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**Operational activities of the United Nations for
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**Executive Board of the
United Nations Development
Programme, the United Nations
Population Fund and the United
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Report to the Economic and Social Council**

Report to the Economic and Social Council

**Report of the Administrator of the United Nations Development
Programme and of the Executive Directors of the United Nations
Population Fund and the United Nations Office for
Project Services**

Summary

The present report is submitted in compliance with General Assembly resolutions 56/201, 59/250 and 62/208 on the triennial comprehensive policy reviews of operational activities for development of the United Nations system. The United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services are strongly committed to improving the effectiveness and efficiency of operational activities. In this spirit, progress has been achieved with respect to the focus on development results, reduction of transaction costs and gains in efficiency. The report also highlights the ongoing efforts of partner organizations to address the remaining challenges.

* E/2012/100 (to be issued).

The Executive Board may wish to take note of the report and decide to transmit it to the Economic and Social Council with the comments and guidance provided by delegations at the present session.

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I. Introduction

1. The present report responds to General Assembly resolution 62/208 on the triennial comprehensive policy review of operational activities for development of the United Nations system. It may be read in conjunction with the annual reports of the Administrator of the United Nations Development Programme (UNDP), and the Executive Directors of the United Nations Population Fund (UNFPA) and of the United Nations Office for Project Services (UNOPS) to the Executive Board. Those reports provide an analysis of programme achievements against the key results of the 2008-2013 UNDP and UNFPA strategic plans, the 2010-2013 UNOPS strategic plan, and statistical evidence of programme results, cross-sectoral strategies and performance indicators on management and operations.

2. All sections of the report reflect actions taken by UNDP, UNFPA and UNOPS to implement General Assembly resolution 62/208. For the first time, the report includes contributions from UNOPS, in compliance with the request made by the Executive Board at its second regular session of 2011.¹

II. Funding for operational activities of the United Nations development system

3. From 2009 to 2010, total contributions to UNDP and to its associated funds and programmes increased by 3 per cent, to \$5.49 billion. Contributions to regular (core) resources decreased in 2010 by 5 per cent, to \$967 million. This required UNDP to reduce planned core expenditures. UNFPA income from regular contributions was \$491.2 million in 2010, the highest ever, surpassing the target by 9.2 per cent.

4. From 2009 to 2010 other (non-core) contributions to UNDP increased by 4 per cent. This was mainly due to the 44 per cent increase of contributions for programmes in countries with special development situations. In recent decades, the non-core contributions to UNFPA have increased steadily in absolute terms. The ratio of co-financing contributions relative to total resources has been between 37 and 42 per cent in recent years. The co-financing contributions to UNFPA increased by 32.2 per cent in 2010, to \$357.2 million.

5. As a self-financing entity implementing projects on behalf of partners, UNOPS saw demand grow to record levels in 2010. UNOPS delivered \$1.27 billion worth of projects. In 2010, more than 60 per cent of UNOPS project delivery was on behalf of the United Nations system. UNOPS services to Governments have steadily increased. The services are provided either directly or through management service agreements with UNDP. Other partners of increasing importance are the European Union, the World Bank and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

¹ At the first regular session of 2011, the Executive Board adopted decision 2011/1, in which, inter alia, it recalled General Assembly resolution 65/176, wherein the Assembly decided that the name of the Executive Board of the United Nations Development Programme and the United Nations Population Fund was to be changed to the Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services. By its decision 2011/1, the Executive Board approved the revision of its rules of procedure to reflect the change in the name.

6. UNDP and UNFPA strive for diversified funding and seek to maintain traditional and attain new financial sources. While making an effort to expand its donor base, UNFPA pursues increased contributions from emerging economies and the private sector. The funding source is important because the partner organizations depend on regular resources to ensure the impartiality, independence and universality of the United Nations programmes. For instance, a priority of the revised UNFPA strategic plan is to secure broad-based and stable funding.

