



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

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5 to 9 June 2023, New York

Item 1 of the provisional agenda

Organizational matters

**Report of the first regular session 2023
(30 January to 3 February 2023, New York)**

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I. Organizational matters

1. The first regular session 2023 of the Executive Board of UNDP, UNFPA and UNOPS was held in person at United Nations Headquarters in New York from 30 January to 3 February 2023. The newly elected President of the Board welcomed delegations and thanked the outgoing President and Vice-Presidents for their leadership and commitment to the work of the Board in 2022. He congratulated the new members of the Bureau on their election.

2. In accordance with rule 7 of the rules of procedure of the Executive Board, the Board elected the following members of the Bureau for 2023:

| | | |
|-----------------|------------------------------|--------------|
| President: | H.E. Mr. Martin Kimani | (Kenya) |
| Vice-President | H.E. Mr. Muhammad Muhith | (Bangladesh) |
| Vice-President: | H.E. Ms. Maritza Chan | (Costa Rica) |
| Vice-President: | H.E. Mr. Sergiy Kyslytsya | (Ukraine) |
| Vice-President: | H.E. Mr. Feridun Sinirlioğlu | (Türkiye) |

3. The Executive Board approved the agenda and workplan for its first regular session 2023 (DP/2023/L.1) and approved the report of the second regular session 2022 (DP/2023/1) and the report of the special session 2022 (DP/2023/2). The Board adopted the annual workplan for 2023 (DP/2023/CRP.1) and approved the tentative workplan for the annual session 2023.

4. Decisions adopted by the Executive Board in 2022 appeared in document DP/2023/4, which was available on the [Executive Board website](#).

5. The Executive Board agreed in decision 2023/5 to the following schedule for future sessions of the Executive Board in 2023:

| | |
|------------------------------|-------------------------------|
| Annual session 2023 | 5 to 9 June 2023 (New York) |
| Second regular session 2023: | 28 August to 1 September 2023 |

Statement by the President of the Board

6. The President said Member States had to commit to the United Nations three main pillars – human rights, peace and security, and development – as complimentary aspects of United Nations policy. Board deliberations and decisions directly impacted UNDP, UNFPA and UNOPS development mandates; the Board’s duty was to support them in responding to Member States’ needs. The Board’s quality of governance and support enabled the organizations to be effective in working to achieve the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (the Goals). While reviewing their strategic plans, programmes and approaches, the organizations had to contend with regular (core) budget cuts. He urged delegations to re-energize their commitments through increased regular funding. Board work was critical to ensuring accountability, transparency and effectiveness; available resources had to be used effectively to achieve measurable development impact. Board deliberations contributed to the ambition of the second SDG Summit in September 2023 and built momentum for the future.

Joint segment

II. Update on UNDP, UNFPA and UNOPS engagement with the international financial institutions

7. The Director, Bureau for External Relations and Advocacy, UNDP, the UNFPA Deputy Executive Director (Programme), and the Special Advisor to the Executive Director, UNOPS, provided updates on their organizations’ engagement with the international financial institutions (IFIs), in line with Executive Board decision 2022/14.

8. Delegations welcomed cooperation between the United Nations organizations and the IFIs for a more effective, efficient global development system and sharing of lessons, and encouraged deepened collaboration, including through innovative financial instruments such as the Sustainable Development Goals, blue and green bonds. The organizations were urged to address gaps and obstacles to joint efforts. One delegation called on Member States to advocate for enhanced partnerships between United Nations organizations and IFIs through their IFI board governing bodies and ongoing IFI partnerships, and urged donors to continue financial support, particularly through regular and other funding.

9. A group of delegations stressed the importance of tangible results on the ground, particularly for the most vulnerable. Collaboration was supplementary and synergistic rather than substitutive for traditional donor funding. The organizations were urged to keep diversifying their funding base and build financial resilience – a full range of financial instruments between the United Nations and multilateral development banks was needed to scale up investments and achieve the Goals. Protecting development gains against increasing fragility and conflict was key, and increasing IFI involvement in the common country programming process offered an opportunity to deepen relationships and capitalize on comparative advantages. They welcomed the organizations' clear outline of support needed from Member States and indicated Member States would support better collaboration between the organizations and IFIs in the governing boards and leverage their own partnerships with IFIs to strengthen collaboration.

10. In response, the Director, Bureau for External Relations and Advocacy, UNDP, said examples of catalytic work with innovative instruments were available on the UNDP website. Despite the United Nations and UNDP having delivered on Global Compact commitments, donors had reduced funding and its quality; flexible, quality funding enabled strategic partnerships to act quickly, particularly in crisis settings, and do more strategic policy work with IFIs. Reducing regular resources made United Nations organizations project implementors for IFIs, detaching them from their mandates and Board guidance on their strategic plans.

11. The UNFPA Deputy Executive Director (Programme), providing examples of how the most vulnerable groups were reached through its programmes, said that UNFPA would continue to identify and address bottlenecks in joint efforts, while recognizing national rules. At the country level, she highlighted the role of United Nations country teams and the resident coordinator in working together and triangular cooperation and government participation to balance risks.

12. The Special Advisor to the Executive Director, UNOPS, said that while UNOPS was not consistently engaged in country programming processes. It could share lessons in infrastructure and procurement.

13. The Board took note of the update on UNDP, UNFPA and UNOPs engagement with the international financial institutions.

III. Recommendations of the Board of Auditors

14. The Director, Bureau for Management Services, UNDP, presented the UNDP report on the status of implementation of the recommendations of the United Nations Board of Auditors (BOA), 2021 (DP/2023/5). The Officer-in-Charge of UNCDF presented the UNCDF report on the implementation of the recommendations of the United Nations Board of Auditors (DP/2023/6). The UNFPA Deputy Executive Director (Management) presented the UNFPA report on the implementation of the recommendations of the United Nations Board of Auditors, 2021 (DP/FPA/2023/1). The Special Adviser to the Acting Executive Director of UNOPS presented

the UNOPS report on the implementation of the recommendations of the United Nations Board of Auditors, 2021 (DP/OPS/2023/1).

15. Delegations welcomed the unqualified audit opinions for all four entities for 2021, acknowledged their progress addressing the findings and implementing BOA recommendations, and encouraged their efforts to implement recommendations. Some delegations highlighted the independent BOA role ensuring transparency and trust between the organizations and their boards. They encouraged BOA to include, as in pre-2018 reports, key findings and recommendations related to specific units and country offices audited, to enhance transparency and assurance, as Member States had agreed not to conduct or commission their own independent audits of the respective contributions to United Nations organizations. They emphasized the importance of strengthening risk management and internal controls.

UNDP

16. A group of delegations welcomed UNDP progress implementing BOA recommendations in integrating sustainability in procurement and establishing pricing levels for cost recovery in service-level agreements. They welcomed UNDP integrating BOA recommendations in its new procurement strategy, which should be publicly available. They expressed concern, however, that internal financial controls had been a recurring issue, underscoring the 2018 recommendation for better internal financial control and greater emphasis on long-standing recommendations on fraud prevention. They welcomed additional data on reported fraud or presumptive fraud cases, including year-by-year comparative data, noting the management accountability framework did not include country offices. UNDP was encouraged to develop a more harmonized oversight system with guidelines on roles and responsibilities. UNDP was further encouraged to update its accountability system and corporate accountability framework, taking a risk-based approach to ensure internal controls and assurance systems. They welcomed more detailed information on steps and timely completion of performance reviews. On implementing the recommendation on controls for Global Environmental Facility (GEF) projects, UNDP should address shortcomings, as related issues would be covered in the GEF action plan and status report on audit findings.

