United Nations DP/FPA/2014/9



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

Distr.: General 15 May 2014

Original: English

Annual session 2014

23 to 27 June 2014, Geneva Item 12 of the provisional agenda

UNFPA – financial, budgetary and administrative matters

UNITED NATIONS POPULATION FUND

REVISION OF UNFPA FINANCIAL REGULATIONS AND RULES

Report of the Executive Director

Summary

UNFPA is pleased to submit herewith the proposed revisions to the financial regulations and rules to become effective July 1, 2014. The Executive Board will also have at its disposal the complete revised version 10 of the financial regulations and rules which will be uploaded on the UNFPA website. This document incorporates the proposed changes where the type of change has been reflected within the document as applicable in accordance with the table below. This revision to the financial regulations and rules like the previous revision made in 2011 reflects continued harmonization with UNDP and UNICEF and covers the following changes:

Type of change	Regulations	Rules	Totals
Accounting practice	6	7	13
Business practice	7	8	15
Executive Board decision	14	10	24
Terminology update	24	31	55
TOTAL	51	56	107

In addition to a robust internal review by UNFPA management, all of the proposed revisions above have been thoroughly reviewed and discussed with the UNFPA Legal Office and UNFPA Office of Audit and Investigation Services (OAIS); the Board of Auditors, the Audit Advisory Committee of UNFPA and the United Nations Office of Legal Affairs. The proposed revisions provide detailed justifications for each of the proposed changes. The Executive Board will also have at its disposal the report of the Advisory Committee on Administration and Budgetary Questions (ACABQ) on the proposed revisions to the UNFPA financial regulations and rules (DP/FPA/2014/13).

The Executive Board may wish to take note of the present report, approve the revisions to the UNFPA financial regulations and take note of the changes to the financial rules contained therein, both to become effective July 1, 2014.





<u>Revision of the UNFPA financial regulations and rules – Version 10</u>

Article I and II – Applicability and Chapter B definitions

Section	Current	Proposed revision	Justification for change
Regulation	These Regulations shall become	These <u>r</u> Regulations shall come into	Version 10 of the financial regulations and
1.3.	effective on 1 January 2012.	effect on 1 January July 2012 2014;	rules (FRRs) will be effective 1 July 2014.
Rule 101.1	These Rules shall come into effect	These <u>r</u> Rules shall come into effect	Version 10 of the FRRs will be effective 1
d)	on 1 January 2012;	on 1 January <u>July</u> 2012 <u>2014</u> ;	July 2014.
Regulation	"UNDP" shall mean the United	"UNDP" shall mean the United	General Assembly is already defined in
2.1.b.	Nations Development Programme	Nations Development Programme	regulation 2.1.d.
	established by resolution 2029(XX)	established by resolution 2029(XX)	
	of the United Nations General	of the United Nations General	
	Assembly.	Assembly.	
Regulation	"UNOPS" shall mean the United	"UNOPS" shall mean the United	General Assembly is already defined in
2.1.c.	Nations Office for Project Services	Nations Office for Project Services	regulation 2.1.d.
	established by decision 48/501	established by decision 48/501 of	
	[A/INF/48/8/Add.5] by the United	the United Nations General	
	Nations General Assembly.	Assembly.	
Regulation	"Government" shall mean the	"Government" shall mean the	This section now better aligns with the UNDP
2.1.j	Government of a State Member of	Government of a Member SS tate	definition.
	the United Nations or of a	Member of the United Nations, orof	
	Specialized Agency or of the	a Specialized Agency or of the	
	International Atomic Energy	International Atomic Energy	
	Agency. "Recipient" when used in	Agency.	
	conjunction with "Government"		
	shall mean the Government, as	Within these regulations, the term	
	defined above, of a country which	"Government" has also been used in	
	receives UNFPA assistance and	conjunction with the following:	
	applies also, mutatis mutandis, to all		
	entities entitled, as a result of an	"host Government" shall mean the	
	Executive Board decision, to receive	Government, of a country or	
	UNFPA assistance;	territory within whose legal	
		boundaries an office of UNFPA is	
		located, UNFPA provides a	
		programme of assistance or which	
		receives administrative, technical or	
		programmatic services from a	
		UNFPA office located elsewhere;	
		"programme country Government"	

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Section	Current	Proposed revision	Justification for change
		shall mean the Government of a	
		country or territory which, as a	
		result of an Executive Board	
		decision, is eligible to benefit from	
		<u>UNFPA programme activities.</u>	
		"Recipient when used in conjunction	
		with "Governmnet" shall mean the	
		Government, as defined above, of a	
		country which receives UNFPA	
		assistance and applies also, mutatis	
		mutandis, to all entities entitled, as a	
		result of an Executive Board	
		decision, to receive UNFPA	
		assistance;	
Regulation	"Host Government" shall mean the	"Host Government shall mean the	Change was made to better improve the
2.1.k	Government, as defined of a country	Government, as defined of a country	definition of Government and the elements
	within whose legal boundaries	within whose legal boundaries	that fall under it. In addition, the revised
Now	UNFPA provides a programme of	UNFPA provides a programme of	definitions are now aligned with definitions
included in	assistance.	assistance.	in UNDP FRRs. In light of this, regulation
2.1.j above			2.1. (j) and (k) have been combined into
			regulation 2.1.(j) (i and ii).
Regulation	"Implementing Partner" (also	"Implementing Partner" (also	Change to align with new terminology where
2.1.1	referred to as "implementing	referred to as "implementing	recipient government has been replaced with
	agency") shall mean, for UNFPA	agency") shall mean, for UNFPA	programme country government. The other
New	programme activities, the entity to	programme activities, the entity to	minor changes are to improve language. In
regulation2	which the Executive Director has	which the Executive Director has	addition, this is aligned with UNDP.
.1.k.	entrusted the implementation of	entrusted the implementation of	
	UNFPA programme activities	UNFPA programme activities	
	specified in a signed document,	specified in a signed document,	
	along with the assumption of full	along with the assumption of full	
	responsibility and accountability for	responsibility and accountability for	
	the effective use of UNFPA	the effective use of UNFPA	
	resources and the delivery of	resources and the delivery of outputs	
	outputs as set forth in such	as set forth in such programme	
	programme documentation.	documentation. Implementing	
	Implementing partners shall include	partners shall include the following:	

Section	Current	Proposed revision	Justification for change
	the following: (a) a recipient	(a) a recipient programme country	
	Government or Governments; (b)	Government or Governments; (b)	
	organizations or entities of the	organizations or entities of the	
	United Nations system, including	United Nations system, including	
	UNFPA; (c) an intergovernmental	UNFPA; (c) an intergovernmental	
	institution or agency not part of the	institutions or agencyies not part of	
	United Nations system; (d) a non-	the United Nations system; (d) a	
	governmental organization; and (e)	non-governmental organizations;	
	academic institutions.	and (e) academic institutions.	
New	No definition existed for Board of	"Board of Auditors" shall mean the	This definition was omitted from the previous
regulation2	Auditors.	<u>United Nations Board of Auditors.</u>	versions of the FRRs. Aligned with the
.1.l.			United Nations Children's Fund (UNICEF)
			FRRs.
Regulation	No definition previously existed in	"accrual" shall mean amounts due	Revised regulation 108.1. now makes
2.2.A.i.	the FRRs	for goods and services received but	reference to "accruals" which were
		not yet disbursed.	previously not defined.
Regulation	No definition previously existed in	'approving officer' shall mean the	Reference is made in many instances in the
2.2.A.iv.	the FRRs	officer designated by the Executive	FRR to the approving officers.
		Director who approves commitments	
		or disbursements related inter alia to	
		contracts, agreements and purchase	
D 1 .:	U 1 ' 1 ' 1 11' 1 1	orders.	(C. 1 1 2 1 1 1.
Regulation	"cash equivalent" shall include	"cash equivalent" shall include	"Cash equivalents" is only used in the
2.2.C.i.	checks, irrevocable letters of credit and other similar financial	checks, irrevocable letters of credit and other similar financial	definition of fully funded. In light of this, and
			to add further clarity to what UNFPA actually
	instruments that are short term,	instruments that are short term,	includes within the definition of fully funded,
	highly liquid, readily convertible to known amounts of cash and subject	highly liquid, readily convertible to known amounts of cash and subject	cash equivalents shall not be included in the definition. However, the definition of fully
	to insignificant risk of changes in	to insignificant risk of changes in	funded has been expanded to include the cash
	value.	value.	and cash equivalent elements.
Regulation	"ceiling" shall mean the regular	"ceiling" shall mean regular	This change is brought about by the need to
2.2.C.ii.	resources provided to a regional	resources authorized spending limit	streamline the terms that are currently used
2.2.0.11.	office, sub-regional office, country	provided to a regional office, sub-	for the limit on expenditure in the current
	office, headquarters division or unit	regional office, country office,	FRRs. The spending limit for both regular
	for the implementation of	headquarters division or unit for the	and other resources shall now be referred to
	programme activities during a given	implementation of programme	as "ceiling".
	programme activities during a given	implementation of programme	us coming.

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Section	Current	Proposed revision	Justification for change
	period.	activities during a given period.	
Regulation	"contribution" shall mean all	"contribution" shall mean all	The addition of the sources of contribution is
2.2. C.iii	resources, including in-kind	resources, including in-kind	to add clarity to the understanding of UNFPA
contribution	resources, provided by the donor in	resources, provided by the donor in	contributions and to have the information in
	support of the UNFPA mandate.	support of the UNFPA mandate. All	one place in the FRRs. As such, the definition
		contributions received by UNFPA	of voluntary contributions has been
		are voluntary.	incorporated within the revised definition of
			contribution.
		Contributions to UNFPA are	
		received from Governments of	
		Member States of the United	
		Nations, of a specialized agency or	
		of the International Atomic Energy	
		Agency, or from intergovernmental	
		or non-governmental sources,	
		including foundations, private-sector	
		organizations and individuals.	
Regulation	"counterpart contributions" shall	"counterpart contributions" shall	The amendment is intended to align with the
2.2.C.v.	mean the agreed contributions of	mean the agreed contributions of	new term "programme country Government"
	recipient Governments made for the	programme country recipient	that is used instead of recipient Government.
	cost of specific services and	Governments made for the cost of	
	facilities as set out in the individual	specific services and facilities as set	This is aligned with UNDP.
	programme documentation related	out in the individual programme	
	to programme activities undertaken	documentation related to programme	
	for, or with that Government.	activities undertaken for, or with that	
D 1 .:	66.1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Government.	771 1 1 1 1 1 1 1
Regulation 2.2.D.i.	"development activities" shall mean	"development activities" shall mean	This change is to add clarity on the
2.2.D.1.	category of costs associated with	<u>a</u> category of costs associated with	definitions of the budget cost categories of
	'programmes' and development effectiveness activities which	'programmes' and 'development	development activities, programme and
	contribute to the effective delivery	effectiveness' activities which contribute to the effective delivery	development activities.
	1	of development results, as follows:	
	of development results, as follows: a) "Programmes": category of	a) "Programmes": category of	
	a) "Programmes": category of associated costs traced to specific	associated costs associated with	
	programme components, which	activities traced to specific	
	contribute to delivery of	programme components, which	
	Contitude to delivery of	programme components, which	

Section	Current	Proposed revision	Justification for change
	development results contained in	contribute to delivery of	
	country/regional/global	development results contained in	
	programme documents or other	country/regional/global programme	
	programme arrangements;	documents or other programme	
	b) "Development effectiveness":	arrangements;	
	category of costs of activities of a	b) "Development effectiveness":	
	policy-advisory, technical and	category of costs-of associated with	
	implementation nature that are	activities of a policy-advisory,	
	needed for achievement of the	technical and implementation	
	objectives of programmes and	nature that are needed for	
	projects in the focus areas of the	achievement of the objectives of	
	organization. These inputs are	programmes and projects in the	
	essential to the delivery of	focus areas of the organization.	
	development results, and are not	These inputs are essential to the	
	included in specific programme	delivery of development results,	
	components or projects in country,	and are not included in specific	
	regional or global programme	programme components or projects	
	documents.	in country, regional or global	
		programme documents.	
Regulation	"disbursement" shall mean the	"disbursement" shall mean the	To clarify that the term disbursement shall be
2.2. D ii.	amount paid.	amount paid. The term	used interchangeably with payments in the
		disbursements shall be used	FRR document.
D 1 .:	HC 11 C 1 1H 1 11 11 11 11 11 11 11 11 11 11 11	interchangeably with payments.	
Regulation	"fully funded" shall mean that funds	"fully funded" shall mean that funds	Fully funded is not funding that applies to
2.2. F.i.	in support of a programme are	in support of a programme for any	programme funds only. The revised definition
	available in the form of cash or cash	given activity are available in full in	expands fully funded to encompass both
	equivalent received, or, subject to	the form of cash or checks,	programme and other funds and also clarifies
	guidelines established by the	irrevocable letters of credit and other	forms in which the funds are received.
	Executive Board, an agreement	similar financial instruments that are	A1 '41 ' 1 '
	signed by UNFPA and the donor	short term, highly liquid, readily	Also merges with the previous regulation
		convertible to known amounts of	2.2.C. on cash equivalents.
		cash and subject to insignificant risk	In addition the Evecutive Deard dear set
		of changes in value oror cash	In addition, the Executive Board does not
		equivalent received, or, subject to	provide guidelines. However, the Board does take decisions.
		guidelines established by	take decisions.
		the Executive Board decisions, an	

