



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

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**The UNFPA management response to the Joint Inspection Unit review  
of management and administration in the United Nations Population  
Fund**

*Note by the Executive Director*

The UNFPA Executive Director is pleased to transmit for the consideration of the members of the Executive Board her comments and response to the Joint Inspection Unit review of management and administration in UNFPA (JIU/REP/2023/1). The Board may wish to take note of the review and the response and comments of the Executive Director.

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## I. Introduction

1. The Executive Director is pleased to transmit the comments and response of management to the Joint Inspection Unit review of management and administration in UNFPA (JIU/REP/2023/1).
2. This report is the first management and administration review of UNFPA conducted by the Joint Inspection Unit and was part of its programme of work for 2022. The Unit initiated the review process through a memo dated 9 March 2022.
3. The main objective of the review is to provide an independent assessment of UNFPA management and administration to help UNFPA improve its efficiency and effectiveness in achieving its legislative mandates and mission objectives. The review focused on governance and leadership; organizational structure; administrative, budgetary and financial management; human resources management; information and communications technology; risk management; oversight functions; monitoring and evaluation; and outreach and partnerships.

## II. General comments

4. The Executive Director is pleased to note the Joint Inspection Unit Inspector's recognition of the commitment, full cooperation and transparency of UNFPA staff, particularly with the focal point, throughout the assessment process.
5. UNFPA is committed to benchmarking the excellence of its operations against internationally recognized standards and deploying best practices across all areas of its work.
6. The Executive Director notes with appreciation the Inspector's confirmation and acknowledgement of the following points:
  - (a) UNFPA has established comprehensive governance processes that facilitate regular communication between the governance structure and senior management on various topics. Senior management also maintains regular communication with the Executive Board, and the oversight offices of UNFPA have free and direct access to the Executive Board. The Executive Committee provides a forum for exchanging information that ensures organizational coherence and effectiveness.
  - (b) UNFPA engages in consultative strategic planning that involves relevant stakeholders, including other United Nations entities. Lessons learned from previous strategic cycles are taken into consideration.
  - (c) UNFPA has a well-defined organizational structure, with its headquarters in New York, consisting of 14 divisions, offices, services and units, with some headquarters functions located in Geneva (humanitarian) and Copenhagen (supply chain). Furthermore, UNFPA has six regional offices, eight representational offices, three subregional offices, and 121 country and territory offices.
  - (d) UNFPA makes great efforts to increase and diversify its donor base.
  - (e) UNFPA has a robust contractual framework for staff and non-staff, and the options and modalities are well-structured, launching a new human resources management strategy.
  - (f) UNFPA prioritizes using online collaboration and cloud tools in information and communications technology management.
  - (g) UNFPA launched a new information and communications technology transformation project to simplify the submission, tracking, approval and reporting of transactions through its core business areas.
  - (h) UNFPA has introduced a new enterprise risk management policy to increase risk literacy and strengthen risk culture within the organization. A solid control framework for the activities of implementing partners has also been established.
  - (i) UNFPA has established a solid oversight framework for its activities, consisting of the Office of Audit and Investigation Services, the Evaluation Office, and the Ethics Office.

- (j) The oversight structure is supplemented by external oversight provided by the Oversight Advisory Committee, the Board of Auditors and the Joint Inspection Unit. The different oversight roles played by the above-mentioned entities are linked by well-established processes, including appropriate monitoring and regular reporting mechanisms.
- (k) The framework for communication in UNFPA is clear, consistent and comprehensive. Detailed policies provide governance and guidelines.

#### ***Recommendations for continued improvement***

7. Despite confirming the success and good practices reflected above, UNFPA management recognizes that for any organization, ensuring it is institutionally fit for purpose is a continuous process of improvement and innovation, building internal capabilities in response to changes in the external environment and learning from experience. Management remains committed to ensuring high standards of accountability, transparency, effectiveness and efficiency. Management, therefore, appreciates the opportunity to consider the Inspector's perspectives and reflections on measures that may contribute to the continuous improvement of the organization and its management practices.

8. Based on the review, the Inspector presented formal and informal recommendations for continued improvement to be considered by the Executive Board and UNFPA management. The recommendations spanned the functional scope of the areas covered during the review.

