DIVISION FOR OVERSIGHT SERVICES

AUDIT
OF THE GLOBAL AND REGIONAL PROGRAMME
(GRP)

FINAL REPORT

N° OED-113

8 February 2013

1.   The Global and Regional Programme (GRP) 2008-2011 was developed to support the achievement of the goals and outcomes of UNFPA' s Strategic Plan 2008-2011. Through this programme, UNDFA thought to maximize its ability to provide integrated technical, programmatic and management support at global and regional levels, to enable countries to achieve their national development priorities. The programme is made of six components, the global programme as well as the five regional programmes. It was approved by the Executive Board in 2007.

2.   The Division for Oversight Services, and all its branches, is a recipient of GRP funding. Hence, to avoid a conflict of interest when the GRP was considered in the DOS work programme, it was decided that DOS would commission an outside provider to conduct the audit. The firm KPMG was selected after a bidding exercise in 2011.

3.   The present report presents the results of this first audit of the GRP since its inception in 2008.

4.   DOS would like to thank UNFPA management and staff for its collaboration with and assistance to the audit team.

United Nations Population Fund (UNFPA)

Performance Audit of the Global and Regional Programme (GRP)

Final Report

7 February 2013

This report was prepared by KPMG LLP for UNFPA and
was not prepared for any third parties, who may not rely on it.

Executive Summary

1.   The Division for Oversight Services (DOS) of the United Nations Population Fund (UNFPA) engaged KPMG LLP (KPMG) to conduct a performance audit (the audit) of UNFPA's Global and Regional Programme (GRP), developed to help support the achievement of UNFPA's strategic goals as documented in the Strategic Plan 2008--2011[1].

2.   This report presents the results of the first audit to consider the GRP since its inception in 2008 and endeavors to provide observations for UNFPA Executive Management's consideration in its management and execution of the GRP or any successor programme.

Background

3.   The GRP 2008-2011 was developed to support the achievement of the goals and outcomes of UNFPA's Strategic Plan 2008-2011. Through the GRP, UNFPA seeks to maximize its ability to provide integrated technical, programmatic, and management support at global and regional levels, to enable countries to achieve their national development priorities. The programme was initially approved by the Executive Board in 2007, as proposed in UNFPA's Executive Board submission[2], with an initial funding commitment of USD 200 million, and was extended in 2010 through 2013[3].

4.   The GRP is a large, varied and highly complex programme made up of six component programmes: one Global Programme and five Regional Programmes (Africa, Arab States, Asia and the Pacific, Eastern Europe and Central Asia, Latin America and the Caribbean). The Global Programme contains UNFPA's 'flagship' initiatives such as the Global Programme to Enhance Reproductive Health Commodity Security (GPRHCS) and the Maternal Health Trust Fund (MHTF), among others. The Regional Programmes were introduced in an effort to provide UNFPA with the opportunity to enhance its field focus and better support Country Programmes by establishing a regional presence.

5.   Total GRP expenditures for the period 1 January 2008 to 15 July 2011 amounted to approximately USD 446.4 million, funded from regular resources of approximately USD 232.3 million and other resources of approximately USD 214.1 million.

Objectives and scope of the audit

6.   The audit of the GRP was conducted in accordance with the applicable sections of the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors[4]. The audit focused on assessing the effectiveness of the GRP with respect to the following areas:

- ▪ Governance and Management – effectiveness of the programme management and oversight structure, and processes and tools in place to help govern the GRP.

- ▪ Programme Design – adequacy of GRP's design, including allocation of funding, and whether it enabled an effective implementation of the Programme.

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[1] United Nations Population Fund, Strategic Plan 2008-2011: Accelerating progress and national ownership of the ICPD Programme of Action (DP/FPA/2007/17).
[2] United Nations Population Fund, Global and Regional Programme 2008-2011 (DP/FPA/2007/19).
[3] United Nations Population Fund, Annual Report of the Executive Director for 2008 (DP/FPA/2009/2).
[4] Standards applicable to an external vendor providing audit services to an organization.

- Programme Results – processes and methods for measuring and reporting performance and the extent to which intended results were achieved.

- Risk Management, Control, and Compliance – effectiveness of key risk management and control processes related to GRP, and level of compliance with the GRP and other UNFPA policies and procedures.

- Operations – effectiveness and efficiency of key GRP operations.

- Monitoring and Reporting – key GRP financial and operational reporting processes and controls.

7.   The field work of the audit was performed from July to November 2011. It was based on a combination of desk reviews, interviews, and field visits at Headquarters (HQ), two Regional Offices (ROs), one Sub-Regional Office (SRO), and four Country Offices (COs). The audit covered the period from 1 January 2008 to 15 July 2011 (the audit period).

Audit rating

8.   Against the above-stated areas of scope, this audit assessed the performance of the GRP as '**Unsatisfactory'**, which means that "internal controls, governance and risk management processes were either not established or not functioning well; the audit has disclosed significant issues that need to be addressed as a matter of priority in order not to compromise the achievement of the audited entity's objectives." While recognizing that noteworthy results were achieved by some components of the GRP, the audit identified limitations and weaknesses in programme design; programme governance and management; and programme execution that significantly limited UNFPA's ability to measure and clearly demonstrate collective results for the GRP or its component Global and Regional Programmes since their inception in 2008. In addition, the process for allocating additional regular resource funding to and across the GRP was unclear, and a part of those funds were used to support operational costs, in addition to programme costs. Figure 1 illustrates the various limitations and weaknesses in design, governance and management, and programme execution that have contributed to these programme effects.

Figure 1 – Observations on the GRP

Programme Design

1. Linkages between the Strategic Plan, the GRP Executive Board submission and the GRP strategies, outcomes, activities and indicators were weak
2. The role, strategy and intended outcomes of the GRP with regards to capacity development were not clearly defined
3. There were delays in establishing baselines and targets

Programme Governance and Management

4. Programme governance and management were not clearly delineated and separated
5. Management accountability for the programme was not clearly defined
6. Roles and responsibilities across HQ, Regional and Sub-Regional Offices may not have been clear in relation to GRP implementation

Programme Execution

7. UNFPA lacked a strong programme management methodology
8. The approach to plan, execute, and report on an annual basis may have limited the effectiveness of the GRP
9. The process for fund allocation across GRP projects was not clear
10. Reporting processes and tools were not sufficient to allow management to report on and monitor GRP performance and expenditures and make links between financial decisions and GRP results
11. There was no clear process in place for tracking the implementation of audit and evaluation recommendations related to the GRP

Effects on the Programme

12. There was limited ability to measure and demonstrate the results and impact of the GRP
13. The actual allocation of funds to the GRP as a whole and to the Global and Regional Programme components was different from the allocation approved by the Executive Board
14. The GRP evolved into a hybrid of programmatic activities and operational support costs

9.   Given the scope of the GRP and the way the programme is embedded into overall UNFPA operations, a number of findings included in this report go beyond the GRP and extend to UNFPA corporate management practices, policies and procedures. Since October 2011, and independent of this audit, UNFPA has commenced the implementation of a number of initiatives intended to address observations included in this report. However, due to the period covered by the audit and the timing of audit fieldwork, it was not possible to consider these initiatives, and the resulting changes and improvements to the GRP, at the time of preparation of this report.

Programme Design

10.   The audit noted weak linkages between the Strategic Plan, the Executive Board GRP submission, and the strategies, outcomes, activities and indicators considered within the Global and Regional Action Plans. The Action Plans did not adequately describe how performance would be assessed for each one of the strategies considered. The design weaknesses resulted in a lack of comprehensive and complete reporting of programme results for the period 2008—2011 (Observation 1).

11.   There is potential to clarify the role and strategy of the GRP with regards to capacity development of national institutions and UNFPA COs. Both are important factors in achieving the GRP goals and should be clearly linked to documented assessments of current and desired capacities. Feedback from COs regarding the quality of specific events, tools, and support provided by the Global and Regional Programmes was quite positive. However, there were no follow-up processes to measure and assess the results of the activities undertaken and determine whether the expected benefits had been realized. In addition, there were no indicators within the GRP to measure the programme's performance in terms of increasing CO capacities (Observation 2).

12.   While baselines and targets were defined and reported for various components within the GRP, such as GPRHCS and the MHTF, these were not consistently established across the GRP as a whole at the start of its implementation or were established with significant delays, further limiting UNFPA's ability to measure and report on GRP results (Observation 3).

13.   Many of the design weaknesses identified in this report were acknowledged during fieldwork. The design weaknesses were compounded by a lack of monitoring and enforcement through the governing bodies. Despite the wide recognition of these weaknesses, management did not make significant changes to the GRP design during its term. While the Development Results Framework was updated in 2011, the implications for GRP were not clearly defined or communicated.

Programme Governance and Management

14.   The audit noted the lack of a clear separation of programme governance and management during the period under review, and limitations in the roles of governance, management, and advisory bodies with regards to oversight and monitoring of the GRP. There was no evidence of detailed consideration of GRP results and expenditures or overall management of the programme by the Executive Committee. The Operations Committee, which functioned through the end of 2011 and according to the GRP Guidelines, had the responsibility of monitoring the achievement of GRP results and implementation progress, received annual updates on GRP expenditures but not on results. The GRP Programme Review Committee (PRC) did not appear to have had an active role throughout the period under review and did not review programme progress on a biannual basis as intended (Observation 4).

15.   Better governance arrangements were observed for the Regional Programmes, which are smaller and more clearly defined than the Global Programme. Donor requirements with regard to noncore funds provided to some Regional Programmes contributed to enhance their governance and reporting. Regional Advisory Groups were not consistently established across all regions, although this was required by the GRP Guidelines. In 2009, the Executive Board extended the GRP to 2013 without an assessment of expenditures or results to date. There was also no specification of budget for the extended period. Finally, DOS was required to report to the Executive Board in June 2011 on the results of the mid-term audit of the Global and Regional Programmes but this was delayed (Observation 4).[5]

16.   Management accountability for certain components of the Global Programme, such as the GPRHCS, and for the Regional Programmes was well established. However, accountability arrangements for the GRP as a whole and for the Global Programme were not as evident, given their complex structures. There were no clear terms of reference for the role of the Deputy Executive Director (DED), Programme who in the GRP Guidelines is identified as having overall accountability for the GRP and providing ongoing quality assurance towards the achievement of GRP outputs. It is not clear how the role assigned to the Programme Division (PD) of continuously assessing and

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[5] UNFPA, Policies and Procedures Manual, *Global and Regional Programme Guidelines* (11 August 2010) (Section 2.2, page 3)

refining GRP related policies, procedures, and tools linked to or supported the Deputy Executive Director (DED), Programme role, and the progress achieved in this area during the period under review was limited. The audit, however, acknowledges that a number of initiatives were implemented by PD after the audit fieldwork was completed. The specific roles and responsibilities of the GRP Secretariat were not clearly defined and, while GRP Secretariat reports raised a number of issues that were also identified in this report, the role was performed on a part time basis and had limited authority. The GRP Guidelines did not describe the role of the DED-M with respect to the GRP, although business units reporting, at the time, to this position were involved in GRP delivery activities (Observation 5).

17.   While generally there was a clear management structure within the Regional Programmes, the RO's roles and responsibilities, and those of their respective SROs, were often not clearly understood by COs, based on the feedback provided by COs during site visits. The role of HQ was also often not clearly understood after a regional presence with implementing responsibilities was established. One exception to this was the GPRHCS. This is a large and relatively well established programme that has more clearly defined roles and responsibilities and communication lines across HQ, ROs, SROs, and COs. The roles of each business unit as it related to planning, monitoring, and reporting for the GPRHCS appeared to be well understood at all levels (Observation 6).

Programme Execution

18.   There is potential to enhance the corporate and GRP Guidelines to help improve the effectiveness of planning, budgeting, implementing and reporting processes. In particular, there is potential to strengthen the approach to GRP programme and project management.   Based on feedback from UNFPA as well as from implementing partners, current administrative requirements for engaging with partners were considered cumbersome, time consuming and complex; further, delays in approval processes and receipt of funding have created barriers to potential and existing partnerships (Observation 7).

19.   Consistent with UNFPA's programming practices, GRP projects were planned, executed, and reported under an annual cycle. The planning, execution and reporting phases for the Global, Regional, and Country Programmes (CP) occurred concurrently, adding considerable burden on offices and branches and creating a significant challenge to synchronizing activities, preventing duplications and ensuring complementarities. The result was a silo-ed planning approach, with limited integration of activities within thematic areas across global, regional, and country levels.   With reporting and planning phases taking up considerable time at the end and beginning of each year, time available to implement the activities was truncated. In turn, this created challenges for UNFPA's implementing partners, impacting their own ability to implement (Observation 8).

20.   During the period covered by the review, there was no process in place to assess and prioritize requests for funding of Global Programme components. There was no single project document summarizing budget allocations across programme components. In addition, there was no clear policy or criteria defining what constituted "allowable" or "desirable" GRP activities and how funds were allocated or budgeted. There was no documented assessment of Annual Work Plans (AWPs) with respect to criteria such as effectiveness, efficiency and feasibility of proposed activities. AWPs were reviewed and approved by the concerned HQ business units, leading to a very decentralized and fragmented process. Per the GRP Guidelines, the process should have included a review to ensure complementarities, find synergies, and create a sense of divisional ownership of result. In addition, there was no corporate process in place to review and authorize budget modifications throughout the year or track project expenditures and make modifications or reallocate funds from projects with low implementation rates. The potential impact is that projects may not have been funded according to their relative priority, and reflecting the best possible allocation of funds (Observation 9).

21.   During the period covered by the review there was limited reporting on the GRP as a whole. GRP reports provided to the (then existing) Operations Committee, which focused primarily on expenditures funded from regular resources. This provided only partial visibility on the actual amount of funds spent on the implementation of GRP projects and of the GRP's progress towards achieving its objectives as funding from other resources was also allocated to the implementation of GRP activities. The financial reports only provided a high level breakdown of the expenditures per cost category, and did not cover programme performance or results. There did not appear to be any routine analysis or comparison of expenditures in each of the thematic areas to monitor trends in each of these areas and understand the overall distribution of funds. In addition, the way projects were set up in ATLAS, UNFPA's Enterprise Resource Planning (ERP) system, limited visibility as to the true impact of GRP activities undertaken to support CPs. GRP resources may, in fact, have been distributed to ROs and COs but given data limitations in ATLAS, it is not possible to identify the actual organizational units receiving these funds (Observation 10).

22.   During the period under review, there was no clear or formalized process for following up on reports related to reviews conducted of different areas of the GRP, such as audits and evaluations of GRP's predecessor programmes and the mid-term reviews (MTRs) of the Regional Programmes and of those components of the Global Programme managed by the Technical Division (TD). There was no clear process to respond to the recommendations contained in the reports, or track the implementation of corrective actions. In some cases, it was not clear whether audits and evaluations were shared beyond Executive Management (e.g., the Audit of Regional Projects completed in 2007). The MTRs were performed between 2010 and 2011 by different consultants, under differing terms of reference, not allowing for consistency, easy consolidation of issues or efficiency in addressing systemic issues. In addition, no review was performed over the Global Programme as a whole. Since the inception of the GRP in 2008, DOS has performed limited internal audit or evaluation work over the GRP; until 2011, DOS' continued focus was on the Country Programmes (Observation 11).

Effects on the Programme

23.   While noteworthy results were achieved and reported for some key components of the GRP (such as the GPRHCS), the previously discussed issues noted in the areas of programme design, governance and management, and programme execution, many of which are heavily interlinked, may have impacted the overall effectiveness of the GRP and has limited UNFPA's ability to measure and demonstrate the results achieved by the GRP since its inception in 2008.

24.   There was limited reporting on GRP results. There was no reporting on GRP results against the Development Results Framework (DRF) outcomes and outputs that are set out in the Global and Regional Action Plans. Results for individual projects were not reported except for certain sub-programmes funded from non-core resources (e.g., GPRHCS, MHTF). Results related to these programmes were reported separately but they can be linked to the Global Programme and the DRF. The GRP's performance was reported against the Management Results Framework (MRF) through the ROs and HQ business units' annual reports, which tended to report the completion of activities as opposed to the achievement of MRF targets (Observation 12).

25.   The actual allocation of funds to the GRP as a whole and to the Global and Regional Programme components was different from the allocation approved by the Executive Board. The Executive Board approved a total GRP resource allocation of USD 200 million for the period 2008-2011. As a result of additional funds becoming available during the GRP term, actual expenditures from regular resources for 2008-2011 amounted to USD 279.2 million, 40 per cent higher than the Executive Board allocation. There was no clear process for allocating these additional Programme funds across the Global and Regional Programmes, and the GRP Action Plans were not updated to reflect the intended use of the additional funds allocated or how they would contribute to increased performance or results (Observation 13).

26.   In addition, the Executive Board approved an apportionment of funds of 40 per cent to the Global Programme and 60 per cent to the Regional Programmes, with a specific allocation to each region. This apportionment was based on the commitment of the Executive Board to ensure that UNFPA gave priority to the least developed countries in its resource allocation system[6]. Even with the additional regular resource funds allocated to the GRP as a whole, the Regional Programmes received an apportionment of regular resources funding, both in nominal and proportional terms, which was almost the reverse of the original apportionment approved by the Executive Board. The reduction in regular resources to most Regional Programmes was in part offset by the mobilization of other resources (Observation 13).

27.   During the period in scope, the GRP evolved into a hybrid between a programme and a funding source. GRP funds were used to pay for certain operations and back-office costs, such as the operation of the Ethics Office. Overall, there was lack of clarity over the total amount of GRP regular funds used to fund support operations and back-office costs, and this may have resulted in the use of GRP funds to compensate for limitations in the Biennial Support Budget (BSB) funding (Observation 14).