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Section	Current	Proposed revision	Justification for change
		agreement signed by UNFPA and the	-
		donor.	
New	No definition previously existed in	"grant" shall mean a UNFPA	Definition added to include the modality used
regulation2	the FRRs	contribution to a community-based	at UNFPA and not previously defined in the
.2.G.i.		not-for-profit or civil society	FRRs.
		organization for capacity	
		development purpose as part of a	
		UNFPA-implemented workplan.	
Regulation	"global and regional programme"	"global and regional	Change made to be consistent with the
2.2. G.ii.	shall mean the programme of	programmeinterventions" shall mean	organizational change from global and
	UNFPA assistance on a global and	the programme interventions forof	regional programmes to global and regional
	regional level.	UNFPA assistance on a global and	interventions. Also aligned with Executive
		regional level.	Board decision 2013/31.
New	No definition previously existed in	'handling fee' means the separately	Definition added to include modality used at
regulation	the FRRs	identified amount to defray	UNFPA and not previously defined in the
2.2.H.i.		UNFPA's costs associated with	FRRs. Covers stock handling fees, indirect
		conducting procurement.	cost charges, etc.
Regulation	"indirect costs" shall mean the	"indirect costs" shall mean the	Aligned with the Executive Board decision
2.2. I.i.	expenses incurred by UNFPA as a	expenses incurred by UNFPA as a	2013/9.
	result of the management and	function of and in support of its	
	administration of activities funded	activities and programmes, but	
	from other resources.	which cannot be unequivocally	
		traced to those activities and	
		programmesa result of the	
		management and administration of	
		activities funded from other	
		resources	
Regulation	"management" shall mean activities	"management" shall mean <u>categories</u>	No technical change in the regulation. The
2.2.M	and associated costs whose primary	of activities and associated costs	change is meant to better describe
	function is the promotion of the	whose primary function is the	management costs.
	identity, direction and well-being of	promotion of the identity, direction	
	an organization. These include	and well-being of an organization.	
	communications, legal, oversight,	These include communications,	
	audit, corporate evaluation,	legal, oversight, audit, corporate	
	information technology, finance,	evaluation, information technology,	
	administration, security and human	finance, administration, security and	

Section	Current	Proposed revision	Justification for change
	resources. This includes both	human resources. This includes	
	activities and associated costs of a	both activities and associated costs	
	recurring and non-recurring nature.	of a recurring and non-recurring	
		nature.	
Regulation	"obligation" shall mean an	"obligation" shall mean an	Reference to obligation has been removed
2.2. O.i.	engagement, such as a contract,	engagement, such as a contract,	because the FRRs have been refined to apply
	agreement or undertaking that has	agreement or undertaking that has	the term commitment, which is more
	been entered into, involving a	been entered into, involving a	appropriate. The definition of "ex-gratia
	liability against the resources of the	liability against the resources of the	payments" remains with reference to
	current year in respect of a	current year in respect of a	obligation since the discussion of "moral
	programme activity, or of the	programme activity, or of the current	obligation" is in a different context from that
	current budget period in respect of	budget period in respect of the	of financial-related obligations.
	the institutional budget.	institutional budget.	
Regulation	"other resources" (also known as	"other resources" (also known as	The inclusion of non-core resources is made
2.2. O.ii.	"earmarked" or "restricted") shall	"earmarked" or "restricted" or "non-	to further align UNFPA documentation with
Other	mean the resources of UNFPA, other	core") shall mean the resources of	the Executive Board documentation and
resources	than regular resources, which are	UNFPA, other than regular	related decisions. The addition of the last
•	received for a specific programme	resources, which are received for a	statement in the definition of other resources
Now	purpose consistent with the mandate	specific programme purpose	is to add clarity to the distinction between
regulation2	of UNFPA and for the provision of	consistent with the mandate of	other resources and trust funds.
.2.O.i.	specific services to third parties.	UNFPA and for the provision of	
		specific services to third parties.	
		Other resources include but are not	
D 1 - 4'		limited to trust funds.	Onicio al definizione ef manzialla femala desse
Regulation	"partially funded" shall mean the	"partially funded" shall mean the	Original definition of partially funded was
2.2.P i	authority to allocate funds against	authority to allocate allocation	incomplete. The definition now links to the
	current or anticipated future years'	against funds against current or	definition of fully funded which now includes
	revenue.	anticipated future years' revenue when the funds are not available in	all funding. However, partially funded is when the funds are not available in full.
		full, subject to restrictions imposed	when the runds are not available in run.
		in the UNFPA policies and	
		procedures.	
Regulation	"programme activities" shall mean	"programme activities" shall mean	Removed assessment as this is included in the
2.2.P .iii.	activities directly associated with	activities directly associated with the	planning process and therefore repetitive.
2.2.F .III.	the assessments, planning,	assessments, planning,	praining process and incretore repetitive.
	implementation, monitoring and	implementation, monitoring, and	
	implementation, monitoring and	implementation, monitoring, and	

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Section	Current	Proposed revision	Justification for change
	evaluation of UNFPA assistance	evaluation of UNFPA assistance	
	through country or global and	through country <u>programmes</u> or	
	regional programmes.	global and regional	
		programmes interventions.	
Regulation	"programme documentation" shall	"programme documentation" shall	Added to ensure the interventions are
2.2.P.iv.	mean the formal documents,	mean the formal documents,	included. Also aligned with Executive Board
	including revisions thereof, covering	including revisions thereof, covering	decision 2013/31.
	the agreed arrangements for the	the agreed arrangements for the	
	implementation of a programme. It	implementation of a programme or	
	shall also include other instruments	intervention. It shall also include	
	to define the particulars of such	other instruments to define the	
	implementation and the respective	particulars of such implementation	
	responsibilities of the parties	and the respective responsibilities of	
	involved.	the parties involved.	
Regulation	No definition previously existed in	"property" shall mean tangible	This definition has been added in order to
2.2.P.v.	the FRRs.	assets inclusive of plant and	assist the reader of the FRRs in understanding
		equipment held for use of UNFPA	what is referred to as property within the
		and expected to be used during more	context of the UNFPA FRRs.
		than one financial period.	
Regulation	"regular resources" (also known as	"regular resources" (also known as	To align with Executive Board documents
2.2.R .i.	"un-earmarked" or "unrestricted")	"un-earmarked" or "unrestricted" or	that include core resources in the discussion
	shall mean resources available to	"core") shall mean resources	on regular resources.
	UNFPA that are commingled and	available to UNFPA that are	
	untied. These shall include revenue	commingled and untied. These shall	
	from contributions, other	include revenue from contributions,	
	governmental or intergovernmental	other governmental or	
	payments to UNFPA, other contributions from non-	intergovernmental payments to UNFPA, other contributions from	
	governmental sources, including	non-governmental sources, including	
	foundations, private-sector	foundations, private-sector	
	organizations and individuals,	organizations and individuals,	
	interest earnings and miscellaneous	interest earnings and miscellaneous	
	revenue.	revenue.	
New	Tovenue.	"third party procurement" shall	This is to introduce the definition of third
regulation		mean procurement conducted by	party procurement, which is a major
2.2.T.i		UNFPA, with no direct UNFPA	procurement modality within UNFPA. A new
4.4.1.1		OTTITA, WITH HO UNCCL OTTITA	procurement modality within ONTA. A new

Section	Current	Proposed revision	Justification for change
		programme component, at the request and on behalf of third parties (Governments, United Nations specialized agencies, other intergovernmental organizations, non-governmental organizations or United Nations entities, including funds, programmes and subsidiary organs of the United Nations entity).	section on procurement within UNFPA has been introduced in the FRRs.
Regulation 2.2.T.ii.	"trust fund" (also known as "co-financing") shall mean a resource mobilization modality through which contributions may be received in support of specified purposes consistent with the policies, aims and activities of UNFPA. These contributions shall be considered in addition to the regular resources available for programmes.	"trust fund" (also known as "co- financing")-shall mean a co- financing modalitymechanism established as a separate accounting entity through which contributions, as distinct from third party procurement payments, may be received in support of specified purposes consistent with the policies, aims and activities of UNFPA. These contributions shall be considered in addition to the regular resources available for programmes.	Trust funds are a funding mechanism and not a modality. In addition, the inclusion of third party procurement is to ensure there is a clear exclusion of third party procurement from trust funds.
New regulation 2.2.U.iv.		"UNFPA assistance" shall mean the UNFPA contribution to programmes funded from UNFPA resources.	In the last revision the definition for UNFPA assistance was removed. United Nations Office of Legal Affairs (OLA) commented that it is used in many places throughout the text and should probably be defined. This is to introduce a definition for UNFPA assistance that is referred to within the FRRs but has previously not been defined.
Regulation 2.2.V.i.	"voluntary contributions" shall mean contributions to UNFPA from Governments of States Members of the United Nations, of the	"voluntary contributions" shall mean contributions to UNFPA from Governments of States Members of the United Nations, of the	Moved discussion on source of voluntary contribution from regulation 2.2.V.i. to extension of definition of contribution in regulation 2.2.C.iii. The amendment is to

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Section	Current	Proposed revision	Justification for change
	specialized agencies or of the	specialized agencies or of the	have the information in one place in the
	International Atomic Energy	International Atomic Energy	FRRs.
	Agency, or from non-governmental	Agency, or from non-governmental	
	sources, including foundations,	sources, including foundations,	
	private-sector organizations and	private-sector organizations and	
	individuals.	individuals.	
Regulation	"workplan" shall mean the formal	"workplan" shall mean the formal	This change is made to better improve
2.2.W.i.	document (in standard format)	document (in standard format)	terminology and to reflect the current
	signed by the implementing	signed by the implementing	business practice.
	partner(s) and UNFPA which	partner(s) and UNFPA which reflects	
	reflects detailed activities and	detailed activities and corresponding	
	budget and defines what is to be	budget and defines what is to be	
	accomplished during the period	accomplished during the period	
	agreed by an implementing partner.	agreed by an implementing partner.	
	It is the basis for requisitioning,	It is the basis for requisitioning,	
	committing and disbursing funds to	committing and disbursing funds to	
	carry out planned activities and for	carry out planned activities and for	
	their monitoring and reporting.	their monitoring and reporting.	

Article III – Accountability

Section	Current	Proposed revision	Justification
Rule 103.1.	a) The Executive Director shall be	a) The Executive Director shall be	The change is made to reflect that UNFPA
	responsible for the administration	responsible for the administration of	has two Deputy Executive Directors and not
	of these Rules.	these rules.	one.
	b) The Executive Director may	b) The Executive Director may	
	delegate to the Deputy Executive	delegate to the Deputy Executive	Additionally, these individuals cannot
	Director, UNFPA, the Director,	Directors, UNFPA, the Director,	delegate responsibility, instead they delegate
	Division for Management	Division for Management Services,	authority. The changes have been made to
	Services, UNFPA, and/or to other	UNFPA, and/or to other UNFPA or	reflect this clarification.
	UNFPA or UNDP officials any of	UNDP officials any of his/her	
	his/her responsibilities which have	responsibilities authority which have	
	not been expressly assigned under	not been expressly assigned under	
	these Rules.	these rules.	
	c) Except as otherwise provided in	c) Except as otherwise provided in	
	Rules 114.2 (b) and 114.3 (b), each	rules 114.2 (b) and 114.3 (b), each	

Section	Current	Proposed revision	Justification
	of the officials to whom any	of the officials to whom any	
	responsibilities are delegated or	responsibilities areauthority is	
	assigned under these Rules may	delegated or assigned under these	
	name an authorized delegate to act	rules may name an authorized	
	on his or her behalf in any such	delegate to act on his or her behalf	
	matters.	in any such matters.	
	d) In the administration of these	d) In the administration of these	
	Rules, the Executive Director or	<u>r</u> Rules, the Executive Director or	
	his/her delegate shall be	his/her delegate shall be responsible	
	responsible for prescribing and	for prescribing and arranging for	
	arranging for the maintenance of	the maintenance of financial records	
	financial records which are	which are required, and for	
	required, and for reviewing and	reviewing and approving all	
	approving all financial processes	financial processes of UNFPA. The	
	of UNFPA. The Executive	Executive Director or the official to	
	Director or the official to whom	whom responsibility authority is	
	responsibility is delegated may	delegated may issue instructions or	
	issue instructions or establish such	establish such procedures as may be	
	procedures as may be deemed	deemed necessary for the	
	necessary for the administration of	administration of these rules.	
	these Rules.	e) The delegation of authority under	
	e) The delegation of authority under	103.1 (b) and (c) and changes	
	103.1 (b) and (c) and changes	thereof shall be done in writing.	
	thereof shall be done in writing.		