III. Contribution of United Nations operational activities to national capacity development and development effectiveness

7. Support to national capacity development is a core function of the United Nations development system, and the approach of UNDP, UNFPA and UNOPS to capacity development continues to be shaped by guidance from the United Nations Development Group and the needs of the member countries. There is an increasing emphasis on strengthening knowledge and skills for better performance at the individual, institutional and system levels, as well as on the enabling environment. There is decreased emphasis on direct service delivery. The partner organizations have made a concerted effort to focus more on empowering and strengthening national capacities through well-planned technical support in high-impact areas, and on promoting accountability and transparency. For example, UNDP helped the Sierra Leone Ministry of Mineral Resources to pilot a global positioning system-based computer system, which has laid a foundation for transparency by providing an archive of mineral licences that can be easily queried by citizens, civil society organizations, businesses and development agencies.

8. Given the greater emphasis of UNDP and UNFPA programmes and projects on providing high-quality policy advice, it is critical that results be defined not merely in terms of what is being supported, but also in terms of the actual changes in institutional capacities that have taken place. For example, with regard to the distribution of condoms that has been supported by UNFPA, it is not only the scope of the distribution that matters but also the national and subnational policies that have been developed to increase the access of vulnerable groups to condom distribution mechanisms and to contraception more generally. Those policies in turn can lead to improvements in institutional performance, such as increased coverage of contraception services by health service providers. This chain of results allows UNFPA to track its contribution to concrete, long-term sustainable results, such as reduction in maternal mortality and the improved health of women during their reproductive years. In 2011, in an effort to better track and map support for capacity development, UNFPA produced a practical guide entitled “Capacity matters”. It includes 20 case studies, analysed at the individual and organizational levels and from the enabling-environment perspective. The guide will further help to improve UNFPA policies and practice.

9. The midterm review of the UNFPA 2008-2013 strategic plan has led to the revision of the development results framework in order to strengthen the focus on capacity development. For each of the framework outcomes, UNFPA directly contributes to national progress through several outputs that reflect changes in country capacity to implement the Programme of Action of the International Conference on Population and Development. UNOPS has reached outside the

United Nations system and entered into several partnerships in its core infrastructure practice to develop the procurement and supply chain management capacity of national Governments.

10. Expectations of the impact of capacity development on the achievement of national development goals and strategies have increased. Measuring this impact is a challenge because, while short-term, activity-based results can be clear, long-term effects can be difficult to ascertain. Measuring the long-term impact of national capacity development is a particular challenge for UNOPS because it is normally the partners of UNOPS that evaluate the outcomes of the implemented projects.

11. Those challenges can, however, be overcome. To address them, the United Nations Development Group guidelines on articulating and capturing capacity development results have recently been updated. Over the past year, UNDP has been piloting a corporate system to ensure integration of capacity development results in programme planning and reporting. In July 2010, it produced a conceptual framework and approach for measuring capacity and provided practical examples of how to apply the suggested approach. Both UNDP and UNFPA have made an effort to clarify the levels and linkages in the results chain between capacity development processes and (a) improved or functioning systems; (b) structures, mechanisms and processes; (c) institutions or systems performing more effectively or efficiently in a more consistent and resilient manner; (d) people and communities using services; and (e) changes in their behaviours and norms that finally result in actual changes in people's and communities' lives.

12. The focus on capacity development results is reinforced by increased attention to evidence-based programming. The recently published UNFPA guidance on evidence-based programming, the first to be produced by the United Nations system, has been shared with partners in order to promote the systematic use of the generated evidence in the programming process. The focus on capacity development results is also broadly consistent with approaches by other development organizations from developing countries, such as the New Partnership for Africa's Development; developed countries, such as the European Commission; and multilateral organizations, such as the World Bank Institute. The next step is to engage with partners in a way that can energize and strengthen their change management capacities and promote their own development. The engagement process requires helping partners to assess stakeholder positions, interests, incentives and resources; to foster strong leadership and sustained commitment to change; and to ascertain the scope and sequence of capacity development and reform, in order to ensure a match between the two.

