



MANAGEMENT AND ADMINISTRATION IN THE UNITED NATIONS POPULATION FUND (UNFPA)

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Background

The United Nations Population Fund was created to ensure that women and young people can access high-quality sexual and reproductive health services and it plays a leading role in the United Nations system in promoting population programmes. It was established in 1967 as a trust fund and began its operations in 1969 and is entirely financed by voluntary contributions of governments, intergovernmental organizations, the private sector, foundations, and individuals.

Objectives

This report is the first management and administration review of the UNFPA conducted by the JIU and the main objective of the review is to provide an independent assessment of the management and administration in order to help improve the efficiency and effectiveness of the of UNFPA in achieving its legislative mandates and mission objectives, focusing on a) governance and leadership; b) organizational structure; c) administration, budget and financial management; d) human resources management; e) information and communications technology management; f) risk management and controls; g) oversight functions, monitoring and evaluation; and h) outreach and partnerships.

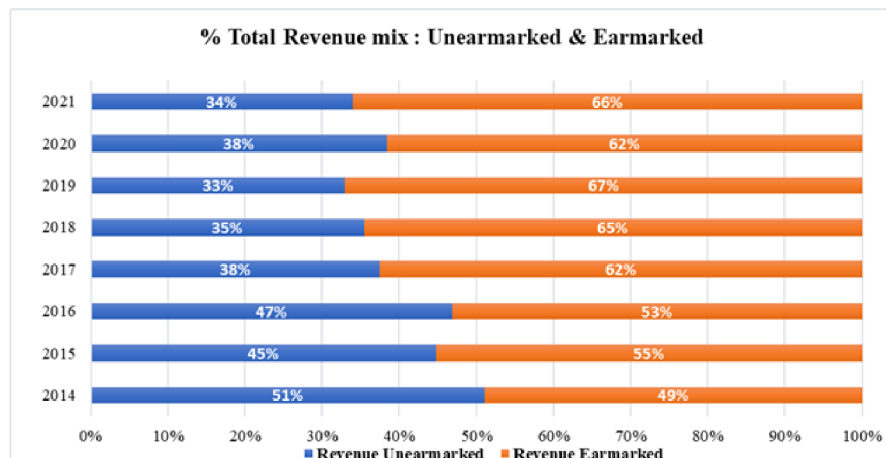
What the JIU found

1. Absence of limitation in the terms of office

The limitation of terms of office for senior positions has been seen by many United Nations entities as a way to bring new ideas and perspectives into an organization. However, the position of Executive Director of UNFPA is not subject to any limitation in the number of terms of office to be held. **The review recommends that the Executive Board consider the establishment of limited terms of office for the position of Executive Director of UNFPA.**

2. Decrease in unearmarked contributions is a significant concern

UNFPA is funded through voluntary contributions. The total revenue of UNFPA has experienced substantial growth during the period 2014 – 2021 (46%); however, this growth is marked by a decreasing trend in unearmarked contributions (-2%) and the increase in the use of highly earmarked funding instruments (97%), compounded by the continued reliance on a small group of key donors. The decrease in unearmarked contributions, as well as the increase in the use of highly earmarked funding pose a significant concern to UNFPA, due to the impact on programme flexibility, including potential challenges to mandate implementation. The potential impact of the overall financial crisis and shifts in the priorities of major donors create uncertainty and concerns about the future outlook in the medium term, despite the currently healthy financial situation of the UNFPA.



3. Perception of inaction

The overall sense from staff is that senior management does not take appropriate action and simply “shuffles” or “outrides” the problems of misconduct, especially in cases of abuse of authority and sexual harassment. The review recognizes efforts made by senior management, such as the establishment of the UNFPA Integrity Group, a group of independent but interconnected offices that deal with internal justice matters and staff welfare and **suggests that to build trust and improve the transparency of existing mechanisms, UNFPA should further facilitate information sharing and swift decision making by the multiple bodies dealing with misconduct.**

4. Going live of the enterprise resource planning system

UNFPA’s Information and Communication Technologies (ICT) transformation project launched in 2017, centered on the implementation of a new cloud-based ERP system that would allow UNFPA to meet future organizational and global priorities. The review initially identified this project as a main risk, as the project had considerably deviated from its initial stages and experienced important changes in its direction and management, at significant costs. However, At the time of finalizing the review, UNFPA indicated that the new ERP system had been successfully launched in January 2023. **The review recommends regular monitoring and risk assessment exercises in the context of change management initiatives intended to facilitate the smooth development, launch and subsequent stabilization of the Quantum system.**

5. Control framework for implementing partners

A risk area observed is the implementing partner management and related reporting. In 2021, implementing partners' delivery of programme activities represented about 33% of the UNFPA's total expenditure. The review confirms that UNFPA has established a solid control framework for implementing partners activities. However, the significance of the resources entrusted to implementing partners deserve permanent attention from the UNFPA and **efforts must be made to accurately undertake the assurance activities established in the implementing partners control framework and timely reflect results in relevant information systems.**

6. Independence and trust

Given that oversight is a shared responsibility of Member States, exercised through, inter-alia, their participation in governing bodies and boards, the engagement of former members of the Executive Board as part of its senior management structure, or as members of any of its oversight entities, can be perceived as a conflict of interest and therefore the review calls for the establishment of additional protective measures, such as “cooling-off” periods guaranteeing the independence of decisions made and their immediate and subsequent implementation.