Article IV – UNFPA funds

Section	Current	Proposed revision	Justification
Regulation	Contributions may be accepted by	Contributions may be accepted by	This revision is to align with the improved
4.1.	UNFPA from Governments of States	UNFPA from Governments of States	definition of Government in the financial
	Members of the United Nations, of	Members of the United Nations, of	regulations and rules.
	the specialized agencies and of the	the specialized agencies and of the	
	International Atomic Energy	International Atomic Energy Agency,	
	Agency, as well as from those	as well as from those organizations	
	organizations and agencies	and agencies themselves. Other	
	themselves. Other contributions	contributions from intergovernmental	

Section	Current	Proposed revision	Justification
	from intergovernmental or non- governmental sources, including foundations, private-sector organizations and individuals, may be accepted by UNFPA and utilized for the general support of UNFPA or for purposes consistent with those of UNFPA.	or non-governmental sources, including foundations, private-sector organizations and individuals, may be accepted by UNFPA and utilized for the general support of UNFPA or for purposes consistent with those of UNFPA.	
Article IV - UNFPA funds; Regulations 4.4., 4.5 and 4.6	Voluntary Contributions	Replace voluntary contributions with contributions in the introduction and regulations 4.4, 4.5. and 4.6.	All contributions received from donors by UNFPA are voluntary contributions.
Regulation 4.5.	Voluntary contributions shall be made without limitation as to use. No contributing Government shall receive special treatment with respect to its voluntary contributions, nor shall negotiation for the use of currencies contributed to UNFPA take place between contributing and recipient Governments.	Voluntary Contributions to regular resources shall be made without limitation as to use. No contributing Government shall receive special treatment with respect to its voluntary contributions to regular resources, nor shall negotiation for the use of currencies contributed to UNFPA take place between contributing and recipient programme country Governments.	This revision is to add clarity to the fact that contributions to regular resources shall not be made with limitations to use. In addition, this is to align with Executive Board decisions. The replacement of recipient government is to further align the regulation with the revised definitions, where recipient is replaced with programme country government.
Regulation 4.8.	Recipient governments are expected	Recipient governments Programme country governments are expected	The replacement of recipient government is to further align this with the revised definitions where recipient is replaced with programme country government.
Regulation 4.9	Host government contributions to the costs of UNFPA country offices: The Executive Director shall arrange for the collection from host Governments of their contributions in cash and/or in-kind towards the	Host- <u>G</u> government contributions to the costs of UNFPA country offices: The Executive Director shall arrange for the collection from host Governments of their contributions in cash and/or in-kind towards the	Minor editorial change in government where capital letter "g" is being used in Government. The amendment of the partial waiver is meant to open up the regulation to

Section	Current	Proposed revision	Justification
	costs of UNFPA country offices, in	costs of UNFPA country offices, in	circumstances where both partial and full
	accordance with the agreements	accordance with the agreements	waiver is granted, as is the current practice
	between the Executive Director and	between the Executive Director and	within UNFPA.
	the host Governments concerned,	the host Governments concerned,	
	where they exist. Negotiations with	where they exist. Negotiations with	
	respect to the amount and/or form	respect to the amount and/or form of	
	of such contributions shall be in	such contributions shall be in	
	accordance with relevant Executive	accordance with relevant Executive	
	Board decisions and take into	Board decisions and take into	
	consideration the economic	consideration the economic	
	conditions of the countries	conditions of the countries concerned	
	concerned and may result in the	and may result in the granting by the	
	granting by the Executive Director	Executive Director of any partial	
	of a partial waiver of contributions.	waiver of contributions.	
Regulation	Whenever the Executive Board has	Whenever the Executive Board has	Minor deletion of text – does not change the
4.10.	approved assistance on the	approved assistance on the	context of the discussion but increases
	reimbursable basis, the requesting	reimbursable basis, the requesting	clarity.
	Government shall reimburse the	Government shall reimburse the cost	
	cost of such assistance to UNFPA in	of such assistance to UNFPA in	
	accordance with an agreement to be	accordance with an agreement to be	
	concluded between UNFPA and the	concluded between UNFPA and the	
	Government concerned.	Government concerned.	
Rule 104.2.	Refunds of expenses prior to the	Refunds of expenses prior to the	Adds clarity to the fact that expense refunds
	completion of programme activities	<u>financial</u> completion of programme	before financial closure of a project will
Revised	including gains from the sale of	activities including gains from the	return to their original funding source. Once
regulation	assets relating to the programme,	sale of assets relating to the	the programme is financially closed,
4.13.	shall be credited to the programme	programme, shall be credited to the	subsequent refunds can only be credited to
	activities account originally	programme activities accountwhere	regular resources.
	charged. Refunds subsequently	originally charged. Refunds	
	received shall be credited to regular	subsequently received shall be	In addition, the rule has been escalated to a
	resources.	credited to regular resources.	regulation as the discussion in the previous
			rule 104.3. had no relationship with
			regulation 4.12.
Regulation	Miscellaneous revenue shall be	Miscellaneous revenue shall be	Other resource encompasses and is not just
4.13.	credited to regular resources or to	credited to regular resources or to the	limited to trust funds. The revision covers all
	the trust fund to which it relates.	trust fundother resources to which it	other resources that are not regular resources.

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Section	Current	Proposed revision	Justification
Revised		relates.	
regulation			
4.14.			
Rule 104.3.	Miscellaneous revenue attributable	Miscellaneous revenue attributable to	Revision clarifies that all miscellaneous
	to UNFPA programme activities	UNFPA programme activities which	UNFPA revenue accrued by the
Revised	which accrues to the accounts of an	accrues to the accounts of an	implementing partner, even subsequent to
rule 104.2.	implementing partner, subsequent to	implementing partner, subsequent to	completion of programme activities, will be
	the completion of programme	the completion of programme	accounted for based on the source of funds to
	activities shall be reported to	activities shall be reported and	which it relates.
	UNFPA by the implementing	refunded to UNFPA by the	
	partner and will be attributed to	implementing partner, including	
	regular resources or to the Trust	subsequent to the completion of	
	Fund to which it relates.	programme activities, and will be	
		attributed to regular resources or to	
		the Trust Fundother resources to	
		which it relates.	

Article V – Trust funds

Section	Current	Proposed revision	Justification
Regulation	Funds received by UNFPA under	Funds received by UNFPA under	This is to add clarity to the fact that funds
5.4.	Regulation 14.8 for procurement of	Regulation 14.8 for procurement of	received by UNFPA under procurement
	supplies, equipment and services on	supplies, equipment and services on	arrangements, as described in regulation
Revised	behalf and at the request of	behalf and at the request of	15.3. are not trust funds. The discussion on
regulation	Governments, specialized agencies	Governments, specialized agencies	the nature of this funding is therefore being
15.3. and	or other intergovernmental or non-	or other intergovernmental or non-	referred to regulation 15.3. The inclusion of
regulation	governmental organizations shall be	governmental organizations shall be	procurement here is historic and refers to
15.4.	separately accounted for. The	separately accounted for. The	when PSB used the trust fund modality. That
	revenue relating to procurement	revenue relating to procurement	is no longer the case, so this has been moved
	services shall also be used to meet	services shall also be used to meet	to a separate regulation.
	the cost of these services.	the cost of these services.	
			Moved discussion to the new procurement
			section.
Regulation	Contributions shall be paid in	Contributions shall be paid in	This is to add clarity to the fact that
5.5. (a)	advance of the allocation made for	advance of the allocation made	contributions shall be received before any
	the implementation of planned	received prior to any ceilings	ceilings are provided. In addition, this is to

Section	Current	Proposed revision	Justification
Revised	UNFPA programme activities,	provided for the implementation of	further align with the proposed use of
regulation	except as provided under the terms	planned UNFPA programme	allocation in the revised FRRs (allocation
5.4. (a)	of Regulation 5.5. (b)	activities, except as provided under	shall be used with reference to amounts
		the terms of <u>r</u> Regulation 5.54 . (b)	provided to implementing partners).
Regulation	Notwithstanding the provision of	Notwithstanding the provision of	This is consistent with the justification in
5.5. (b)	Regulation 5.5.(a), allocations may	<u>r</u> Regulation 5.54.(a), allocations	5.5.(a) above.
	be made on the basis of receivable	<u>ceilings</u> may be <u>madeprovided</u> on the	UNFPA has also revised the guidance that
Revised	earmarked contributions, in	basis of receivable earmarked	was previously referred to as "risk
regulation5.	accordance with risk guidelines	contributions, in accordance with	guidelines". In line with this, UNFPA makes
4. (b)	established by the Executive	risk guidelines UNFPA policies and	reference to UNFPA policies and procedures
	Director.	<u>procedures</u> established by the	– as applicable to the organization.
		Executive Director.	
Regulation	The Executive Director shall	The Executive Director shall require	This is to align the discussion in the revision
5.6.	require reimbursement of indirect	reimbursementrecovery of indirect	with the requirements in Executive Board
	costs at prevailing rates.	costs at prevailing rates.	decision 2013/9 on "Road map towards an
Revised			intergrated budget, beginning 2014 and
regulation			update on cost recovery" as well as the
5.5.			UNFPA cost recovery policy.
Rule 105.1	The Executive Director may reduce	Exceptionally, tThe Executive	This is to align the discussion in the revision
	or waive the reimbursement of	Director may reduce or waive the	with the requirements in Executive Board
	costs in circumstances where a	reimbursementrecovery of indirect	Decision 2013/9 on "Road map towards an
	reduction or waiver is warranted.	costs from other resources in	intergrated budget, beginning 2014 and
	Such a waiver should be done in	circumstances where a reduction or	update on cost recovery" as well as the
	writing.	waiver is warranted. Such aAll	UNFPA cost recovery policy.
		reductions or waivers should be done	
		in writing and reported annually to	
D 1 .:		the Executive Board.	THE STATE OF THE S
Regulation	Any unspent funds remaining after	Any unspent funds remaining after	This is to align with the proper terminology
105.4.	formal closing of the relevant Trust	formal closing financial closure of the	within UNFPA.
	Fund accounts shall be dealt with	relevant Trust Fund accounts shall be	
	by UNFPA in agreement with the	dealt with by UNFPA in agreement	
	donor.	with the donor.	

Article VI - Financial periods

Section	Current	Proposed revision	Justification
Regulation	To provide for continuity in the	To provide for continuity in the	Change is made to be consistent with
6.2.	planning, programming and	planning, programming and	organizational change from GRP to GRI.
	implementation of UNFPA	implementation of UNFPA assistance	
	assistance to programmes, the	to programmes, the financial period	
	financial period for the purpose of	for the purpose of the proposed	
	the proposed utilization of	utilization of resources shall be the	
	resources shall be the duration of	duration of each global, or regional	
	each global, regional or country	intervention or country programme	
	programmes as specified in the	as specified in the relevant	
	relevant programme documentation.	programme documentation.	
Rule 106.1.	The financial period for the	The financial period for the purposes	Change is made to be consistent with
	purposes of committing funds	of committing funds pursuant to	organizational change from GRP to GRI.
	pursuant to Regulation 6.2 shall not	<u>r</u> Regulation 6.2 shall not exceed the	
	exceed the duration of the	duration of the programme or	
	programme as specified in the	intervention as specified in the	
	relevant programme documentation.	relevant programme documentation.	
Regulation	The financial period for the purpose	The financial period for the purpose	Change is to improve language in the
6.4	of both the proposed utilization of	of both the proposed utilizationof	regulation. Technical discussion and
	resources and the incurring and	resources and the incurring and	application does not change.
	accounting for expenses in respect	accounting for expenses in respect of	
	of the institutional budget shall be	the institutional budget shall be	
	established in consultation with the	established in consultation with the	
	Executive Board to be one or more	Executive Board to be one or more	
	years.	years.	

Article VII - General framework

Section	Current	Proposed revision	Justification
Regulation	Subject only to the maintenance on	Subject only to the maintenance on a	This clarifies that funds are made available for
7.3.	a continuous basis of the reserves	continuous basis of the reserves set	programming only after allocating to reserves
	set forth under Article XV, all	forth under Article XVI, all resources	discussed in Article XVI and the institutional
	resources available to UNFPA after	available to UNFPA after provision	budget first.
	provision has been made for the	has been made for the institutional	
	institutional budget, shall be	budget, shall be available to the	Reference has been changed from Article XV
	available to the maximum extent	maximum extent possible for	to XVI.
	possible for programme activities.	programme activities.	

Article VIII - Programme activities

Section	Current	Proposed revision	Justification
Regulation	The administration by	The administration by implementing	Change to improve language in the regulation.
8.1.	implementing partners, of funds	partners, of funds obtained from	Technical discussion and application does not
	obtained from UNFPA shall be	UNFPA shall be carried out under	change.
	carried out under their respective	their respective financial regulations,	
	financial regulations, rules,	rules, practices policies and	
	practices and procedures to the	procedures to the extent that they are	
	extent that they are appropriate.	appropriate, otherwise,.Where the	
	Where the financial governances of	finance governances of an	
	an implementing partner, do not	implementing partner, do not provide	
	provide the required guidance,	the required guidance, those of	
	those of UNFPA shall apply.	UNFPA shall apply.	
Regulation	Each implementing partner shall	Each implementing partner shall	Expenditure is not relevant in this discussion
8.2.	maintain such accounts and records	maintain such accounts and records	within the UNFPA context.
	as are necessary to enable it to	as are necessary to enable it to report	
	report on the financial status of	on the financial status of funds	
	funds obtained from UNFPA,	obtained from UNFPA, including in	
	including in particular the balance	particular the balance of recorded	
	of recorded allocations,	allocations, expenditures orexpenses	
	expenditures or expenses and	and commitments, except in the case	
	commitments, except in the case of	of sector budget support and pooled	
	sector budget support and pooled	funds for which regulation 7.6.	

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	funds.	applies.	
Rule	At intervals to be agreed with the	At intervals to be agreed with the	UNFPA FRRs have eliminated reference to the
108.1.	Executive Director each	Executive Director each	term obligation as "commitments" is a more
	implementing partner shall submit	implementing partner shall submit to	suitable term. In this regard, unliquidated
	to the Executive Director reports	the Executive Director reports on the	obligations have been replaced with accrual
	on the status of allocations issued	status of allocations issued to it by	which is an improved term, and in line with the
	to it by UNFPA, including, inter	UNFPA, including, inter alia,	UNDP approach.
	alia, information relating to total	information relating to total recorded	
	recorded allocations,	allocations, commitments, accruals,	In addition, project has been replaced with
	disbursements, un-liquidated	disbursements , un-liquidated	workplan to align with the business practice were
	obligations, commitments and cash	obligations, commitments and cash	UNFPA uses workplan instead of project.
	holdings for each project.	holdings for each projectworkplan.	