South-South cooperation

13. UNDP, UNFPA and UNOPS recognize South-South cooperation as a driver of development effectiveness. UNDP has woven such cooperation into all five of its practice areas, has engaged emerging economies in strategic partnerships in order to ensure the dissemination of best practices and lessons learned, and has supported intergovernmental processes featuring South-South exchanges. Following the revision and update of its South-South cooperation strategy, UNFPA has focused on six areas: brokering South-South cooperation, strengthening cooperation networks, expanding knowledge management, convening policy dialogues and engaging in advocacy, supporting countries participating in South-South cooperation, and

strengthening monitoring and evaluation. The midterm review of the UNFPA strategic plan has called for the mainstreaming of South-South cooperation in all of the outcome areas. It identified such cooperation as a promising modality of technical assistance, particularly within the context of UNFPA engagement in middle-income countries.

14. In 2010, UNDP provided on-the-ground support to 120 countries through more than 500 South-South cooperation initiatives across all five regions. This was more than twice the approximately 200 initiatives of 2009. UNDP efforts have centred on knowledge exchanges and have primarily taken the form of facilitating study tours, workshops and training; sharing technical expertise; conducting regional projects and joint initiatives; and technical cooperation in a variety of fields, from private sector development, democratic governance and agriculture to finance and health.

15. UNFPA was involved in 212 South-South cooperation initiatives in 2010. About one third of UNFPA programme countries, in all five regions and at its headquarters, were involved in at least three significant initiatives, including training and sensitization workshops, missions and study tours, and technical assistance in support of strengthening national capacity development. In terms of thematic areas, the initiatives pertained to census; population dynamics and development; adolescent and youth sexual and reproductive health; and the prevention of gender-based violence and care for victims of such violence.

16. A World Bank-funded project implemented by UNOPS involves capacity training of Nigerian engineers and administrators in India by the National Power Training Institute. The objective is to support power generation, transmission and distribution, as well as management, marketing and policymaking in the power sector.

17. To implement the mandate of the 2009 High-level United Nations Conference on South-South Cooperation, the Special Unit for South-South Cooperation is developing operational definitions and guidelines. It also intensified its coordination efforts to enable United Nations partner organizations to enhance the sharing of knowledge and experience. The 2010 Global South-South Development Expo attracted more than 600 delegates to showcase best practices and innovative South-led solutions. The Web of Information for Development enabled 30 entities within and outside the United Nations system to create and manage their rosters of experts. In addition, the South-South Global Assets and Technology Exchange has been established. To date, this platform has listed more than 2,200 projects, matched almost 350 prospective partners and led to the completion of 113 business transactions.

18. The 2011 report by the Joint Inspection Unit entitled “South-South and triangular cooperation in the United Nations system” (JIU/REP/2011/3) urged better coordination, monitoring, evaluation and reporting mechanisms. The objectives are to enhance accountability for South-South cooperation and advance its implementation as a key strategy for capacity development and technical cooperation. Accordingly, it is necessary to define relevant South-South cooperation indicators so that the quality and impact of this cooperation on improving programme effectiveness can be measured and assessed.

19. In order to realize the full potential of South-South cooperation and to ensure its effective use as a means of providing technical support, it is important to

strengthen the focus on large-scale cross-border programmes and projects, as opposed to training and workshops in capacity development. The sustainability of South-South initiatives, particularly of cross-border activities and projects, also requires better funding mechanisms and mobilization of more human and financial resources.

Gender equality and women's empowerment

20. At the institutional level, UNDP, UNFPA and UNOPS, in close collaboration with partners, have made steady progress in advancing gender equality and women's empowerment in all of their thematic areas at the country, regional and global levels. UNDP has integrated gender concerns into climate change policy and finance mechanisms, such as the operational frameworks of the Climate Investment Funds and the Adaptation Fund. UNDP has implemented the Gender and Economic Policy Management Initiative, a capacity development programme aimed at making poverty reduction efforts and economic policies deliver equally for women and men and boys and girls. All country offices reviewed by UNFPA have undertaken efforts to support the integration of gender equality and women's human rights into national policies, frameworks and laws. Around 30 per cent of all the projects supported by UNOPS in 2010 worked to increase gender equality and the empowerment of women. Many of the projects stipulated specific deliverables to make progress in this area.