UNCDF

17. Delegations welcomed the UNCDF unqualified audit report and closing of audit recommendations for 2021 and previous periods. A group of least developed countries (LDCs) commended UNCDF for improving financial management, transparency and accountability. They expressed concern, however, over declining regular resources. They stressed the importance of building resilience in LDCs through stepped-up capacity-building and finance for adaptation to climate change, including through comprehensive multi-stakeholder, resilience-building measures, leveraging the Green Climate Fund (GCF). Sufficient, predictable, regular, unearmarked resources were critical for UNCDF to bring its unique investment expertise to LDCs, create synergies with country teams to mobilize resources, and exercise flexibility supporting national development priorities. Oversight and financial management were essential. Due to conflict, COVID-19, and climate change on achieving the Goals in LDCs, they urged Member States to renew support so UNCDF could play its unique role as catalytic financier for LDCs.

UNFPA

18. Delegations appreciated the high rate of UNFPA implementation of BOA recommendations in the three preceding years, noting that progress in addressing 2020 recommendations on implementing supply-chain management would involve operationalization of the enterprise resource planning system and establishment of a new supply chain management unit. They welcomed activities to address recommendations from the 2021 BOA report, including in strategic planning. While acknowledging efforts to strengthen oversight and control of agreements

that country offices had with implementing partners, they expressed concern that lack of approved agreements and amendments posed a greater problem than captured in the report, citing the cases of country offices in Lebanon and the Democratic Republic of the Congo. They emphasized the importance of proper staffing and filling vacancies in a timely manner.

UNOPS

19. A group of delegations recognized the unqualified opinion on UNOPS activities for 2021, with “emphasis of matter” related to its sustainable investments in infrastructure and innovation (S3i) initiative. They appreciated the revision of the cost recovery model for management fees and assurances it would be updated at least biannually. However, concern was expressed with findings regarding weaknesses in decision-making, management and internal controls for the projects We are the Oceans and Ocean Generation. They also noted the findings regarding human resources, that 87 per cent of UNOPS personnel were individual contractor agreement holders, and 40 per cent of “business-critical roles” were performed by individual contractor holders. UNOPS was strongly encouraged to ensure all positions that entailed “inherently United Nations activities” were filled by staff members.

20. One delegation said in UNOPS previous pricing model the historical increase in delivery of its operations far exceeded management expenses. The updated cost recovery policy, expected to significantly narrow the gaps, should be reflected in future reports. UNOPS was asked for an assessment of the viability status of the \$63 million total investment, potential development results and impact, and possibilities of recovering the funds should they prove a poor investment.

21. In response, the Director, Bureau for Management Services, UNDP, said roll-out of the new enterprise resources planning system – Quantum – would play a critical role improving internal control implementation and compliance, strengthen preventative control, and enable better transaction-level controls. UNDP would continue engaging the auditors as Quantum stabilized and refer year-by-year comparisons and data on fraud, and presumptive fraud, to the Office of Audit and Investigation (OAI), presenting its findings at the annual session 2023. UNDP management was finalizing approval for a technical update of the management accountability framework. Following a Joint Inspection Unit study on accountability systems, management would revert with an update. UNDP management had developed a new performance management development compliance dashboard allowing personnel and managers to monitor performance and goal-planning status.

22. The Officer-in-Charge, UNCDF, reiterated the importance of core funding for UNCDF as a normative organization that sought to work with financing for development and de-risking of development. Core funding was needed to support its three core functions: innovation, oversight, and support to the resident coordinator and United Nations country teams.

23. The UNFPA Deputy Executive Director (Management) said the recent introduction of Quantum was expected to address delegations’ concerns. Not all positions in the Supply Chain Management Unit had been filled because job descriptions were being reviewed and updated as the unit’s work was observed for possible adjustment. UNFPA had introduced a risk management framework in 2016 and an enterprise risk management policy in 2022, further strengthening its risk management. A chief risk officer position was created to advise the Executive Director on managing risks. On the issue of implementing partner cases in Lebanon and the Democratic Republic of Congo, recommendations had been implemented, and UNFPA was strengthening country offices’ engagement with implementing partners. The number of vacancies fell from 17.8 per cent in 2021 to 12.9 per cent in 2022.

24. The Special Adviser to the Acting Executive Director, UNOPS, said UNOPS had taken the first steps to address its cost recovery policy, setting its net revenue base to zero (ideally on an

annual basis) as a mechanism to avoid undue accumulation of reserves. UNOPS would present its plan to improve its financial regulations and rules at the second regular session 2023. On the We Are The Oceans challenge, UNOPS was awaiting finalization of a forthcoming report, whose recommendations would be taken into consideration and, as appropriate, incorporated in its response. The issue of UNOPS personnel not under staff contract was under review and the Board would receive a progress report in 2024. As part of the comprehensive response plan, UNOPS was setting measures to improve risk management. On debt allowance and impairments, an assessment study had been commissioned that would provide better understanding. He explained that the \$8.0 million for work on recovery of funds undertaken through the United Nations Office of Legal Affairs (OLA) was not a fee.

25. The Director of External Audit of China, United Nations Board of Auditors, and lead auditor for UNOPS, said BOA had conducted two audits every year – interim and final. BOA observed that UNOPS implementation rate of audit recommendations had increased from 33 per cent in 2020 to 53 per cent in 2021. As for the remaining 45 recommendations to the end of 2021, progress was noted in the internal audit of October 2022. These implementation rate figures would be updated on completion of the BOA audit, to be submitted to the General Assembly in July 2023.

26. The Executive Board adopted decision 2023/1 on the recommendations of the Board of Auditors.

IV. Follow-up to UNAIDS Programme Coordinating Board meeting

27. The Director, Bureau of Policy and Programme Support, UNDP and the UNFPA Deputy Executive Director (Programme) presented the joint report on the implementation of decisions and recommendations of the Programme Coordinating Board of the Joint United Nations Programme on HIV/AIDS (DP-FPA/2023/1), followed by introductory remarks by the Deputy Executive Director, Programme Branch, UNAIDS.

28. Delegations commended UNDP and UNFPA as critical partners and co-sponsors of the Joint Programme. Concerns were raised, however, over the significant shortfall in funding of UNAIDS. It was imperative UNAIDS be fully funded at a level that allowed the Joint Programme to support countries and communities to meet the targets set in its global AIDS strategy, 2021-2026.

29. A delegation highlighted UNDP and UNFPA work on livelihoods and well-being of persons living with HIV; HIV prevention; human rights, stigma and discrimination. Concern was raised that UNAIDS funding situation would jeopardize UNDP and UNFPA work on HIV and sexual and reproductive health and rights. UNDP and UNFPA should continue prioritizing the HIV response within the global strategy, maintain specialized staff, and continue their division of labour. They should also continue pursuing sustainable financing of the Joint Programme with the UNAIDS secretariat; illuminate the financial relationship between UNAIDS and co-sponsors; and indicate how funding declines affect UNDP and UNFPA HIV initiatives and how to prevent or mitigate consequences. Another delegation asked whether gender-transforming technologies were used in the global fight against HIV, especially for key populations in LDCs, and what lessons learned could be shared.