Recommendation

28.   The observations and a first set of recommendations resulting from this audit were shared with management in January 2012 in a first draft report which was discussed with designated representatives from ROs and HQ units. An updated draft report was provided to management on 8 May 2012. That report was discussed with management on 29 August 2012. Taking into consideration the comments and clarifications received at that time, the audit team revised the draft report, concluding that a single recommendation should be brought to the attention of UNFPA's senior management, alongside a number of 'lessons learned' for management's consideration. Management provided a detailed response (included in Appendix I) on 29 January 2013.

Recommendation   **Priority: High**

29.   Management should consider the most appropriate model for the Global and Regional Programme or any other programme that may replace it beyond 2013 to help UNFPA achieve the goals of its Strategic Plan, ensuring that the issues related to programme design; programme governance and management; and programme execution identified by the audit are addressed in an effective and sustainable manner.

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[6] United Nations, Executive Board of the United Nations Development Programme and of the United Nations Population Fund, DP/FPA/2007/19, *United Nations Population Fund, UNFPA global and regional programme, 2008-2011* (paragraph 84, page 16)

30.   In particular, management should give consideration to the key lessons learned identified by the audit, and summarized below:

- *Enhance guidance and tools for defining outputs and indicators and for the review of implementation plans.*
- *Clearly define organizational strategies and their linkage to outputs and outcome areas.*
- *Define capacity building activities based on capacity assessments.*
- *Measure benefits realized from capacity building activities.*
- *Collect CO feedback relative to the relevance of support received from global and regional levels.*
- *Define baselines and targets on a timely basis, at the onset of the programme.*
- *Separate programme governance and management functions.*
- *Enhance reporting to governance and management bodies to include expenditures, budget to actual comparisons and progress against goals and indicators for all funding sources.*
- *Share best practices in the use of Regional Advisory Boards.*
- *Clearly define management roles and responsibilities and accountability for the programme as a whole and for each programme component and how responsibilities inter-relate across HQ and ROs.*
- *Strengthen processes for the allocation of funds across GRP components.*
- *Streamline and integrate programme reporting based on an assessment of comprehensive reporting requirements.*
- *Introduce appropriate assurance mechanisms over results reporting.*
- *Consider developing multiyear implementation plans and budgets.*
- *Revise specific GRP methodologies and tools and identify improvements to address the limitations than constrain their effectiveness.*
- *Track all audits, evaluations and reviews on a regular basis.*
- *Consider periodic performance audits of key areas within the Global and Regional programmes.*

31.   The audit noted that many of the points raised in this report have been previously identified in audits and evaluations of predecessor programmes of the GRP. As such, the auditors acknowledge that these are complex challenges being presented to management, and many go beyond the GRP itself and relate to corporate practices that are used across UNFPA. Management indicated that it has implemented a number of enhancements to programme practices since October 2011, at the end of the audit fieldwork. Management is encouraged to assess these changes against the observations and recommendation included in this report to reflect on whether such changes appear sufficient to address the issues identified.

32.   The audit team would like to thank the management and staff members of the ROs, COs, and HQ units involved in the review for their cooperation and assistance throughout the audit.

Management Response

33.   UNFPA's management welcomed this audit as the first ever of the Global and Regional Programme. Management thanked those who were involved in its undertaking and appreciated its recommendation and the further advice provided. Management agreed with the recommendation and provided a detailed response which is included in Appendix I - Management Response. Management would also like to thank those involved for their acknowledgment that work to address the lessons identified is already underway. Management is further grateful for the acknowledgment that many of the concerns raised can be, and will be, resolved if they are addressed comprehensively in the setting up of implementation for the new Strategic Plan, which begins in 2014.

I. Background

A. UNFPA Programmes and Funding

1. UNFPA executes its mission through two main mechanisms: Country Programmes and the Global and Regional Programme (GRP). Further, UNFPA is funded from two sources: regular resources[7] (untied funds to be used consistent with the mandate of UNFPA) and other resources[8] (funds for specific programme purpose). UNFPA expenditures for the period 2008-2011, funded from both regular and other resources, amounted to approximately USD 3.1 billion, of which 85 per cent corresponded to the delivery of Country Programmes and to operational and overhead costs funded from the Biennial Support Budget (BSB)[9], and approximately 15 per cent for the GRP.

B. Structure of the GRP

2. The GRP was developed to respond more effectively to General Assembly resolution 59/250 on the Triennial Comprehensive Policy Review (TCPR) of operational activities for development of the United Nations system and to an aid environment that emphasizes national ownership, accountability, good governance, harmonization, and management for results. The GRP consists of the following six component Programmes:

- Global Programme;
- Africa Regional Programme;
- Arab States Regional Programme;
- Asia and the Pacific Regional Programme;
- Eastern Europe and Central Asia Regional Programme; and
- Latin American and the Caribbean Regional Programme.

3. The six component Programmes collectively make up the GRP and are meant to be complementary and jointly contribute to the outcomes in the Strategic Plan through specific outputs within each Programme that are aligned with national priorities. Generally, Headquarters (HQ) units implement the Global Programme, while each Regional Office (RO) implements its respective Regional Programme. The Executive Board 'UNFPA global and regional programme, 2008-2011' document[10] (the GRP Executive Board submission) defines the GRP and how it will contribute to the achievement of UNFPA's strategic goals. The GRP is structured around the following thematic areas:

- Reproductive Health and Rights;
- Population and Development;
- Gender Equality;
- Cross Cutting Themes (e.g., youth); and
- Management and Coordination.

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[7] According to the United Nations Population Fund, *Financial Regulations and Rules*, Rev. 8 (effective 1 January 2010), "**Regular resources** shall mean resources available to UNFPA that are commingled and untied. These shall include revenue from voluntary contributions, other governmental or intergovernmental payments to UNFPA, other contributions from non-governmental sources, including foundations, private-sector organizations and individuals, interest earnings and miscellaneous revenue."

[8] According to the United Nations Population Fund, *Financial Regulations and Rules*, Rev. 8 (effective 1 January 2010), "**Other Resources** shall mean the resources of UNFPA, other than regular resources, which are received for a specific programme purpose consistent with the mandate of UNFPA and for the provision of specific services to third parties."

[9] Replaced by the institutional budget in 2012.

[10] United Nations, Executive Board of the United Nations Development Programme and of the United Nations Population Fund, DP/FPA/2007/19, *United Nations Population Fund, UNFPA global and regional programme, 2008-2011.*

Global Programme

4.   The Global Programme seeks to improve the enabling environment to achieve the International Conference on Population and Development (ICPD) and Millennium Development Goals (MDG) through advocacy and broadening of the knowledge base to support population and development, reproductive health and rights, and gender equality issues, and through establishing and strengthening global partnerships. Per the GRP Executive Board submission, the global outputs are concentrated in the following four areas:

- State-of-the-art technical knowledge;
- Standards and norms for programme quality assurance;
- Capacity development; and
- Advocacy, communications, and resource mobilization.

Thematic Trust Fund Sub-Programmes

5.   The Global Programme includes sub-programmes that are primarily funded from other (non-core) resources. For example, the Global Programme to Enhance Reproductive Health Commodity Security (GPRHCS) is managed by the Technical Division (TD), so are the trust funds on Maternal Health, Obstetric Fistula, and Female Genital Mutilation/Cutting. The Humanitarian Response Branch (HRB) in the Programme Division (PD) manages the trust fund to implement UNFPA's strategy for emergency preparedness, humanitarian response, and transition and recovery programmes.

Regional Programmes

6.   The Regional Programmes follow a common set of strategies as defined in the GRP Executive Board submission. These are:

- Strengthen national capacity to incorporate ICPD and MDG priorities in national development frameworks;
- Mobilize the potential of United Nations reform, including the resources available through the United Nations country teams and the expertise and knowledge available globally, regionally and locally, to provide effective support to countries;
- Develop national capacity through South-South cooperation and intensify efforts to use national, regional and interregional resources to support national development and Country Programmes; and
- Mobilize global and regional technical resources and networks to provide integrated technical and programme support.

The Regional Programmes are based on regional priorities identified in the Regional Programme Action Plans.

C.   GRP Design

7.   The design of GRP is intended to help ensure that all programme activities can demonstrate how they ultimately are linked to, and can help contribute to, the achievement of UNFPA's Strategic Plan.

8.   The GRP goals and objectives are defined in the GRP Executive Board submission. The GRP is based on UNFPA's 'Strategic plan, 2008-2011: Accelerating progress and national ownership of the ICPD Programme of Action' (DP/FPA/2007/17).

9.   The Strategic Plan defines the mission of UNFPA. UNFPA uses the approach known as Results-Based Management (RBM) to measure progress in achieving its strategic goals and outcomes. The performance indicators, which are used to measure this progress, are documented in the Development Results Framework (DRF) and the Management Results Framework (MRF), which are Annexes to the Strategic Plan.

10.   Each of the six component Programmes identifies the key strategic goals and outputs relevant to the Programme. Regions have the flexibility to choose specific outcomes that respond to the priorities of the countries in the region. The priority outcomes are documented in the Action Plans for the Programmes, which were created for the multiyear period of the approved GRP (2008-2011) and subsequently updated or in the process of being updated in relation to the Strategic Plan and GRP extension (2012-2013). The Action Plans identify the key outputs that the Programmes will seek to deliver in order to help achieve the strategic outcomes. Each output has its own indicator to measure whether the output has been achieved. Annual Work Plans (AWPs) are used to identify the activities that will be implemented in a given year to help achieve the outputs identified in the Action Plans.

II. Objectives, Scope, and Methodology of the Audit

A. Objectives

13. KPMG was engaged by DOS, under Request for Proposal (RFP) No. UNFPA/CPH/11/009, to assess whether UNFPA's programme design, management and operations; governance; risk management, control, and compliance; and reporting processes support the achievement of the purpose and objectives of the GRP. The objectives included the following in each of these areas of focus:

- Governance and Management – assessing the effectiveness of the organizational and management structure and the accountability framework, the oversight structures, and processes and tools in place to govern the GRP;
- Programme Design – assessing the adequacy of GRP's programme design (Global and Regional Action Plans), and the extent to which the Programme is organized to deliver on its intended results (outputs and outcomes) in the context of UNFPA's strategic priorities;
- Programme Results – assessing the relevancy and accuracy of the criteria established to measure programme performance, the extent to which intended results have been achieved, as well as the processes and methods used for measuring performance against the established criteria;
- Risk Management, Control and Compliance – assessing the design and operating effectiveness of UNFPA's risk management and control processes as they apply to GRP, and level of compliance with the GRP Guidelines and other applicable UNFPA rules, regulations, procedures, and other formal guidance;
- Operations – assessing the effectiveness and efficiency of GRP operations and the economic use of resources; and
- Monitoring and Reporting – assessing the design of the GRP financial and operational reporting processes and controls.

B. Scope

14. As the GRP is a large and complex programme made up of six component Programmes, it was not possible to review each of the Programmes in depth. The scope of the audit therefore included a review of selected components of the Global Programme and two sample Regional Programmes: (1) Africa and (2) Latin America and the Caribbean (LAC). This was not a direct audit of these individual Programmes; these Programmes were selected to be representative of the GRP as a whole. The review of these Programmes focused on identifying good practices and potential programme weaknesses, which may be representative of the GRP and help identify recommendations for the GRP overall.

15. To the extent that UNFPA's organizational structure – in particular, the changes implemented as a result of the restructuring process – may have had an impact on the organization's ability to implement the GRP, this was noted in the observations reported. However, the scope of the audit did not include assessing or providing comment on the effectiveness of the re-structuring of UNFPA.

16. The audit covered GRP expenditures, activities, and operations for the period 1 January 2008 to 31 March 2011, per the terms of reference for the audit. However, since the audit began in July 2011, ATLAS expenditure data was obtained for the period 1 January 2008 to 15 July 2011.

17.   The audit of the GRP was conducted in accordance with applicable sections of the International Standards for the Professional Practice of Internal Auditing, established by the Institute of Internal Auditors (i.e., those standards applicable to an external audit service provider). The audit approach included:

- Interviews with key UNFPA management and key UNFPA stakeholders, including implementing partners.

Table 1: Interview Overview

Audit Phase	No. of Interviews
Planning, including Risk Assessment	24 interviews (43 participating interviewees)
Fieldwork (HQ and site visits)	46 interviews (over 100 participating interviewees)

Note: Multiple attendees may have attended one interview. Includes UNFPA staff and external stakeholders, such as implementing partners.

- Review of GRP documentation.
- Review of sample Global and Regional projects and related documents.
- Analysis of GRP coded expenditures.
- Analysis of programmatic data, including baseline metrics (where available), indicators, and results.
- Review of observations and recommendations from previous audit, assessment, or evaluation reports.

18.   As applicable, for each programme area under review, the audit included the following key steps:

- Identified key controls and policies, as they relate to GRP.
- Tested compliance with these controls and policies.
- Analyzed data, including baseline data, indicators, and outcomes.

19.   The audit included procedures at the Global, Regional, and Country levels to help enable the audit to evaluate the performance of the GRP across the six key areas: programme results; programme design; governance and management; risk management, control and compliance; operations; and monitoring and evaluation. While each key area is applicable at all levels, certain areas were emphasized at different levels of analysis, for example:

- At the **Programme level** (global or regional), procedures were focused on assessing Programme Results, Programme Design, Governance & Management, and Monitoring & Reporting.
- At the **Project level** (global or regional), procedures were focused on assessing Operations, Risk Management, Control & Compliance, and Monitoring & Reporting.
- The audit also analyzed financial and other related data for the GRP across each of these levels – programme-wide data for Global and Regional Programmes and project level transactional analysis.

Site Visits

20.   The audit was primarily performed in New York with multiple interviews being held with UNFPA management in HQ with respect to the Global Programme and GRP overall. Two ROs, one SRO and four COs were selected for site visits based on financial data analysis, results of the risk assessment, key document review, and interviews conducted during the planning phase. The two sample regions, Africa and Latin America and the Caribbean, were primarily selected because they had the largest regional expenditures in 2009 and 2010. The table below shows the ROs and COs where site visits were conducted.

Table 2: Site Visits

Region	Office	Office Type
Africa	Johannesburg, South Africa	Regional
	Johannesburg, South Africa	Sub-Regional
	Kinshasa, Democratic Republic of the Congo	Country
	Addis Ababa, Ethiopia	Country
Latin America and the Caribbean	Panama City, Panama	Regional
	Managua, Nicaragua	Country
	Guatemala City, Guatemala	Country

21.   With regard to the COs, the selection also relied upon data analyses prepared by DOS that provided the following information by country:

- World Bank (WB) indicators rating – Primarily two indicators: 1) indicator for Gross National Income (GNI) per capita adjusted by purchasing power parity (PPP); and 2) the composite of six World Bank (WB) indicators.[11]
- ICPD status – based upon ICPD indicator information from the Lifetime Risk of Maternal Death (LMRR), from 2009.[12]
- Total expenditures as reported in the implementation rate.
- Fiscal Year 2010 expenditure data from ATLAS and annual reports.
- Breakdown of expenditure data by UNFPA outcomes.

Sample Projects

22.   The audit selected a sample of 24 GRP projects covering all thematic areas. These included six Global projects, eight Africa Regional projects, one Arab States Regional project, one Asia and the Pacific Regional project, one Eastern Europe and Central Asia Regional project, seven Latin America and the Caribbean Regional projects, and four management and coordination projects (for an expenditure analysis only, based upon ATLAS expenditure data).

23.   The sample projects selected (based on ATLAS project codes) were linked to at least one outcome from each of the GRP thematic areas (population and development; reproductive health and rights; gender equality; and management and coordination) and included a cross section of programmes and divisions/branches for each outcome. The audit also considered the potential linkages the projects may have across the Programme – at Global, Regional, and Country levels. The outcomes selected were:

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[11] WB indicators: The Worldwide Governance Indicators (WGI) project reports aggregate and individual governance indicators for 213 economies over the period 1996–2009, for six dimensions of governance: (a) Voice and Accountability (b) Political Stability and Absence of Violence (c) Government Effectiveness (d) Regulatory Quality (e) Rule of Law and (f) Control of Corruption.
[12] Lifetime Risk of Maternal Death (LMRR) is the lifetime risk, or probability, of maternal mortality could reflect at least three different underlying concepts, which can be summarized briefly as follows: a) The fraction of infant females who would die eventually from maternal causes in the absence of competing causes of death from birth until menopause; b) The fraction of infant females who would die eventually from maternal causes when competing causes of death are taken into account; and c) The fraction of adolescent females who would die eventually from maternal causes when competing causes of death are taken into account.

- A1 – Increased results-based management effectiveness and efficiency.
- G2 – Gender equality, reproductive rights and the empowerment of women and adolescent girls promoted through an enabling socio-cultural environment that is conducive to male participation and the elimination of harmful practices.
- P1 – Population dynamics and its inter-linkages with gender equality, sexual and reproductive health and HIV/AIDS incorporated in public policies, poverty reduction plans and expenditure frameworks.
- R1 – Reproductive rights and sexual and reproductive health (SRH) demand promoted and the essential SRH package, including reproductive health commodities and human resources for health, integrated in public policies of development, and humanitarian frameworks with strengthened implementation monitoring.
- R2 – Access and utilization of quality maternal health services increased in order to reduce maternal mortality and morbidity, including the prevention of unsafe abortion and management of its complications.
- R5 – Access of young people to SRH, HIV and gender-based violence prevention services, and gender-sensitive life skills-based SRH education improved as part of a holistic multi-sectorial approach to young people's development.

24.   Below are the criteria considered for the judgmental selection of the sample projects:

- Materiality – using the ATLAS data, total expenditures for GRP coded projects by year and overall (2008-2011).
- Cross section of GRP projects – sample projects cover the three thematic areas, the key UNFPA outcomes, and the major UNFPA divisions/branches.
- Cross section of GRP funding resources – sample projects include projects funded by regular resources and other resources.
- Management suggestions – projects or focus areas suggested by UNFPA management during planning meetings and interviews.
- Significant variances – projects that had unusual fluctuation or variance in year-to-year expenditures or between budget and actual expenditures.