21. Inter-agency policies, strategies and joint programming are indispensable for achieving gender equality and women's empowerment. In this area, UNDP is providing advice and technical support to help United Nations organizations integrate the "gender marker" into the Atlas enterprise resource planning system. This marker is used to track funds allocated to women-centred projects to facilitate the assessment of the gender-equality impact of programme resource allocations and expenditures. The United Nations Development Group has established a special subgroup to harmonize the tracking of gender-related investments. A major United Nations inter-agency initiative entitled "Universal access for women and girls now!" is intended to accelerate access to HIV prevention, treatment, care and support for women and girls. The multi-stakeholder joint programme initiated by the inter-agency Task Force on Violence against Women has been implemented in 10 pilot countries. For example, as part of the programme, the Philippines is developing a single national system for documenting violence against women.

22. UNFPA and the United Nations Children's Fund (UNICEF) are collaborating on the world's largest joint programme to accelerate the abandonment of harmful practices such as female genital mutilation/cutting. With the support of the programme, countries such as Egypt, Guinea, Guinea-Bissau, Kenya, Senegal and the Sudan have introduced or strengthened national policies and laws on the abandonment of the practice, while countries and territories such as the Gambia, Guinea, Somaliland, Senegal and the Sudan have issued public declarations promoting the abandonment of female genital mutilation/cutting. The joint programme has also facilitated progress in preventing and prohibiting the medicalization of the practice.

23. UNDP, UNFPA and UNOPS welcomed the establishment of the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) as an important measure to accelerate progress on gender equality and the

empowerment of women. While pursuing the consolidation and coordination of their efforts, the United Nations organizations also strive for a clear division of labour. Thus, while UN-Women will play a major role in formulating and implementing standards and holding the United Nations system accountable for its commitments on gender equality, UNDP, UNFPA and UNOPS will continue to support the advancement of gender equality within the areas of their expertise and in line with their respective strategic plans. For instance, UNFPA will focus on addressing gender-related barriers in maternal health, the eradication of harmful practices and combating violence against women. This work will involve policy and capacity development related to the provision of sexual and reproductive health services and the prevention of HIV.

24. Joint programming and joint programmes have shown that an effective way to achieve positive results in the advancement of gender equality and women's empowerment is to provide support to multiple stakeholders as part of a multisectoral, unified and coordinated response. National ownership and sustainability are promoted when partnerships with national counterparts are developed at the outset of a programme and when subsequently there is ongoing advocacy regarding the importance of gender-responsive budget allocations and expenditures and of scaling up good and innovative practices. There are, however, residual challenges related to financial reporting and monitoring systems that need to be resolved. National capacity gaps, particularly within ministries of women's affairs, which are usually underfunded and understaffed, also challenge programme implementation. More needs to be done to reinforce capacities and maximize synergies in gender and sexual and reproductive health/HIV expertise, in order to develop coherent multipronged approaches to address gender-based violence, and to ensure the systematic integration of gender concerns in specific areas of the work of UNDP, UNFPA and UNOPS.

Transition from relief to development

25. UNDP, UNFPA and UNOPS see disaster and emergency preparedness as fundamental for rapid and effective post-disaster relief and recovery and for laying a foundation to reduce the risk of future disasters. In 2010, UNDP supported disaster risk reduction efforts in 12 countries, resulting in a measurable reduction of disaster-related losses in several countries. In Mozambique during the 2010 flood season, mortality was less than 25 per cent of the 10-year average. In Malawi, flood management and planning during the 2011 floods improved. The recently developed second generation UNFPA humanitarian response strategy has strengthened the focus on tangible results and enhanced the mainstreaming of humanitarian work in development programmes and frameworks. The approach will advance UNFPA humanitarian preparedness, response and recovery programming and make UNFPA activities more strategic, scalable and sustainable, particularly in resource-constrained environments.