Article IX - Programme activities

Section	Current	Proposed revision	Justification
Rule	Programme activities and expenses	Programme activities and expenses	Fully funded has been defined and includes
109.1.b	are approved and implemented	are approved and implemented	examples of such instruments. There is no reason
	subject to the availability of funds	subject to the availability of funds.	to restate these here.
	i.e. cash at hand or irrevocable	i.e. cash at hand or irrevocable letter	
	letter of credit.	of credit.	
Regulation	Under such limits as the Executive	Under such limits as the Executive	Change made to be consistent with
9.2.	Board may from time to time	Board may from time to time	organizational change from GRP to GRI.
	prescribe, the Executive Director is	prescribe, the Executive Director is	
	authorized to approve UNFPA	authorized to approve UNFPA	
	assistance to country programmes	assistance to country	
	and regional and global	programmes, and regional and global	
	programme.	programmeinterventions.	
Regulation	UNFPA assistance to programmes	UNFPA assistance to programmes	This is to improve the language of the regulation.
9.3.	approved under Regulation 9.2,	approved under rRegulation 9.2,	
	above, whose duration is expected	above, whose duration is expected to	
	to extend beyond the current year,	extend beyond the current year, shall	
	shall be approved on a partially	be approved on a partially funded	
	funded basis consistent with the	basis consistent with the provisions	
	provisions of Regulation 9.1 above.	of <u>r</u> Regulation 9.1, above when the	
		duration is expected to extend	
		beyond the current year.	

Section	Current	Proposed revision	Justification
Rule	Country programmes, and global	Country programmes, and global and	Change made to be consistent with
109.2.a.	and regional programmes	regional programmes interventions.	organizational change from GRP to GRI
Rule 109.2.e.	Any individual workplan which the requesting Government or Governments may ask the Executive Director to submit to the Board; and	Any individual workplan which the requesting Government or Governments may ask the Executive Director to submit to the Board; and	Modification to improve the presentation of information in the rule.
Rule	Any other programme activities	Any other programme activities	Modification to improve the presentation of
109.2.f	which the Executive Director for any reason considers it advisable to submit to the Board.	which the Executive Director for any reason considers it advisable to submit to the Board; and.	information in the rule.
Rule	Where the implementing partner is	Where the implementing partner is a	Added academic institution, agency not part of
109.3.c.	a Government or an non-	Government, an inter-governmental	the United Nations system and inter-
	governmental organization, the	institution or agency not part of the	governmental institution to ensure completeness
	respective organization and UNFPA	<u>United Nations system, or an a non-</u>	and to add clarity to the organizations included
	will enter into a letter of	governmental organization or an	in the discussion.
	understanding (LoU) defining,	<u>academic institution</u> , the respective	
	inter alia, the following:	organization and UNFPA will enter	
		into a letter of understanding (LoU)	
	i. The respective responsibilities of the organization and UNFPA in	defining, <u>inter alia</u> , the following:	
	the formulation, implementation,	i. The respective responsibilities of the	
	monitoring and evaluation of	organization and UNFPA in the	
	workplans;	formulation, implementation, monitoring, and evaluation of	
- ·		workplans;	25 1101
Regulation	Consistent with the overall	Consistent with the overall	Modification to ensure consistency with the new
9.6.	management responsibility of	management responsibility of	definition of programme country Government.
	Governments for their	Governments for their programmes,	
	programmes, the Executive	the Executive Director shall consult	
	Director shall consult the	the requesting Government or	
	requesting Government or	Governments concerning the	
	Governments concerning the	implementation of UNFPA's	
	implementation of UNFPA's	assistance to a programme. In	
	assistance to a programme. In	keeping with the principle of national	
	keeping with the principle of	capacity_building,	

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Section	Current	Proposed revision	Justification
	national capacity building,	recipientprogramme country	
	recipient Governments or national	Governments or national non-	
	non-governmental organization	governmental organizations must be	
	must be given first consideration in	given first consideration in the	
	the selection as implementing	selection as implementing partner.	
	partner. Such selection shall be	Such selection shall be subject to the	
	subject to the agreement of the	agreement of the Government or	
	Government or Governments.	Governments.	
Rule	The Executive Director, in	The Executive Director, in agreement	Modification to ensure consistency with new
109.4.	agreement with the recipient	with the recipient programme country	definition of programme country Government.
	Government, may designate in	Government, may designate in	
	relevant programme documentation	relevant programme documentation	
	implementing partners, to	implementing partners, to implement	
	implement UNFPA assistance.	UNFPA assistance.	
Regulation	Under conditions established by	Under conditions established by the	Changed to include grants as a possible modality
9.7.	the Executive Board, the Executive	Executive Board, the Executive	for UNFPA to use under a UNFPA-implemented
	Director is also authorized, subject	Director is also authorized, subject to	workplan.
	to the agreement of the requesting	the agreement of the requesting	
	Government(s), in the relevant	Government(s), in the relevant	
	programme documentation, to	programme documentation, to	
	appoint as implementing partner an	appoint as implementing partner an	
	entity other than the recipient	entity other than the	
	Government(s). The Executive	recipient programme country	
	Director may also contract for	Government(s). The Executive	
	services of other agencies, private	Director may also <u>award</u> contracts	
	firms or individual experts in the	for the provision of services of by	
	implementation of UNFPA-funded	other agencies, private firms or	
	workplans.	individual experts in or award grants	
		through the implementation of	
		UNFPA-funded workplans.	
Rule	Following appropriate	Following appropriate consultations	Modification to ensure consistency with new
109.6.a.	consultations with the parties	with the parties concerned, the	definition of programme country Government.
	concerned, the Executive Director	Executive Director may suspend	
	may suspend UNFPA assistance by	UNFPA assistance by written notice	
	written notice to the recipient	to the recipient programme country	
	Government and, if applicable, the	Government and, if applicable, the	

Section	Current	Proposed revision	Justification
	implementing partner, if he/she	implementing partner, if he/she finds	
	finds that the conditions set out in	that the conditions set out in the	
	the relevant programme	relevant programme documentation	
	documentation have not been	have not been complied with, or that	
	complied with, or that the	the successful-implementation is not	
	successful implementation is not in	in his/her opinion proceeding	
	his/her opinion proceeding	satisfactorily.	
	satisfactorily.		
Rule	Unless action is taken within a	Unless action is taken within a	Modification to ensure consistency with new
109.6.b.	reasonable time, not being less than	reasonable time, not being less than	definition of programme country Government.
	fourteen days, after the receipt of	fourteen 14 calendar days, after the	Also, changed to be consistent with
	such notice, to remedy the situation	receipt of such notice, to remedy the	capitalization of Government elsewhere and in
	which occasioned the suspension	situation which occasioned the	addition, to reflect that these are 14 calendar
	referred to under (a), the Executive	suspension referred to under (a), the	days.
	Director may, by written notice to	Executive Director may, by written	
	the recipient Government and, if	notice to the recipient programme	
	applicable, the implementing	country Government and, if	
	partner, and with effect from a date	applicable, the implementing partner,	
	specified in such notice,	and with effect from a date specified	
	i. terminate the UNFPA assistance;	in such notice,	
	or	i. terminate the UNFPA assistance; or	
	ii. with the government's	ii. with the <u>G</u> government's	
	concurrence entrust it to another	concurrence entrust it to another	
Dagulatic ::	implementing partner.	implementing partner.	This should be distinguish between the
Regulation	The Executive Director may	The Executive Director may	This change is made to distinguish between the
9.8.	reimburse implementing partners,	reimburse implementing partners, for	prevailing rate, as approved by the Executive
	for their support costs in	their support costs in accordance	Board, and a different applicable rate which is
	accordance with prevailing rates.	with prevailing applicable rates.	approved by the Executive Director or relevant
			delegated authority.

Article X - Resources for programme activities

Section	Current	Proposed revision	Justification
Rule 110.1	a) The Executive Director may	a) The Executive Director may	OLA commented that it sounds odd that
	approve resources on either an	approve resources on either an	resources are subject to the availability of funds.
	annual or multi year basis, in	annual or multi year basis, in	UNFPA proposed that this would be considered

	Such resources shall be subject to the availability of funds. b) The Executive Director shall monitor closely the need for such available in consultation with the	commitments and their revisions. Such resources shall be subject to the availability of funds.	
	revisions in consultation with the implementing partner and the recipient Government. Subject to the over-all limits set out in the strategic plan, the Executive Director may change the ceiling as necessary to ensure the optimum utilization of all resources available to UNFPA.	b) The Executive Director shall monitor closely the need for such revisions in consultation with the implementing partner and the recipient programme country. Government. Subject to the over-all limits set out in the strategic plan, the Executive Director may change the ceiling as necessary to ensure the optimum utilization of all resources available to UNFPA.	
Rule 110.2.c.	For programme activities financed by other resources the financial completion shall be accomplished within 12 months after the year in which it is operationally completed or terminated.	For programme activities financed by other resources the financial completion shall be accomplished within 12 months after the year in which it is operationally completed or terminated.	Change is to align with the current business practice.
Rule 110.3.a.	Unforeseen disbursements or refunds in respect of financially completed programme activities shall be charged/credited to the Trust Fund to which it relates otherwise to regular resources.	Unforeseen disbursements or refunds in respect of financially completed programme activities shall be charged/credited to the respective funds, otherwise to the Trust Fund to which it related otherwise to regular resources.	To clarify that all unforeseen disbursements after financial closure shall be charged based on the source of the original funding or else to regular resources. Financial completion is based on audited statements and occurs 6 months to 24 months after operational closure, hopefully time enough to have corrected accounted for such

accordance with the **UNFPA**

programme expenses and

strategic plan, availability of funds to UNFPA and other relevant

programme documentation, to cover

accordance with the strategic plan

commitments and their revisions.

and other relevant programme

documentation, to cover programme expenses and

and further clarified in the next revision.

expenses in those final statements.

Article XI - Institutional budget

Section	Current	Proposed revision	Justification
Regulation	The institutional budget shall be	The institutional budget shall be	The proposed change is consistent with the
11.1.	prepared by the Executive Director	prepared by the Executive Director	timing of the preparation of the institutional
	and shall be linked to the strategic	and shall be linked to the strategic	budget. It also aligns the regulation with the
	plan for the current planning	plan for the currentcoming planning	discussion in Articles 11 and 12 of the FRRs.
	period.	period.	
Regulation	The institutional budget shall cover	The institutional budget shall cover	This is to align with the approach to budgeting
11.2.	proposed disbursements and staff	commitments and proposed	which focuses on the projection of UNFPA
	entitlements related to the budget	disbursements and staff entitlements	commitments and disbursements.
	period and shall be presented in	related to the budget period and shall	
	United States dollars.	be presented in United States dollars.	
Regulation	The Executive Board shall, at the	The Executive Board shall, at the	To ensure consistency with the terminology in
11.6.	session immediately prior to the	session immediately prior to the	this section, this has been amended from
	commencement of a budget period,	commencement of a budget period,	following to coming budget period.
	adopt the institutional budget for	adopt the institutional budget for the	
	the following budget period.	followingcoming budget period.	
Regulation	The proposed institutional budget	The proposed institutional budget	The Executive Board does not provide
11.7.	shall be prepared in accordance	shall be prepared in accordance with	guidelines. However, the Board does take
	with the guidelines approved by the	the guidelines approved by the	decisions.
	Executive Board, and shall be	Executive Board decisions, and shall	
	accompanied by such information	be accompanied by such information	
	annexes and explanatory	annexes and explanatory statements	
	statements as may be requested by	as may be requested by the Executive	
	the Executive Board or as the	Board or as the Executive Director	
	Executive Director may deem	may deem necessary and useful.	
	necessary and useful.		
Regulation	Subsequent to a session of the	Subsequent to a session of the	The institutional budget is now based on a four-
11.8.	Executive Board in the second year	Executive Board in the secondlast	year budget cycle. It is expected that any
	of the budget period, the Executive	year of the budget period, the	overspending, if applicable, will take place in the
	Director may utilize a budgetary	Executive Director may utilize a	final year of the budget.
	contingency provision of up to	budgetary contingency provision of	
	three per cent (3%) of the approved	up to three per cent (3%) of the	
	appropriation for unforeseen	approved appropriation for	
	requirements resulting from	unforeseen requirements resulting	

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Section	Current	Proposed revision	Justification
	currency movements, inflation or	from currency movements, inflation	
	decisions of the General Assembly.	or decisions of the General	
		Assembly.	
Regulation	Supplementary proposals to amend	SupplementaryRevised proposals to	This is to align terminology with the midterm
11.9	the institutional budget may be	amend the institutional budget may	review envisaged for the integrated budget.
	submitted by the Executive	be submitted by the Executive	
	Director whenever necessary.	Director whenever necessary.	
Regulation	The Executive Director shall	The Executive Director shall prepare	Consistent with the justification in 11.9 above.
11.10.	prepare supplementary proposals to	supplementaryrevised proposals to	
	amend the institutional budget in a	amend the institutional budget in a	
	form consistent with the approved	form consistent with the approved	
	institutional budget and shall	institutional budget and shall submit	
	submit such proposals to the	such proposals to the Executive	
	Executive Board.	Board.	
Rule 111.4	At the time of submitting	At the time of submitting	Consistent with justification in 11.9 above.
	supplementary budget proposals	supplementary revised budget	
	the Executive Director shall	proposals the Executive Director	Removing costs in costs factors enables the
	provide such detailed information	shall provide such detailed	organization to encompass any other factors that
	as may be necessary to explain the	information as may be necessary to	may have led to the revision of the appropriation.
	extent to which the additional	explain the extent to which the	In addition, supplementary budget is narrow
	appropriation requested is due to	additional revised appropriation	whilst revised can mean increase or decrease in
	changed inflation experience or	requested is due to changed inflation	appropriations.
	forecasts, unexpected currency	experience or forecasts, unexpected	
	fluctuations or other unforeseen	currency fluctuations or other	
	cost factors.	unforeseen cost -factors.	