#### ***Formal recommendations***

9. The Inspector presented six formal recommendations, four addressed to the Executive Board and two to the Executive Director of UNFPA. The Executive Director's response to the formal recommendations is provided in section III below.

#### ***Informal recommendations***

10. In addition to the formal recommendations, the report contains several informal recommendations to improve the overall effectiveness and efficiency of UNFPA. These informal recommendations vary in relevance and evidence-based justification, and cover a wide range of topics, including strengthening governance processes; establishing terms of reference for subregional and representational offices; monitoring efforts to achieve funding targets; publishing a digital compilation containing financial regulations and rules; establishing a clear human resources framework; broadening delegation of authority to regional directors; making better use of rotation mechanism; broadening lines of communication between complainants and bodies dealing with misconduct; reviewing changes in requirements for new enterprise resource planning system; spreading use of enterprise risk management systems within UNFPA; making additional efforts to continuously undertake assurance activities established in implementing partners control framework; accelerating the reduction in a number of open investigation cases; establishing short medium-term plans for training in communications use technology social media; and addressing partnership challenges expressed in the 2015 resource mobilization strategy.

11. UNFPA will consider these for inclusion, as relevant and/or feasible, in the internal workplans of its relevant divisions and offices. Progress of those informal recommendations accepted by UNFPA will be tracked as part of the UNFPA approach to monitoring all oversight bodies' recommendations through the Oversight Compliance Monitoring Committee chaired by the Executive Director or the Deputy Executive Director (Management). A status update of the recommendations may be provided as an annex to the midterm review of the UNFPA Strategic Plan, 2022-2025, which will be presented to the Executive Board at its annual session in 2024.

### **III. Comments on formal recommendations**

#### **A. Formal recommendations addressed to the Executive Board Leadership**

12. In paragraph 26 of the report of the Joint Inspection Unit, the Inspector formally recommended that:

**Recommendation 1. The Executive Board should, before the end of 2024, consider and recommend to the Economic and Social Council and, through the Council, to the General Assembly, as necessary, the**

**establishment of limits on the number of terms of office for the position of the Executive Director of UNFPA**

13. Recommendation 1 is addressed to the Executive Board. UNFPA management takes note of the recommendation and offers several observations to the Executive Board for its consideration. As always, UNFPA looks to guidance from the Executive Board and would implement any decision it makes in this regard.

14. UNFPA management agrees with the Joint Inspection Unit that term limits enhance transparency and accountability. UNFPA management also observes that the Unit previously concluded that all United Nations system organizations should limit the terms of their executive heads to a maximum of two successive terms, with each term not exceeding five years.<sup>1</sup>

***Executive Board and senior management relations***

15. In paragraph 38 of the report of the Joint Inspection Unit, the Inspector formally recommended that:

**Recommendation 2. The Executive Board may wish to consider, before the end of 2024, different possibilities for the governance arrangements of UNFPA, such as the establishment of a separate UNFPA board or alignment with different United Nations funds or programmes with a high level of programmatic synergy and common areas of activity under the same Board.**

16. Recommendation 2 is addressed to the Executive Board. UNFPA management takes note of the recommendation and offers several observations to the Executive Board for its consideration. As always, UNFPA looks to guidance from the Executive Board and would implement any decision it makes in this regard.

17. The question of a separate UNFPA board has for a long time been a matter of consideration<sup>2</sup>, but to date, the General Assembly has not taken any action on the matter. UNFPA believes the current joint configuration of the Executive Board to include three organizations – UNDP, UNFPA and UNOPS – is both effective and efficient, and UNFPA is strongly in favour of maintaining that current structure. Moreover, creating a separate Board for UNFPA might prove inefficient and duplicative, especially given the overall very good functioning of the current Board structure. UNFPA has very strong ongoing programmatic and operational coordination with other agencies (and not only those based in New York), spurred on by United Nations reform efforts. In addition, UNFPA already organizes or takes part in many joint informals and briefings with New York-based agencies under the purview of other governing bodies in order to enhance synergies and coherence. This coordination extends to joined-up efforts in developing, inter alia, strategic plans.