26. UNFPA is also finalizing its strategy for engagement in fragile contexts. The objective is to improve programme effectiveness through more contextualized programming. In more than 25 countries experiencing fragility, UNDP helps national and local actors to build and utilize conflict prevention capacities. This effort focuses on confidence-building, dialogue and consensus development.

27. Through active participation in the Inter-Agency Standing Committee on Humanitarian Affairs, UNDP and UNFPA connect the immediate provision of humanitarian assistance to programmes that help people to recover and rebuild their lives and their communities. UNDP supports the coordination of the first early stages of recovery, and helps to build the conditions to restore governance, the rule of law, livelihoods and a peaceful society, and to reduce people's vulnerabilities to future disasters. UNFPA helps the humanitarian community and Governments to make women healthier and more empowered after a crisis. Advisers from the roster of the Gender Standby Capacity have been deployed to 28 locations to help humanitarian country teams apply gender equality programming in humanitarian action.

28. The Inter-Agency Standing Committee is also taking concrete actions to advance its new humanitarian model. The actions are in the areas of leadership and cluster coordination; accountability for performance and to affected people; building national capacity for preparedness; and advocacy and communications. In the area of cluster coordination, the partner organizations plan to improve inter-cluster coordination among sub-clusters and reinforce partnerships, in order to enhance the effectiveness and efficiency of responses to emergencies.

29. Short-term humanitarian responses are likely to be sustained if they are informed by longer-term development thinking. For instance, cash-for-work initiatives can lead to long-term employment opportunities if they focus on projects that reduce barriers to private sector investment. In 2010, UNDP played a major role in generating about 8.5 million work days for more than 300,000 crisis-affected people in 10 countries and territories (Burundi, the Democratic Republic of the Congo, Haiti, Honduras, Mongolia, Myanmar, Nepal, the Occupied Palestinian Territory, Somalia and Sri Lanka). Through its post-earthquake building assessments project in Haiti, UNOPS helped to establish a national infrastructure database of more than 400,000 assessed structures. The database can be used for both immediate short-term emergency response and the long-term reconstruction process.

30. Following the uprisings in the Arab region, the United Nations organizations provided technical and strategic support to Egypt and Tunisia and helped with strategic planning and transitional planning in Yemen. In Libya, UNDP has supported the setting-up of an early recovery network to work with the humanitarian clusters. UNDP, UNFPA and UNOPS are also involved in the post-conflict needs assessment process in the region. As part of its response to the Horn of Africa crisis, UNDP and UNFPA are supporting affected populations and helping communities to recover faster by focusing on restoring livelihoods and increasing the capacity of social and health services and productive assets.

31. To enhance the role of resident coordinator offices in transition settings, UNDP, UNFPA, the Development Operations Coordination Office and other participating agencies provided additional capacity to the offices in seven countries in 2010 and four more in 2011 (Egypt, Libya, Sri Lanka and Yemen). In 2011, UNDP, the Development Operations Coordination Office and the Office for the Coordination of Humanitarian Affairs collaborated with other partners to finalize analysis of good practices and lessons from transitions. That year was also the first full year of operations for the experimental approach of the office of the Resident Coordinator/Humanitarian Coordinator in Nepal. The objective is to model new approaches to the United Nations management of transition, both in the sense of

country transitions and the institutional transitions that United Nations entities and staff go through during such periods.

IV. Improved functioning of the United Nations development system

Coherence, effectiveness and relevance

32. The United Nations Development Group continued to strengthen the United Nations Development Assistance Framework as its primary programming framework supporting national development planning. It completed the review of the Framework's working methods, and new working methods were approved in October 2010. As a result, the working groups were streamlined and four working groups and networks were established, among them the United Nations Development Assistance Framework programming network, which is to be virtual and more flexible. The number of task teams and task forces has also been significantly reduced, from more than 25 to 9. As part of the United Nations Development Assistance Framework programming network workplan in 2011, UNFPA and UNDP contributed to the review and development of strategic guidelines and operational tools (particularly for the United Nations country teams), the development of the guidelines for the common country programme document, and a desk review of the United Nations Development Assistance Frameworks, focusing on the integration of the key programming principles.