25.   The following table summarizes the projects selected:

Table 3: Sample GRP Projects

Regions	Management		Gender Equality		Pop. & Dvlpt.		Reproductive Health & Rights					
	A1 - Management & Coordination		G2 - Gender Equality, RR & Empowerment		P1 - Pop Dynamics Linkages		R1 - Policy Environ Promotes RR&SRH		R2 - Access to Maternal Health Services		R5 - Access of Young to SRH& Gender	
	Project #	Branch focus	Project #	Branch focus	Project #	Branch focus	Project #	Branch focus	Project #	Branch focus	Project #	Branch focus
HQ	GRP6A11A	IERD	GRP6G21A	CG&HR	GRP6P11A	IERD	GRP6R13A	CSB	GRP6R21A	RHB	GRP6R51A	RHB/TD
Africa	RAF6A11A; RAF6A11B	RO	RAF6G21A; RAF6G22A; RAF6G23A	RO	RAF6P11A; RAF6P13A	RO	RAF6R13A		RAF6R21A	RO	RAF6R51A	RO
ASRO											RAB6R51A	
APRO											RAS6R51A	
EECA											REC6R51A	
LACRO	RLA6A11A; RLA6A14A	RO	RLA6G21A	RO	RLA6P11A; RLA6P12A	RO	RLA6R11A	RO	RLA6R21A	RO	RLA6R51A; RLA6R52A	RO

<u>Note</u>: For the following projects, only an expenditure analysis was conducted: RAF6A11A, RAF6A11B, RLA6A11A, and RLA6A14A.

III.   Observations

26.   This section presents fourteen observations identified by the audit, considered to have the greatest impact on UNFPA's ability to effectively, efficiently, or economically implement and achieve the goals of the GRP. For ease of reporting and analysis, the observations have been classified around the following four primary categories:

    A. Programme Design

    B. Programme Governance and Management

    C. Programme Execution

    D. Effects on the Programme

27.   Many of the observations identified impact more than one of the above categories. The observations related to Programme Design and Programme Governance and Management are considered to be the highest priority.

28.   Since October 2011, i.e., at the end of the audit fieldwork, and independently from this audit, UNFPA has commenced a number of initiatives which are intended to address many of the observations included in this report. However, given their timing, these initiatives, and any resulting changes and improvements to the GRP, could not be considered in this report.

A.   Programme Design

29.   The audit resulted in the following observations related to programme design:

- **Observation 1:** Linkages between the Strategic Plan, the GRP Executive Board submission and the GRP strategies, outcomes, activities and indicators were weak.
- **Observation 2:** The role, strategy and intended outcomes of the GRP with regard to capacity development were not clearly defined.
- **Observation 3:** There were delays in establishing baselines and targets.

Observation 1: Linkages between the Strategic Plan, the GRP Executive Board submission and the GRP strategies, outcomes, activities and indicators were weak

30.   As a result of various weaknesses in the design of the GRP, it was not possible to assess the progress made by the GRP and its results against its stated goals during the period under review. The design of the GRP and how it related to key strategic, planning, and reporting documents is illustrated in the diagram included as Figure 2 (overleaf), which includes references to the programme design weaknesses identified by the audit which impacted the GRP implementation and reporting, as detailed on the following pages.

Figure 2: GRP Design, Planning, and Reporting Structure [13](based on 2008 Strategic Plan)
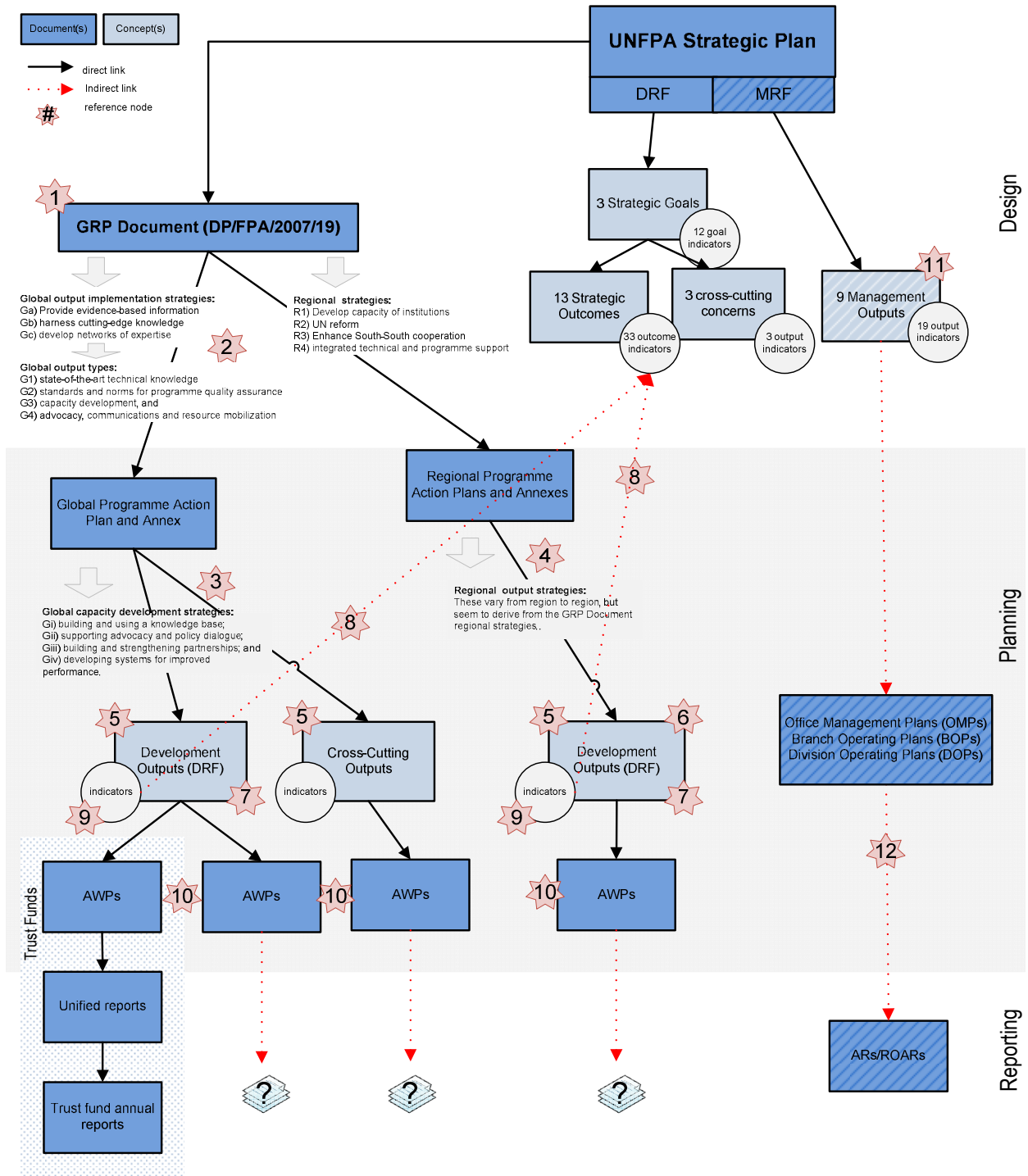
[13] Refer to the table below for explanations and comments relative to references **1** to **12** included in this figure.

20

1	The GRP Executive Board submission, approved by the Executive Board in September 2007, stated that the six programmes of the GRP jointly contribute to the outcomes in the UNFPA Strategic Plan through specific outputs that are aligned with each Programme's priorities (the outputs are documented in each Programme's respective Action Plan). **The GRP Executive Board submission did not explicitly reference either of the results frameworks of the Strategic Plan or how the results frameworks relate to GRP although it did state that the GRP shares the same three substantive focus areas (Population and Development, Gender Equality and Reproductive Health).**
2	Global Programme Strategies The GRP Executive Board submission set out <u>three strategies</u> for the implementation of the Global Programme outputs. The strategies were: (Ga) Ensuring that evidence-based information is provided for strategic use (Gb) Harnessing cutting-edge knowledge that can be adapted for use by countries (Gc) Developing networks of expertise to support ICPD, particularly on emerging issues In addition, the GRP Executive Board submission stated that Global outputs would be concentrated in <u>four output areas</u>, which were: (G1) State-of-the-art technical knowledge (G2) Standards and norms for programme quality assurance (G3) Capacity development (G4) Advocacy, communications, and resource mobilization **The GRP Executive Board submission did not define these output areas in detail** – for example, the document did not explain whether the Programme was intended to create, or broker technical knowledge, how this would be done, and how this was related to achieving the strategic outcomes. Programme quality assurance was also not defined, in terms of scope, objective, activities, roles and tools – it was not clear whether standards and norms exist already and were to be used by UNFPA, created by UNFPA, or whether they applied to the internal UNFPA programme or national programmes. **The GRP Executive Board submission also did not specify whether or how each programme was required to report progress in each of these areas.** For consistency and clarity with other aspects of the GRP Executive Board submission, these 'output areas' will be referred to as 'strategies' for the remainder of this audit report. In addition, the GRP goals and strategies were silent regarding the use of partners in the programme, which was a key part of the UNFPA's Strategic Plan.
3	Each of the six GRP Programmes was further defined in its Programme Action Plan. While the Global Programme Action Plan referenced the four strategies (G1-G4) stated in the GRP Executive Board submission, the Action Plan stated that the Global Programme was based on four capacity development strategies, which represented only one of the output categories (G3) in the GRP Executive Board submission. The four <u>capacity development strategies</u> were taken from the Strategic Plan. These were: (Gi) Building and using a knowledge base (Gii) Supporting advocacy and policy dialogue (Giii) Building and strengthening partnerships

(Giv)   Developing systems for improved performance

While there were clear synergies and links to the Strategic Plan, **the Global Programme Action Plan did not explicitly state how each of these capacity development strategies mapped to the output types in the GRP Executive Board submission.** If the strategies in the Action Plan intended to expand on (G3) capacity development in the GRP Executive Board submission, then it raises the question as to why (G1), (G2), and (G4) were not defined. **Equally, the Action Plan did not describe how it would assess the Programme's performance against each of these areas.**

4

Regional Programme Strategies

The GRP Executive Board submission set out the following aims for regional strategies:

(R1)   Strengthen national capacity to incorporate ICPD and Millennium Development Goal priorities in national development frameworks.

(R2)   Mobilize the potential of United Nations reform, including the resources available through the United Nations country teams and the expertise and knowledge available globally, regionally and locally, to provide effective support to countries.

(R3)   Develop national capacity through South-South cooperation and intensify efforts to use national, regional and interregional resources to support national development and country programmes.

(R4)   Mobilize global and regional technical resources and networks to provide integrated technical and programme support.

Similar to the lack of linkage described in 3 above, **while the Regional Action Plans selected for review set forth their regional priorities and strategies in the spirit of these four strategies, there was not always an explicit linkage and the Action Plans did not describe how performance would be assessed against each of these areas.**

5

GRP Outputs by Strategy

GRP Action Plans identified the priority outcomes (per the DRF) for each of the six GRP Programmes and the outputs that were to be delivered by the Programme. Action Plans clearly stated which development outcome each output was intended to support. However, they did not indicate which of the GRP strategies was to be employed for each output. For example, while a number of global outputs clearly related to capacity development and advocacy (strategies G3 and G4) there was no explicit mapping of each output to each GRP strategy. This means that there may have been gaps in the design of the Global Programme in terms of the strategies that were set out in the GRP Executive Board submission. For example, only four outputs in the Global Programme appeared to support programme quality assurance.

Table 4: Number of Outputs per Global Programme Strategy

Programme Strategy Areas	Number of Indicators
(G1) Technical Knowledge	7 (23%)
(G2) Quality Assurance	4 (13%)
(G3) Capacity Development	11 (36%)
(G4) Advocacy, communications, and resource mobilization	9 (29%)

The categorization above is based on auditor judgment and a number of outputs could arguably demonstrate more than one programme strategy. The point to be made is that there is no evidence **that the distribution of outputs by strategy type was taken into account during the design phase of the Programme.** The focus on capacity development more than quality assurance may have been the correct decision for the programme; however, there was no evidence that this was an agreed management decision. The above analysis also doesn't break down the outputs and strategies by thematic area (population development, reproductive health, and gender equality) which may illustrate further gaps.

The point is emphasized further in the analysis of the Regional Programme outputs against Regional Programme strategies. No outputs in the Regional Programmes appeared to relate to mobilization of UN reform.

Table 5: Number of Indicators per Regional Programme Strategy

Programme Strategy	Africa	LAC
(R1) Strengthening national capacity	11 (39%)	4 (19%)
(R2) Mobilizing UN reform	0 (0%)	0 (0%)
(R3) South-South Cooperation	11 (39%)	7 (33%)
(R4) Integrated technical and programme support	6 (21%)	10 (48%)

Such gaps in the design of the GRP present the risk that the Programme is unlikely to fully achieve the objectives set out in the GRP Executive Board submission.

6

Regional Development Outcomes

Within each Regional Programme there was a prioritized number of development outcomes (from the DRF) based on their respective Programme situation analyses. Generally, the outcome indicators from the Strategic Plan were designed to measure results based on national level data (typically from UNFPA CO Annual Reports), and then aggregated at the global level for reporting in the Report of the Executive Director to the Executive Board.[14] There was no intermediary level whereby results were aggregated at a regional level, and the Regional Programme Action Plans did not identify regional baselines and targets for the development outcomes prioritized in their plans[15]. This limited the information available to UNFPA management to assess the performance of each Regional Programme and ultimately the GRP as a whole.

While changes to outcome indicators may not have been fully, or even at all, attributable to the GRP, monitoring outcomes at a regional level may still have provided important feedback to UNFPA management. A positive delta in an outcome indicator reported globally by in the Report of the Executive Director may be solely due to progress in one region; understanding this would enable UNFPA management to consider the interventions that had been in place under that Regional Programme (and the respective Country Programmes) and would be a source of lessons learned.

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[14] For example: United Nations, Executive Board of the United Nations Development Programme and of the United Nations Population Fund, DP/FPA/2011/3 (Part I), *United Nations Population Fund, Report of the Executive Director for 2010: Cumulative Analysis of Progress in Implementation of the UNFPA Strategic Plan, 2008-2013*
[15] It should be noted that baseline and target data related to the DRF was not established until September 2008 which may have been reason why Regional Programmes did not consider regional outcome baselines and targets when developing the Action Plans.

7	The GRP Action Plans defined provisional budgets based on the regular resources planned to be available for the Programme. Action Plans did not take into account other resources available under the Programme, and how these additional resources would contribute to Programme results. The intended results for other resources may have been documented separately, such as for the Trust Funds (Global level example) or for programmes funded by the Spanish Agency for International Development Cooperation (Regional level example). However, the impact of more resources on the overall Programme was not documented.
8	Development Results Framework **Linkages between Outputs and Outcomes** The audit disclosed a number of weaknesses in the GRP outputs. These included: ▪ **GRP outputs were not always appropriately or sufficiently linked to the development outcomes. It was not always clear that a positive result in the output indicator would lead to or have any effect on the outcome.** ▪ **Outputs were often stated in terms of processes and not quantified.** ▪ **Outputs were often not direct to UNFPA and therefore could potentially have been achieved without any contribution from the GRP; i.e., through activities implemented by other organizations.** ▪ **It was not clear that the chosen output was the optimum choice over other potential outputs in terms of efficiency or effectiveness or other criteria, such as alignment with the GRP strategies.** The example below, related to the **Latin America and Caribbean Regional Programme** (RLA6R21A), serves to illustrate some of these weaknesses. - *Strategic Development Outcome:* Gender equality, reproductive rights and the empowerment of women and adolescent girls through an enabling socio-cultural environment that is conducive to male participation and the elimination of harmful practices. - *Outcome Indicator:* Percentage of women who decide alone or jointly with their husbands/partners/others about their own healthcare. - *LAC Output 2.1*: Regional networks of indigenous people and afro descendants, especially women and adolescents, strengthened to influence policy making on gender equality and reproductive rights. - *Output Indicators:* a) Number of regional Central Statistics Offices (CSOs) and Faith-Based Organizations (FBOs) with whom partnerships are strengthened for RR and gender equality; and b) Number of international events in which networks of indigenous people and afro-descendants advocate and participate for International Conference on Population and Development (ICPD) issues. - *Related Activity 9:* Strengthening capacities of indigenous and non-indigenous women organizations in three departments participating in the development of intercultural models of maternal health practice. While the focus on indigenous and afro descendants was appropriate given the similar analysis of

the Latin America and the Caribbean (LAC) Regional Programme, the result chain was not clearly linked. It was not clearly documented within the LAC Regional Programme Action Plan or other programme design documentation how the output (as measured by the indicator "*number of international events in which networks of indigenous people and afro-descendants advocate and participate for ICPD issues*") was known or believed to have a positive or proven correlation on the outcome (as measured by the outcome indicator "percentage of women who decide their own healthcare"). While this output may have contributed to the strategic outcome of "*gender equality, reproductive rights, and the empowerment of women and adolescent girls*", the rationale for choosing this output over others, and why this particular output was believed to be the optimum choice in terms of efficiency or effectiveness, was not documented as part of the Programme's design. In addition, it was not clear what specific role UNFPA would play in the achievement of this output or the timeline for achievement. The activity statement, added here for completeness, did not provide further clarity.

9

Indicator Design

Indicators should have a direct, objective, and practical link to their respective outputs. They should be specific about what is being measured and directly relate to the outputs they are supposed to measure. However, we noted weaknesses in the design of a number of indicators, including:

- **Indicators that were not directly related to the outputs they are supposed to measure**
- **Indicators that were not specific about what was being measured**
- **Indicators that did not have precise or clear definitions of the intended change to be measured**
- **Indicators that were often just a restatement of the output**

Weak indicators (e.g., those that are not specific, clear, or appear loosely related to the activity) limited the ability of UNFPA to fully capture the impact of activities and therefore the results of the Programme.

An example related to indicator design, related to a Global Programme project (GRP62R21A, implemented by the Sexual and Reproductive Health Branch) is provided below.