30. Another delegation, disagreeing with UNAIDS-promoted approach, which implied a fixation on ‘key populations’, recalled its earlier reservations at the 2021 regular session of the UNAIDS Programme Coordinating Board, saying the global strategy and Political Declaration on HIV/AIDS contained unacceptable language on decriminalization and legalization of prostitution and drug use and promoted what it considered objectionable comprehensive sexuality education (CSE) programmes for children. It urged the organizations to focus on strengthening capacities of medical systems in developing countries and prevention of HIV among youth. It sought

clarification on whether UNDP, in its ‘transforming masculinities’ programmes, conducted campaigns to prevent risky behaviours vis-à-vis the spread of HIV. Noting a reference in the report providing social protection and financial assistance to sex workers, it asked whether the Fund was conducting or planning such programmes, and how they tallied with its zero tolerance policy for sexual exploitation.

31. Delegations noted the need for the global strategy and UNAIDS to consider cultural specificities, diversity of populations and their unique needs, as well as national laws. One delegation emphasized an effective HIV response needed to acknowledge the centrality of CSE and recognize sexual orientation and gender identity in provision of services to end transmission.

32. In response, the Director, Bureau for Policy and Programme Support, UNDP, said HIV prevention was a priority in all UNAIDS and UNDP work and the HIV/AIDS response was multidimensional; the co-sponsors viewed this as a health and development issue, with underlying structural issues, such as inequality. He affirmed the Joint Programme worked with sensitivity, in national laws and processes, in close cooperation with Governments, civil society and partners.

33. The UNFPA Deputy Executive Director (Programme) said UNFPA was making concrete progress through technology-facilitated programmes addressing gender-based violence and CSE. She welcomed the encouragement to prioritize HIV work and address the social challenges of CSE while respecting cultural sensitivities and national laws. She expressed appreciation for donor support critical for women and girls alongside the difficulties from funding shortfalls.

34. The Director HIV/AIDS, Health and Development Group, UNDP, explained – regarding the financial relationship between UNAIDS and its co-sponsors – that the unified budget, results and accountability framework was the vehicle to respond to HIV/AIDS in a coherent, coordinated manner across the United Nations system, and that a fully funded framework for 2023 and the next biennium would enable the organizations to keep UNAIDS on track for the 2025 targets.

35. The Global Coordinator on HIV/AIDS, UNFPA, reiterated the importance of funding to ensure the organizations could catalyse work on HIV and sustainably reach those furthest left behind.

36. The Deputy Executive Director, Programme Branch, UNAIDS, stressed the urgency for Member States to double down on investment to UNAIDS.

37. The Executive Board took note of the joint UNDP and UNFPA report on the implementation of the decisions and recommendations of the Programme Coordinating Board of UNAIDS (DP-FPA/2023/1).

V. Protection against sexual exploitation and abuse and sexual harassment

38. The Director, Bureau for Management Services, UNDP, the UNFPA Deputy Executive Director (Management) and the Special Adviser to the Acting Executive Director, UNOPS, presented the update on protection against sexual exploitation and abuse and sexual harassment, in accordance with Board decision 2022/2.

39. A group of delegations underlined the responsibility of Member States and United Nations organizations to create a safe, respectful, trustworthy workplace culture. One, they stressed the need to surpass quantitative data and focus on results measured qualitatively – measuring accountability and culture change, operationalizing a victim-survivor-centred approach, and implementing systems to prevent and respond. Two, they stressed the importance of a well-

coordinated United Nations system sexual exploitation and abuse and sexual harassment response, working with the United Nations Special Coordinator and Victims' Rights Advocate, and aligning sexual exploitation and abuse and sexual harassment metrics, indicators and reporting with existing data. Three, learning/feedback loops were key to ensuring data/lessons fed into decision-making and strategies. They asked how survivors' experiences were considered when measuring sufficiency and purposefulness of support; progress was tracked in strengthening mechanisms that held perpetrators to account; and investigative capacities were assessed in providing follow-up of victim-survivor-centred support in substantiated cases. They noted there was little indication of how UNDP, UNFPA and UNOPS sought to establish a 'speak-up culture' and no clear inter-agency cooperation to strengthen implementing partners' sexual exploitation and abuse and sexual harassment capacities.

40. Other delegations welcomed the two new UNDP indicators to measure the presence of country office action plans and prevention and response systems and urged UNDP to develop additional indicators to measure implementation and gauge quality and effectiveness. Commending UNFPA for the internal review of its implementation of the United Nations Protocol on Allegations of Sexual Exploitation and Abuse involving Implementing Partners, they sought clarity on barriers UNFPA faced assessing implementing partners and risk mitigation measures, especially for partners who did not meet minimum standards. It was expected that in hiring a full-time sexual exploitation and abuse and sexual harassment coordinator and additional staff, UNOPS would re-examine its strategic framework and internal systems to determine where additional progress metrics were needed. Delegations sought clarity on measures to ensure perpetrators were not hired or rehired in the United Nations system; implementing partners took appropriate action when sexual misconduct was reported; and what metrics were used to track implementing partners' progress.

41. In response, the Director, Bureau for Management Services, UNDP, cited different ways UNDP assessed the impact of sexual exploitation and abuse and sexual harassment activities. One was tracking reporting, showing if the system was trusted and working, and tracking how many people were reporting through staff surveys. Mechanisms were used to collect data that guided the UNDP strategy and action plan and highlighted activities in which to invest. An inter-bureaux task force led the development and steered implementation of the strategy and action plan, and a new guidance note was being developed for country offices. Likewise, a sexual exploitation and abuse and sexual harassment risk framework was being finalized to assess and mitigate risks. Mechanisms were in place to collect victims' feedback through staff counsellors, OAI, and office workplace facilitators in country offices. UNDP held perpetrators to account, terminating employment in substantiated cases, sometimes passing cases to national authorities. Perpetrators were put in ClearChecks to avoid rehiring. The iReport tracker was used for credible allegations, updated weekly, and checked for accuracy. Inter-agency collaboration was a priority. Corporately, UNDP was active at the High-Level Committee on Management working group/Chief Executives Board taskforce, and Inter-Agency Standing Committee (IASC).

42. The UNFPA Deputy Executive Director (Management) said UNFPA used surveys on the impact of working with implementing partners, and training focused on prevention, response and assistance in operationalizing its survivor-centred approach. UNFPA engaged in inter-agency collaboration, including through the IASC, where it coordinated a review on investigation standards to inform work on the survivor-centred approach and investigation standards. UNFPA led the inter-agency work in nine IASC priority countries, working on strengthening assistance to victims and survivors and providing holistic support. UNFPA participated in the inter-agency working group to rationalize and coordinate operationalization of the implementing partners protocol in a harmonized manner, and develop a sexual exploitation and abuse module and the United Nations Partner Portal. Responding to concerns about staff distrust of reporting mechanisms, UNFPA had formed an integrity group to enhance transparent communication and

established the post of victims-support focal point. UNFPA had achieved a high rate of coverage (81 per cent) in assessing implementing partners.

43. The Special Adviser to the UNOPS Acting Executive Director affirmed UNOPS commitment to zero tolerance on sexual exploitation and abuse and sexual harassment and highlighted key measures taken, including monitoring implementation of its action plan, sharing experiences with other organizations, placing new staff dedicated to supporting victims, following up on and guiding support services, and training personnel towards a culture shift that would make them comfortable with reporting on sexual exploitation and abuse and sexual harassment. The need for improved metrics was acknowledged; the presentation of the restated Strategic Plan, 2022-2025, at the annual session 2023 would provide an opportunity to present improvements.