18. UNFPA reiterates as it did in its original submission, that there are also many benefits to having a shared Executive Board in its current configuration. For instance, there is ongoing sharing of information and lessons learned across the organizations under the joint items of the Boards on specific topics. While there can also be challenges – such as issues arising in one organization impacting other agencies – it is the experience of UNFPA that the benefits far outweigh the challenges and that a "joint" Board is a model for an efficient and effective United Nations development system.

19. UNFPA would have welcomed additional analysis and reasoning for the opinion of the Joint Inspection Unit that "given the distinct and diverse mandates of UNDP, UNOPS and UNFPA, the combined support and supervision provided by the same Executive Board has not led to synergies or advantages". On the contrary, especially regarding oversight, United Nations reform, protection against sexual exploitation and abuse and sexual harassment, and other topics which are considered at joint segments of the Board, having a "joint" Board has routinely and for many years proven there are synergies and advantages to it. Moreover, while the Joint Inspection Unit points to the example of the joint chapter from the organizations' previous strategic plans as a reason why there might be better synergies with other

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<sup>1</sup> JIU/REP/2009/8, para. 75 and recommendation 6.

<sup>2</sup> See, for example, A/RES/48/162, operative para. 21: "The need for a separate Executive Board for the United Nations Population Fund shall be further considered in the light of the outcome of the International Conference on Population and Development to be held in 1994."

organizations, one of those joint chapter entities was UNDP, which is already part of the current Board; in addition, UNFPA has had strong collaboration with UNICEF and UN-Women, the other two agencies in question, even if they have separate Boards. Further, the UNFPA Strategic Plan, 2022-2025, is fully aligned with the United Nations development system reforms and the Quadrennial Comprehensive Policy Review; at the country level, UNFPA country programme documents fully align with and are derived from the United Nations Sustainable Development Cooperation Frameworks.

20. These concerns notwithstanding, management concurs with the assessment that the governance processes established by UNFPA are comprehensive and, if the Executive Board decides, would certainly welcome more time allocated by the Board to guide and oversee UNFPA activities. UNFPA further notes the finding that the governance process could be strengthened and, in that regard, looks forward to the outcomes of the assessment – to be conducted by the Joint Inspection Unit – on how the different United Nations organizations' executive boards in New York execute their governance and oversight functions.

*Executive Board measures to enhance transparency and perceived independence.*

21. In paragraph 227 of the report of the Joint Inspection Unit, the Inspector formally recommended that:

**Recommendation 5. The Executive Board should 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 independence and transparency and reducing the perception of conflict of interest in the overall management of UNFPA.**

22. Recommendation 5 is addressed to the Executive Board. UNFPA management takes note of the recommendation and offers several observations to the Executive Board for its consideration. As always, UNFPA looks to guidance from the Executive Board and would implement any decision it makes in this regard.

23. UNFPA recognizes that oversight activities and critical strategic managerial positions demand the establishment of protective measures or firewalls to preserve the independence and reduce the perception of conflict of interest within relevant bodies by generally accepted best practices and professional standards.

24. With regard to the notion of engaging former members of the Executive Board as part of its senior management structure, UNFPA notes that the Secretary-General makes selection decisions for positions at the Under-Secretary-General and Assistant-Secretary-General level and, therefore, not under the delegated authorities of UNFPA. UNFPA takes on board the recommendation, in consultation with the Secretary-General, to ensure protective measures aimed at promoting independence, transparency and the reduction of the perception of conflict of interest in the overall management of UNFPA.

25. In paragraph 236 of the report of the Joint Inspection Unit, the Inspector formally recommended that:

**Recommendation 6. The Executive Board should consider, before the end of 2023, either the establishment of an independent oversight advisory committee to oversee UNFPA activities or the enhancement of the independence of the current Oversight Advisory Committee in accordance with best practices and oversight professional standards, including with respect to 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.**

26. Recommendation 6 is addressed to the Executive Board. UNFPA management takes note of the recommendation and offers several observations to the Executive Board for its consideration. As always, UNFPA looks to guidance from the Executive Board and would implement any decision it makes in this regard.