- *Output 2.1:* 'Increased capacity to integrate the full continuum of maternal health care in national health systems.'

- *Indicator:* 'Capacity of national health systems increased to provide quality maternal health care to MHTF countries per Business Plan.'

10

Link between Activities and Outputs

The audit also identified weaknesses in linkages between activities and outputs. **Activities were often very general in their description and sometimes no more than a restatement of the output.** The example below, related to the **Africa Regional Programme** (RAF6R21A), serves to illustrate some of these weaknesses.

- *Output 2.1:* 'Strengthened regional, sub-regional and national capacity in Maternal and New Born health (including Fistula, FGM and PMTCT) through strengthening of health

systems including human resources.'

- *Activity 01:* 'Provide technical, programme and operations guidance and support to strengthen regional, sub-regional and national capacity in Maternal and Newborn Health (including Fistula, FGM and PMTCT) through strengthening of health systems including human resources.'

The actual activity description lacked specificity as it was unclear exactly what the activity would be, who would deliver it and to whom. However, the supporting AWP did specify that this activity covered the salaries of regional advisors and programme specialists. The goals and specific activities to be performed by these staff was noted in other documentation (Office Management Plans and Performance Planning and Appraisal Documents) and not in the AWP, therefore it is not easy to determine the extent to which the duties to be performed would support the achievement of the intended output. In addition, activities expressed in terms of staff members' or personnel can create the impression that once staff were in place, activities that were performed by the staff (e.g., the provision of integrated programme and technical support) were regarded as fully executed, which was not an actual measure of results.

Additionally, there was no documentation to evidence that activities had been selected as a result of **a process that considers** the efficiency, effectiveness, and feasibility of proposed activities.

11

Management Results Framework (MRF)

The GRP Executive Board submission referred to the MRF as "management outputs that support the global and regional programme." It did not define how the GRP would actually contribute to these outputs, yet the Programme had significant potential to help UNFPA achieve these results. For example, Output 4 of the MRF was concerned with effective partnerships. Partnerships were a significant component of the GRP, and therefore the GRP would have an impact on the various indicators for this output, such as "percentage of stakeholders assessing UNFPA as a trusted partner" and "rating of UNFPA partnership effectiveness in annual internal assessment of partnerships." However, the GRP Executive Board submission and the GRP Action Plans did not describe how the **Programmes would contribute to UNFPA's MRF outputs.**

12

Risk to UNFPA

While there may have been many and significant positive results achieved by the Programme, without the appropriate definition and linkage of outputs, activities, and indicators, **the impact of these efforts has not been captured and full results of the GRP cannot be clearly understood. The design weaknesses discussed in this observation**, particularly those in items 3, 4, and 6, **contributed to an overall lack of reporting on the development results of the GRP**. GRP reporting, including reference point 12 in the diagram, is discussed in more detail in Observation 12.

Observation 2: The role, strategy and intended outcomes of the GRP with regard to capacity development were not clearly defined

31.   Capacity development is a means by which UNFPA attempts to achieve the national outcomes. The GRP played two key roles related to capacity development:

- Working in tandem with COs to support Country Programme goals to build national capacity (direct national capacity building i.e., of government and other partners).

- Using the GRP as a mechanism to help build the capacity and skills within the COs to help ensure COs can effectively execute Country Programmes (indirect national capacity building).

These roles are discussed in more detail below:

Role of GRP in Supporting National Capacity Development (Government and other partners)

32.   UNFPA proposed the GRP as a new approach to global and regional programming in an attempt to maximize its ability to provide integrated technical, programmatic, and management support at Global and Regional levels, to enable countries to lead, manage, achieve, and account for their national development priorities. The original objectives for the GRP have a large focus on capacity building. These objectives were stated, inter alia, as[16]:

- Bring together policy, programme, and technical dimensions to create the operational support required by countries to implement the ICPD Programme of Action and to respond to their national development priorities.
- Guide UNFPA in considering necessary changes at global and regional levels to support country operations.
- Work in tandem to support capacity development at the country level.
- Ensure that information flows from the global level to the regions and countries and vice versa, so that Country Programmes benefit from a global and regional perspective, and that global initiatives benefit from a greater understanding of country-level situations.

33.   The GRP programme design documents did not always detail how the objectives related to building national capacity would be met. For example, Global and Regional Programme Action Plans varied in terms of the level of information related to the capacity development strategies and key activities to help achieve capacity development or how capacity development efforts would be monitored. In many cases there was no clear link between the activities or products to be developed and how these would contribute to achieving a medium or longer-term capacity development strategy.

34.   In addition, GRP capacity development activities were not consistently based on country-level capacity assessments. This was expressed similarly in the evaluation of the InterCountry Programme (ICP): "the main concern expressed by [ICP] staff is that the [ICP] has not promoted an integrated approach that links different capacity development strategies with systematic capacity assessments."[17] An example of Global Programme national capacity development activities not being clearly linked to national needs assessments would be the Gender, Human Rights & Culture Branch (GHRCB) and its use of South-South modalities (e.g., the MenEngage Global Alliance project). While natural synergies across countries and regions have led to successes for GHRCB, the process was top-down and not derived from country-level needs assessments. An example of an integrated

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[16] United Nations, Executive Board of the United Nations Development Programme and of the United Nations Population Fund, DP/FPA/2007/19, United Nations Population Fund, UNFPA global and regional programme, 2008-2011.
[17] Beck, Mendelsohn, McDonald, and Shepard, *Evaluation of the UNFPA InterCountry Programme 2004-2007*, 28 June 2007 (page iv).

approach that linked global development strategies with systematic national capacity assessments is the GPRHCS. Using country-level surveying, the programme measured, for example whether countries are using technical experts for the forecasting and procurement of reproductive health (RH) commodities, and planned interventions accordingly. Improvement in this indicator between 2009 and 2010 demonstrated the strengthening of country capacity.

35.   Based on feedback from CO site visits, there were considerable positive comments regarding the quality of specific events, tools, and support provided by Global and Regional Programmes. However, COs identified a need for follow up on these capacity building efforts to help ensure that the skills developed and capacities built through the GRP become embedded at the national level. There was typically limited monitoring after the dissemination of a tool or learning activity to understand how the tool or information from the learning had been used or disseminated in practice and lessons learned or feedback gathered and shared. For example, while the Africa Regional Programme has been credited with enhancing the technical capacities of about 200 persons, mostly staff of National Statistical Offices (NSOs) and COs, on census mobilization[18], there was limited follow-up to the activities executed, such as the establishment of a network for trainees to promote sharing and collaboration.

Role of GRP in Supporting UNFPA Country Office Capacity Development

36.   The GRP Executive Board submission did not explicitly define the role of the GRP with respect to capacity development of COs; however, the GRP Action Plans were more explicit:

- Global Programme: "The Global Programme aims to contribute to the institution-wide vision outlined in the Strategic Plan 2008-2011 by providing the essential support and strategies required at headquarters level to strengthen the capacity of regional structures and COs."[19]

- Africa Regional Programme: "The purpose of the Africa regional programme is to....strengthen country offices capacity to respond to national priorities."[20]
- LAC Regional Programme describes various capacity building activities proposed for COs under each of the proposed outputs.

37.   Country Programmes are UNFPA's primary mechanism for helping to achieve the national level outcomes set forth in the DRF. The skills and capacity of the CO teams are therefore, critically important in UNFPA's ability to effectively execute its Country Programmes although there is a perception within UNFPA that capacity development activities that focus on CO capacity are seen as of lesser importance than direct capacity development of government institutions, Non-Governmental Organizations (NGOs) and other UNFPA partners. In a survey of COs conducted as part of the MTR of the Africa Regional Programme, COs requested more capacity development of COs to help enable them to provide technical assistance to their national counterparts.

38.   Multiple activities that supported CO capacity development, including technical, programmatic, financial and/or operational skills development, such as monitoring and evaluation training for COs provided by the Africa Regional Office (ARO), and training on Results Based Management (RBM) provided by the Latin America and Caribbean Regional Office (LACRO) were noted during the audit. However, there were no indicators within the GRP to measure the programme's performance in terms of increasing the capacity of COs, hence a large component of the GRP could not be measured.

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[18] Mid Term Review of Africa Regional Programme
[19] Global Programme and Action Plan 2008-2011, page 4
[20] Africa Regional Programme Action Plan 2008-2011, page 8

39.   CO capacity development activities were also not routinely or consistently based on a documented assessment of current competencies or skills gaps of COs. Some programme areas such as humanitarian response assessed the capacity of COs and identified priority countries and priority programming areas accordingly. However, the use of capacity assessments was not consistent, and this was recognized by UNFPA management. For example, in its 2010 Annual Report, LACRO recognized a need to base the support it provides to COs on a needs assessment at the beginning of the year, to identify the programme, administrative, and financial support.

Observation 3: There were delays in establishing baselines and targets

40.   The ability to use an RBM approach to measure the performance of the GRP was hindered by the lack of target and baseline data at the beginning of the Programme's implementation. The delay in establishing baselines and targets also restricted the ability of UNFPA to report collectively on the results achieved by the Programme.

41.   From the review of the GRP Action Plans included in its sample, the following was noted:

- The 2008 LAC Programme Action Plan included 39 indicators, of which 67 per cent had corresponding baseline and target data. The Programme continued to refine the number of indicators, and all baselines and targets were subsequently established.

- At the time of the audit, the Africa Regional Programme was completing an exercise to establish indicators and baselines for the Programme. For a number of reasons, this was not done at the beginning of the Programme.

- The 2008 Global Programme Action Plan did not include baseline and target data. Based on the sample of projects reviewed within the Global Programme, 60 percent of 2011 AWPs did not include baselines and targets. Examples were also identified where targets were set, but no baselines. For example, the 2009 AWP for project GRP6P11A – Population Dynamics in SRH, Gender, only included targets. The indicator, 'flow of IPS articles on SRH resulting from journalists skills building by project editors and contribution of specialist writers', had a target of 120 articles. Without baseline information, it was not possible to determine the actual progress or improvements made as a result of these activities.

- Projects within the Global Programme with their own outputs, such as the Trust Funds, varied with respect to the establishment of baselines and targets. The 2010 Annual Report for GPRHCS described results by output indicator and included baselines and targets for each indicator. However, the 2010 Annual Report for MHTF provided the output indicators and the corresponding result, such as the maternal mortality ratio, skilled attendance at birth percentage, and total percentage of unmet need for family planning, but did not include baselines and targets for each indicator to show actual progress made.

B.   Programme Governance and Management

42.   The audit resulted in the following observations related to programme governance and management:

- **Observation 4:** Programme governance and management were not clearly delineated and separated

- **Observation 5:** Management accountability for the programme was not clearly defined

- **Observation 6:** Roles and responsibilities across HQ, ROs, and SROs may not have been clear in relation to GRP implementation

Observation 4: Programme governance and management were not clearly delineated and separated

43.   A number of governance, management, and advisory bodies, such as the Executive Board, Executive Committee, and Operations Committee, provided varying levels of oversight to the GRP during the period under review. There were limitations related to their respective roles with regard to the GRP. Further, there was no clear separation of GRP governance and management, leading to weaknesses in programme oversight.

44.   The following are brief descriptions of the purpose of the oversight bodies in place at the time of completion of field work, based upon the TOR for each body, as it relates to GRP:

- The **Executive Board** meets three times a year and is the high level, strategic oversight body for UNFPA. The Executive Board approved the initial concept and resource allocation for the GRP in 2007. The Executive Director reported annually on progress and results to the Executive Board, but the report was not specific to GRP progress or results. In 2009, the Executive Board extended the Strategic Plan and the GRP to 2013. This was done without an assessment of expenditures or results to date. There was also no specification of budget for the extended period. DOS was required to report to the Executive Board in June 2011 on the results of the mid-term reviews and/or audits of the Global and Regional Programmes; however, no audits or reviews of the Global and Regional Programmes were performed before that deadline.[21]

- The **Executive Committee (EC)** constitutes the collective strategic leadership of UNFPA. Per its TOR, it is to meet at least three times a year for one-and-a-half-day meetings (adjacent to Executive Board sessions), but in practice, it met monthly. The EC approved critical institutional strategies, policies, or positions that were presented to it by the Operations Committee. The focus of the EC was on UNFPA overall and not specifically the GRP. Available EC meeting minutes did not detail consideration of GRP results, expenditures, or management of the programme, only specific components of it.

- The **Operations Committee (OC)** met monthly during the period under review, and received updates on GRP expenditures, but not on results. Further, the expenditure reports were based on regular resources only and did not include analyses related to other resources used for GRP sub-programmes (i.e., thematic trust funds or other donor resources). Similar to the EC, the focus of the OC was on UNFPA overall and not specifically the GRP. According to the GRP Guidelines, the OC had "the responsibility to monitor the achievement of GRP results annually and implementation progress on a semiannual basis, using performance process indicators and benchmarks. If deemed necessary, the OC should suggest corrective actions should any aspect of the GRP be off track."[22] In practice, the OC was only informed of GRP expenditures, and not the results of the GRP.

- In 2008, the **Programme Review Committee (PRC)** helped review the original Global and Regional Programme Action Plans[23]. The PRC was intended to review the progress of the six Programmes on a biannual basis; however, with the exception of providing support to the revision of GRP Guidelines in 2009, it did not appear to have an active role over the GRP lifecycle and did not review progress on a biannual basis as intended.

45.   An **External Advisory Panel (EAP)** served as an independent advisory group dedicated to the GRP. The EAP met three times between 2009 and 2011 before it was discontinued. Based on its TOR, the EAP's role was to:

- Provide guidance on the coherence of the GRP to the Strategic Plan;

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[21] UNFPA, Policies and Procedures Manual, *Global and Regional Programme Guidelines* (11 August 2010) (Section 2.2, page 3)
[22] UNFPA, Policies and Procedures Manual, *Global and Regional Programme Guidelines* (11 August 2010) (Section 2.2, page 3)
[23] UNFPA, *Programme Review Committee, Terms of Reference* (TORs) (March 2008)

- Serve as an advisory function to validate that the GRP was on track to meet its stated goals;
- Provide technical and substantive direction; and
- Advise on the effectiveness of existing internal mechanisms of appraisal, management, and monitoring and evaluation.

46. In the EAP's three meetings it engaged UNFPA management in discussions ranging from the strategic direction of UNFPA to more management level recommendations, such as on financial reporting. It is not clear why the EAP was discontinued. Its reports and recommendations provided valuable suggestions for UNFPA management, for example:

- The EAP recommended that all regions present a financial breakdown by the three focus areas (plus management and coordination) identified in UNFPA's Strategic Plan. Breakdowns were to be disaggregated by staff salaries, products, publications, and so on. This information was recommended to be part of a process to help UNFPA make links between its financial decisions, activities, and results. However, this information was not provided to the EAP in the subsequent, and last, meeting of the EAP; and

- The EAP recommended that GRP indicators should be indicators that UNFPA can influence and can be held accountable for. There is no evidence that any indicators were revised subsequent to this recommendation and this audit identified indicators that were indirect to UNFPA (see Observation 1). It is unclear what actions, if any, were implemented in response to these recommendations as they were not formally tracked.

47. According to the GRP Guidelines, **Regional Advisory Groups** were to be established by the Regional Directors to advise the Regional Directors on the development, review, and monitoring of the Regional Programme Action Plans. The Regional Advisory Groups were intended to involve a cross section of disciplines and management levels (COs, SROs, and ROs) and include representation from external partners that were not implementing partners for the GRP. The Regional Advisory Groups were intended to focus on the environment at the Regional level as it impacts UNFPA's interventions and on the strategies devised by UNFPA to maximize programme effectiveness. The group was not tasked with managerial and implementation issues.

48. Despite the intention in the Africa Regional Action Plan to establish a Regional Advisory Group, this was not fully implemented. The Regional Programme involved a cross section of programme, technical, and operational staff, from ROs, SROs, COs, and implementing partners as part of planning processes. However, there is no formal Advisory Group, which includes external parties that are not implementing partners to provide guidance to the Africa Regional Programme.

49. A structured Regional Advisory Group was used by the Latin America and the Caribbean (LAC) RO during the development of the LAC Regional Programme to identify the strategies and outputs within the region to achieve the Strategic Plan. The Group included participants from COs, Country Support Teams (CST), HQ programme groups, and external consultants (not implementing partners) with experience in the thematic areas. The Group held three strategy meetings/workshops that focused on the design of the Regional Programme and resulted in the draft Regional Programme Action Plan. The Advisory Group continued to meet regularly to provide ongoing guidance to the Programme.

50. The LAC Regional Programme also established a **Programme Monitoring Unit (PMU)** that combined programme; monitoring and evaluation; and operational/financial functions to oversee the Regional Programme holistically and on an ongoing basis.

51.   Better governance arrangements were observed for the Regional Programmes. Regional Programmes are smaller and more clearly defined than the Global Programme, facilitating programme governance and management. In addition, Regional Programmes were in many instances subject to donor-mandated reporting and monitoring requirements related to significant non-core funding and this discipline helped enhance programme governance and oversight for the Regional Programmes overall.

Observation 5: Management accountability for the programme was not clearly defined

52.   Regional Directors are defined as responsible for the Regional Programmes in the TOR for the ROs and provide a visible and clear point of accountability for the Regional Programmes. However, accountability and management responsibility for the Global Programme and for the overall GRP were not as easily identifiable.

53.   The GRP Guidelines define that "the Deputy Executive Director (DED), Programme has overall accountability for the GRP, providing ongoing quality assurance towards achievement of GRP outputs."[24] However, the Programme lacked further definition or TOR for this role. It was not clear whether this role related to accountability for the Global Programme, the GRP as a whole, or both. Neither the TOR nor the GRP Guidelines distinguished between the responsibilities of the DED, Programme with respect to the Global Programme or the GRP as a whole. In practice, the audit did not observe evidence of any processes established to better define the role.