44. The Executive Board took note of the update on protection against sexual exploitation and abuse and sexual harassment.

UNDP segment

Statement by the Administrator and interactive dialogue

Statement by the Administrator

45. In his opening remarks ([available on the UNDP website](#)), the Administrator highlighted ‘disruption’ as the backdrop of global development which in 2022 took the form of ‘poly-crises’ and uncertainty, creating a deep sense of insecurity globally. Despite this, UNDP posted the highest performance delivery of the previous 10 years and invested \$4.8 billion. Amid the lingering challenges and socioeconomic impacts of COVID-19, UNDP mobilized \$2.6 billion in reprogrammed, repurposed, additional funding for COVID-19 response and recovery. He highlighted the UNDP role in assisting developing countries in development financing, investing in the 2030 Agenda and achieving the Goals, including through UNDP accelerator labs and development solutions and alternatives based on global good practices.

46. As the development programme of the United Nations, UNDP in 2022 remained a trusted, accountable, transparent institution – rated among the top in transparency surveys, with a record 17 years of unqualified opinions of its financial statements by the United Nations Board of Auditors. Highlighting the UNDP crisis offer, and reflecting on the international community’s shortfalls in responding to emergencies and causes of conflict, the Administrator stressed the need for a paradigm shift and emergency responses linking the humanitarian, political and development dimensions. He cited UNDP efforts, with the United Nations High Commissioner for Refugees (UNHCR) and others, to find better ways to protect and support people, such as in Haiti, Pakistan, Ukraine and Yemen.

47. The Administrator warned of an unfolding economic, financial and debt crisis as the greatest development risk of 2023, pointing to 51 countries in debt distress. Working with partners, including the G-20, the UNDP Sustainable Development Finance Hub established in 2019 provided support in four flagships: (a) integrated financing frameworks, which supported 86 countries reviewing finance situations and developing financial strategies; (b) insurance and risk financing, where UNDP established its Insurance and Risk Finance Facility and was working with partners in the Insurance Development Forum in 40 countries, exploring the potential of insurance in responding to climate risks; (c) Tax for SDGs, working to add revenue to Governments, including its partnership on Tax Inspectors without Borders; and (d) technology and digitalization, where UNDP was a key partner on future development with digitalization. UNDP was a co-host of the Digital Public Goods Alliance which led mobilization of \$295 million pledged to support implementation of inclusive digital public infrastructure. He assured the Board that leaving no one behind was central to UNDP Strategic Plan, 2022-2025.

48. UNDP was focused on being a responsive, agile, modern public institution. Its new enterprise resources planning system – Quantum – would make UNDP more transparent and accountable, able to report on results and resources at the highest standards of reporting for audit and oversight. Its People for 2030 strategy, initiatives and pioneering approach to human resources management, established UNDP as an employer of choice. UNDP continued to be a preferred partner of multilateral development facilities, such as GCF and GEF. He expressed disappointment, however, at the 2022 decline in regular resources and anticipated further drop. Continued decline jeopardized UNDP ability to uphold its promise to deliver and was symptomatic of a deeper challenge facing development cooperation/financing: whether the international community fully understood the centrality of development cooperation to humanity's future in light of the Goals. The development financing crisis was also symptomatic of eroded understanding and confidence in the United Nations development promise.

49. Members of the Bureau of the Board emphasized the need for the highest levels of cooperation and solidarity among Member States and United Nations organizations to break paralysis and set a new course for rebuilding. They appreciated the UNDP strategic focus on advocating for equitable, green, digital, resilient recovery and affirmed that issues should be tackled holistically, grounded in leaving no one behind. UNDP should continue to find new tools and instruments to focus on the root causes of marginalization.

50. Across the board, delegations commended UNDP for its strong performance and delivery supporting programme countries while facing difficult conditions due to “poly-crises”. They recognized the interconnectedness of crises, how countries were affected differently, and the importance of international solidarity, partnership and multilateralism. All expressed concern with the two-year decline in the global human development index as a setback to achieving the Goals, and the decline in regular resources, despite programme countries' expressed needs for UNDP continued support. Predictable, regular resources were crucial to enable UNDP to respond effectively. UNDP was encouraged to strengthen cooperation with IFIs and private sector to expand its donor base.

51. Delegations expressed support for the UNDP Strategic Plan, 2022-2025, its principle of leaving no one behind; innovative, catalytic, integrated, impact cascading approaches; and integrator role. On the UNDP crisis offer, the humanitarian response should go hand-in-hand with investments in development, and UNDP should remain operationally agile and equipped with modern implementation mechanisms to support recovery, especially in special situations. Delegations appreciated UNDP focus on digitalization and technology for inclusive development and leaving no one behind, and its role developing new technologies for inclusive, resilient business models. Concerned with debt and financing of the Goals, they welcomed UNDP support developing innovative funding and financing tools.

52. A group of middle-income countries (MICs) proposed the use of multidimensional indices instead of gross domestic product per capita to categorize countries' economic status, better reflect reality and complex vulnerabilities, and allow access to concessional financing. They looked forward to the Secretary-General's mapping exercise for a detailed overview of support available to MICs.

53. Another group encouraged UNDP to prioritize support to developing countries to accelerate implementation of the Goals by helping to: (a) ensure access to COVID-19 vaccines and make vaccinations and treatments universal; (b) bridge the financial gap to boost economic recovery, including increased official development assistance, concessional finance, and a comprehensive, inclusive debt solution framework; (c) work to reform international financial architecture to ensure participation of developing countries in international economic decision-making; (d) support full implementation of the climate agenda; and (e) mobilize investment in sustainable, resilient infrastructure, promote technology transfer and capacity-building, build sustainable, diversified global supply chains, and link developing countries to value chains.

54. Delegations commended UNDP for its partnership in national development programming. National capacities needed strengthening to implement and monitor innovative instruments, particularly for integrated financing frameworks. They stressed the principles of respecting national development priorities and ownership. They urged UNDP to support and participate in South-South and triangular cooperation, including through the Global Development South-South Cooperation Fund. UNDP was also encouraged to mainstream human security.

55. Delegations asked how UNDP would address the regular resources decline on its oversight and accountability systems and support to implementing partners; assist countries in vulnerable contexts to alleviate the impact of refugees on sustainable development and advance the humanitarian-development-peace continuum; and develop its business model and balance its services while maintaining a qualified, motivated workforce. Delegations sought an update on the joint timeline for review of the cost recovery policy and monitoring framework to determine the impact of country teams. They asked how leaving no one behind applied to UNDP collaboration with IFIs and if UNDP would conduct an evidence-based analysis of leaving no one behind, building on the recent evaluation.

56. On the principle of leaving no one behind, one delegation encouraged UNDP, in working with NGOs, to adhere to national development priorities in expanding access to basic services for those left behind. The delegation noted that the intersectionality approach prioritized support to marginalized populations, and expressed concern that UNDP may be exclusively serving the interest of minorities, instead of working for common, shared development goals. The delegation queried whether UNDP would conduct an evidence-based analysis of the approach compared to others. It expressed objection to classifying countries according to “degree of repressiveness”.