27. In terms of the substantive conclusions of the Joint Inspection Unit underlying this recommendation, management disagrees and conveys its strong concerns regarding the findings of the Unit and its characterization of the Oversight Advisory Committee.

28. The Oversight Advisory Committee is an independent advisory body to the UNFPA Executive Director, in line with the Executive Board-approved oversight policy of UNFPA. This is the same as current practices in other United Nations organizations, with Oversight Advisory Committee-equivalent advisory bodies reporting to their respective executive heads. UNFPA management submits that there is an inherent value in maintaining harmonized mandates among the oversight advisory committees of similar organizations. The Oversight Advisory Committee exercises an advisory function, meaning its name is accurate and appropriate.

29. Creating a new, second independent oversight advisory body would unnecessarily create an additional layer and duplicate the function and role of the existing Oversight Advisory Committee, which already performs its duties with the requisite independence. If implemented, the recommendation would deprive the Executive Director of the direct and firsthand advice that helps improve overall governance and oversight of UNFPA on an ongoing basis.

30. In terms of its interaction with the Executive Board, the Oversight Advisory Committee submits an independent report on its work for the previous year to the Executive Director each year; this report is provided to the Executive Board in advance of its annual session, appended to the annual report on internal audit and investigation activities. Moreover, to facilitate interaction with the Executive Board, the Chair is available to answer any questions or requests for clarification from Member States on the Oversight Advisory Committee report at informal and formal sessions of the Executive Board. UNFPA encourages Member States to interact with the Chair of the Oversight Advisory Committee on these occasions. The Oversight Advisory Committee's terms of reference also stress that its Chair has free and unrestricted access to the Executive Board and its President.

31. To further strengthen the relationship between the Oversight Advisory Committee and the Executive Board, and prompted in part by the Joint Inspection Unit report on audit committees (JIU/REP/2019/6), UNFPA revised the terms of reference of the Oversight Advisory Committee and, *inter alia*, included language that allows the Committee to present its report at the annual session, on request of the Executive Board. UNFPA further included a requirement for its Executive Director to convene, on an annual basis, a meeting with the Chair of the Oversight Advisory Committee and the President of the Board to discuss matters of shared interest.

32. In terms of the composition of the Oversight Advisory Committee, the terms of reference stress that, in line with the UNFPA oversight policy approved by the Executive Board and UNFPA financial rule 117.4, the Committee shall be (and indeed is) composed of five members, external to the organization, appointed by the Executive Director to serve three-year terms, renewable once. Members of the Committee are selected for having the required level of expertise in oversight (fiduciary and managerial, as defined in the UNFPA oversight policy), ethics and programme matters. The terms of reference also establish safeguards and spell out clearly why the Committee's appointees are independent: "For a candidate member to be considered independent, she/he should be independent in character and judgment and may not have any material relationship with UNFPA. In addition, a candidate may not be considered *prima facie* independent, if she/he: (a) is or has been an employee of UNFPA, or served on its Executive Board, within the last three years; (b) is or has been a member, or has an immediate family member who is or has been a senior member of the Government of a Member State within the last three years; (c) has an immediate family member who is or has been a senior official of UNFPA within the last three years; (d) has received or has an immediate family member who has received during any 12-month period within the last three years more than \$50,000 in direct compensation/fees from UNFPA, UNDP or UNOPS (other than Oversight Advisory Committee fees); (e) is a current employee of an entity in the United Nations system or an employee of a member of the United Nations Board of Auditors; (f) is, or has an immediate family member who is, a current director, executive officer, partner, employee or substantial shareholder (with 5 per cent or more ownership) of a company/organization that has made payments to or received payments from UNFPA, UNDP or UNOPS in any of the last three fiscal years; and (g) holds any other Board mandates or Member State Government appointed position that might infringe on his/her independence."

33. The terms of reference further require that "Each member of the Oversight Advisory Committee shall declare annually, or if circumstances change, the existence of any of the above relationships to the Oversight Advisory Committee Chair, who in turn will inform the Executive Director. The Oversight

Advisory Committee Chair and the Executive Director shall then determine the independence of the member."