33. A UNDP and UNFPA mission to Ethiopia, completed in 2011, was the first joint mission at the level of policy/programme directors to explore how partner organizations can work together more effectively at the global and country levels to accelerate progress towards achieving the Millennium Development Goals. Through the UNDP-UNFPA-UNOPS-UNICEF integrated results-based budgeting initiative, significant progress has also been achieved in harmonizing cost classification and moving towards a common framework for results-based budgeting.

34. UNDP has played an important role in aid coordination and harmonization in some "Delivering as one" pilot countries (Albania, the United Republic of Tanzania and Viet Nam in particular) and has undertaken Government capacity assessments on behalf of all United Nations organizations. The division of labour among partner organizations has led to more effective leveraging of advantages and strengths of each organization. There is evidence that, during the pilot phase, the organizations with strong operational capacity at the country level enhanced their cooperation with non-resident agencies, resulting in improved policy dialogue and better-aligned delivery.

35. "Delivering as one" has significantly increased the responsibilities of resident coordinators, in terms of their interactions with national Governments, donor partners and civil society as well as with the United Nations organizations. The "One leader" principle and the management and accountability system for the United Nations development and resident coordinator system have both been invaluable tools in defining and supporting the role of the resident coordinator. The United Nations Development Group recently endorsed the recommendations of the independent review of the management and accountability system, which will help institutionalize good practices in coordinating United Nations teams at the global, regional and

country levels. In response to demands for greater transparency and accountability, UNDP and UNOPS became signatories of the International Aid Transparency Initiative and began publishing details of and expenditures for programmes and projects in compliance with its standards. UNFPA is also considering participation in the initiative.

36. To further enhance coordination within the United Nations system and ensure effective delivery of results, partner organizations should increase the access to their technical resources of resident coordinators. In addition, partner organizations should formalize and streamline the reporting lines and increase communication between and the mutual accountability of resident coordinators and heads of the organizations. The recently adopted integrated approach to learning programmes for new resident coordinators, from the preparation of pool candidates to induction and orientation, will serve the same purpose. The revamped induction programme focuses on the uniqueness and the complexities of the resident coordinator function and includes a country-specific orientation process. Further progress is evidenced by the increasing diversification of the pool of resident coordinators. Thirty-six per cent of the entire pool are now women and 50 per cent of the resident coordinators now come from developing countries.

Country-level capacity of the United Nations development system

37. The capacity of the United Nations country teams under the leadership of resident coordinators is crucial for the effective and efficient coordination and implementation of development operations at the country level. Under United Nations Development Group auspices, UNDP, UNFPA and UNOPS have all contributed to strengthening the selection, competency development and performance appraisals of resident coordinators. The partner organizations, however, recognize that more needs to be done to support leadership development within a more coherent, systematic and targeted approach and in line with United Nations Development Group strategic priorities. In that context, a learning and competency development strategy for resident coordinators and for United Nations country teams is being discussed.

38. In order to improve United Nations system capacities, UNFPA, UNDP and UNOPS have also continued to support United Nations Staff College initiatives by sending selected staff members as trainees and resource persons to workshops on United Nations Development Assistance Framework programming, human rights-based approaches and results-based management, leadership and other specialized areas.

Regional dimensions

39. UNDP, UNFPA and UNOPS are active participants in the regional United Nations Development Group teams chaired by the regional directors of the UNDP regional bureaux. They also contribute to the regional coordination mechanisms of the United Nations regional commissions.

40. In February 2011, the United Nations regional commissions launched a study on the regional dimension of development and the United Nations system. The objective of the study is to identify ways to engage more deeply and more effectively with the policy frameworks and initiatives developed by regional and subregional organizations.

41. In its responses to a questionnaire distributed as part of the study, UNDP identified a broad network of partner organizations and highlighted the focus on capacity development, institutional development and the provision of technical advice. Formal agreements on cooperation vary significantly, ranging from the UNDP regional frameworks to regional programmes, projects or memorandums of understanding. Benefits from this cooperation include the exchange of experience, which is expected to promote greater understanding and cooperation across the regions. Cooperation may also increase the impact of development initiatives at the country and regional levels by building on regional agendas, and provide opportunities to strengthen regional institutions and improve capacities to produce regional public goods, for example, through the establishment of regional early warning systems.