57. In response, the Administrator stressed the importance of linking UNDP work to the development mandate of the United Nations system and critical global events. Beyond reporting on aggregate figures, targets and indicators, the SDG summit needed a strong narrative with a meaningful picture of countries’ experiences, successes and failures with the impact of multiple crises on the Goals. The summit should reaffirm the continued relevance and validity of the Goals and 2030 Agenda, despite setbacks in recent years. UNDP would continue putting forward tools and analysis in collaboration with the United Nations system to better inform SDG summit deliberations.

58. On funding, the real discussion was about development finance. In 86 countries, UNDP and 17 partners in the United Nations system, IMF and World Bank were helping countries develop financing strategies for their Goals and nationally determined contributions, exploring all sources of finance. Improving taxation and enlarging fiscal space were not alternatives to the international community investing in development transformation, which enabled countries to pull out of debt. The integrated national financing framework was a tool to help countries identify priorities for fiscal reform and finance mobilization. On stimulus for the Goals, the aim was to link discussions on the economic, financial and debt crises to those in the SDG summit. Regarding the G-20, the Secretary-General and UNDP would contribute to the agenda and process.

59. UNDP was working on a multidimensional vulnerability index that went beyond gross domestic product. In complex crises where insecurity, risks of alienation, and radicalization prevailed, and authorities could not deliver basic social services, UNDP was committed to delivering through risk-informed, scaled-up stabilization and recovery programming. UNDP worked with humanitarian-development-peace actors and local partners to preserve development gains, restore hope, and offer development pathways out of fragility. Investing in development offered the most effective approach to conflict prevention and peacebuilding, especially where securitized responses to crises were costly, less effective, or counterproductive. On countries hosting refugees, UNDP, in partnership with UNHCR, was working with local authorities and host communities to provide basic services and livelihood opportunities.

60. Given the evolving UNDP business model, he would revert to the Board with proposals and new initiatives in 2023. However, with a 4 per cent cut of its institutional budget, UNDP could do little more. Funding was not the issue. Billions had been spent on domestic energy crises, COVID-19 stimulus packages, and conflict. A political and strategic choice was needed on financing for development; the more fundamental issue was the United Nations funding compact was broken. The UNDP situation was only symptomatic; if continued, it would have adverse implications for the UNDP workforce, offices and projects. He urged Member States to stay focused on the bigger picture.

VI. Human Development Report

61. The Director, Human Development Report Office, UNDP, presented the oral report on consultations that informed the *Human Development Report 2021/2022*.

62. Member States were encouraged to support the office in enhancing UNDP thought leadership and strengthening its multi-stakeholder engagements for knowledge products. Interest was expressed in the assessment of the impact of digital transformation and best practices on how the office's knowledge products fed into policy documents.

63. In response, the Director, Human Development Report Office, said the office would continue its multi-stakeholder consultations and was assessing the impact of digital transformation. Countries had used the office's work in framing approaches of their national programmes and policies with support from UNDP country offices.

64. The Executive Board took note of an update by the secretariat on consultations on the *Human Development Report*.

VII. Country programmes and related matters

65. The Associate Administrator, UNDP, introduced the item and provided an overview of 16 country programme documents, 1 common country programme document, and 1 multi-country programme document, of which 6 country programmes were for extensions. In turn, the regional directors for Africa, the Arab States, Asia and the Pacific, and Latin America and the Caribbean provided details from the regional perspectives.

66. Following adoption of the CPD for the Islamic Republic of Iran, concerns were raised over the country's judicial process, democratic space, and human rights situation. United Nations organizations were encouraged to articulate their contribution to gender equality and respect and promotion of human rights, including sexual and reproductive rights. Other delegations stressed the principle of national ownership and leadership, highlighting the broad consultative process in developing the country programme, and discouraged politicization of the programme and the Board's work.

67. Following adoption of the CPD extension for Afghanistan, a group of delegations condemned recent decisions made by the Taliban to ban girls and women from education and restrict their employment and movement; the group supported the inclusion of female staff in aid delivery.

68. The Executive Board, in accordance with its decision 2014/7, reviewed and approved the common country programme document for Cabo Verde (DP/FPA-ICEF/CCPD/2023/CPV/1), the country programme documents for the Central African Republic (DP/DCP/CAF/5), Gabon (DP/DCP/GAB/4), Nigeria (DP/DCP/NGA/4), São Tomé and Príncipe (DP/DCP/STP/4); Algeria (DP/DCP/DZA/4), Lebanon (DP/DCP/LBN/3), Morocco (DP/DCP/MAR/4); Islamic Republic of

Iran (DP/DCP/IRN/4), Nepal (DP/DCP/NPL/4), the Pacific islands countries (multi-country programme document) (DP/DSP/PIC/3); the Plurinational State of Bolivia (DP/DCP/BOL/4), Costa Rica (DP/DCP/CRI/4), the Dominican Republic (DP/DCP/DOM/4), Ecuador (DP/DCP/ECU/4 and Corr.1), Haiti (DP/DCP/HTI/4), and the Bolivarian Republic of Venezuela (DP/DCP/VEN/3).

69. The Executive Board took note of the first one-year extension of the country programme for Mauritania (DP/2023/7) and the first six-month extension of the country programme for Chile (DP/2023/7/Add.1).

70. The Executive Board approved the one-year extensions of the country programmes for Afghanistan, Brazil and Gambia from 1 January to 31 December 2023; the two-year extension of the country programme for Bahrain from 1 January to 31 December 2024; and the second six-months extension of the country programme for Papua New Guinea from 1 January to 31 December 2023, as presented in document DP/2023/7.

VIII. Evaluation

71. The Director, Independent Evaluation Office (IEO), UNDP, presented the results of the formative evaluation of the integration by UNDP of the principles of leaving no one behind (DP/2023/8). The Director, Bureau for Policy and Programme Support, UNDP, provided the management response to the evaluation (DP/2023/9).

72. Delegations welcomed the report and UNDP steps to address its recommendations. A group urged UNDP to do more to reach those furthest behind, fully integrate non-discrimination in policy and programmes, and focus on the intersectionality of drivers of inequality. More information was requested on workstreams to improve the results and impact of leaving no one behind. Several concerns were raised, including limited focus in programme implementation on reaching the furthest behind first; unclear criteria for prioritizing specific groups; and limited guidance and data applied to intersectionality. It was observed the five-factor framework tool had not trickled down to the field and was seldom used. UNDP was urged to clarify strategies and share and adapt them to country and regional challenges. UNDP was encouraged to accelerate portfolio approaches to ensure coherence and mainstreaming of leaving no one behind.

73. UNDP was also encouraged to demonstrate its commitment to diversity, equality and inclusion corporately, and asked if a results framework for People for 2030 would help address them in staff and if a framework could be developed within the existing cycle. UNDP was urged to close the gap between groups of people, and among countries; explore systemic solutions to strengthen integration; and rationalize resource allocation. An update to the UNDP metrics and learning agenda was welcomed to better consider leaving no one behind and target populations for programming. UNDP was asked to elaborate on its capacity and plans to address recommendations on integrating leaving no one behind in its work on equity, multidimensional poverty and sustainable integrated finance, and with the private sector.

74. In response, the Director, Independent Evaluation Office, UNDP, said targets and indicators in a results framework would help to address diversity, equality and inclusion in staff, and enhance People for 2030. The link could be made with the UNDP Strategic Plan, 2022-2025.