Article XII - Appropriations for the institutional budget

Section	Current	Proposed revision	Justification
Rule	At the end of the first calendar year	At the end of theeach first calendar	The revision is in line with the budget period,
112.1.c.	of a budget period any unused	year of within a budget period any	which has been extended from two years to four
	balance of appropriations shall be	unused balance of appropriations	years.
	carried over and remain available	shall be carried over and remain	
	for expenses in the following year,	available for expenses in the	The revision aims to clarify that the unused
	as authorized by the Director,	following years, as authorized by the	balance that shall be carried forward should be
	Division for Management Services.	Director, Division for Management	limited to the appropriations. In addition, there

	Services. The balance of	shall be no provision to carry forward unused
	appropriations cannot be carried	funds beyond the designated budget period.
	forward from one budget period to	
	another.	

Article XIII - Management of funds

Section	Current	Proposed revision	Justification
Regulation	Account being taken of the	Account being taken of the	The current regulation limits the investment
13.5.	objectives and policies of UNFPA	objectives and policies of UNFPA	strategy for UNFPA to short-term instruments
	and the special requirements of its	and the special requirements of its	only. If the investment strategy for the
	operations including liquidity,	operations including liquidity,	organization shifts from short-term instruments
	moneys not required immediately	moneys not required immediately	to other instruments as may be the case in our
	may be placed mainly in short-term	may be placed mainly in short	engagement of the external investment company,
	instruments by the Secretary	termliquid fixed-term instruments	this will be a challenge for UNFPA. In light of
	General, in consultation with the	and under exceptional circumstances	this, the change opens the organization's
	Executive Director.	in other investment instruments, by	possibilities and does not limit investment to just
		the Secretary General, in	short-term instruments. In addition, the
		consultation with the Executive	regulation includes the delegation of authority
		Director. The Secretary General may	for investment transactions to the Executive
		delegate the authority to do so to the	Director from the Secretary General.
		Executive Director.	
Rule	Title: Reporting re bank accounts.	Title: Reporting re-bank accounts	To correct a typo in the paragraph title.
113.2.			

Article XIV - Internal control

Section	Current	Proposed revision	Justification
Regulation	Establish detailed financial rules	Establish detailed financial rules and	To clarify this is referring to calendar days.
14.1.a.	and procedures in order to ensure	procedures in order to ensure	
	effective financial administration	effective financial administration and	
	and the exercise of economy, and	the exercise of economy, and	
	circulate the Financial Rules to	circulate the Financial <u>r</u> Rules to	
	Members of the Executive Board	Members of the Executive Board for	
	for information at least 30 days	information at least 30 calendar days	
	before they become effective.	before they become effective.	
Regulation	There shall be a separation of	There shall be a separation of duties	The Internal Control Framework is not only a

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Section	Current	Proposed revision	Justification
14.2.	duties in accordance with the	in accordance with the UNFPA	document.
	UNFPA Internal Control	Internal Control Framework	
	Framework document.	document .	
Rule	Any undue interference with the	Any undue interference with the	To align with new structure and titles in the
114.2.d	commitment process should be	commitment process should be	UNFPA audit and investigation functions as well
	brought to the attention of the	brought to the attention of the	as due process that now needs to be followed in
	Executive Director and, if	Executive Director. Should there be	cases where any undue interference is
	appropriate, referred to the	allegations of misconduct, this and, if	discovered.
	Director, Division for Oversight	appropriate, should be referred to the	
	Services.	Director, Division for Oversight	
		Office of Audit and Investigation	
		Services <u>for further consideration</u> .	
Rule 114.4	a. An approving officer shall	a. An approving officer shall approve	To further strengthen the rule where payment
	approve a voucher for payment	a voucher for payment when:	should be made within established limits.
	when:	i. It has been determined that	
	i. It has been determined that	payment had not previously	Change from obligation to commitment is to
	payment had not previously	been made;	align with new terminology.
	been made;	ii. It is supported by documents	
	ii. It is supported by documents	which indicate that the goods or	Change in subparagraph e. is to align with new
	which indicate that the goods	services for which payment is	structure and titles in the UNFPA audit and
	or services for which payment	claimed have been received or	investigation functions as well as due process
	is claimed have been received	rendered in accordance with the	that now needs to be followed in cases were any
	or rendered in accordance	terms of the contract and the	undue interference is discovered.
	with the terms of the contract	related obligation commitment;	
	and the related obligation;	iii. The payment is made against a	
	iii. The payment is made against a	recorded obligation commitment	
	recorded obligation of	of resources entered into by an	
	resources entered into by an	appropriate approving officer or	
	appropriate approving officer	a valid budget , where	
	or a valid budget, where	applicable within the prescribed	
	applicable;	<u>limits;</u>	
	iv. the payment is not made for	iv. the payment is not made for	
	personal purposes; and	personal purposes; and	
	v. no other information is available	v. no other information is available	
	which would bar the	which would bar the payment.	
	payment.	b. Should an invoice be presented for	

Section Current	Proposed revision	Justification
b. Should an invoice be presented for payment in an amount which exceeds the existing relevant obligation by the amount specified by the Executive Director in accordance with Rule 114.1(b) or more, prior commitment of resources by a an approving officer is required. c. For payments for which funds did not need to be reserved by the recording of an obligation in accordance with Rule 114.1(b), the documentation supporting the payment voucher must be signed by an approving officer before the payment may be approved by another approving officer. d. The Executive Director may arrange for an electronic/digital verification process provided that the ledger and the associated payment system have adequate safeguards to ensure the integrity of the verification process. e. Any undue interference with the approval process should be brought to the attention of the Executive Director and if appropriate, referred to the Director, Division for Oversight Services.	payment in an amount which exceeds the existing relevant obligationcommitment by the amount specified by the Executive Director in accordance with Rule 114.1(b)-or more, prior commitment of resources by a an approving officer is required. c. For payments for which funds did not need to be reserved by the recording of obligationa commitment in accordance with Rule 114.1(b), the documentation supporting the payment voucher must be signed by an approving officer before the payment may be approved by another approving officer. d. The Executive Director may arrange for an electronic/digital	Justification

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Section	Current	Proposed revision	Justification
Rule	All disbursements shall be made by	All disbursements shall be made by	To ensure all forms of electronic payment
114.6.a.	check, electronic (EFT) or bank	check, electronic (EFT) or other bank	modalities such as bank transfers, credit card
	transfer except to the extent that	funds transfer except to the extent	payments, mobile payments etc. are covered – an
	cash disbursements are authorized	that cash disbursements are	all-encompassing term has been used.
	by the Executive Director or his	authorized by the Executive Director	
	delegate.	or his/her delegate.	
Rule	Petty cash advances may be made	Petty cash advances may be made to	To correct a spelling correction.
114.7.a.	to officials designated by the	officials designated by the Executive	
	Executive Director or his/her	Director or his/her delegate. The	
	delegate. The accounts therefor	accounts therefore shall be	
	shall be maintained on an imprest	maintained on an imprest basis. The	
	basis. The amount and purposes of	amount and purposes of each	
	each advance shall be defined by	advance shall be defined by the	
	the Director, Division for	Director, Division for Management	
	Management Services, and limited	Services, and limited to the minimum	
	to the minimum compatible with	compatible with working	
	working requirements.	requirements.	
Rule	In addition to advances specified in	In addition to advances specified in	UNFPA does not issue administrative
114.7.b.	sub paragraph (a) of this Rule, the	sub paragraph (a) of this Rule, the	instructions. Therefore using the term policies
	Executive Director or his/her	Executive Director or his/her	and procedures is more appropriate.
	delegate may also authorize the	delegate may also authorize the	
	issuance of such other cash	issuance of such other cash advances	
	advances as may be permitted by	as may be permitted by the Staff	
	the Staff Regulations and Rules and	Regulations and Rules and	
	administrative instructions or as	administrative instructions UNFPA	
	may be specifically approved by	policies and procedures or as may be	
	him/her.	specifically approved by him/her.	
Rule	Officials to whom such advances	Officials to whom such advances are	To ensure custodians of advances are clearly
114.7.c.	are issued may make use of them	issued may make use of them only	mandated to ensure that they are in a position to
	only for the purposes for which	for the purposes for which they were	account for advances at all times, the remaining
	they were authorized and shall be	authorized and shall be held	section has been modified to add further clarity.
	held personally responsible and	personally responsible and	
	financially liable for the proper	financially liable for the proper	
	management and safekeeping of	management and safekeeping of the	
	the advances so made. They shall	advances so made. They shall be in a	
	be in a position at all times to	position at all times to account for	

Section	Current	Proposed revision	Justification
	account for such advances and	such advances and shall submit	
	shall submit monthly accounts with	monthly accounts with respect to	
	respect to petty cash advances	petty cash advances unless otherwise	
	unless otherwise decided by the	decided by the Executive Director or	
	Executive Director or his/her	his/her delegate.	
	delegate.		
Regulation	Expenses for the current year and	Expenses for the current year and	To align with revised terminology on ceilings –
14.3.	commitments for future years shall	commitments for future years shall	the term covers limits on expenditure for other
	be incurred and entered into,	be incurred and entered into,	and regular resources.
	respectively, only after resources	respectively, only after	
	for programme activities,	resourcesceilings for programme	In addition, change made to align with comment
	allotments in respect of the	activities, allotments in respect of the	received from OLA in previous revision to the
	institutional budget or other	institutional budget or other	regulation.
	appropriate authorizations have	appropriate authorizations have been	
	been made in writing under the	made in writing available under the	
	authority of the Executive Director.	authority of the Executive Director.	
Regulation	The Executive Director may make	The Executive Director may make	This is to add further clarity to the fact that the
14.4.a.	such ex gratia payments, not	such ex -gratia payments, not	ex-gratia payments can not exceed \$75,000 in
	exceeding \$75,000 per year, as he	exceeding \$75,000 per year in total,	any given year.
	or she deems to be necessary in the	as he or she deems to be necessary in	
	interest of UNFPA. A statement of	the interest of UNFPA. A statement	
	such payments shall be included in	of such payments shall be included in	
	the audited financial statements,	the audited financial statements,	
	except as set for the in paragraph	except as set for the in paragraph (b)	
	(b) below:	below:	
Regulation	In the case of an emergency where,	Additionally to paragraph (a) above,	
14.4.b	at the discretion of the Executive	Lin the case of an emergency where,	
	Director, immediate ex gratia	at the discretion of the Executive	
	payments are necessary for	Director, immediate ex-gratia	
	humanitarian reasons (in instances	payments are necessary for	
	such as injury or death suffered in	humanitarian reasons (in instances	
	connection with UNFPA activities),	such as injury or death suffered in	
	the Executive Director may make	connection with UNFPA activities),	
	such payments in accordance with	the Executive Director may make	
	paragraph (a) above, except that	such payments in accordance with	
	such payments shall be without	paragraph (a) above, except that such	

Section	Current	Proposed revision	Justification
	limitation as to the amount. The	payments shall be without limitation	
	Executive Director shall	as to the amount. The Executive	
	immediately inform the Executive	Director shall immediately inform	
	Board when any single situation	the Executive Board when any single	
	results in payments in excess of	situation results in payments in	
	\$50,000.	excess of \$50,000.	
New	Moved last part of 14.4.a.	A statement of suchall ex-gratia	Ex-gratia payments falling under either a or b
regulation		payments shall be submitted to the	above should be reported to the Executive
14.4.c.		Board of Auditors with the accounts.	Board. Having this statement stand alone
			emphasizes this fact.
Rule 114.9	Ex gratia payments may be made in	Ex-gratia payments may be made in	To ensure consistency with the rest of the
	cases where in the opinion of the	cases where in the opinion of the	document where UNFPA has been used instead
	United Nations Populations Fund	United Nations Population	of United Nations Population Fund.
	Legal Officer there is no clear legal	Fund UNFPA Legal Office there is no	
	liability on the part of the United	clear legal liability on the part of the	
	Nations Population Fund and	United Nations Population	
	where such payments are in the	FundUNFPA and where such	
	interest of the United Nations	payments are in the interest of the	
	Population Fund.	United Nations Population	
		FundUNFPA.	
Regulation	The Executive Director may, after	The Executive Director may, after	To ensure consistency with Rule 114.10a which
14.5.	full investigation, authorize the	full investigation review, authorize	covers all the relevant assets that are included in
	writing-off of cash, stores and	the writing-off of assets including	the process.
	other assets, provided that a	cash stores and other assets , provided	
	statement of all such amounts	that a statement of all such amounts	
	written off shall be submitted to the	written off shall be submitted to the	
	Board of Auditors with the	Board of Auditors with the accounts.	
	accounts. The Executive Director	The Executive Director may	
	may establish from time to time an	establish from time to time an	
	amount below which formal write-	amount below which formal write	
	off is not required. Such amounts	offreview is not required. Such	
	shall, for administrative efficiency,	amounts shall, for administrative	
	be charged directly to the relevant	efficiency, be charged directly to the	
	allotment/budget line.	relevant allotment/budget line.	
Rule	Any loss of cash, inventory,	Any loss of <u>assets including</u> cash,	Further clarity is required in establishing the
114.10.a.	property, plant, equipment, other	inventory, property, plant, equipment,	basis for determining loss of assets such as

Section	Current	Proposed revision	Justification
	assets or negotiable instruments	other assets or negotiable instruments	property, plant and equipment (PPE) as there are
	shall be reported at once to the	shall be reported at once to the	various options available such as net book value
	Director, Division for Management	Director, Division for Management	(NBV), cost or fair market value. Net book value
	Services.	Services.	has been established as this is the value reported
			for the assets in the UNFPA accounting records.
		For the purpose of property, plant	
		and equipment the amount of loss	In order to further add clarity, operational losses
		will be derived by reference to the	and exchange gains and losses, that take place
		net book value of the item in the	during normal business practices, are excluded in
		accounts at the time of the loss.	applying this rule.
		Further, for clarification, loss for the	
		purpose of this rule does not include	
		operating losses such as foreign	
		exchange losses and losses on the	
		disposal of property, plant and	
D1-	The Executive Director shall	equipment.	This was different and the short and the food that
Rule		The Executive Director shall require	This modification adds clarity to the fact that
114.10.b.	require the Director, Division for	the Director, Division for	only cases requiring write-off shall require full
	Management Services, to make a full review of all cases involving	Management Services, to make a full review of all cases involving the	investigation.
	the writing off of losses. He/she	writing off of losses assets. He/she	In addition, assets are written off or written
	shall also require a similar review	shall also require a similar review	down. However, losses are not written off or
	and report of all cases involving	and report of all cases involving the	written down.
	the loss of UNFPA cash, inventory,	loss of UNFPA cash, inventory,	written down.
	property, plant, equipment, and	property, plant, equipment, and other	
	other assets before writing off such	assets before the adjustment of	
	losses or authorizing the	UNFPA records to bring the balance	
	adjustment of UNFPA records to	shown by the records into conformity	
	bring the balance shown by the	with actual quantities held following	
	records into conformity with actual	such loss.	
	quantities held following such loss.		
New rule		Write-offs of \$2,500 or less are	This rule is independent of the discussion in
114.10.c.		excluded from the full review	114.10.d. therefore separation helps clarify the
		process and may be authorized by the	two discussions.
		Director, Division for Management	
		Services.	