54.   In addition, a significant proportion of GRP activities (22 per cent of total GRP expenditures)[25] were implemented under the External Relations, UN Affairs and Management Directorate (Management Directorate), at the time overseen by the DED-M. For example, the Information and External Relations Division (IERD)[26] received GRP funds to enable it to perform its advocacy role. Advocacy of UNFPA's mission is one of the key strategies of the GRP. The GRP Guidelines do not describe the role of the DED-M (or any other head of unit), with respect to the GRP, and there is no TOR for this role. This means that under the current Guidelines, the DED, Programme is stated as accountable for the GRP but has no management or supervisory role over the contribution to the GRP by units not reporting to the DED-P.

55.   There was clear management accountability for elements of the Programme that are better defined, such as the thematic sub-programmes (e.g., MHTF, GPRHCS) and the Regional Programmes, but for the Global Programme and the GRP as a whole the same level of accountability was not evident. Accountability for the Global Programme may have been less clear due to it being made up of a number of large sub-programmes. Each of these sub-programmes within the Global Programme had its own structure in terms of responsibility for accountability, which further added complexity and confusion to accountability for the Global Programme and the GRP.

56.   Although a UNFPA accountability framework existed, it was not detailed enough to clearly identify the position responsible for the GRP and its six component Programmes. The statement closest to describing GRP accountability states: "Programme management units at all levels are accountable for implementing the Results Based Management (RBM) processes…so that units may measure the impact of UNFPA-funded interventions. Country Offices, as well as offices at the regional and global levels, are accountable for providing to the Executive Director results-oriented annual reports on the progress and impact of their programmes."[27] However, UNFPA's

[24] UNFPA, Policies and Procedures Manual, *Global and Regional Programme Guidelines* (11 August 2010) (Section 2.1, page 3)
[25] Total GRP expenditures (regular and other resources), January 1, 2008 – July 15, 2011
[26] Now reporting to the Executive Director.
[27] United Nations, Executive Board of the United Nations Development Programme and of the United Nations Population Fund, DP/FPA/2007/20, *United Nations Population Fund, UNFPA Accountability Framework* (paragraph 7, page 4)

functional structure did not foster collective accountability over the GRP as a whole and the Global Programme, and no such reports were provided to the Executive Director.

57.   The TOR for the Programme Division (PD) stated that PD's role was to continuously assess and refine the systems (policies, procedure, and tools) related to GRP. Specifically, the role of PD was to:

1. Institute a governance system for assessing achievement of Global Programme targets.

2. Develop standard monitoring and reporting formats for programme management, including annual and other reporting needs of the organization.

3. Analyze and evaluate cost-effectiveness and consistency in approach of GRP using reports and evaluations on specific programming issues.

4. Assess overall quality of UNFPA consolidated Regional Programmes at the GRP level.

5. Assess consistency and coherence of programming across regions within a global framework.

6. Support the DED, Programme, by serving as secretariat to the GRP Review Panel in reviewing, and monitoring the component Global and Regional Programmes.

58.   There was limited evidence to demonstrate that PD performed effectively against these TOR. For example, there was not a clear or formalized process for assessing the achievement of GRP programme targets, to understand where changes may have been required to help achieve these targets (TOR #1). There also did not seem to be any ongoing or periodic assessment of the Regional Programmes by PD (for example, the Regional Programmes did not receive feedback from PD (TOR #4) on mid-term reviews (MTRs)) or how these were consolidated at the global level for reporting or management purposes (TOR #5). A GRP Secretariat was established to assist in certain administrative functions with the GRP (TOR #6); however, this role was performed by one part time staff. The specific role and responsibilities of the GRP Secretariat were not clearly defined and the role did not have the authority to manage and ensure accountability over the GRP or the Global Programme. While the GRP Secretariat prepared analyses[28] on the effectiveness or compliance of GRP processes and activities, there was no evidence of how these analyses were used, or any follow up actions implemented and reported.

Observation 6: Roles and responsibilities across HQ, Regional, and Sub-Regional Offices may not have been clear in relation to GRP implementation.

59.   UNFPA revised its organizational structure through the creation of Regional (RO) and Sub-Regional Offices (SROs) in a process known as 'restructuring.' The objective of restructuring was to place technical and programme assistance closer to the field. Restructuring commenced in 2008 although had only recently been fully implemented in a number of regions at the time of audit fieldwork. The scope of the audit was not to assess or provide comments on the effectiveness or design of restructuring. However, as it relates to operations of the GRP, restructuring, and its varying states of implementation, may have created confusion with respect to the roles and responsibilities of various business units and their respective Programmes.

60.   While generally there was a clear management structure within the Regional Programmes, the RO's roles and responsibilities, and those of their respective SROs, were often not clearly understood by COs, based on the feedback provided by COs during site visits. The role of HQ was also often not clearly understood when there was an entity with regional implementation responsibilities. One exception to this was the GPRHCS. This was a large

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[28] For example, *Global and Regional Programme (GRP) Status Paper* (15 January 2009), *Quality Assurance of the Global and Regional Programme (GRP)* (3 December 2009)

and relatively well established programme that had more clearly defined roles and responsibilities and communication lines across HQ, ROs, SROs, and COs. The roles of each business units as it related to planning, implementation, monitoring, and reporting within the GPRHCS appeared to be well understood at all levels.

61.   Lack of clarity related to roles and responsibilities of respective offices arose as a result of several factors:

- The stage of restructuring – How well established the ROs/SROs were, including how long they had held a physical presence in the region and whether the relevant positions were in place to support the COs (e.g., thematic area technical advisors).

- The thematic area or specific project – Depending on the thematic area or specific project, COs were inclined to reach out to either HQ or ROs/SROs as their primary point of contact. For example, for GPRHCS, the COs typically worked directly with the global project advisor that sat in the RO or a contact in the HQ, Technical Division, or Commodity Security Branch.

- The scale of the role - For example, each SRO in Africa Region was responsible for supporting 20 COs with a relatively small staff, which impacted the amount of communication or support that could be provided to COs. In fact, feedback from a survey of COs which was done as part of the MTR of the Africa Regional Programme indicated that COs wanted the RO and SROs (not consultants) to provide 'direct' technical assistance for key national programming exercises.

- HQ communication – In some instances, HQ communicated directly with COs without involving the RO/SRO, which impacted the ability of the Regional Programme to coordinate the support provided to COs and identify opportunities to share knowledge and complementarities within Programmes. As ROs/SROs were being established, there would have been a need for HQ to continue to communicate directly with COs; however, once ROs and SROs had been established, UNFPA management should have reconsidered what the appropriate communication matrix should have been.

62.   The scope of the audit did not include a review of staffing capabilities. There may have been imbalances related to the required and available skills of staff, at both HQ and regional levels based on the feedback and issues raised during fieldwork. For example:

- It was unclear whether ROs and SROs intended to provide technical assistance or act as a broker of technical assistance for COs, as both roles were observed in practice, and requests from COs that the ROs and SROs provide technical assistance directly rather than broker support were noted. Required skills, capabilities and staffing size would be different depending on the intended role. At the regional level, UNFPA intended to integrate programme and technical functions; however, it was not clear how this would work in practice, or what the impact would be on staffing requirements; and

- The roles and responsibilities required of positions were not aligned to the type of experience possessed by those filling them. Roles that required programmatic, operational, and financial management duties were often performed by individuals with stronger technical backgrounds that may not have had significant programmatic, operational or financial experience. Those charged with implementing the programme were expected to perform activities such as budgeting, contract management, and vendor oversight, and may have benefitted from increased training related to the financial and operational aspects of their duties. In addition, the numbers of staff in place to deliver a programme varied significantly across Programmes (i.e., global and regional levels), and many positions were vacant in ROs and SROs. It was not clear that a skills and capabilities assessment had been done to identify what skills were required within units or roles and whether those were the skills that were in place in that position.

C.   Programme Execution

63.   The audit resulted in the following observations related to programme execution:

- ▪ **Observation 7**: UNFPA lacks a strong programme management methodology.
- ▪ **Observation 8:** The approach to plan, execute, and report on an annual basis may have limited the effectiveness of the GRP.
- ▪ **Observation 9:** The process for fund allocation across GRP projects was not clear.
- ▪ **Observation 10**: Reporting processes and tools were not sufficient to allow management to report on and monitor GRP performance and expenditures and make links between financial decisions and GRP results.
- ▪ **Observation 11**: There was no clear process in place for tracing the implementation of audit and evaluation recommendations.

Observation 7: UNFPA lacks a strong programme management methodology

64.   There is potential to enhance the GRP Guidelines and tools to help enhance the effectiveness of planning, budgeting, implementing, and reporting processes. In particular, there is potential to strengthen the approach to GRP programme and project management[29].

65.   Programme management and project management are complementary approaches. Programmes deal with outcomes and projects deal with outputs. During a programme life cycle, projects are initiated, executed, and closed. Programmes provide the umbrella under which these projects can be coordinated. A Programme should integrate the projects so that they deliver outcomes greater than the sum of their parts. UNFPA did not define the activities within the GRP as 'projects' – instead these are referred to, and intended to be managed, as "programme components, outputs, activities or thematic areas." The term 'project' relates only to Project IDs in ATLAS which were clusters of activities related to a specific programme and output area. Based on ATLAS data, there were **406** projects across the six Global and Regional Programmes coded to GRP. The Global Programme was made up of **186** projects.

Programme Management

66.   Programme management is the coordinated organization, direction, and implementation of a portfolio of projects and activities that together achieve outcomes and realize benefits that are of strategic importance. The nature of UNFPA's GRP Programme – one that seeks to achieve external and societal change – makes it particularly more challenging to successfully execute compared to other more traditional programmes that seek to achieve organizational change or those that are more tangible in their desired outputs.

67.   The table below compares the status of GRP programme management during the period under review with elements of successful or 'leading practice' programme management methodologies (including Prince 2, Managing Successful Programmes, and PMBOK Guide and Standards). Each of the issues identified below are explored in more depth in other specific observations; however, the table below provides a summary to illustrate weaknesses in how the GRP was managed during the audit period:

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[29] The scope of this Audit included an assessment of GRP Guidelines but did not include an assessment of other UNFPA organizational policies and procedures that may relate to the implementation of GRP activities. It is not clear therefore whether some of the observations above relate to inadequate policies and procedures or non-compliance with policies and procedures.

Table 6: Elements of Successful Programme Management and GRP Practices in period under review

	Elements of Successful Programme Management	Status of GRP Programme Management during the period under review
a)	Breaks down high level strategic objectives into clearly specified outcomes and strategies that are manageable and measurable.	While UNFPA refined and rationalized its strategic outcomes for 2012-2013, there was potential to improve how these outcomes were linked to specific projects and activities. The link between activities and outcomes and outputs was reflected in the annual work plans (AWPs). The level of detail and linkage between activities and how the activities contribute to meeting the outcomes and outputs was inconsistent across branches and offices. Some GRP AWPs did not define the indicators that to be used to measure outputs, so it was not clear how the activity would support the achievement of the output. In other examples, the output did not clearly 'fit' the activities that were being implemented.
b)	Coordinates activities across many specialties, business units, and organizations.	There was little evidence of how the total population of projects (whether at HQ, regional, or country level) was coordinated to achieve GRP objectives. While there was evidence that certain planning processes were coordinated across multiple offices/units (for example, between HQ, ROs, and SROs within the GPRHCS), there was a risk that projects and sub-programmes may have been executed in silos, especially because multiple UNFPA branches and offices were responsible for implementing parts of the project. There was no clear 'programme manager' role for the Global Programme or 'executive programme manager' role to coordinate the six component Programmes that constitute GRP.
c)	Harmonizes design across projects.	There was little evidence of a review process to understand any synergies, duplications, or gaps in the outputs and activities of GRP projects.
d)	Effectively prioritizes scarce resources and resolves conflicts for these resources.	The GRP did not have a process to assess the merits of individual projects to prioritize those that would deliver the strategic objectives or monitor the progress of projects and reassign resources when projects were not delivering as expected.
e)	Manages the expected impact to help ensure targets are achieved with review points for monitoring progress and assessing performance.	There was no evidence of a clear, central responsibility or processes for monitoring, reviewing accuracy and completeness of, and compiling programme results for the GRP.
f)	Monitors and manages the risks to the successful execution of the Programme.	There was no evidence of risk management practices or procedures specific to GRP Programmes or projects.

Project Management Methodology

68.   The GRP was designed to be managed by output area rather than as a series of projects. This approach has resulted in a lack of clarity around roles and responsibilities for implementation efforts and insufficient tools and data management for programme staff to be able to manage the programme activities. Examples of weaknesses in processes, guidelines, and tools during the period under review include:

- GRP activities (for a particular output area) spanned across multiple UNFPA offices or branches with no central project manager to coordinate the activities and outputs of those offices and branches. Some sample GRP projects had up to 10 different offices or branches responsible for implementation under that project code. One global project, GRP6R13A, had 19 different offices or branches coded providing implementing activities related to that project. While recognizing that these activities must be tailored to regional need, without a central 'output owner' (or project manager type role) there was potentially a missed opportunity to coordinate efforts, minimize duplication, share lessons learned, or provide oversight to implementation efforts;

- GRP Guidelines recommended that "a good results-based programming practice is to have one AWP per programme output with specific activities defined for each implementing partner."[30] However, this practice would, in fact, result in even more AWPs, as most AWPs covered multiple programme outputs. That is, requiring one AWP per output would significantly increase the number of AWPs in use. For example, both the Africa and LAC Regional Programmes consolidated activities for all outputs into one AWP for the Region. Similarly, IERD had one AWP that covered its portion of Global Programme activities. To limit the number of AWPs managed, the LAC Region created one AWP for each Implementing Partner providing services to more than one project. Therefore, the AWP with the Implementing Partner would include activities from multiple outputs;

- GRP projects often did not have a central project design document or clear description of the intended outputs for all the associated UNFPA offices or branches. For the six sampled Global projects, there were over 190 AWPs collected across multiple different offices and branches over four years[31]. This number of documents was too large to enable effective management or coordination of activities across all offices/branches;

- Some GRP activities were covered under multiple ATLAS codes, meaning that project monitoring reports for a particular project code may not have included complete records for that project or output area. For example, COs may have used their own project codes to record implementation activities of Global or Regional projects. It was difficult to understand total implementation activities and linkages across global, regional, and country levels, as well as obtain a complete report on expenditures by GRP project. For example, for the GPRHCS, COs used a country code format, rather than GRP code format, to record global project activities;

- The purpose and intended use of AWPs was not clear. As management tools, these did not provide adequate information for day-to-day management of a programme, project, or focus area. The main function of the AWP seemed to have been to summarize annual activities in order to request a budget. The process for reviewing and approving AWPs was inconsistent across UNFPA offices and branches. GRP Guidelines did not include a checklist to assist with preparing, reviewing, and approving AWPs. Additionally

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[30] UNFPA, Policies and Procedures Manual, *Global and Regional Programme Guidelines* (1 February 2008) (Section 6.2,1, page 16) [Note: This reference was not found in the revised guidelines, dated 11 August 2010.]
[31] Number of AWPs received under Audit document request sent to HQ, Regional Offices and Country Offices.

AWPs were not always maintained and properly updated throughout the year and their budgeted figures did not map to ATLAS budgets and expenditure data;

▪ GRP Guidelines required that associated baselines and targets be included in the AWP. In a review of sample AWPs, the audit noted inconsistencies in the inclusion of baselines and targets. For example, AWPs in the LAC region often included baselines and targets; however, many of the AWPs in the Africa Region did not. The results for the Global Programme were mixed. The sample AWPs from IERD did not include baselines and targets, yet the Commodity Security Branch (which manages the GPRHCS) AWPs did include them;

▪ In the Africa Region, AWPs were often supported by supplementary 'Activity Planning Sheets', which provided more detail related to the purpose. However, these activity sheets are not a standard tool and vary across offices and branches. For the sample projects reviewed for which 'Activity Planning Sheets' were available, these did not always map clearly to the final, approved AWP;

▪ There were no clear cost estimates for activities and/or the supporting details for these estimates were not always available; and

▪ Responsibility for reviewing and approving AWPs also was not clear. The GRP Guidelines required that "AWPs be reviewed and approved by the relevant branches, following a process that ensures complementarities, finds synergies, and creates a sense of divisional ownership of results. It is expected that branches put in place a mechanisms that ensures such a process."[32] Given the decentralized and cross-cutting approach to executing GRP, this was especially challenging. For example, multiple AWPs may be required to get a complete overview of proposed annual activities for a particular area, whether by focus area (e.g., by aggregating the AWPs or sections of AWPs for several branches) or by geographic area (e.g., by consolidating activities of ROs and SROs).

Guidelines for working with Implementing Partners

69.   Developing and/or strengthening existing multi-sectorial partnerships with other United Nations partners, and international, regional and national institutions and NGOs is central to UNFPA's vision.[33] Development of effective partnerships was part of UNFPA's MRF (output 4). For the audit period, only 17 per cent[34] of total GRP expenditures were project activities implemented by partners, meaning that 83 per cent of the Programme was direct execution. This could potentially be, in part, a result of inadequate guidelines or cumbersome requirements for working with partners as described in more detail below. The MTR of the Strategic Plan also highlighted issues related to partner relationship management.

70.   While the importance of partnerships was emphasized in the GRP Guidelines, there was no clear definition of the different partnership types (or even what should NOT be considered as a partner) within the Guidelines or other UNFPA policies and procedures, nor was there guidance on how to engage with different types of partners. The term 'partner' is often used to cover:

▪ Government institutions and NGOs that execute on behalf of UNFPA
▪ Strategic, regional political or economic bodies, such as the Africa Union
▪ Other UN agencies

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[32] UNFPA, Policies and Procedures Manual, *Global and Regional Programme Guidelines* (11 August 2010) (Section 4.2, page 8)
[33] UNFPA Strategic Plan 2008-2011, page 9
[34] Based on ATLAS data, January 1, 2008 – July 15, 2011, regular and other resources by 'Implementing Agency' field

- Institutions or organizations that have been contracted to perform specific and discrete functions/activities (which potentially should be clarified as vendors rather than partners)
- Institutions that send staff to training workshops or knowledge sharing events (which potentially should be clarified as participants or beneficiaries)
- UNFPA Country Offices

71.   Each of these categories requires definition and specific procedures for engagement. For example, engagement with a regional governmental body or union will have different requirements compared to an NGO and GRP Guidelines and procedures should be tailored accordingly.