75. The Director, Bureau for Policy and Programme Support, UNDP, said a portfolio approach offered a more strategic systems angle, allowing UNDP to address complex issues across portfolios, which the UNDP Innovation Facility supported. On intersectionality and identifying those left behind, the multidimensional poverty index was used in more than 100 countries in COVID-19-response socioeconomic assessments. The portfolio approach called for multi-

stakeholder engagement, civil society participation, and partnership with Governments. Given budget constraints, UNDP had to allocate resources strategically. UNDP had developed a tool to map staff expertise and knowledge globally for effective capacity deployment.

76. The Executive Board adopted decision 2023/2 on the formative evaluation of the integration by UNDP of the principles of leaving no one behind and the management response thereto.

UNFPA segment

Statement by the Executive Director

77. In her address ([available on the UNFPA website](#)), the Executive Director noted that lasting peace required addressing the root causes of conflict and fragility. Often facing discrimination and deprived of their rights, women and girls bore the brunt of the impacts of conflict, climate change, food insecurity, economic crisis and the COVID-19 pandemic. The UNFPA Strategic Plan, 2022-2025, aimed to accelerate gender equality, empowerment of women and girls, and realization of sexual and reproductive health and rights for all. The UNFPA People 2030 strategy aimed to strengthen its capacity to deliver the three transformative results. Efficiency and accountability would be bolstered through the roll-out of the new enterprise resources planning system – Quantum. UNFPA has received an unqualified audit opinion on its financial statements from the Board of Auditors for 12 consecutive years. The new enterprise risk management policy and first-ever risk appetite statement would ensure proper safeguards while innovation continued. It continued to prioritize prevention of sexual exploitation and abuse and sexual harassment and established metrics to track progress. The evaluation of UNFPA engagement in the reform of the United Nations development system provided evidence that would advance its work further.

78. UNFPA was strengthening its humanitarian response. Over the previous five years, UNFPA humanitarian revenue had grown by 150 per cent and now accounted for more than 40 per cent of its co-financing revenue. In 2022, UNFPA life-saving assistance reached over 30 million women, girls and young people in more than 60 countries facing humanitarian crises. The newly renamed Humanitarian Response Division was leading those efforts. On preparedness, UNFPA was increasing the budget to preposition and stockpile humanitarian supplies and equipment by an additional \$10 million, allocated from regular resources and the Humanitarian Thematic Trust Fund. Its leadership in advocacy to protect and promote the bodily autonomy of women continued; it developed the ‘bodyright’ campaign and tackled technology-facilitated gender-based violence. UNFPA urged Member States to recognize the importance of CSE. UNFPA looked forward to engaging with the Executive Board during the upcoming 30-year review of the International Conference on Population and Development (ICPD) in 2024.

79. On shifting from funding to a funding and financing model, UNFPA would tap into a range of sustainable development financing instruments, leveraging its funding and expertise to mobilize domestic and international, public and private finance, working closely with international financial institutions. In 2022, UNFPA had mobilized nearly \$1.5 billion in support from various donors and partners. UNFPA urged Member States to continue their support to regular resources funding, and was concerned how global economic stressors could impact 2023 funding.

80. On leaving no one behind, the Executive Director cited examples of UNFPA work and innovations in a number of countries. UNFPA had launched the Equity 2030 Alliance to close gender gaps and integrate the needs of women and girls in designing science, technology and finance solutions, and was building the Coalition for Reproductive Justice in Business to encourage companies to support women through sexual and reproductive health-responsive initiatives in the workplace.

81. The Regional Director for Eastern Europe and Central Asia briefly provided an update of UNFPA activities in her region, highlighting the response to the humanitarian crisis in Ukraine and the demographic challenges the region was facing.

82. Delegations thanked the Executive Director for her leadership in the face of global health and funding challenges. Delegations from programme countries expressed appreciation for the organization's work in their countries, while others commended UNFPA for its continued emphasis on preventing and responding to sexual exploitation, abuse and sexual harassment; development of its humanitarian response strategy; attention to investing in youth; and its context-tailored approach in countries, technical support to censuses, and supporting women-led organizations.

83. Members of the Bureau stressed the importance of sustainable investment, predictable regular resources funding, and targeted official development assistance to recover from recent economic setbacks and achieve the three transformative results. They emphasized the need to secure equal rights for women and girls, including through legal and operational frameworks, and encouraged UNFPA to focus its programmes on reaching the most vulnerable girls and adolescents suffering from harmful practices, whose root causes were gender inequality, discrimination, poverty and lack of opportunity. Noting the opportunity offered through the youth bulge in many developing countries, they stressed substantial investment in human resource development was required to realize the demographic dividend.

84. A group of delegations welcomed the evaluation of UNFPA engagement in the reform of the United Nations development system, and the UNFPA management response, articulating a United Nations development system reform engagement strategy and action plan. They highlighted the potential value of the United Nations reform checklist as a tool for UNFPA and Executive Board members. They looked forward to a new generation of integrated partnership and resource mobilization plans and encouraged UNFPA to explore other funds and programmes that had managed to significantly scale up revenue mobilized through the IFIs.

85. Other delegations expressed concern over continuing gender-based violence and the increasing need for prevention and urged urgent and coordinated action. UNFPA was encouraged to continue engaging men and boys and supporting CSE. Delegations reiterated the importance of sustainable and predictable funding, particularly regular resources funding, calling on Member States to maintain their commitments to financing so UNFPA could carry out its mandate. Several delegations encouraged UNFPA to strengthen its collaboration with IFIs to diversify its funding sources. Delegations also sought details on a number of UNFPA activities, including responding to challenges to achieving gender equality and equal access to sexual and reproductive health and rights for all; supporting local civil society partners and delivering a scaled-up, sustained humanitarian response; and working on the demographic transition so the needs of older people were reflected in national plans, its programming, and in strengthening statistical systems.

86. In response, the Executive Director welcomed the comments, especially on funding. She stressed the importance of communicating positive messaging on gender-based violence and teen pregnancy, demonstrating the situation could be changed, including by investing in youth and through CSE, which could make a major difference as young people transition to adulthood. UNFPA worked with local partners in humanitarian situations where women-led organizations were actively engaged in their communities. Prevention of sexual exploitation, abuse and sexual harassment was a priority. Likewise, UNFPA continued to engage with United Nations organizations to accelerate achievement of the Goals. UNFPA was collaborating with the IFIs, strengthening and broadening its approaches, instruments, mechanisms and objectives to make UNFPA a preferred partner. On youth and ageing, demographic resilience was a priority; the use of statistics was instrumental, including for providing online platforms for demographic information utilized in planning. UNFPA worked with United Nations entities in the context of the United Nations Decade for Healthy Ageing to provide guidance to countries where ageing

populations were significant; assist with censuses and other assessments; and provide toolkits for policies.

87. The Deputy Executive Director (Management) provided information on prevention of sexual exploitation, abuse and sexual harassment mechanisms and the work of the UNFPA integrity group. The Deputy Executive Director (Programme) provided information on the ICPD+30 review process and urged Member States to support national and regional initiatives.

IX. Evaluation

88. The UNFPA Director, Evaluation Office, presented the formative evaluation of UNFPA engagement in the reform of the United Nations development system (DP/FPA/2023/CRP.1), to which the Deputy Executive Director (Management) provided the management response.