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Rule 114.10.c. If satisfied, following receipt of the report of the Director, Division for Management Services, that the losses which were the subject of the review are irrecoverable and must be written off or written down in value on the records of UNFPA, the Executive Director may approve the writing off or writing down of such losses. Rule 114.10.d. Should the review reveal alleged 114.10.d. Mew rule 114.10.e. Should the matter to the Director, Division for Oversight Services. Rule 114.10.e. If satisfied, following receipt of the report of the Director, Division for Management Services, that the losses which were the subject of the review are irrecoverable and the asset must be written off or written down in value on the records of UNFPA, the Executive Director may approve the writing off or writing down of such losses. Should the review reveal alleged allegations of misconduct, the Director, Division for Management Services would refer the matter to the Director, Division for Management Services would refer the matter to the Director, Division for Management Services would rivers to the Director, Division for Management Services would refer the matter to the Director, Division for Management Services would refer the matter to the Director, Division for Management Services would refer the matter to the Director, Division for Management Services would refer the matter to the Director, Division for Management Services would refer the matter to the Director, Division for Management Services would refer the matter to the Director, Office of Audit and 114.10 d as it is independent of the down.	
New rule 114.10.d. Management Services, that the losses which were the subject of the review are irrecoverable and must be written off or written down in value on the records of UNFPA, the Executive Director may approve the writing off or writing down of such losses. Rule 114.10.d. Rule 114.10.d. Rule 114.10.d. New rule Management Services, that the losses which were the subject of the review are irrecoverable and the asset must be written off or written down in value on the records of UNFPA, the Executive Director may approve the writing off or writing down of such losses. Should the review reveal alleged misconduct the Director, Division for Management Services would refer the matter to the Director, Services would will refer the matter Write-off authorization moved to separate	a loss is
New rule 114.10.d. losses which were the subject of the review are irrecoverable and must be written off or written down in value on the records of UNFPA, the Executive Director may approve the writing off or writing down of such losses. Rule 114.10.d. Should the review reveal alleged misconduct the Director, Division for Management Services would refer the matter to the Director, Services would will refer the matter Write-off authorization moved to separate Write-off authorization moved	
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must be written off or written down in value on the records of UNFPA, the Executive Director may approve the writing off or writing down of such losses. Rule 114.10.d. New rule The must be written down in value on the records of UNFPA, the Executive Director may approve the writing off or writing down of such losses. Should the review reveal alleged misconduct the Director, Division for Management Services would refer the matter to the Director, Services would will refer the matter Write-off authorization moved to separate the matter with the process of UNFPA, the Executive Director may approve the writing down of such losses. Proposed revision from Office of Audit and Investigations in light of the revised structure. Services would will refer the matter Write-off authorization moved to separate.	
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Rule Should the review reveal alleged Should the review reveal Proposed revision from Office of Audit at alleged I14.10.d. misconduct the Director, Division for Management Services would Proposed revision from Office of Audit at allegedallegations of misconduct, the Director, Division for Management Director, Division for Management Write-off authorization moved to separate	
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<u> </u>	
114.10.e. Division for Oversight Services. to the Director, Office of Audit and 114.10 d as it is independent of the discus	
	ssion in
Where it is established that neglect, <u>Investigation Services for further</u> revised paragraph 114.10e	
carelessness or culpability existed, consideration. If misconduct is	
the Executive Director may take substantiated, Division for Oversight	
such disciplinary or other action in Services. Where it is established that	
accordance with the Staff neglect, carelessness or culpability	
Regulations and Rules, and may existed, tthe Executive Director may	
require the responsible official to take such disciplinary or other	
reimburse the loss fully or partially. <u>administrative</u> action in accordance	
The amount authorized for waiver with the Staff Regulations and Rules,	
by Division for Management and may require the responsible	
Services review of proposed write- official to reimburse the loss fully or	
off is \$2,500 or less. partially.	
The amount authorized for waiver by Division for Management Services	
Division for Management Services review of proposed write off is	
\$2,500 or less.	
Rule The Executive Director shall issue The Executive Director shall issue Revised rule number in light of separation	n and
114.10.e. fraud prevention policies. fraud prevention policies. fraud prevention policies. new rule 114.10.e. above.	11 4114
The state of the s	
New rule	
114.10.f.	

Section	Current	Proposed revision	Justification
Regulation 14.6.a.	As is.	As is.	Now included in a separate article on procurement.
			procurement
Now			
regulation 15.1.a.			
Regulation	As is.	As is.	Now included in a separate article on
14.6.b.	110 10.	110 10.	procurement.
Now			
regulation			
15.1.b.			
Regulation	The following general principles	The following general principles	Principles now include environmental
14.7.	shall be given due consideration in	shall be given due consideration in	sustainability in line with the UNFPA drive for
Now	carrying out the procurement functions of UNFPA:	carrying out the procurement functions of UNFPA:	environmental sustainability.
regulation	a) Best value for money	a) Best value for money	
15.2	considering all relevant	considering all relevant factors,	
	factors, including costs and	including costs and benefits to	
	benefits to UNFPA;	UNFPA such as environmental	
	b) Fairness, integrity and	sustainability;	
	transparency;	b) Fairness, integrity and	
	c) Open and effective international competition; and	transparency; c) Open and effective international	
	d) The interest of UNFPA.	competition; and	
	d) The interest of OTVITTI.	d) The interest of UNFPA.	
Rule	As is.	As is.	Now included in a separate article on
114.11.a.			procurement.
New rule			
115.1.a.			
Rule	The CPO shall ensure that the	The CPO shall ensure that the	UNFPA does not issue administrative
114.11.b	procurement functions are carried	procurement functions are carried out	instructions. Therefore using the term policies
	out in accordance with the relevant	in accordance with the relevant	and procedures is more appropriate.
Now rule	Financial Regulations and Rules.	financial regulations and rules. To	Ni-minded in a second of 1
115.1.b	To this end, the CPO:	this end, the CPO:	Now included in a separate article on

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Section	Cı	ırrent	Pro	pposed revision	Justification
	i.	3	i.	shall establish the necessary	procurement.
		controls, including for delegations		controls, including for delegations	
		of authority, and shall issue		of authority, and shall issue	The addition of reference to 5.2. is to ensure all
		administrative instructions for		administrative instructions policies	procurement principles are highlighted here and
		purposes necessary to protect the		and procedures for purposes	not just integrity.
		integrity of the procurement		necessary to protect the integrity of	
		process and the interest of the		the procurement process principles	Use of revenue in this discussion is incorrect.
		organization; and		enumerated in regulation 5.2. and	However, the handling fees generated by
	ii.	shall establish review committees,		the interest of the organization; and	procurement in delivering their services will be
		at headquarters and other	ii.	shall establish review committees,	discussed further in the revised article 14.8 (15.3
		locations, to render written advice		at headquarters and other locations,	in new layout)
		to the CPO on procurement		to render written advice to the CPO	
		actions leading to the award or		on procurement actions leading to	iii. This is to add further clarity to the fact that
		amendment of procurement		the award or amendment of	the CPO should at least receive advice from the
		contracts, which, for purposes of		procurement contracts, which, for	committee even though the CPO may make a
		these Regulations and Rules,		purposes of these \underline{r} Regulations and	decision to the contrary of the recommendation
		includes agreements or other		<u>r</u> Rules, includes agreements or	from the committee. The current FRR is not
		written instruments such as		other written instruments such as	explicit when it comes to the precise point at
		purchase orders, and contracts		purchase orders , and contracts that	which the CPO can decide not to follow the
		that involve revenue to UNFPA.		involve reenue to UNFPA. The	advice rendered by CRC.
		The CPO shall establish the		CPO shall establish the composition	
		composition and the terms of		and the terms of reference of such	
		reference of such committees,		committees, which shall include the	
		which shall include the types and		types and monetary values of	
		monetary values of proposed		proposed procurement actions	
		procurement actions subject to		subject to review.	
		review.	iii.	Shall ensure that when advice of the	
	iii.	Shall ensure that when advice of		review committee established under	
		the review committee established		the preceding provisions of this	
		under the preceding provisions of		Rule is required, no commitment	
		this Rule is required, no		may be entered into before such	
		commitment may be entered into		advice is <u>received and</u> acted upon	
		before such advice is acted upon		by the CPO. In cases where the	
		by the CPO. In cases where the		CPO or his/her delegates decides	
		CPO or his/her delegates decides		not to accept the advice of such	
		not to accept the advice of such		committee, he/she shall record the	

Section	Current	Proposed revision	Justification
	committee, he/she shall record the reasons for such decision.	reasons for such decision.	
Rule 114.11.c.	The DED-M is accountable for the contracting of individual consultants who provide personal or professional services to UNEDA	The DED-M is accountable for the contracting of individual consultants who provide personal or professional carriages to LINERA. The DED M	Consultants are hired in their professional capacity instead of their personal capacity. The amendment is aimed at clarifying this.
Now rule 115.1.c.	or professional services to UNFPA. The DED-M shall establish the necessary controls and may delegate authority to staff in fulfilling the purposes of this paragraph.	services to UNFPA. The DED-M shall establish the necessary controls and may delegate authority to staff in fulfilling the purposes of this paragraph.	In line with change recommended by the OLA. Now included in a separate article on procurement.
Rule 114.12.a. to c.	As is.	As is.	Now included in a separate article on procurement.
Now rule 115.2.a. to c.			
Rule 114.13. Now rule 115.3.	Consistent with the provisions contained in Regulation 14.7, above, and except as otherwise provided in Rule 114.15 below, procurement contracts shall be awarded on the basis of effective competition, and to this end, the competitive process shall, as	Consistent with the provisions contained in rRegulation 14.715.2., above, and except as otherwise provided in rRule 114.15115.5. below, procurement contracts shall be awarded on the basis of effective competition, and to this end, the competitive process shall, as	UNFPA does not issue administrative instructions. Therefore using the UNFPA policies and procedures is more appropriate. Now included in a separate article on procurement.
	necessary, include: a) acquisition planning for developing an overall procurement strategy and procurement methodologies; b) market research for identifying potential suppliers; c) consideration of prudent commercial practices; and d) formal methods of solicitation,	necessary, include: a) acquisition planning for developing an overall procurement strategy and procurement methodologies; b) market research for identifying potential suppliers; c) consideration of prudent commercial practices; and d) formal methods of solicitation, utilizing invitations to bid or	

Section	Current	Proposed revision	Justification
	utilizing invitations to bid or	requests for proposals on the basis	
	requests for proposals on the	of advertisement or direct	
	basis of advertisement or direct	solicitation of invited suppliers; or	
	solicitation of invited suppliers;	informal methods of solicitation,	
	or informal methods of	such as requests for quotations. The	
	solicitation, such as requests for	CPO shall issue administrative	
	quotations. The CPO shall issue	instructions policies and procedures	
	administrative instructions	concerning the types of	
	concerning the types of	procurement activities and	
	procurement activities and	monetary values for which such	
	monetary values for which such	methods of solicitation are to be	
	methods of solicitation are to be	used.	
	used.		
Rule	The award of a procurement	The award of a procurement contract	Now included in a separate article on
114.14.a.	contract shall be made after due	shall be made after due consideration	procurement.
	consideration has been given to the	has been given to the general	
Now rule	general principles described in	principles described in <u>r</u> Regulation	
115.4.a	Regulation 14.7 and in accordance	14.715.2. and in accordance with the	
	with the following:	following:	
	i. When a formal invitation to bid	i. When a formal invitation to bid	
	has been issued, the	has been issued, the	
	procurement contract shall be	procurement contract shall be	
	awarded to the qualified	awarded to the qualified bidder	
	bidder whose bid	whose bid substantially	
	substantially conforms to the	conforms to the requirements	
	requirements set forth in the	set forth in the solicitation	
	solicitation documents and is	documents and is evaluated to	
	evaluated to be the lowest	be the lowest cost to UNFPA.	
	cost to UNFPA.	ii. When a formal request for	
	ii. When a formal request for	proposals has been issued, the	
	proposals has been issued, the	procurement contract shall be	
	procurement contract shall be	awarded to the qualified	
	awarded to the qualified	proposer whose proposal, all	
	proposer whose proposal, all	factors considered, is the most	
	factors considered, is the	responsive to the requirements	
	most responsive to the	set forth in the solicitation	

