDP/UNFPA/UNOPS/UN-Women Staff Council.