89. Delegations welcomed the evaluation and its usefulness to other entities involved in United Nations reform; UNFPA was encouraged to share the evaluation. Some delegations viewed the evaluation as a demonstration of UNFPA commitment to reform; they encouraged other United Nations entities to conduct such an evaluation. Commending UNFPA for its engagement in the reform process and its response to the evaluation recommendations, UNFPA was encouraged to develop an overall engagement strategy on United Nations reform. They considered particularly important the recommendations on institutionalizing and internalizing reform and on human resource challenges, including those related to greater inter-agency collaboration and joint results. They encouraged continued training of personnel, clear communication from leadership and staff contributions to reform implementation in performance metrics. They reiterated the importance of reform in humanitarian contexts, especially in collaborating with partners across sectors.

90. One delegation welcomed the report's findings, including potential risks to fully harnessing the benefits of reform, and asked UNFPA to elaborate on potential catalytic enablers on programmatic activities. Another delegation asked to what extent the evaluation drew on exchanges with other organizations, and how the UNFPA Evaluation Office cooperated with other evaluation offices to optimize mutual benefits from its evaluation and the system-wide evaluation of the United Nations development response to the COVID-19 pandemic. It commended UNFPA for organizing a peer review on the evaluation function ahead of the revised evaluation policy. Another delegation, while encouraged that UNFPA staff understood the importance of reform, expressed concern by gaps in implementation.

91. In response, the Director, Evaluation Office, affirmed his commitment to share experiences with other United Nations evaluation offices and the United Nations Evaluation Group. The evaluation was publicly available on the UNFPA website, and UNFPA was committed to system-wide evaluation coherence. The office had cooperated with the System-wide Evaluation Office while participating in the system-wide evaluation of the United Nations development system response to the COVID-19 pandemic. Regarding the peer review of the UNFPA evaluation function, he highlighted its innovative and inclusive approach. Preliminary findings from the revision of the evaluation policy would be shared with the Board by June 2023. The Evaluation Office would lead the policy revision and a draft would be presented in an informal briefing in November 2023, and the final version presented to the Board at its first regular session 2024.

92. The UNFPA Deputy Executive Director (Management) said reform aimed to enhance the effectiveness of assistance to partners at the country level. UNFPA planned to share the evaluation results with United Nations organizations and remained firmly committed to implementing the reforms.

93. The UNFPA Director, Policy and Strategy Division, added that UNFPA was leveraging reform at the country level through joint programming, active engagement in the country cooperation framework, and supporting an empowered resident coordinator.

94. The Executive Board took note of the formative evaluation of the UNFPA engagement in the reform of the United Nations development system (DP/FPA/2023/CRP.1) and the management response.

X. Country programmes and related matters

95. The UNFPA Deputy Executive Director (Programme) provided an overview of 16 country programme documents, one multi-country programme document, one common country programme document and seven country programme extensions. In turn, the UNFPA regional directors for the Arab States; Asia and the Pacific; Latin America and the Caribbean; and West and Central Africa provided their respective regional perspectives.

96. Several delegations expressed appreciation for UNFPA support to their countries.

97. Following adoption of the country programme document for the Islamic Republic of Iran, concerns were raised over the country's judicial process, democratic space and human rights situation. United Nations organizations were encouraged to articulate their contribution to gender equality and the respect and promotion of human rights, including reproductive rights. Other delegations stressed the principle of national ownership and leadership, highlighting the broad consultative process in the development of the country programme and discouraged politicization of the programme and the work of the Board.

98. Following adoption of the country programme document extension for Afghanistan, a group of delegations condemned recent decisions made by the Taliban to ban girls and women from education and restrict their employment and movement; the group supported the inclusion of female staff in aid delivery.

99. The Executive Board approved, in accordance with decision 2014/7, the country programme documents for Algeria (DP/FPA/CPD/DZA/7), Egypt (DP/FPA/CPD/EGY/11); Lebanon (DP/FPA/CPD/LBN/5), State of Palestine (DP/FPA/CPD/PSE/7); the Islamic Republic of Iran (DP/FPA/CPD/IRN/7), Nepal (DP/FPA/CPD/NPL/9), Pacific island countries and territories (multi-country programme) (DP.FPA.CPD.PIC.7); the Plurinational State of Bolivia (DP/FPA/CPD/BOL/7); Costa Rica (DP/FPA/CPD/CRI/6); Dominican Republic (DP/FPA/CPD/DOM/7); Ecuador (DP/FPA/CPD/ECU/8); Haiti (DP/FPA/CPD/HTI/7); the Bolivarian Republic of Venezuela (DP/FPA/CPD/VEN/4 and DP/FPA/CPD/VEN/4/Corr.1); Cabo Verde (common country programme) (DP/FPA-ICEF/CCPD/2023/CPV/1), Central African Republic (DP/FPA/CPD/CAF.9), Gabon (DP/FPA/CPD/GAB/8), Nigeria (DP/FPA/CPD/NGA/9), and Sao Tome and Principe (DP/FPA/CPD/STP/8).

100. The Executive Board took note of the one-year extensions of the country programmes for Mauritania and Rwanda, approved the second extensions of the country programmes for Brazil, the Gambia and Papua New Guinea, and the third extensions for the country programmes for Afghanistan and Libya, as contained in document DP/FPA/2023/2.

UNOPS segment

XI. United Nations Office for Project Services

Statement by the Executive Director

101. In his address ([available on the UNOPS website](#)), the UNOPS Acting Executive Director thanked the Board for its support and guidance in addressing the failures associated with the sustainable infrastructure investments and innovation (S3i) initiative. He highlighted UNOPS dual approach – responding to the S3i crisis and reorienting the Strategic Plan, 2022-2025. UNOPS comprehensive response plan had charted actions in response to the two KPMG third-

party reviews presented to the Board in November 2022. Six themes in the response plan were outlined.

102. Mandate and strategy involved developing the restated Strategic Plan, 2022-2025. Governance and management focused on digitalization of processes to improve effectiveness and transparency and enhance ways of working. Risk management and control environment overhaul included the implementation of oversight recommendations. Ethics, compliance and organizational culture sought to reconstitute the management team, set up a new whistle-blower policy, and review the independence of the Ethics Office. Financial and performance management addressed the KPMG recommendation for a reformed approach to pricing and better output reporting, aligning cost-recovery with the High-level Committee on Management standards, implementing the Board of Auditors' recommendations for transparency of recovered costs, setting net revenue targets to zero annually, shifting from the concept of pricing and profit to cost-recovery, and redesigning the due diligence function and related processes. Under the future of S3i, UNOPS would work with OLA on the recovery of funds from S3i investments and would cover \$8 million for the cost of activities, and provide \$1.7 million in support to affected countries in transitioning out of failed activities.

103. UNOPS developed a live dashboard to illustrate progress on the comprehensive response plan. To implement all actions, the Board's approval was sought for the transfer of \$35.4 million from UNOPS operational reserve to the 2023 budget, including \$8 million for S3i legal fees, \$1.7 million to work with affected countries, and a one-time investment of \$21.1 million for digital overhaul. He stressed that the restated Strategic Plan, 2022-2025, would emphasize UNOPS support to accelerating countries' achievement of the Goals by: expanding partners' implementation capacity; focusing on where UNOPS had significant experience; responding to demands where it had matching functional capacity; and building on partners' programmatic capacity. UNOPS would not engage in impact investment with seed capital from its reserves. UNOPS would present the early midterm review and the restated Strategic Plan, 2022-2025, at the annual session 2023; and the proposed biennial budget estimates for 2024-2025, which would consider lessons from the independent third-party reviews, at the second regular session 2023.