Section	Current	Proposed revision	Justification
	requirements set forth in the	documents.	
	solicitation documents.		
Rule	The CPO may, in the interest of	The CPO may, in the interest of	Now included in a separate article on
114.14.b.	UNFPA, reject bids or proposals	UNFPA, reject bids or proposals for	procurement.
	for a particular procurement action,	a particular procurement action,	
Now rule	recording the reasons for rejection	recording the reasons for rejection in	
115.4.b	in writing. The CPO shall then	writing. The CPO shall then	
	determine whether to undertake a	determine whether to undertake a	
	new solicitation, or to directly	new solicitation, or to directly	
	negotiate a procurement contract	negotiate a procurement contract	
	pursuant to Rule 114.15, below, or	pursuant to <u>r</u> Rule <u>114.15</u> 115.5,	
	to terminate or suspend the	below, or to terminate or suspend the	
	procurement action.	procurement action.	
Rule	The CPO may determine for a	The CPO may determine for a	Now included in a separate article on
114.15.a.	particular procurement action that	particular procurement action that	procurement.
	using formal methods of	using formal methods of solicitation	
Now rule	solicitation is not in the best	is not in the best interest of UNFPA:	The inclusion of "responding to crisis" in this
115.5.a.	interest of UNFPA:	i. When the value of the	rule makes this more explicit for the reader of
	i. When the value of the	procurement is below the	the UNFPA FRRs.
	procurement is below the	monetary amount established	
	monetary amount established	for formal methods of	
	for formal methods of	solicitation;	
	solicitation;	ii. When there is no competitive	
	ii. When there is no competitive	marketplace for the	
	marketplace for the	requirement, such as where a	
	requirement, such as where a	monopoly exists, where prices	
	monopoly exists, where	are fixed by legislation or	
	prices are fixed by	government regulation, or	
	legislation or government	where the requirement involves	
	regulation, or where the	a proprietary product or service;	
	requirement involves a	iii. When there has been a previous	
	proprietary product or	determination or there is a need	
	service;	to standardize the requirement;	
	iii. When there has been a	iv. When the proposed procurement	
	previous determination or	contract is the result of	
	there is a need to standardize	cooperation with other	

other organizations of the	requirements have been
United Nations system,	obtained competitively within a
pursuant to Rule 114.12(b),	reasonable period and the prices
above;	and conditions offered remain
v. When offers for identical	competitive;
requirements have been	vi. When, within a reasonable prior
obtained competitively	period, a formal solicitation has
within a reasonable period	not produced satisfactory
and the prices and conditions	results;
offered remain competitive;	vii. When the proposed procurement
vi. When, within a reasonable	contract is for the purchase or
prior period, a formal	lease of real property;
solicitation has not produced	viii. When there is a genuine
satisfactory results;	exigency for the requirement
vii. When the proposed	beyond the control of UNFPA
procurement contract is for	including crisis or emergency
the purchase or lease of real	situations;
property;	ix. When the proposed procurement
viii. When there is a genuine	contract relates to obtaining
exigency for the requirement	services that cannot be
beyond the control UNFPA;	objectively evaluated; or
ix. When the proposed	x. When the CPO otherwise
procurement contract relates	determines that a formal
to obtaining services that	solicitation will not give
cannot be objectively	satisfactory results.
evaluated; or	
x. When the CPO otherwise	
determines that a formal	
solicitation will not give	
satisfactory results.	
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As is.

Proposed revision

organizations of the United

Nations system, pursuant to

v. When offers for identical

requirements have been

<u>rRule 114.12115.2.(b)</u>, above;

Justification

Now included in a separate article on

procurement.

Rule

114.15.b.

As is.

Section

Current

the requirement;

procurement contract is the

result of cooperation with

other organizations of the

iv. When the proposed

Section	Current	Proposed revision	Justification
Now rule 115.5.b.			
Rule 114.16.	As is.	As is.	Now included in a separate article on procurement.
Now rule 115.6.			
Rule 114.17.a.	a. Except where normal commercial practice or the interests of UNFPA so require, no contract	a. Except where normal commercial practice or the interests of UNFPA so require, no contract shall be	UNFPA does not issue administrative instructions. Therefore using the UNFPA policies and procedures is more appropriate.
Now rule 115.7.a.	shall be made on behalf of UNFPA which requires a payment or payments on account in advance of the delivery of	made on behalf of UNFPA which requires a payment or payments on account in advance of the delivery of products or the performance of	Now included in a separate article on procurement.
114.17.b.	products or the performance of contractual services. Whenever an advance payment is agreed to	contractual services. Whenever an advance payment is agreed to in accordance with administrative	UNFPA does not issue administrative instructions. Therefore using the UNFPA policies
115.7.b.	in accordance with administrative instructions issued by the CPO, the reasons therefore shall be recorded.	instructions UNFPA policies and procedures issued by the CPO, the reasons therefore shall be recorded.	and procedures is more appropriate. Now included in a separate article on procurement.
	b. Progress payments may be permitted pursuant to normal commercial practice or in the interest of the organization, in accordance with administrative instructions issued by the CPO.	b. Progress payments may be permitted pursuant to normal commercial practice or in the interest of the organization, in accordance with administrative instructions UNFPA policies and procedures issued by the CPO.	
Regulation 14.8.	Supplies, equipment and services may be provided by UNFPA under procurement arrangements on	UNFPA may engage in third party procurement. Such procurement will: a. Supplies, equipment and services	This is to add the definition of third party procurement (TPP) that is a major component of procurement activities, in the FRRs. There is
Now regulation 15.3.	behalf and at the request of Governments, specialized agencies or other intergovernmental or non- governmental organizations, where	may be provided by UNFPA under procurement arrangements on behalf and at the request of Governments, specialized agencies	currently no clear definition of third party procurement handling fees nor any waiver procedure in applying them. The exception to advance the payment option is

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Section	Current	Proposed revision	Justification
	such supplies, equipment and services are required for purposes related to UNFPA activities and are consistent with the aims and policies of UNFPA, on the basis of full payment in advance of the procurement activities, to cover all costs, including insurance and service fees, connected with the procurement of such supplies, equipment and services.	or other intergovernmental or non- governmental organizations, where such supplies, equipment and services are required be for purposes related to UNFPA activities mandate and are will be consistent with the aims and policies of UNFPA; b. In each case, be specified in a procurement services contract; c. be undertaken on the basis of full payment in advance of the total cost of the procurement. Exceptionally, other payment terms may be approved by the CPO; and d. include a separately identified handling fee. The handling fee may be fully or partially waived in exceptional circumstances as approved by the Executive Director.	to provide Procurement Services Branch (PSB) with a more flexible position in cases where full payment is not made upfront when procurement services are rendered by PSB. Now included in a separate article on procurement.
Previously regulation 5.4. Now regulation 15.3. & 15.4.	Funds received by UNFPA under Regulation 14.8 for procurement of supplies, equipment and services on behalf and at the request of Governments, specialized agencies or other intergovernmental organizations shall be separately accounted for. The revenue relating to procurement services shall also be used to meet the cost of these services.	Funds received by UNFPA under rRegulation 14.815.3., shall be accounted for under other resources. The revenue relating to procurement services shall also be used to meet the cost of these services.	As discussed in the amendment to regulation 5.4., procurement discussion is now included in the new section on procurement. This regulation has been modified to adhere to the new discussion on third party procurement which has been defined above. In addition, third party procurement should be accounted for separately as it is a different funding mechanism as compared to other funding within UNFPA.
Regulation 14.9. Now regulation 15.5.	In conformity with Executive Board decision 96/3, UNFPA may procure and hold stocks of essential goods in support of reproductive health.	In conformity with Executive Board decision 96/3, UNFPA may procure and hold stocks of essential goods in support of reproductive health.	Now included in a separate article on procurement.

Section	Current	Proposed revision	Justification
Regulation	Management of property	Management of property and	To improve the language in the FRRs.
14.10.	The Executive Director is	stockholding	
	responsible and accountable for	The Executive Director is	
Now	managing the property of UNFPA	responsible and accountable for	
regulation	effectively and efficiently in	managing the property and	
14.6.	furtherance of its mandate and	stockholdings of UNFPA effectively	
	activities.	and efficiently in furtherance of its	
	a. The management of property	mandate and activities.	
	includes all actions necessary for	a. The management of property <u>and</u>	
	its receipt, custody, maintenance	stockholdings includes all actions	
	and disposal;	necessary for its receipt, custody,	
	b. The Executive Director may	maintenance and disposal;	
	delegate authority, as appropriate,	b. The Executive Director may	
	for such management of property.	delegate authority, as appropriate,	
		for such management of property	
D 1	Til CDO:	and stockholdings.	m ' d I EDD
Rule	The CPO is accountable to the	The CPO is accountable to the	To improve the language in the FRRs.
114.18	Executive Director for the	Executive Director for the	
NI1 -	management of the property of UNFPA. The CPO shall establish	management of the property and	
Now rule 114.11	such controls necessary for the	stockholdings of UNFPA. The CPO shall establish such controls	
114.11	recording, safekeeping,	necessary for the recording,	
	maintenance and disposal of such	safekeeping, maintenance and	
	property. The CPO may further	disposal of such property and	
	delegate authority to staff at	stockholdings. The CPO may further	
	headquarters and other locations, as	delegate authority to staff at	
	may be appropriate in fulfilling the	headquarters and other locations, as	
	purposes of these Rules. The CPO	may be appropriate in fulfilling the	
	is also responsible for establishing	purposes of these rules. The CPO is	
	the types and values of property	also responsible for establishing the	
	that shall be recorded.	types and values of property and	
	· · · · · · · · · · · · · · · · · · ·	stockholdings that shall be recorded.	
Rule	The CPO shall establish property	The CPO shall establish property	The amendment is to clarify that the CPO shall
114.19.a.	survey boards for headquarters and	survey boards for headquarters and	review damages to UNFPA assets as well as
	other locations, to render written	other locations, to render written	other impairments which are not losses as
Now rule	advice to him/her in respect of	advice to him/her in respect of loss,	discussed under rule 114.10.

114.12.a.	damage of other discrepancy	damage of other discrepancy	
	regarding the property of UNFPA.	regardingimpairment of the property	
	The CPO shall establish the	of UNFPA. The CPO shall establish	
	composition and terms of reference	the composition and terms of	
	of such boards, which shall include	reference of such boards, which shall	
	procedures for determining the	include procedures for determining	
	cause of such, damage or other	the cause of such <u>loss</u> , damage or	
	discrepancy, the disposal action,	other discrepancy impairment, the	
	and the degree of responsibility, if	disposal action, and the degree of	
	any, attaching to any official of	responsibility, if any, attaching to any	
	UNFPA or other party, for such	official of UNFPA or other party, for	
	damage or other discrepancy.	such loss, damage or other	
		discrepancy impairment.	
Rule	The CPO shall establish	The CPO shall establish	UNFPA issues policies and procedures. In light
114.19.b.	administrative instructions	administrative instructions policies	of this, the replacement of the administrative
	governing the sale of property and	and procedures governing the sale of	instructions is appropriate.
Now rule	may delegate authority to staff as	property and may delegate authority	
114.12.b.	may be appropriate in fulfilling the	to staff as may be appropriate in	
	purposes of this paragraph.	fulfilling the purposes of this	
		paragraph.	
Regulation	In accordance with the Oversight	In accordance with the Oversight	Moved to Chapter J – Audit and investigation:
14.11	Policy, approved by the Executive	Policy, approved by the Executive	Article XVII -Internal audit and investigations.
	Board, the roles and	Board, the roles and responsibilities	
	responsibilities of the Division for	of the Division for Oversight	
	Oversight Services are set forth in	Services are set forth in its charter	
	its charter approved by the	approved by the Executive Director.	
	Executive Director. The oversight	The oversight services provided by	
	services provided by the Division	the Division for Oversight Services	
	for Oversight Services cover	cover internal auditing, fraud	
	internal auditing, fraud prevention	prevention and detection,	
	and detection, investigation,	investigation, evaluation and	
	evaluation and advisory services.	advisory services. The Director of	
	The Director of the Division for	the Division for Oversight Services	
	Oversight Services reports on	reports on internal audit and	
	internal audit and oversight	oversight activities annually and on	
	1 1 1		

evaluation activities biennially to the

Proposed revision

damage or other discrepancy

Justification

Section

114.12.a.

Current

damage or other discrepancy

activities annually and on

Section	Current	Proposed revision	Justification
	evaluation activities biennially to the Executive Board at its annual session. The Division for Oversight Services solely performs, manages, or authorizes others to perform or manage independent oversight services.	Executive Board at its annual session. The Division for Oversight Services solely performs, manages, or authorizes others to perform or manage independent oversight services.	
Rule 114.20 Now rule	In accordance with the Oversight Policy, the Executive Director appoints the five members of the Audit Advisory Committee to serve	In accordance with the Oversight Policy, the Executive Director appoints the five members of the Audit Advisory Committee to serve	Moved to Chapter J – Audit and investigation: Article XVII Internal audit and investigations.
117.4	three-year terms, renewable once. The roles and responsibilities of the Audit Advisory Committee are set forth in its terms of reference approved by the Executive Director.	three year terms, renewable once. The roles and responsibilities of the Audit Advisory Committee are set forth in its terms of reference approved by the Executive Director.	
Rule 114.21	Stockholdings of contraceptive products established under Regulation 14.9 above may be held	Stockholdings of contraceptive products established goods under rRegulation 14.9 above 15.5. may be	The change is to reflect International Public Sector Accounting Standards (IPSAS) approach to accounting for UNFPA commodities where
Now rule115.8.	at the premises of the supplier or at alternative secure premises deemed suitable for the storage of contraceptives, medical and pharmaceutical products. Where payment has been made by UNFPA to the supplier, either in part or in full, to secure title to such products prior to shipment to the designated recipient, UNFPA shall ensure that appropriate insurance is maintained in order to safeguard the interest of the Fund.	held at the premises of the suppliers or at alternative secure premises deemed suitable for the storage of contraceptive, medical and pharmaceutical products. In respect of stock held Where payment has been made by UNFPA to the at supplier premises, where UNFPA has, either in part or in full, to secured title to such products prior to shipment to the designated recipient, UNFPA shall ensure that appropriate insurance is maintained in order to safeguard the interest of the Fund UNFPA.	assets are recognized at the point of transfer of title and not necessarily at time of payment. In addition, change of reference to align with new flow of document. In addition, minor modification at end of paragraph to capture UNFPA instead of reference to "Fund". Now included in a separate article on procurement.