34. The Executive Board may wish to note that, in constituting the current Oversight Advisory Committee and to ensure transparency and the highest standards of integrity and competence in line with the range of issues covered in the terms of reference, an independent third-party recruitment firm was used to source candidates and conduct screening interviews.

35. UNFPA appreciates that there are different approaches to securing the independence of audit committees but firmly maintains that the current structure and functioning of the UNFPA Oversight Advisory Committee is a best practice, independent, and of immense value to the organization in strengthening its oversight, transparency and risk management – all while providing explicitly for enhanced engagement with the Board.

## **B. Formal recommendation addressed to the Executive Director**

### *Recruitment practices*

36. In paragraph 134 of the report of the Joint Inspection Unit, the Inspector formally recommended that:

**Recommendation 3. The Executive Director should 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.**

37. UNFPA fully complies with established policies and procedures and ensures transparency and efficiency in its recruitment process. UNFPA notes that perceived transparency is subjective and should be assessed against the available evidence. For this reason, UNFPA evaluates its recruitment process against established policies and procedures and tracks its progress through key performance indicators (KPIs). The KPIs show that we have successfully increased our recruitment, with 515 new hires in 2022 compared to 415 in 2021, 423 in 2020, and 445 in 2019. UNFPA is also proud to maintain gender parity with a female percentage of 51.23 per cent in 2022, compared to 51.30 per cent in 2021, 51.25 per cent in 2020, and 53.22 per cent in 2019, against a target of 50 per cent.

38. The 'time to recruit' KPI has shown consistent improvement, with 85 days in 2021 compared to 91 days in 2020 and 96 days in 2019, against a target of 90 days. While UNFPA recognizes that recruitment for positions that require specialized technical expertise or hard-to-fill duty stations may take longer than the KPI target, it continues to streamline recruitment planning, decentralize position management, and develop data dashboards to support the monitoring of critical staffing data.

39. UNFPA significantly reduced its vacancy rate to 12.9 per cent in 2022, compared to 17.8 per cent in 2021, 14.5 per cent in 2020, and 14.9 per cent in 2019, demonstrating our better planning and coordination of recruitment efforts. Each recruitment is subject to a review board that carefully and independently assesses the process.

40. While UNFPA is pleased with its progress, it acknowledges the opportunity to enhance established KPIs, including recruitment lead times, vacancy rates, and gender parity, with softer KPIs like transitions from grade to grade, transitions from National Officers to International Professionals, and General Service to National Officers/International Professionals, as well as client experience surveys for new hires. UNFPA management is dedicated to continuous improvement and remains committed to ensuring transparency and speed in the recruitment process.

41. In 2022, UNFPA adopted the enterprise resources planning system – known as Quantum – and launched the Quantum Recruit module. UNFPA adopted OneHR services for reference verification and job classification to ensure more rigorous and transparent processes aligned with United Nations common system standards. UNFPA also renewed its commitment to the organization's participation in the United Nations Mutual Recognition of Rosters Initiative, broadened to include vetted pools of candidates who have been successful in competitive processes.

42. UNFPA is able to adopt these above measures by having in place augmented talent acquisition and regional human resources teams that further support the organization in streamlining the recruitment process. To ensure clarity and common understanding, the organization is reviewing its human resources legislative framework and updating human resources policies and processes. In addition, UNFPA continues to enrol the services of the Compliance Review Board, mandated to review the integrity of the recruitment process while ensuring the confidentiality of each recruitment process. The outcomes of this process are transparently available to all personnel.

43. UNFPA management expects that the measures described above will address the recommendation of the joint Inspection Unit to enhance the objectivity and perceived transparency of recruitment processes and comply with established policies.

44. In paragraph 173 of the report of the Joint Inspection Unit, the Inspector formally recommended that:

**Recommendation 4. The Executive Director should closely monitor and report to the Executive Board in a regular manner the risks associated with the implementation of the ICT transformation project, paying particular attention to the costs and the functionality of the new enterprise resource planning 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.**

45. UNFPA management is closely monitoring the project through a dedicated project board and through regular reporting to Executive Committee on project implementation status, risks and costs. Management also briefed the Executive Board on progress and budgets in 2022 and will continue to keep the Executive Board apprised of developments in 2023.