72.   Based on feedback from UNFPA and implementing partners, administrative requirements for engaging with partners were considered cumbersome, time consuming, and complex, and delays in approval processes and receipt of funding have created barriers to potential and existing partnerships[35]. Capacity assessments, required as a precursor to doing business with a partner, were cumbersome or not timely or properly completed. Delays in receiving funds for planned activities also reduced the effectiveness of partnerships, and the impact of this on implementing partners is also discussed in Observation 8. In addition, one instance was identified where UNFPA negotiated with an implementing partner for it to use its own funding for planned activities until GRP funds would become available to reimburse the partner. This could potentially reduce the desirability of working with UNFPA, both among existing and potential partners. Overall, the procedures may have limited the ability of UNFPA to develop and maintain effective partnerships and therefore achieve the related MRF output.

Observation 8: The approach to plan, execute, and report on an annual basis may have limited the effectiveness of the GRP

73.   GRP projects were planned, executed, and reported under an annual approach. This resulted in the planning, executing, and reporting phases for the Global, Regional, and Country Programmes occurring concurrently, placing considerable burden on offices and branches. In particular, the reporting and planning phases took up considerable time at the end and beginning of each year, which in turn truncated the time available to implement the activities. There were a number of different challenges associated with this approach.

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[35] Also cited in Report of the Mid-term Review of the Africa Regional Programme 2008-2011, (Section 4.6, page 19) and Evaluation of the UNFPA InterCountry Programme 2004-2007 (Section 15, page. 54)

Figure 3: Challenges associated with Annual GRP Execution

74.   As an example, the following actions were required to report and close out one year, and to plan and commence another. These activities typically started around November and could run as late as April of the following year.

- ROs and SROs reviewed Country Office Annual Reports (COARs) at year-end and provided feedback to COs.

- At the same time, ROs and SROs were required to prepare their own annual reports (ROARs).

- Concurrently, Regional Offices and Sub-Regional Offices commenced planning for the forthcoming year. The ROs and SROs requested feedback from COs via workshops, surveys, and questionnaires to obtain feedback on the services provided by the ROs to the COs for that year and collected requests for anticipated support/technical assistance in the forthcoming year.

- HQ received and reviewed COARs, which were collated for inclusion in the Annual Report of the Executive Director to the Executive Board. ROARs were not collated.

- COs concurrently started their annual planning process, which included preparing needs analysis as necessary (e.g., for GPRHCS, worked with the Ministry of Health to understand the quantity and type of supplies required).

- COs prepared AWPs for GRP projects/programmes and sent to ROs/SROs/HQ for comment and feedback. The exact chain for feedback (RO/SRO/HQ) varied according to the project/programme. Given the number of countries and number of projects/programmes, the extent and nature of review and feedback varied.

- ROs and SROs prepared their own AWPs. The Regional AWPs were typically an aggregation of separate AWPs for RO/SROs/Liaison Offices, Implementing Partners, and the three thematic areas.

- UNFPA units at HQ prepare Global Programme AWPs by branch and/or thematic area.

- To facilitate the development of AWPs, there may have been Global/Regional/Sub-Regional planning workshops for Programmes or specific projects/thematic areas within a Programme, which involved COs, ROs/SROs, and/or HQ branches/divisions.

▪ HQ received AWPs and analyzed in order to determine available budget. Budget typically became available to the owner in two installments or 'tranches.'

75.   The planning phase was intended to consider the AWPs and the intended activities of the Country, Regional, and Global Programmes in order to identify the potential to synchronize events, prevent duplication, and ensure complementarities. Given the scale of the GRP and number of COs this was an incredible challenge for UNFPA. The planning process was done in silos as a result of the numerous offices and departments involved with each project. Moreover, there was no integration of activities within thematic areas across global, regional, and country levels. The expectation to share AWPs and planned activities was only from the bottom-up (i.e., COs share their plans for the year ahead with ROs/SROs and HQ). Global and Regional Programmes did not necessarily share AWPs with COs. While planning meetings may have helped identify some areas of complementarities and those that may benefit from coordination, there was still a risk that some of these opportunities may have been missed which may have negatively impacted the overall effectiveness and efficiency of UNFPA activities.

76.   Given the length of time taken to develop, review, and determine the budget for AWPs, the planning phase can be lengthy and can reduce time available for implementation. For activities other than salaries, the majority of activities were implemented between June and November. Implementation was reduced between late November and December when UNFPA offices focused attention on the reporting phase. One of the main performance metrics used to manage GRP was the implementation rate – the ratio of actual expenditures against budget. Given the expectation that any unspent GRP funds would reduce the following year's regular resources budget for GRP, there was a risk that this could have led to funds being spent on quick or easily implemented activities, which may not have been the most effective use of such funds. As early as June, a significant portion of management time became focused on areas with low implementation rates and the potential need to redistribute funds to other areas, which were able to spend the funds before year-end.

77.   The annual planning and implementation cycle also negatively impacted UNFPA's ability to effectively partner with other organizations. UNFPA's annual approach to planning activities and allocating resources limited UNFPA's ability to commit to supporting an implementing partner's multiyear programme. Additionally, the implementation partners consulted as part of this audit reported that UNFPA's truncated implementation cycle (between June and November) impacted their own ability to plan and deliver their projects, with requests from UNFPA often coming at relatively short notice, which may also have significantly impacted the quality of the activity. In one example, an implementing partner was approached to undertake a research project for UNFPA at relatively short notice. The implementing partner had not factored this into the work plan and, as such, did not have adequate capacity to execute at that point in the year. However, because UNFPA was required to spend funds within an annual cycle in order to help ensure similar resources for the next year, the scope was significantly reduced in order that the partner would be able to execute within the existing year. This reduced the usefulness and quality of the intended activity, representing a less effective use of resources.

78.   In addition, the delays in receiving funds at the RO or CO also impacted the implementing partners. In some instances, it took an additional month to transfer the funds to partners, resulting in funding not being available to partners until May or June. In some cases, UNFPA asked the partner to cover the costs of implementing UNFPA agreed activities until UNFPA funds were available to reimburse the partner. Such weaknesses within UNFPA processes could have therefore reduced the attractiveness of partnering with UNFPA, which may have impacted UNFPA's strategic approach to using partner organizations to help achieve its mission.

Observation 9: The process for fund allocation across GRP projects was not clear

79.   Within the initial Global and Regional Programme resource allocation approved by the Executive Board, a budget was allocated to the six Programme components. For the Regional Programmes, the Regional Offices then created AWPs that included budget information for projects and activities. There was no single project document summarizing budget allocations across the Global Programme projects. Instead, separate AWPs were prepared by each branch. Additionally, there were no defined criteria for what constituted "allowable" or "desirable" GRP activities. For example, there was no documented, collective assessment of proposed AWPs with respect to potential criteria such as effectiveness, efficiency, or feasibility of proposed activities[36]. The AWPs were reviewed and approved by the relevant branches leading to a highly decentralized, and thus fragmented, process. The GRP Guidelines stated that this process should include a review to ensure complementarities, find synergies, and create a sense of divisional ownership of results. The review process required to occur within a branch was unclear and there was no formal review across all branches for complementarities or duplication of efforts.

80.   These issues resulted in uncertainty in the funding allocation process. At the time of the audit, there was no process by which requests for GRP funding were assessed or prioritized according to available funds. There was no policy clearly defining how funds were to be allocated or budgeted. In addition, there was no central process to review and authorize budget modifications throughout the year or track total project expenditures and make modifications or adjustments from projects where implementation rates were low to those that were high. The potential impact was that projects may not have been funded according to their relative priority within the GRP, and UNFPA may not have been using the optimal allocation of funds.

81.   Given the weaknesses in reporting of expenditures and programme results (discussed throughout this report), it was extremely difficult for UNFPA management to assess whether funds were being employed optimally or to assess GRP efficiency. This observation was also made in the Evaluation of the InterCountry Programme in 2007.

Observation 10: Reporting processes and tools were not appropriate to allow management to report on and monitor GRP performance and expenditures and make links between financial decisions and GRP results

82.   GRP monitoring and reporting activities during the period under review did not appear to be adequate for management purposes and there may be potential to consolidate or clarify some of these processes to provide UNFPA management and oversight bodies with a more complete picture of GRP performance.

Magnitude of Monitoring and Reporting Needs

83.   One of the challenges faced by the GRP (that is typical within the United Nations and other development agencies) is that it uses multiple funding sources to help achieve multiple, and often cross-cutting outputs, and outcomes. As a result, there are multiple 'audiences' for GRP reports with different focuses and requirements, such as:

- A Branch Manager who wants to track use of funds by his or her branch against the branch's operations plan.
- A Divisional Manager who wants to understand the impact of his/her division in supporting Country Programmes.
- A Manager responsible for managing the relationship with an implementing partner who wants to understand progress and achievements.

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[36] At the time of this Audit, PD was in the process of implementing a new assessment process, which may address some of these issues.

- A RO Manager who wants to understand the impact of Regional Programme activities across the region;
- The Executive Director or a Deputy Executive Director who wants to understand progress against the management results framework.
- A member of the OC who wants to understand trends in expenditures such as total salary, travel or other operational costs.
- A donor who wants to understand expenditures using donated funds for a specific trust fund.

84.   The volume of planning documents also creates a need to track, monitor, and report against each of these plans, for example:

- Individual annual work plans (AWPs) for a branch or office
- Consolidated AWPs for a thematic area (e.g., Regional Programme gender activities implemented by Regional and Sub-Regional Offices)
- AWPs for individual projects
- An AWP with an implementing partner
- Office Management Plans, and Branch and Division Operation Plans (OMP, BOP and DOP)
- Regional and Global Action Plans
- Joint programming activities with other UN agencies such as UBW
- Strategic Plans in Thematic Areas (e.g., a Regional Population and Development Strategy)

85.   The reporting templates used represented an attempt to consolidate reporting requirements. However, a report that may work for one audience or user may not meet the needs of another and therefore there were gaps in the GRP reporting process. One of the explanations provided for why UNFPA discontinued the use of Standard Progress Reports (SPRs) to report on direct implementation activities was that other reports, such as business units Annual Reports or Trust Fund Reports, already provided the information. However, this is not entirely correct. For example, as previously mentioned, reporting of Regional Programme results was only required against the MRF in the annual reports. Those same results were not required to be reported against the development outputs and indicators that relate to DRF outcomes. In addition, ROs were not required to report on the region's progress in achieving the DRF and the changes to outcome indicators for the region, so the regional contribution towards achieving the Strategic Plan was not fully captured.

Trust Fund Reporting

86.   Trust Fund reports, such as those for the MHTF and the GPRHCS, identified how donor funds earmarked for specific thematic areas have been used. However, the trust fund programmes were supported by multiple funding sources, including regular resources. It was not possible to distinguish which results were achieved from which funding sources. There were no Programme reports showing total resources and expenditures broken down by funding source. The Trust Fund reports also did not indicate that the results presented were attributable to multiple funding sources, not just the trust funds, which may have provided an inaccurate representation of the total funds required to achieve the reported results. Therefore, the trust fund reports could have misled readers to believe that the results achieved were with donor funds (other resources) only and not also with UNFPA funds (regular resources).

GRP Internal Management Reports

87.   GRP financial reports were presented to the OC. While there was some breakdown of expenditures funded from non-regular resources, the analyses were based primarily on expenditures funded from regular resources, providing only partial visibility to the actual amount of funds spent on the implementation of GRP projects and only a partial picture of the GRP's progress towards achieving the Strategic Plan.

88.   There was no comprehensive financial management report of GRP expenditures broken down by cost categories, such as salaries, travel, contractors, and consultants. There was limited monitoring of budget to actual expenditures for GRP resources at the GRP overall level, which represented a significant control deficiency.

89.   There did not appear to be any routine analysis or comparison of expenditures in each of the thematic areas (population, reproductive health, gender, and management and coordination) to monitor trends in each of these areas and understand the overall distribution of funds. This weakness was also identified by the External Advisory Panel.

Data Management Issues

90.   Weaknesses in data management processes and controls may mean that UNFPA management did not have appropriate, accurate, or complete management reports to enable it to effectively monitor GRP expenditures and make links between financial decisions and GRP results. The following issues related to GRP data management were identified during the course of the audit:

- GRP expenditure analyses based on ATLAS data did not capture all GRP expenditures or clearly indicate their funding source. There were no clear guidelines on what constituted a GRP project, e.g., project code format and fund code.
- Financial data in ATLAS was not standardized.
- There did not appear to be any quality assurance or reviews over data in ATLAS.
- Activity IDs and descriptions from ATLAS could not be easily reconciled to the activities in the AWPs, which limited the ability of managers to effectively track budget to actual and monitor project implementation.

91.   The combination of these weaknesses in data management processes means that UNFPA management may not have had the appropriate management reports to enable it to effectively monitor GRP expenditures and make links between financial decisions and GRP results.

Observation 11: There was no clear process in place for tracking the implementation of audit and evaluation recommendations related to the GRP.

92.   Multiple reviews of discrete aspects of the GRP Programme were conducted, such as the MTRs of the Regional Programmes and the Global Programme components managed by TD, as well as reviews of the GRP's predecessor programmes such as the Evaluation of the InterCountry Programme 2004-2007 and the Audit of Regional Projects 2007. It was clear from the interviews conducted that the observations and suggested recommendations in those reports, in particular the MTRs, were discussed in detail by management and corrective actions were identified and implemented. However, there was no clear or formalized process for sharing these reports, responding to recommendations, or tracking follow-up of corrective actions. For example, with regard to the MTRs, there was no formal process by which the concerned Programme owner or Division was required to provide a written 'management response' to the review, or document what corrective actions were to be taken,

the responsible party, and the intended completion date. While ARO and LACRO implemented a number of changes and activities in response to its recent MTRs, ROs were not required to report on their progress. Additionally, each RO was responsible for selecting the observations and corresponding actions that would be implemented, and then tracking its own progress against planned actions. This represented a control weakness as there was no independent monitoring of corrective action plans; i.e., no segregation of responsibilities.

93.   In some cases, it was not clear whether assessements were shared beyond Executive Management (e.g., the Audit of Regional Projects in 2007). These evaluations provide little value if they are not openly shared and their recommendations acted upon. In addition, this was an area of noncompliance with the Standards for Evaluation in the United Nations System, which states that a "disclosure policy should ensure 'transparent dissemination of evaluation results" (UNEG Standard 1.4).

94.   The table included as Appendix III maps the observations in this audit report to observations made in previous audits and evaluations. The audit noted that many of the observations made in this report had been raised previously in other audits, reviews or evaluations of componentes of the GRP or similar programmes. While UNFPA may have expended significant efforts to address the findings in these other reports, the absence of formal documentation and tracking of these efforts could give the impression that audit and evaluation findings were left unaddressed. While the GRP was designed with the intention to incorporate the feedback and address the issues raised in an evaluation, there was no mapping of how the GRP design specifically addressed each of the observations made about the InterCountry Programme.

95.   The MTRs completed in 2011 were performed by multiple external vendors, under differing TORs, which did not allow for consistency, easy consolidation of issues, or efficiency in identifying and addresssing systemic issues. In addition, there was no MTR performed over the Global Programme as a whole. The MTR covered only those components of the Global Programme managed by the Technical Division. Separate MTRs were performed for each one of the Regional Programmes. According to the GRP Guidelines, 'DOS, as the internal oversight office, provides corporate oversight of all UNFPA's activities', thus including the GRP. Since the inception of the GRP in 2008, DOS provided limited internal audit or evaluation work over the GRP; rather, DOS's continued focus was on auditing the Country Programmes. There were no ongoing or periodic audits or evaluations of the GRP. The first reviews of the GRP (the MTRs) happened between 2010-2011, three to four years after the inception of the GRP. This audit represents the first audit of the GRP overall or any component of the GRP and is four years since the inception of the GRP.

D.   Effects on the Programme

96.   As a result of the previous observations on programme design, governance and management and execution, the audit noted a number of effects on the GRP, as described in the following observations.

- **Observation 12:** There was limited ability to measure and demonstrate the results and impact of the GRP.

- **Observation 13:** The actual allocation of funds for the Global and Regional Programme components was different from the allocation approved by the Executive Board.

- **Observation 14:** The GRP evolved into a hybrid of programmatic activities and operational support costs.

Observation 12: There was limited ability to measure and demonstrate the results and impact of the GRP

97.   There was no reporting on GRP results against the DRF outcomes and outputs that were set out in the Global and Regional Action Plans; there was limited reporting on the GRP as a whole. The GRP's performance was only reported against the MRF via Regional Offices and Branch/Division Annual Reports. With the exception of trust fund sub-programmes, the GRP's results for individual projects (and particularly those funded by regular resources) were not reported. UNFPA originally developed Standard Progress Reports (SPRs), but at the time of the audit, these were no longer required for direct implementation activities and projects, only from implementing partners.

98.   The reporting landscape for GRP is illustrated in Figure 4. ROs and HQ units provided annual reports that describe progress against each of the MRF outputs. These annual reports tended to report the completion of activities, as opposed to the achievement of MRF targets. In the example annual reports reviewed, the reports did not contain MRF indicators, or any baselines or targets, only commentary on activities completed.