Section	Current	Proposed revision	Justification
Regulation	Notwithstanding the provisions of	Notwithstanding the provisions of	UNFPA issues policies and procedures. In light
14.12	regulation 8.1, the Executive	regulation 8.1, the <u>CPO</u> mayshall	of this, the replacement of the administrative
	Director may issue guidelines	issue guidelinesprocedures regarding	instructions is appropriate.
Now	regarding the procurement of	the procurement of equipment,	
regulation	equipment, supplies and services.	suppliesgoods and services. The	Now included in a separate article on
15.6.	The services must be in accordance	services must be in accordance with	procurement.
	with principles approved by the	principles approved by the General	
	General Assembly and in particular	Assembly and in particular the	
	the Consensus of 1970, resolution	Consensus of 1970, resolution 2688	
	2688 (XXV), annex, paragraphs 41,	(XXV), annex, paragraphs 41, 42 and	
	42 and 44, and resolution 3405	44, and resolution 3405 (XXX),	
	(XXX), annex. Such guidelines	annex. Such procedures shall be	
	shall be drawn up in consultation	drawn up in consultation with the	
	with the implementing partners,	implementing partners, which are	
	which are organizations of the	organizations of the United Nations	
	United Nations system, and	system, and submitted to the	
	submitted to the Members of the	Members of the Executive Board in	
	Executive Board in accordance	accordance with <u>r</u> Regulation 14.1.	
	with Regulation 14.1.		

Article XVI - UNFPA accounts

Section	Current	Proposed revision	Justification
Regulation	The UNFPA Accounts shall	The UNFPA <u>a</u> Accounts shall	In line with the separate accounting for the three
15.1.	separately identify revenue and	separately identify revenue and	different funding modalities.
	expenses, assets and liabilities	expenses, assets and liabilities	
Now	attributable to regular resources,	attributable to regular resources, trust	
regulation	trust funds and procurement	funds and procurement	
16.1.	activities.	activities other resources.	
Regulation	As is.	As is.	Now regulation 16.2.
15.2.			
Now			
regulation			
16.2.			
Rule	As is.	As is.	Now rule 116.1.

Section	Current	Proposed revision	Justification
115.1.			
Now rule			
116.1.			
Regulation	As is.	As is.	Now regulation 16.3.
15.3.			
Now			
regulation			
16.3.			
Regulation	For the years 2010 and 2011 the	For the years 2010 and 2011 the	This is in line with the annual reporting
15.4	Executive Director shall submit	Executive Director shall submit	requirements as a result of the adoption of
	biennial financial statements in	biennial financial statements in	IPSAS.
Now	respect of the UNFPA Account and	respect of the UNFPA Account and in	
regulation	in respect of all other funds	respect of all other funds	Moved previous regulation 15.6. to this
16.4.	administered by UNFPA, in	administered by UNFPA, in	regulation to ensure consistency and flow of
	accordance with United Nations	accordance with United Nations	information.
	System Accounting Standards.	System Accounting Standards.	
	Effective with the 2012 financial	Effective with the 2012 financial	
	statements the Executive Director	statements tThe Executive Director	
	shall submit financial statements	shall submit financial statements	
	annually in accordance with	annually in accordance with	
	International Public Sector	International Public Sector	
	Accounting Standards. The Executive Director shall also	Accounting Standards.	
	give such other information as may	The Executive Director shall also	
	be appropriate to indicate the	give such other information as may	
	current financial position and shall	be appropriate to indicate the current	
	maintain such accounts and records	financial position and shall maintain	
	as are necessary to report to the	such accounts and records as are	
	Executive Board and the General	necessary to report to the Executive	
	Assembly on the financial status of	Board and the General Assembly on	
	funds administered by UNFPA.	the financial status of funds	
		administered by UNFPA.	
		The accounts shall be submitted by	

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Section	Current	Proposed revision	Justification
		the Executive Director, not later than	
		30 April of the year following the	
		end of each financial period, to the	
		Board of Auditors for examination	
		and issuance of audit opinion	
		thereon.	
Rule	As is.	As is.	Now rule 116.2.
115.2.			
Rule	As is.	As is.	Now rule 116.3.
115.3. a			
Rule	The Executive Director shall sign	The Executive Director shall sign the	United Nations Board of Auditors has been
115.3.b.	the financial statements following	financial statements following	included in the definition section of the
	certification and submit them to the	certification and submit them to the	document. Therefore, no need to include external
Now rule	United Nations Board of External	United Nations Board of External	auditors in this section.
116.3.b.	Auditors not later than 30 April of	Auditors not later than 30 April of	
	the following year. Copies of the	the following year. Copies of the	
	financial statements and schedules	financial statements and schedules	
	referred to in this Rule shall be	referred to in this <u>r</u> Rule shall be	
	submitted at the same time to the	submitted at the same time to the	
	Advisory Committee.	Advisory Committee.	
Rule	The financial statements shall	The financial statements shall	To clarify that the financial statements will
115.3.c.	include, in addition to the items	include, in addition to the items	reflect other resources and not schedule on trust
	specified in Regulation 15.4:	specified in <u>r</u> Regulation <u>15.4</u> 16.4:	funds.
Now rule	i. schedule of fund balances for	i. schedule of fund balances for the	
116.3.c	the regular resources and for	regular resources and for any	
	any Trust Funds;	Trust Fundsother resources;	
	ii. schedule of unspent allocations	ii. schedule of unspent allocations	
	for programme activities and	for programme activities and for	
	for the institutional budget;	the institutional budget;	
	iii. such other statements as the	iii. such other statements as the	
	Executive Director or the	Executive Director or the	
	Executive Board require.	Executive Board require.	
Rule 115.4	The financial period with respect to	The financial period with respect to	Minor presentation change – financial statements
	the annual Financial Statements	the annual <u>f</u> Financial <u>s</u> Statements	changed from upper caps to lower caps.
Now in	will consist of one calendar year	will consist of one calendar year	
rule 116.4.	ended 31 December.	ended 31 December.	

Section	Current	Proposed revision	Justification
Rule	As is.	As is.	
115.5.			
Now rule			
116.5			
Regulation	As is.	As is.	
15.5.			
Now			
regulation			
16.5.			
Regulation	The accounts shall be submitted by		Now incorporated within regulation 16.4.
15.6.	the Executive Director, no later		
	than 30 April of the year following		
Now in	the end of each financial period, to		
regulation	the United Nations Board of		
16.4.	Auditors for examination and		
	opinion.		
New		Special accounts may be established	This is to reintroduce the authority on use of
regulation		by the Executive Director for	Special Accounts that previously existed in the
16.6.		particular purposes consistent with	UNFPA FRRs. Harmonized with UNICEF
		the policies, aims and activities of	regulation 5.1. on special accounts.
		UNFPA. The purpose and limits of	
		each special account shall be defined	
		by the authority which established it	
		at the time such special account is	
		established. The balance may be	
		brought forward to the succeeding	
		financial period as applicable.	

Article XVI - External audit

Section	Current	Proposed revision	Justification
Regulation	The External Audit provisions of	The External Audit provisions of	
16.1	Article XVII of the United Nations	Article XVII of the United Nations	
	Financial Regulations have been	Financial Regulations have been	

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Section	Current	Proposed revision	Justification
Now	annexed for information to these	annexed for information to these	
regulation	Regulations and shall, mutatis	Regulations and shall, mutatis	
18.1.	mutandis, apply to UNFPA, except	mutandis, apply to UNFPA, except	
	that:	that:	
Regulation	The reports of the Board of	The reports of the Board of Auditors,	
16.1.a.	Auditors, together with the	together with the financial statements	
	financial statements and the	and the comments thereon of the	
Now	comments thereon of the Advisory	Advisory Committee, shall also be	
regulation	Committee, shall also be	transmitted to the Members of the	
18.1.a.	transmitted to the Members of the	Executive Board;	
	Executive Board;		
Regulation	Implementing partners, which are	Implementing partners, which are	Modified to align with the current UNFPA
16.1.b.	organizations of the United Nations	organizations of the United Nations	practice.
	system shall transmit to the	system shall transmit to the	
Now	Executive Director for submission	Executive Director for submission to	
regulation	to the Executive Board annual	the Executive Board annual accounts	
18.1.b.	accounts showing the status of	showing the status of funds allocated	
	funds allocated to them by the	to them by the Executive Director for	
	Executive Director for the	the implementation of UNFPA	
	implementation of UNFPA	activities. Such accounts shall bear	
	activities. Such accounts shall bear	audit certificates from the	
	audit certificates from the	organizations' External Auditors and	
	organizations' External Auditors	shall be accompanied by their	
	and shall be accompanied by their	reports, if any, and copies of any	
	reports, if any, and copies of any	relevant resolutions adopted by their	
	relevant resolutions adopted by	legislative or governing bodies; and	
	their legislative or governing		
D 1.1	bodies;		
Regulation	In submitting the above annual	In submitting the above annual	
16.1.c.	accounts to the Executive Board,	accounts to the Executive Board, the	
.	the Executive Director shall	Executive Director shall comment on	
Now	comment on the Auditors'	the Auditors' substantive	
regulation	substantive observations and on	observations and on their follow-up.	
18.1.c.	their follow-up. The Board of Auditors will be	The Doord of Anditana will be	Minor proceeding shows - 11-1
Rule		The Board of Auditors will be	Minor presentation change – added s after
116.1.	completely independent and have	completely independent and have the	account.

Section	Current	Proposed revision	Justification
	the sole responsibility of the audit	sole responsibility of the audit of the	
Now rule	of the UNFPA account	UNFPA accounts.	
118.1.			
Regulation	As is.	As is.	
16.2.a.			
Now			
regulation			
18.2.a			
Regulation	As is.	As is.	
16.2.b.			
Now			
regulation			
18.2.b			

\boldsymbol{New} Article XVII - Internal audit and investigation

Section	Current	Proposed revision	Justification
New	Current Regulation 14.11	The Office of Audit and Investigation	Putting internal audit, investigation and external
regulation	In accordance with the Oversight	Services shall be responsible for the	audit together would be akin to UNDP and
17.1.	Policy, approved by the Executive	internal audit of UNFPA. It shall	UNOPS (in both there is a section
	Board, the roles and	conduct independent, objective	'accountability' which covers internal control,
	responsibilities of the Division for	assurance and advisory activities in	risk management and audit and investigation).
	Oversight Services are set forth in	conformity with the International	
	its charter approved by the	Standards for the Professional	The text included below in article XVII is
	Executive Director. The oversight	Practice of Internal Auditing. It shall	identical to UNDP and UNOPS except for the
	services provided by the Division	assess and contribute to the	use of the verb 'assess' instead of 'evaluate' (to
	for Oversight Services cover	improvement of governance, risk	avoid confusion with the evaluation function).
	internal auditing, fraud prevention	management and control processes,	
	and detection, investigation,	and report thereon. The Office of	Evaluation activities are no longer part of the
	evaluation and advisory services.	Audit and Investigation Services	mandate of the then Division for Oversight
	The Director of the Division for	shall exercise operational	Services.
	Oversight Services reports on	independence in the performance of	
	internal audit and oversight	its duties.	
	activities annually and on		

Section	Current	Proposed revision	Justification
	evaluation activities biennially to the Executive Board at its annual session. The Division for Oversight Services solely performs, manages, or authorizes others to perform or manage independent oversight services.		
New	Encompassed within current	The Office of Audit and Investigation	
regulation	regulation 14.11.	Services shall be responsible for	
17.2.		assessing and investigating allegations of wrongdoing, including fraud and corruption, committed by UNFPA personnel or by others to the detriment of UNFPA. It shall also be responsible for doing same for allegations of harassment, sexual harassment, abuse of authority, and sexual exploitation.	
New	Encompassed within current	The purpose, authority and	
regulation 17.3	regulation 14.11.	responsibility of the Office of Audit and Investigation Services shall be further defined in the Charter of the Office of Audit and Investigation Services.	
New rule	Encompassed within current	The Office of Audit and Investigation	
117.1.	regulation 14.11.	Services shall assess the adequacy and effectiveness of governance, risk management and control processes regarding the: a) Reliability and integrity of financial and other information; b) Effectiveness and efficiency of operations; c) Safeguarding of assets; and d) Compliance with legislative mandates, regulations, rules,	

Section	Current	Proposed revision	Justification
		policies and procedures.	
New rule 117.2.	Encompassed within current regulation 14.11.	The Office of Audit and Investigation Services shall have unrestricted access to the organization's records, personnel and premises, as necessary, in its opinion, for the performance of its duties.	
New rule 117.3.	Encompassed within current regulation 14.11.	The Office of Audit and Investigation Services shall submit its results to the Executive Director, and other senior managers as appropriate. At least annually, the Director of the Office of Audit and Investigation Services shall submit a report to the Executive Board on the internal audit and investigation activities and on significant findings, providing insight into the efficient and effective utilization of resources.	
Rule 114.20 New rule 117.4.	Previously rule 114.20.	In accordance with the Oversight Policy, the Executive Director appoints the five members of the Audit Advisory Committee to serve three-year terms, renewable once. The roles and responsibilities of the Audit Advisory Committee are set forth in its terms of reference approved by the Executive Director.	
Annex I and II			All changes to annexes I and II have been made to align with the revised United Nations Financial Regulations and Rules - ST/SGB/2013/4 effective 1 July 2013. These changes have been incorporated and are reflected in the UNFPA revised financial regulations and rules version 10 document uploaded on the UNFPA website.