42. In addition to partnerships with intergovernmental organizations, UNDP and UNFPA are also expanding national and regional cooperation with leading academic and technical institutions, which will serve as knowledge hubs and learning centres. Investments will be made in national technical personnel to serve as advisers to governmental entities and other institutions.

Transaction costs and efficiency

43. Through the United Nations Development Group and the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination, UNDP, UNFPA and UNOPS support the harmonization of business practices in the areas of procurement, finance and budget, information and communications technology and human resources management. In 2010, the United Nations Development Group, in cooperation with the High-level Committee on Management, analysed the existing transaction cost modalities and narrowed them down to five main categories. The work on harmonizing transaction cost models has continued in 2011, and in 2012 the United Nations Development Group and the High-level Committee on Management expect to develop simple tools to help measure transaction costs. Those tools will be used by programme countries to prioritize and measure the impact of harmonizing business operations at the country level. In addition, several countries have started to conduct transaction cost analyses as part of their “Delivering as one” activities. A 2011 United Nations Development Group/High-level Committee on Management study identified transaction-cost reductions of as much as 12.5 per cent that could be achieved through joint procurement processes.

44. The High-level Committee on Management procurement network uses a standardized procurement toolkit to support field operations. While UNICEF leads this effort, UNDP and UNFPA are active contributors. The recently approved common model policy framework for determining vendor eligibility helps United Nations entities to respond to vendors who have been involved in unethical or corrupt practices. Development of the framework was led by UNDP. UNOPS hosts the United Nations Global Marketplace and supports an initiative to redesign and further harmonize vendor registrations in order to increase efficiency. UNOPS proposed United Nations system-wide consolidation of procurement activities for generic products and services. For example, were the United Nations collective bargaining power to reduce by 1 per cent the costs of the procurement of logistics services, this would save \$30 million per year, given the approximately \$3 billion

spent annually on such services. In addition, reduced administrative costs are expected as a result of reducing parallel procurement processes for the same items.

45. According to the global joint procurement survey conducted by the High-level Committee on Management and the United Nations Development Group, the introduction of common long-term agreements has been proved to facilitate joint procurement. Opportunities for improvement include enhanced focus on results-oriented strategies for operations in line with the United Nations Development Assistance Framework process; further harmonization of procurement and legal rules and regulations; and strengthening of capacity for common services/joint operations at the country level.

46. The High-level Committee on Management finance and budget network is continuing to work on determining the feasibility of common treasury services, including the potential for common banking services, streamlined in-house payments processes and common foreign-exchange management and investments. In 2011, UNDP and UNFPA continued work on the harmonized approach to the integrated institutional budget, incorporating robust strategic plan management as well as the implementation of the International Public Sector Accounting Standards.

47. With support from the High-level Committee on Management information and communications technology network, the partner organizations created a system-wide community of information security officers who work to improve awareness of security issues, incident responses and policies and practices. UNDP and UNFPA are active participants in the costing project, which is developing common approaches to investment decision-making and benchmarking information and communications technology services.

48. The High-level Committee on Management human resources network has been leading an inter-agency comparative analysis of contractual arrangements and staff regulations, rules and practices, and has developed a set of recommendations regarding areas where further harmonization could be pursued. The areas include grading and classification, selection processes, development of common elements in performance appraisals systems and adjusting conditions/criteria for the granting of contracts.

49. Constraints to harmonization among United Nations organizations include (a) sizeable investments made by organizations in their internal systems; (b) variations in the commitment of different organizations to common solutions; (c) lack of sufficient resources to support the implementation of harmonized approaches, including their integration into organization-specific policies and procedures; (d) internal realignment processes in organizations, which divert attention from inter-agency work; and (e) the need to assess and consolidate gains made before embarking on new initiatives whose benefits are difficult to evaluate. The business practice simplification and harmonization agenda has traditionally been based on the expectation of tangible financial savings and their redeployment into programmes. Calculating such savings and quantifying efficiency gains is difficult, however. Gains from inter-agency efforts cannot always be easily separated from gains from related internal reforms.