Figure 4: GRP Reporting Landscape
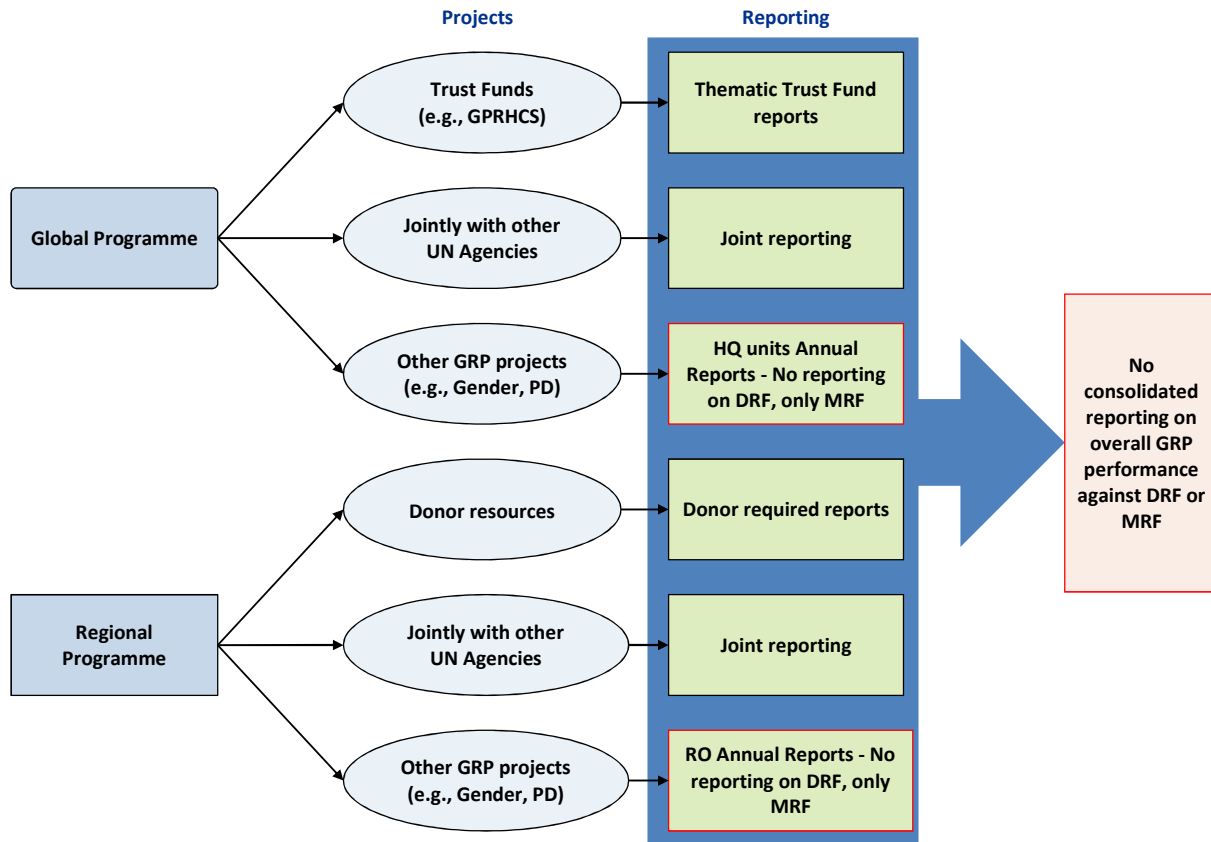
99.   While the report format is such that business units were required to report against each MRF output, the activities described in the annual reports could often be considered related to the GRP. For example:

▪ Progress against the DRF: Some activities presented in the annual reports appeared to be directly linked to the DRF, although the reported improvements were not supported by indicators, baselines, or targets. For example, the 2010 Africa ROAR included:

MRF Output 2: Ensure results-oriented high-quality UNFPA programme delivery at the country, regional, and global levels.

Key results achieved: 2.3 Capacity to improve maternal health and reduce maternal mortality increased: Increased capacity to improve maternal health and reduce maternal mortality in Africa with improved country knowledge and skills on sexual and reproductive health, integrating ICPD issues into emergency situations.

▪ Progress against the GRP goals: Many of the results described in the Annual Reports described how HQ and ROs had provided support to COs that, while not explicitly stated as a Programme goal in the GRP Executive Board submission, was explicitly stated as a programme goal in each of the GRP Action Plans. For example, the HRB Annual Report 2010 indicated:

Output 3 for HRB: UNFPA maintains motivated and capable staff

HRB support for staff capacity development has resulted in increased staff capacity to Monitor Projects using the ATLAS. Ten staff members who attended ATLAS training both from Geneva and New York are now able to independently follow up and manage their projects hence increasing efficiency in utilization of funds and support to implementing partners. Support to various training needs has led to an increased in house capacity to facilitate workshops and courses. One HRB staff utilized her skill in facilitating Strategy Workshop in September and was called upon by UNFPA to help with the facilitation of the global meeting in November. HRB Chief has been able to provide leadership in the development of OMP's, AWP's and results framework as a result of knowledge acquired in Results Based Management training.

▪ Similar examples extracted from the Regional Offices 2010 Annual Reports included:

Output 1 for ARO: Increased results-based management effectiveness and efficiency.

1.3 Board approvals relative to total number of CPDs submitted: Three Country Programmes Swaziland, Burkina Faso and Zambia Country Programmes were reviewed by the Executive Board in June and September 2010. Two countries Swaziland, Burkina Faso passed Executive Board approval. Zambia was reviewed and commented for revision and presentation at the 2011 board. Zambia's revised CPD and the Country Programme evaluation reports have been finalized and is ready for the January 2011 Executive Board.[37]

Output 2 for LACRO: Ensured results-oriented high-quality UNFPA programme delivery at the country, regional, and global levels.

With regard to LACRO´s support to COs and the SRO, the following results are worth mentioning: (i) COs and SRO evaluation plans updated and timely submitted to PD; (ii) 9 CP End Evaluations supported (Brazil, Dominican Republic, El Salvador, Haiti, Honduras, Panama, Peru, Uruguay and the SRO); (iii) the CP of Uruguay and the extension of the CP of Peru supported; (iv) 100 per cent of COs facing emergencies back stopped (Argentina, Bolivia, Brazil. Chile, Dominican Republic, El Salvador, Guatemala, Haiti and Uruguay); and (v) 100 per cent COs developing preparedness plans supported (Cuba).[38]

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[37] UNFPA, *2010 Annual Report*, Africa Regional Office (18 January 2011) (page 2, Output 1 section, under part 'a. Key results achieved')
[38] UNFPA, *2010 Annual Report*, Latin America/Caribbean Regional Office (11 January 2011) (page 2, Output 2 section, under part 'a. Key results achieved')

Trust Fund Reports

100.   The results achieved by GRP sub-programmes funded by trust funds, such as GPRHCS and the MHTF, were reported in annual sub-programme reports. These results were based on project-specific outputs and indicators, which could be linked to the Global Programme and the DRF. The format of the GPRHCS and MHTF reports were more user friendly than internal reports and include information on goals, outputs, indicators, baselines and targets, finances, and lessons learned.

101.   However, the results presented in these reports were partially based on self-reporting by COs, which may have been susceptible to errors and biases. UNFPA did not conduct any quality assurance or audit over such reporting. Relying on self-reported data without appropriate quality assurance or review controls increased the risk that results reported may be inaccurate.

Other Reporting

102.   GRP reports to the OC included analyses of financial data and expenditures; these reports did not cover the performance or results of the GRP. The Annual Report of the Executive Director to the Executive Board reported on UNFPA's performance as a whole against the DRF or MRF, and not specifically the contribution of the GRP.

Observation 13: The actual allocation of funds to the GRP as a whole and to the Global and Regional Programme components was different from the allocation approved by the Executive Board

103.   The Executive Board approved a total GRP allocation of USD 200 million for the period 2008 -2011.[39] It was not specified whether this allocation corresponded to regular resources only or if it also included other resources. Management's understanding, as noted in this audit, was that the USD 200 million related to regular resources only. As a result of additional funds becoming available during the GRP term, actual expenditures from regular resources for the period 2008-2011 were USD 279.2 million, 40 per cent over the initial Executive Board allocation.

104.   The additional expenditures of regular resources above the Executive Board authorization were a result of additional regular resources becoming available during the course of Programme implementation. However, the process for allocating these funds across the Global and Regional Programmes, and the authorization to do so, was not clearly defined. GRP Action Plans were not updated to reflect the intended use for these funds or how they would contribute to increased performance or results. As there were delays in establishing baselines and targets for DRF indicators (see Observation 3) and there was also no reporting on GRP results against the DRF (see Observation 12), it is not possible to determine how the additional funds, or the shift in proportional allocations (see next paragraph) from what was agreed by the Executive Board, impacted to the performance of the GRP; i.e., what was or was not achieved against what was planned to be achieved.

105.   Further, the Executive Board approved an allocation of funds of 40 per cent to the Global Programme and 60 per cent to the Regional Programmes, with a specific allocation to each one of the regions. The allocation across programmes was based on the commitment of the Executive Board to ensure that UNFPA gives priority to the least developed countries in its resource allocation system[40]. As shown in Table 7, the actual allocation of regular resources for the period 2008-2011 was 57 per cent to the Global Programme and 43 per cent to the

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[39] United Nations, Executive Board of the United Nations Development Programme and of the United Nations Population Fund, *Compendium of decisions adopted by the Executive Board second regular session 2007,* 11 - 14 September 2007, New York (p8)
[40] United Nations, Executive Board of the United Nations Development Programme and of the United Nations Population Fund,
DP/FPA/2007/19, *United Nations Population Fund, UNFPA global and regional programme, 2008-2011* (paragraph 84, page 16)

Regional Programmes, reversing the allocation approved by the Executive Board. Even with the additional regular funds allocated to the GRP, the Regional Programmes received less regular resources funding, both in nominal and proportional value, than the original amount approved by the Executive Board.

106.   The reduction in regular resources to most Regional Programmes was in part offset by the mobilization of other resources. However, while the availability of these resources meant that most Regional Programmes received the same or higher nominal amounts as those specified in the Executive Board submission document, the proportional allocation of total GRP funding did not align with the Executive Board's intention to give priority to the least developed countries in the resource allocation. The actual apportionment of resources (based on expenditures) was 68 per cent for the Global Programme and 32 per cent for the Regional Programmes. The increased allocation of total resources to the Global Programme results from the earmarking of other resources for specific uses by donors, for example, under the GPRHCS. It should be noted that a portion of expenditures from other resources that were coded to the Global Programme may in fact have benefited ROs and COs, but given data limitations in ATLAS it is not possible to quantify the ultimate recipients of these funds.

Table 7: 2008-2011 Actual and Proportional Expenditures of GRP Coded Projects (USD)

Regions	2007 Allocation of Regular Resources Note 1	1 Jan 2008- 15 Jul 2011 Expenditures from Regular Resources	1 Jan 2008- 15 Jul 2011 Expenditures from Other Resources	1 Jan 2008- 15 Jul 2011 Expenditures from All Resources
Global	80,000,000 (40%)	131,842,990 (57%)	170,035,295 (79%)	301,878,285 (68%)
Africa	42,000,000 (21%)	35,840,007 (15%)	10,628,847 (5%)	46,468,854 (10%)
Arab States	13,000,000 (6.5%)	8,967,633 (4%)	3,146,525 (1%)	12,114,158 (3%)
Asia & the Pacific	29,000,000 (14.5%)	24,102,197 (10%)	12,103,851 (6%)	36,206,048 (8%)
Eastern Europe & Central Asia	13,000,000 (6.5%)	12,821,715 (6%)	- (0%)	12,821,715 (3%)
Latin America & the Caribbean	23,000,000 (11.5%)	18,727,439 (8%)	18,212,007 (9%)	36,939,446 (8%)
TOTAL	**200,000,000 (100%)**	**232,301,981 (100%)**	**214,126,525 (100%)**	**446,428,506 (100%)**

Source: ATLAS data, 1 January 2008 – 15 July 2011

Note 1: United Nations, Executive Board of the United Nations Development Programme and of the United Nations Population Fund, DP/FPA/2007/19, *United Nations Population Fund, UNFPA global and regional programme, 2008-2011* (paragraph 84, page 16)

Observation 14: The GRP evolved into a hybrid of programmatic activities and operational support costs

107.   While the design of the Global Programme included funding for 'cross-cutting' activities necessary to support the Global, Regional and Country Programmes, such as enhancements to RBM systems and tools and strengthening internal capacities to use Environmental Scanning tools, there was a lack of clarity over the total amount of GRP regular funds allocated to support operations, e.g., back-office functions, that should have been funded from the Biennial Support Budget (BSB).

108.   A similar observation was made in the Evaluation of the Inter-Country Programme in 2007: "weaknesses in design stem directly from UNFPA's mode of funding the Programme. In order to cap administrative costs under the BSB, a number of HQ costs, core UNFPA functions, and management initiatives, including staffing, have been included in the Inter-Country Programme, which subsequently leads to a programme that lacks coherence."

109.   Examples of activities funded from the GRP potentially supplanting BSB funding during the period under review included:

- Development of the Archive and Records Management system currently referred to as IRIS. This system was 100 per cent funded by GRP, in the amount of USD 1.25 million;
- Cost of a Specialist Assistant to the Director of DMS, an Administrative Services Specialist, and a Travel Associate. Over USD 900,000 from 2008-2010 was expended on these three positions using GRP funds; and
- Operations of the Ethics Office, which were100 per cent funded from the GRP throughout 2011.

110.   Overall, activities considered in the Global Programme Action Plan for DMS, DHR, and DOS amounted to USD 8.5 million, with actual expenditures incurred of USD 13.8 million. Similarly, the Global Programme Action Plan did not consider any budget for activities of the Office of the Executive Director (OED), but USD 5 million were spent in the period 2008-2011.

111.   While the audit does not dispute the need for such support functions and costs, there is a need for a more accurate classification and disclosure of operational costs. Leading business practices would indicate that support functions should be funded by each of the programmes that are served, based on fair and reasonable estimates of the level of effort expended in support of each programme. This is most often accomplished through the establishment of an indirect cost allocation plan. After 2011, the BSB was no longer known as such. Starting from 2012, the operational budget of UNFPA has been referred to as the 'institutional budget.' As of 2014, the institutional budget will be an integrated budget and include GRP and BSB funding, as well as management and overhead costs (similar to other UN agencies). There will be a line in the new budget for 'Development Effectiveness.' However, this line item will combine management and programme costs which may continue to limit transparency related to operational costs.

IV.   Recommendation

112.   The audit identified a number of observations related to the design of the GRP and the governance, management and execution of the programme that may have affected its effectiveness and limited UNFPA's ability to measure and report the results of the programme in the period 2008-2011. The audit observations and a first set of recommendations were shared with management in January 2012 in a first draft report, which was discussed with designated representatives from Regional Offices and Headquarters units. An updated draft report was provided to management on 8 May 2008. That report was discussed with management on 29 August 2012. Taking into consideration the comments and clarifications received, the audit team revised the draft report, concluding that a single recommendation should be brought to the attention of UNFPA's senior management, alongside a number of 'lessons learned' for management's consideration. Management provided its answer to the report on 29 January 2013, the detail of which is included in Appendix I.

RECOMMENDATION	*PRIORITY:* High

113.   Management should consider the most appropriate model for the GRP or any other programme that may replace it beyond 2013 to help UNFPA achieve the goals of its strategic plan, ensuring that the issues related to programme design, programme governance and management, and programme execution identified by the audit are addressed in an effective and sustainable manner.

114.   In particular, management should give consideration to the following key 'lessons learned' identified by the audit.

Programme Design

- *Enhance guidance and tools for defining outputs, indicators and activities, and checklists and other aids to facilitate the review of tools such as action and workplans, including criteria to assess the feasibility, effectiveness, and efficiency of proposed activities and evidence of situational/needs assessments.*

- *Include clear definitions of organizational strategies and define how to assess performance against those strategies, where possible quantifying metrics related to the use of such strategies. Map outputs and outcome areas against strategies to help identify whether there may be gaps or imbalances between the Programme as implemented and GRP strategies.*

- *Ensure that all capacity development activities (whether targeted at national capacity, i.e., government and other partners, or at UNFPA Country Office staff) be based on capacity assessments, and define metrics (baselines, targets, and indicators) to demonstrate the needs and to measure progress.*

- *Implement processes for measuring benefits realized from the application of the skills, knowledge, and other resources acquired by national institutions, NGOs and partners through UNFPA funded capacity building activities. This is particularly important to measure the performance and results of the GRP or similar programmes, given the relevance of capacity development as a strategy for achieving UNFPA's mission.*

- *Collect feedback from COs regarding the relevance of the support received from global and regional levels with respect to capacity development to identify what worked well, preferred and most effective methods, etc,. and use this feedback to plan capacity development activities globally and regionally.*

▪ *Ensure that baselines and targets are defined on a timely basis, progress tracked and reported, and adjustments made as necessary (e.g., changes to targets as a result of funding changes) to help management better manage by results.*

Programme Governance and Management

▪ *Separate programme governance and management functions to help ensure there is an appropriate level of oversight to those implementing programmes.*

▪ *Enhance reporting to governance and management bodies by presenting progress in terms of both expenditures (including budget to actual comparisons) and progress against goals and indicators, linking these where possible. In addition to donor or programme specific reports, report on both regular and non-core resources to provide a more holistic view of how the organization is allocating resources against priorities.*

▪ *Share best practices in the use of Regional Advisory Groups to help encourage consistency and use across regions where these are not currently in full effect.*

▪ *Clearly define management roles and responsibilities and accountability for the programme as a whole and for sub-programmes and consider whether the level of authority and time required for each role is appropriate to provide the desired level of management attention and oversight. Clarify the role and input of key management functions in programme implementation including those in operational/support roles, such as those under the Management Directorate. Also consider how roles and responsibilities inter-relate across HQ, ROs, and SROs.*

Programme Execution

▪ *Strengthen processes for the allocation of funds across GRP components to create an environment that supports clear, rational, and objective criteria, as well as transparency in the funding allocation process.*

▪ *When additional funding is received or when anticipated funding amounts change, consider and document the potential impact on the achievement of the intended results.*

▪ *Undertake a mapping of all current reporting mechanisms (the 'as-is' status) and compare to an analysis of comprehensive reporting requirements addressing the information needs of all key stakeholders. Enhance the usefulness and consistency of results reports by including standard components such as: actual results achieved, i.e., the indicator against the baseline and the target; commentary on any shortfalls or factors that have impacted the result; expenditure data, compared to budget, for all funding sources to ensure transparency; and lessons learned in a format that can be compiled and shared.*

▪ *Consider introducing appropriate assurance controls over results reporting. The assurance control requirements will vary according to the type of report, and could include external audits or reviews; peer reviews; Regional Office reviews; and/or internal audits.*

▪ *Consider strengthening the processes and systems that impact the quality of programmatic and financial reporting of programme activities and expenditures to help ensure that data is consistent, accurate, and complete, and that analytic tools can provide meaningful analysis and management decision-making data.*

▪ *Enhance the budgeting process and budgetary controls, as well as reporting and analysis of budget to actual comparisons. Monitor the allocation of GRP funds across HQ and regions to help ensure allocations are in accordance with Executive Board expectations and justifications for variations are documented (e.g., change in need/priority).*

- *Consider establishing an indirect cost allocation system (e.g., based on headcount) to provide transparency as to how costs for administrative, management, and support functions are funded, and link such functions to the programs that they support, e.g., Global Programme, Regional Programmes or Country Programmes.*

- *Introduce multiyear, rather than annual, implementation plans and budgets, with interim assessments and adjustments as appropriate. This will also complement implementing partners who often utilize multiyear implementation plans themselves.*

- *Review programme/project methodologies and tools and identify ways to address those limitations that currently constrain their effectiveness. Improvements to methodologies and tools may not only benefit the GRP, but also the Country Programmes and any future programmes UNFPA may decide to implement in the future.*

- *Ensure that all audits, evaluations, mid-term reviews, and monitoring reports of global and regional programmes are tracked and reported on to the appropriate bodies, including status of corrective actions.*

- *Consider regular, periodic performance audits of key areas within the Global and Regional Programmes. For example, DOS should consider establishing an audit plan specific to programmatic activities at HQ and RO/SRO levels, covering areas such as a review of programme results, and compliance with GRP Guidelines.*

115.   It should be noted that many of the observations raised in this report have been previously identified in audits and evaluations of predecessor programmes of the GRP. The auditors acknowledge that these are complex challenges being presented to management, and many go beyond the GRP itself and relate to corporate practices used across UNFPA.