104. The President, on behalf of the Bureau, acknowledged UNOPS corrective work on the S3i initiative and encouraged closure of issues while highlighting critical outstanding issues. The completion of those actions and the comprehensive response plan would provide the Board with answers regarding allocation of S3i reserves and the future of the S3i initiative, and the working group set up by the Board. Accountability for perpetrators remained a priority He highlighted the critical challenge facing UNOPS in completing 53 of 84 actions in the comprehensive response plan in 2023 and the commitment of the Bureau to ensure appropriate actions were taken.

105. Across the board, delegations welcomed UNOPS management corrective actions to rebuild trust and commended its work on the comprehensive response plan and transparency with stakeholders in implementing it. While expressing support, delegations pressed UNOPS to ensure full accountability for misuse of funds and recovery of missing funds with some requesting a forensic audit. Several delegations expressed concern over the short period of implementation and the absorptive capacity of UNOPS and its staff to implement the plan alongside regular operations. Delegations agreed that UNOPS should refocus on its original mandate and competencies. Several delegations expressed reservations about UNOPS ill-defined roles and potential role in blended and impact financing. UNOPS was asked to present its request for budgetary resources more clearly in relation to specific reform measures. Delegations expected to be engaged in the review process and acknowledged the recommendations directed at the Board to strengthen its oversight function.

106. A group of delegations from the Africa region affirmed UNOPS role supporting countries to accelerate achievement of the Goals and noted the increase in capacity of their partners given UNOPS advisory efforts, citing country-specific project examples of collaboration between the United Nations and Governments. They called for a UNOPS that was fit-for-purpose considering

the broader context of development and means of implementation, including the need for regular funding of development organizations.

107. A group of delegations from the Nordic region raised the importance of an efficient and protective whistle-blower mechanism and measures to ensure positions that entail “inherently United Nations activities” were filled by staff members. It was for the Board to determine the use of UNOPS excess reserves and set up stricter controls, including monitoring reserve accumulation.

108. Another group confirmed its commitment to consider and act on the recommendations directed at the work of the Board. They requested information on the sequencing and resource implications of actions in the comprehensive response plan. On options regarding use of excess reserves, they expressed their commitment to a drastic reduction of the level of reserves. While supportive of UNOPS decision not to engage in any form of direct impact investment, the group expressed reservation on the inclusion of advisory functions in innovative, blended and impact finance investment as part of its core competency and mandate.

109. One delegation commended UNOPS management for articulating what UNOPS would not be doing in its strategic plan. It expected the return of accumulated and interest gained from reserves to partners from where they came. It urged UNOPS to return to a non-profit business model, with fees applied to essential investments in staff and organizational effectiveness.

110. Other delegations asked UNOPS to submit a clear vision of its role in blended finance and impact investment and information on a number of items: the overhaul of UNOPS office in Helsinki; and the establishment of debt allowance for S3i of \$20.53 million.

111. The Acting Executive Director highlighted UNOPS intention to help affected countries to transition out of the S3i failure and work on meaningful ways of collaboration. He gave assurances that full implementation of the comprehensive response plan would prevent the recurrence of the same malfunction and that UNOPS would hold accountable those responsible with all means available. Given the downturn in official development assistance flows, UNOPS intended to develop a smarter portfolio and maximize programme countries’ ability to attract development funding beyond traditional ODA. Regarding blended and impact financing, he elaborated on the opportunity of the large portfolio of infrastructure projects, which needed to build in climate change adaptation and mitigation. Those areas required more financing where UNOPS had a foreseeable role. UNOPS would focus on where it could create meaningful value added. Regarding prioritization of activities in the comprehensive response plan, UNOPS management would await Board guidance on the level of investment it would grant to UNOPS. Should there be Board agreement, UNOPS would programmatically close the S3i initiative; remaining assets would be focused on blended financing and recovery of funds. Recovery of funds would continue to be pursued to discourage ‘enabling’ behaviours. On the status of a forensic audit, the Director of UNOPS Internal Audit and Investigation Group had held meetings with KPMG. On staff composition, UNOPS would follow the recommendations of the United Nations BOA. In closing, the Acting Executive Director assured the Board of UNOPS commitment to become more fit-for-purpose in the service of the Goals and Our Common Agenda.

112. Regarding the Joint Inspection Unit follow up, the Director, Ethics Office, said that a designated panel was undertaking the review of the office’s independence; he understood the panel was in touch with the Acting Executive Director and the President of the Board and was taking into account applicable JIU reports. Outcomes were expected by end of March 2023.

Report of the working group on UNOPS

113. The Chair of the Working Group on UNOPS presented the summary report and findings of the group (DP/OPS/2023/2).

114. Delegations requested elaboration on the sequencing of actions and reporting on implementation of the comprehensive response plan; UNOPS capacity to implement the plan without extra budgetary allocation in 2023; information on use of reserves and clarity on recipients for the option of crediting excess reserves to paying entities and partners and communications; and details on the nature and spread of costs for digitalization.

115. In response, the Acting Executive Director, UNOPS, said the \$8 million estimate for legal services was provided by OLA and external counsel and ring-fenced for that purpose. The \$21.1 million for digitalization should be seen as a capital investment. UNOPS cost of investment in enterprise resource planning was comparably lower than others and included the cost of roll-out and change management. The added costs would be provided in the 2024-2025 budget to sustain the investment. He shared his understanding it was the United Nations Controller's view the funds should be returned to Member States, as the United Nations was the biggest fee contributing entity to UNOPS; therefore, the United Nations should be considered a legitimate recipient of the rebate. The rebate model of proportionality would be the simplest way to work, given UNOPS 200 partners, though it entailed legal complexities.

116. The Executive Board adopted decision 2023/3 on report of the working group on UNOPS and decision 2023/4 on the UNOPS update on the implementation of the comprehensive response plan, use of reserve and impact investments in UNOPS.

XII. Other matters

Address by the Chairperson of the UNDP/UNFPA/UNOPS/UN-Women Staff Council

117. The Chairperson of the Staff Council highlighted its programme of work, 2023-2024, and four strategic outcomes: (a) revitalizing staff associations globally through participatory mechanisms; (b) strengthening and harmonizing staff representation at all levels of decision-making; (c) enhancing engagement with the United Nations system through staff unions and associations on harmonizing practices and regulations; and (d) improving the workplace. He stressed the importance of gender-balance, wider geographical diversity, equity and inclusion, zero tolerance against sexual exploitation, abuse and sexual harassment, and a culture of trust.

118. A group of delegations encouraged strong internal systems and culture of cooperation and learning. Staff were invited to share reflections on accessibility and availability of systems to prevent and respond to sexual exploitation, abuse and harassment to guide the Board. They highlighted the importance of a confidential, accessible whistle-blower system, reliable whistle-blower protection, and legal protection for speak-up culture, and stressed the need to address discrimination and racism.

119. The Director, Office of Human Resources, UNDP, said UNDP had a new diversity, equity and inclusion strategy and speak-up tool, while People for 2030 ensured UNDP was an employer of choice. The Director, Division of Human Resources, UNFPA said UNFPA would engage with staff associations globally and work with the council on flexible working arrangements. In promoting speak-up culture, UNFPA mandated conflict management training for managers, instituted the Integrity Group, and would establish an online portal. The Special Adviser to the Executive Director, UNOPS, reiterated UNOPS prioritization of staff health and safety, support for revitalization of the Global Staff Association, and commitment to strengthening speak-up culture.

120. The Executive Board heard the address by the Chairperson of the UNDP/UNFPA/UNOPS/UN-Women Staff Council.