50. In 2011, in an effort to improve internal effectiveness and efficiency and reduce transaction costs, UNFPA continued to redesign selected business practices and streamline and simplify existing planning, monitoring and reporting instruments

for country offices. UNFPA has developed a system to address the proliferation of annual workplans and to make the selection of implementing partners more robust. The system will be rolled out starting in January 2012. As part of the comprehensive Agenda for Organizational Change launched in early 2011, UNDP has also embarked on a series of simplification and streamlining projects in procurement and human resources. Work is also ongoing on several initiatives that help to leverage information and communications technology for greater effectiveness and efficiency.

Evaluation of operational activities for development

51. The evaluation functions of both UNFPA and UNDP continued to improve and to support coordination and coherence across the United Nations system. In both organizations, evaluation coverage improved; that is, more offices now comply with evaluation requirements. For instance, coverage of end-of-country-programme evaluations in UNFPA improved from 35 per cent in 2009 to 100 per cent in 2010. However, given the limited resources for evaluations, their quality remains a challenge. Efforts are under way to identify a possible arrangement that would balance high coverage and high quality of country-programme evaluations by narrowing their scope and clarifying expectations.

52. Evaluation in individual organizations has been designed to feed into and strengthen joint evaluations and programming. The UNDP country-level evaluations, that is, assessments of development results, examine the role of UNDP within the United Nations country teams and the effect of that role on UNDP input. The collected evidence is used to draw conclusions about how greater coherence could lead to increased contributions to development. The UNFPA mandatory country-programme evaluations are designed and scheduled early in the penultimate year, in order not only to inform UNFPA programming but also to support the joint United Nations Development Assistance Framework evaluations and programming.

53. Both UNFPA and UNDP have promoted joint evaluations, especially at the national level. UNFPA guidelines specify instances in which a joint United Nations evaluation should be used instead of mandatory end-of-country-programme evaluations. Consequently, a number of countries (Albania, Cape Verde, Ethiopia, the Republic of Moldova and Uruguay) chose the option of joint evaluations. While the assessments of UNDP focus on its contributions to national development results, assessments have in a few cases been integrated into the broader evaluation of the United Nations Development Assistance Framework (notably in the Republic of Moldova in 2010-2011).

54. Further work needs to be undertaken to strengthen United Nations Development Assistance Framework evaluations and to ensure that such joint work can also meet the accountability needs of individual organizations.

V. Follow-up

55. UNDP, UNOPS and UNFPA continue to implement and report on the mandate of the triennial comprehensive policy review in their respective strategic plans and annual reports.

56. The midterm reviews of both the UNDP and the UNFPA 2008-2013 strategic plans have reaffirmed the commitment of the partner organizations to improving the effectiveness and efficiency of United Nations system operational activities, including by revising the development and management results frameworks. The UNOPS strategic plan for 2010-2013 also adheres to the “Delivering as one” agenda and strives for coordinated approaches. That commitment will be reflected in the implementation of the business plans of UNDP, UNFPA and UNOPS, and the 2012-2013 budgets of the partner organizations have revealed efforts to deliver more with less.

57. The partner organizations look forward to the new cycle of the quadrennial comprehensive policy review, which will be negotiated in 2012 and launched in 2014. The organizations will continue to address outstanding challenges, including results reporting, measurement problems, the harmonization of indicators and lowering coordination costs.

58. Building on the consultative approach employed during the recent midterm review of the UNFPA strategic plan, UNDP, UNFPA and UNOPS will seek to increase the harmonization of their planning cycles beginning in 2014. In that regard the organizations will respond to the stipulations of the quadrennial comprehensive policy review.

VI. Recommendation

59. The Executive Board may wish to take note of the present report and transmit it to the Economic and Social Council, together with the comments and guidance provided by delegations.