116.   While interacting on the second draft report, management indicated that it had already implemented a number of enhancements to programme practices since October 2011; these, however, could not be considered within the timeframe of the audit fieldwork. The audit would nevertheless encourage management to evaluate these changes against the observations and recommendation included in this report, and reflect on whether such changes appear sufficient to address the points raised by the audit.

Appendix I – Management Response[41]

UNFPA's management welcome this audit as the first ever of the Global and Regional Programme. We thank those who were involved in its undertaking and appreciate its recommendation and the further advice provided. Our responses are provided in further detail below. At the outset, however, we would also like to thank those involved for their acknowledgement; for example, at paras 9 and 31, that work to address the lessons identified is already well underway.

We further are grateful for the acknowledgement that many of the concerns raised can be, and will be, resolved if we address them comprehensively in the setting up of implementation for the new Strategic Plan, which begins in 2014. We note that despite the then Director of the Division for Oversight Services' original recommendation in 2011 to not change the GRP before this audit was completed, reforms were instigated as a result of our own commitment to enhance this programme.

Audit Recommendation	Management Response	What will be done to implement?	Responsibility	By When?	Further Comments
• *Recommendation: Management should consider the most appropriate model for the GRP or any other programme that may replace it beyond 2013 to help UNFPA achieve the goals of its strategic plan, ensuring that the issues related to programme design; programme governance and management; and programme execution identified by the audit are addressed in an effective and sustainable manner.*	*Agree*	*As per below*	*OED, DED/P, DED/M, PD*	*June, 2013*	*In conjunction with the new Strategic Plan, a new GRP, or a subsequent program, will be established.*

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[41] Management's response, as received 29 January 2013, is included as provided, verbatim

	Audit Lessons	Management Response	What will be done to implement?	Responsibility	By When?	Further Comments
Programme Design	1. Enhance guidance and tools for defining outputs, indicators and activities and check-lists and other aids to facilitate the review of tools such as action and work-plans, including criteria to assess the feasibility, effectiveness and efficiency of proposed activities and evidence of situational/needs assessments.	Agree	• Revise and reissue the Monitoring Policy • Improved Results Frameworks under the next Strategic Plan • Continued strengthening of programme planning functions for the global and regional levels in particular	PD, TD and ROs	End 2013	Partially done already through revised CPAP and Annual Work Plan policies. We will also consider further action, in the areas of training, peer-reviews and other management reviews assisted by checklists / validation tools, etc.
	2. Include clear definitions of organizational strategies and define how to assess performance against those strategies, where possible quantifying metrics related to the use of such strategies. Map outputs and outcome areas against strategies to help identify whether there may be gaps or imbalances between the Programme as implemented and GRP strategies.	Agree.	• Strengthen in new Strategic Plan • Ensure this is addressed in the roll out of key global strategies such as the Family Planning strategy and the Adolescent and Youth strategy	Executive Committee, ROs, PD & TD	First half 2013	Partially implemented in the strategies referred to and being further implemented through their work plans. Specific consideration will be given to these matters in the design of strategies for Regional Programmes.

	Audit Lessons	Management Response	What will be done to implement?	Responsibility	By When?	Further Comments
Programme Design (Cont.)	3. Ensure that all capacity development activities (whether targeted at national capacity, i.e., government and other partners, or at UNFPA Country Office staff) be based on capacity assessments, and define metrics (baselines, targets and indicators) to demonstrate the needs and to measure progress.	*Agree.*	• *First step is the development of a Capacity Assessment Tool and then to ensure continuous monitoring of its use.*	*TD, ROs, DHR*	*End of 2013*	*We are aligning this to our strategic delivery as per comments above.* *We will also look to other UN organizations that may have useful tools as well. In particular, we are keen to learn from others as to how best to strengthen our capacity for "benefit measurement" including for so-called "up-stream work".*
	4. Implement processes for measuring benefits realized from the application of skills, knowledge and other resources acquired by national institutions, NGOs and partners through UNFPA funded capacity building activities. This is particularly important to measure the performance and results of the GRP or similar programmes, given the relevance of capacity development for achieving UNFPA's mission.	*Agree.*	• *We will strengthen significantly our Results Framework under the next Strategic Plan (SP)* • *Then, establish practical mechanisms, e.g., communities of practice, to encourage quality application of and reporting against that Framework.*	*TD, PD, ROs*	*End of 2013*	

	Audit Lessons	Management Response	What will be done to implement?	Responsibility	By When?	Further Comments
Programme Design (Cont.)	5. Collect feedback from COs regarding the relevance of the support received from global and regional levels with respect to capacity development to identify what worked well, preferred and most effective methods, etc. and use this feedback to plan capacity development activities globally and regionally.	*Agree.*	• *Implement a more comprehensive system for regular and structured giving and receipt of feedback* • *Enable, receive and respond to feedback on Lessons 3 and 4 above.*	*TD*	*By end of 2013*	*This reform is well underway with the introduction last year of UNFPA-wide Clusters for Women's Reproductive Health and Adolescent and Youth incorporating all levels of the organization. We have also taken focused and regularized steps to strengthen Field Support in very practical ways. Our Staff Survey results show good progress in these areas is being made.*
	6. Ensure that baselines and targets are defined on a timely basis, progress tracked and reported, and adjustments made as necessary (e.g., changes to targets as a result of funding changes) to help management better manage by results.	*Agree.*	• *Drafting Global and Regional Action Plans to implement our Results Framework starting with the Strategic Plan implementation as of 2014*	*PD*	*Beginning 2014 with preparatory work underway by end of 2013*	*This is a key aspect of the new Strategic Plan and its associated work planning, progress monitoring and reporting systems. Major strategies on Adolescents and Youth and on Family Planning are under implementation – in which baselines are being set and specific targets are being defined and for which progress will be tracked closely.*

	Audit Lessons	Management Response	What will be done to implement?	Responsibility	By When?	Further Comments
Programme Governance and Management	*7. Separate programme governance and management functions to help ensure there is an appropriate level of oversight to those implementing programmes.*	*Agree*	• *Clear roles defined for OED, DED/P, DED/M, Regional and Division Directors* • *A new Strategic Information System*	*OED, DED/M, DED/P, PD, DMS, RDs, EC*	*Mid 2013*	*Following a recent review of UNFPA's key global deliverables, the Executive Committee has taken on the key governance role for overviewing programme delivery and this is supported by a new project sponsor and manager system, and also supported by the new monitoring system.*
	8. Enhance reporting to governance and management bodies by presenting progress in terms of both expenditures (including budget to actual comparisons) and progress against goals and indicators, linking these where possible. In addition to donor or programme specific reports, report on both regular and non-core resources to provide a more holistic view of how the organization is allocating resources against priorities.	*Agree*	• *The Global Programme System (GPS) and the Strategic Information System (SIS) will support all fund-wide reporting*	*PD,DMS*	*End 2013*	*As per above.*

	Audit Lessons	Management Response	What will be done to implement?	Responsibility	By When?	Further Comments
Programme Governance and Management (Cont.).	*9. Share best practices in the use of Regional Advisory Groups to help encourage consistency and use across regions where these are not currently in full effect.*	*Agree*	• *ROS will be requested to systematically share their experiences and systems to aid this will be established*	*PD, ROs*	*First quarter 2013*	
	10. Clearly define management roles and responsibilities and accountability for the programme as a whole and for sub-programmes and consider whether the level of authority and time required for each role is appropriate to provide the desired level of management attention and oversight. Clarify the role and input of key management functions in programme implementation including those in operational/support roles, such as those under the Management Directorate. Also consider how roles and responsibilities inter-relate across HQ, ROs, and SROs.	*Agree*	• *Clear roles defined for OED, DED/M, DED/P, Regional and Division Directors* • *A new Strategic Information System*	*OED/EC*	*Mid 2013*	*We are now in a much better position to delineate clearer responsibilities for our Regional Offices with these being more fully established. Specific reporting mechanisms will be set up to better realize the benefits of their roles and this will be further supported by the strengthened role of the Executive Committee where the Regional Directors are making a key contribution.*

	Audit Lessons	Management Response	What will be done to implement?	Responsibility	By When?	Further Comments
Programme Execution	11. Strengthen processes for the allocation of funds across GRP components to create an environment that supports clear, rational, and objective criteria, as well as transparency in the funding allocation process.	Agree.	• Development and approval of new proposals for and guidance on resource allocation, relevant to the new Strategic Plan.	PD, DMS	Beginning of new Strategic Plan cycle	This is underway, building on work begun in 2012, with new systems to be proposed this year for implementation under the new Strategic Plan
	12. When additional funding is received or when anticipated funding amounts change, consider and document the potential impact on the achievement of the intended results.	Agree.	• Recipient units will revise their results framework, e.g., targets etc. accordingly.	All GRP recipient divisions, DMS and reported to the EC	Ongoing	-

	Audit Lessons	*Management Response*	*What will be done to implement?*	*Responsibility*	*By When?*	*Further Comments*
Programme Execution (Cont.)	*13. Undertake a mapping of all current reporting mechanisms (the 'as-is' status) and compare to an analysis of comprehensive reporting requirements addressing the information needs of all key stakeholders. Enhance the usefulness and consistency of results reports by including standard components such as: actual results achieved, i.e., the indicator against the baseline and the target; commentary on any shortfalls or factors that have impacted the result; expenditure data, compared to budget, for all funding sources to ensure transparency; lessons learned in a format that can be compiled and shared.*	*Agree.*	• *The GPS/SIS will rationalize information requirements.* • *Existing reports, e.g., COAR, continue to be fine-tuned.* • *The adjusted current Strategic Plan, after the mid-term review, emphasised the importance of streamlining and steps have already been taken to this end*	*OED, PD*	*Ongoing*	*-*

Audit Lessons		Management Response	What will be done to implement?	Responsibility	By When?	Further Comments
Programme Execution (Cont.).	14. Consider introducing appropriate assurance controls over results reporting. The assurance control requirements will vary according to the type of report, and could include external audits or reviews; peer reviews; Regional Office reviews; and/or internal audits.	Agree.	• A process will be established for the review of reports, including the reconciliation of financial figures and the validation of non-financial measures to appropriate supporting evidence.	DOS, ROs, all Units receiving GRP (or its substitute) funds, x		This process could include independent /peer reviews within the business units and divisions originating the information; reviews by regional offices; reviews by the Division of Oversight Services and selective external audits of the reports.
	15. Consider strengthening the processes and systems that impact the quality of programmatic and financial reporting of programme activities and expenditures to help ensure that data is consistent, accurate, and complete, and that analytic tools can provide meaningful analysis and management decision-making data.	Agree.	• Significant emphasis will be placed on improving these aspects comprehensively under the new Strategic Plan and its associated implementation and monitoring systems.	PD, DMS	Beginning of new Strategic Plan cycle	A new Global Programing System within Atlas will improve the set-up of projects & will enable a more appropriate level of financial and programmatic monitoring.

Appendix II – List of Acronyms

ARM	Archive and Records Management
ARO	Africa Regional Office
AWPs	Annual work plans
BOP	Branch Operating Plan
BSB	Biennial Support Budget
CO	Country Office
COAR	Country Office Annual Report
CP	Country Programme
CPAP	Country Programme Action Plan
CSB	Commodity Security Programme
CSO	Central Statistics Office
CSTs	Country Technical Services Support Team
DED-M	Deputy Executive Director – Management
DED-P	Deputy Executive Director – Programme
DHR	Division for Human Resources
DMS	Division of Management Services
DOP	Division Operating Plan
DOS	Division for Oversight Services
DRF	Development results framework
EAP	External Advisory Panel
EB	Executive Board
EC	Executive Committee
EO	Executive Office
ERP	Enterprise Resource Planning
FBO	Faith-based Organization
GD	Geographical Division
GHRCB `	Gender, Human Rights, & Culture Branch
GNI	Gross National Income
GPRHCS	Global Programme to Enhance Reproductive Health Commodity Security
GRP	Global and Regional Programme
HRB	Humanitarian Response Branch
HQ	Headquarters
ICP	InterCountry Programme
ICPD	International Conference on Population and Development
IERD	Information and External Relations Division
IPs	Implementing Partners

LAC	Latin America and the Caribbean
LACRO	Latin America and the Caribbean Regional Office
LMRR	Lifetime Risk of Maternal Death
MDGs	Millennium Development Goals
MHTF	Maternal Health Trust Fund
MRF	Management results framework
MTR	Mid-term review
NDPs	National development plans
NEX	National execution
NGOs	Non-governmental organizations
NSO	National Statistical Office
OC	Operations Committee
OED	Office of the Executive Director
OMP	Office Management Plan
PAD	Performance appraisal and development
PD	Programme Division
PMBOK	Project Management Body of Knowledge
PMU	Program Monitoring Unit
PPP	Purchasing power parity
PRC	Programme Review Committee
RBM	Results-based management
RDs	Regional Directors
RFP	Request for Proposal
RH	Reproductive Health
RO	Regional Office
ROAR	Regional Office Annual Report
SPRs	Standard Progress Reports
SRH	Sexual and reproductive health
SRO	Sub-Regional Office
TD	Technical Division
TORs	Terms of Reference
UBW	Unified Budget Work plan
UNFPA	United Nations Population Fund
WB	World Bank
WGI	Worldwide Governance Indicators
YTD	Year-to-date

Appendix III – Audit Observations Mapped to previous UNFPA Evaluations and Reviews

	Audit Observation	Regional Audit (AON report)	InterCountry Programme Evaluation[42]	MTR Africa Region[43]	MTR Technical Division[44]	MTR of Strategic Plan[45]	MTR LACRO[46]
1	Linkages between the strategic plan, the GRP Executive Board submission and the GRP strategies, outcomes, activities and indicators were weak				X	X	
2	The role, strategy and intended outcomes of the GRP with regards to capacity development were not clearly defined	X	X		X		
3	There were delays in establishing baselines and targets			X		X	
4	Programme governance and management were not clearly delineated and separated		X				
5	Management accountability for the programme was not clearly defined	X	X				
6	Roles and responsibilities across HQ, Regional and Sub-Regional Offices may not have been clear in relation to GRP implementation	X	X	X			X
7	UNFPA lacks a strong programme management methodology	X	X	X			X
8	The approach to plan, execute, and report on an annual basis may have limited the effectiveness of the GRP			X	X	X	
9	The process for fund allocation across GRP projects was not clear	X					
10	Reporting processes and tools were not sufficient to allow management to report on and monitor GRP performance and expenditures and make links between financial decisions and GRP results	X		X	X		X
11	There was no clear process in place for tracking the implementation of audit and evaluation recommendations						
12	There was limited ability to measure and demonstrate the results and impact of the GRP	X			X		
13	The final expenditures of the programme were USD x (%) more than those originally approved by the Executive Board		X				
14	The actual allocation of funds for the Global and Regional Programme components was different from the allocation approved by the Executive Board		X				
15	The GRP evolved into a hybrid of programmatic activities and operational support costs	X	X	X			

[42] Beck, Mendelsohn, McDonald, and Shepard, *Evaluation of the UNFPA InterCountry Programme 2004-2007*, 28 June 2007
[43] Morah, *Report of the Mid-Term Review of the Africa Regional Programme 2008-2011*, 20 November 2010
[44] Shepard, Social Sectors Development Strategies, *Mid-Term Review of UNFPA Technical Division's Global Programme*, 17 February 2011
[45] United Nations, Executive Board of the United Nations Development Programme and of the United Nations Population Fund, DP/FPA/2011/11, *United Nations Population Fund, Midterm review of the UNFPA strategic plan, 2008-2013*, 26 July 2011
[46] *Mid-Term Review of UNFPA Regional Programme for Latin America and the Caribbean 2008-2011*, March 2011