The review also concludes that the Oversight Advisory Committee (OAC) cannot be considered an independent oversight committee, given that the selection and appointment of its members, including the approval of its terms of reference are the responsibility of the Executive Director, furthermore, its primary role is to advice management, and it reports directly to the Executive Director. **For the OAC to be considered a truly independent oversight advisory committee, these elements**

need to be revised in line with audit best practices and previous recommendations contained in relevant JIU reports. If these changes are not implemented, the name of the OAC should be changed to truly reflect its role (e.g., Management Advisory Committee or similar) and an independent audit advisory committee should be established in line with oversight professional standards and practice.

It should also be highlighted that the staff survey and interviews held, point to a high level of mistrust in whistleblowing mechanisms. In this regard, there is also a positive evolution, as the review welcomes the approach, actions taken, and objectives established by the Ethics Office aimed at addressing the urgent need to increase the visibility and trust in staff protection mechanisms, including whistleblowing.

7. Use of social media

The framework for communication in UNFPA is clear, consistent and comprehensive and provides governance and guidelines through various detailed policies.

In a voluntarily funded agency, engaging stakeholders and effectively generating and maintaining public support for its objectives is critical to achieving strategic goals. **A sufficient number of resources should be allocated to outreach, communication and resource mobilization to ensure the outcomes.**



Approach & Methodology

In accordance with the JIU internal norms and standards, guidelines and working procedures, the review was conducted using a blend of qualitative and quantitative data collection methods, including:



Desk review of documentation of the Executive Board and the recommendations of oversight bodies, as well as internal frameworks and regulations incorporated in the Policies and Procedures Manual and other relevant internal documents and statistics.



Corporate questionnaire covering the main areas of management and oversight.



Two separate online surveys: one of the members of the Executive Board and the other of the staff of UNFPA.



Sixty-six in-person and virtual interviews conducted at UNFPA headquarters in New York and at two regional offices (the Arab States Regional Office in Cairo and the Eastern Europe and Central Asia Regional Office in Istanbul).



What the JIU recommends

The review contains six recommendations, of which four are addressed to the Executive Board, and two to the Executive Director for action. There are also 22 informal recommendations aimed at complementing the six recommendations and improving the overall effectiveness and efficiency of UNFPA.

The Executive Board of UNFPA is called on to:

- 1** Consider and recommend to the Economic and Social Council and, through the Council, to the General Assembly as necessary, the establishment of terms of office limits for the position of the Executive Director of the UNFPA before the end of 2024.
- 2** Consider before the end of 2023 different possibilities for the governance arrangements of the UNFPA such as the establishment of a separate board, or its alignment with different United Nations programmes having high programmatic synergies and common areas of activity under the same board.
- 3** Ensure, before the end of 2023, that additional measures are developed aimed at enhancing the objectivity and perceived transparency of recruitment processes and continue to comply with established policies on the matter.
- 4** Closely monitor and report to the Executive Board in a regular manner the risks associated with the implementation of the Information and Communication Technologies transformation project, paying particular attention to the costs, functionality of the new ERP system and its integration with current systems, and adopt mitigation measures as deemed necessary. Reporting should take place before the end of 2023 and thereafter at each annual session of the Executive Board until the transformation project is concluded.
- 5** Consider and spearhead before the end of 2023 and in consultation with the Secretary-General, the implementation of protective measures regarding the limitations of employment of its members by UNFPA, aimed at promoting the independence, transparency and the reduction of the perception of conflict of interest in the overall management of UNFPA.
- 6** Consider before the end of 2023, either the establishment of an independent oversight advisory committee to oversee UNFPA activities, or enhancing the independence of the current Oversight Advisory Committee in accordance with best practices and oversight professional standards, including, inter-alia, its terms of reference, the appointment of its members and reporting lines which should be subject to the approval and the direct supervision of the Executive Board.

The Executive Director of UNFPA is called on to:

- 3** Ensure, before the end of 2023, that additional measures are developed aimed at enhancing the objectivity and perceived transparency of recruitment processes and continue to comply with established policies on the matter.
- 4** Closely monitor and report to the Executive Board in a regular manner the risks associated with the implementation of the Information and Communication Technologies transformation project, paying particular attention to the costs, functionality of the new ERP system and its integration with current systems, and adopt mitigation measures as deemed necessary. Reporting should take place before the end of 2023 and thereafter at each annual session of the Executive Board until the transformation project is concluded.



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