29 November 2024

Information Notes by UNDP management and independent offices

Initial views on the Joint Inspection Unit review of the governance and oversight of the Executive Boards of the United Nations Development Programme/United Nations Population Fund/United Nations Office for Project Services, the United Nations Children's Fund and the United Nations Entity for Gender Equality and the Empowerment of Women

Contents

I. Overview and context

In February 2023, the Presidents of the Executive Boards of the United Nations Development Programme (UNDP)/United Nations Population Fund (UNFPA)/United Nations Office for Project Services (UNOPS), the United Nations Children's Fund (UNICEF) and the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) (referred to as "Boards" or "Executive Boards" hereafter) requested the Joint Inspection Unit (JIU) to carry out an assessment of how the Executive Boards execute their governance and oversight functions, with a view to ensuring that these functions are aligned with international standards and best practices.

In response, the JIU conducted a review of the governance and oversight of the Executive Boards of the UNDP/UNFPA/UNOPS, UNICEF and UN-Women (JIU/REP/2023/7). The objectives of the review were to: (a) assess how the Executive Boards execute their governance and oversight functions; (b) identify risks, gaps and opportunities among their current practices and the relevant best practices in relation to governance and oversight; and (c) recommend specific actions intended to streamline and enhance their governance processes.

The JIU review was presented at the 2024 annual session of the UNDP/UNFPA/UNOPS Executive Board, with the decision on this item outlined in Executive Board Decision 2024/12. Paragraphs 10 and 11 of this decision request the management and directors of the independent oversight offices of UNDP/UNFPA/UNOPS provide their initial views on the JIU review. The information notes herein present the initial views of UNDP management and its independent oversight offices.

II. Initial views of the UNDP management on the Joint Inspection Unit report

Summary

This information note presents UNDP management's perspectives on the JIU review, commissioned in response to Executive Board decision 2022/22, which requested an assessment of how the Executive Board executes its governance and oversight functions.

UNDP appreciates the JIU's comprehensive analysis and recommendations for strengthening governance. The JIU report includes 10 recommendations that specifically aim to ensure alignment with international standards and best practices. The Executive Board has already taken concrete steps to implement recommendation 10, to create an ad hoc committee to assess the recommendations. These intended improvements should not be taken in isolation; rather as noted in the same June 2024 Executive Board decision 2024/12, should "*contribute to the achievement of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals by enabling UNDP, UNFPA and UNOPS to deliver effectively and efficiently on their mandates*..."

Management views on the JIU report

UNDP management expresses its appreciation to the JIU for a comprehensive assessment. At the same time, it is important to emphasize the following:

- Significant work has already been undertaken to strengthen governance and oversight mechanisms, particularly through the Member State-led review of the working methods of the Executive Boards (2018-2020).
- This extensive review resulted in six Board decisions (2018/22, 2019/3, 2019/16, 2019/22, 2020/2, and 2020/13) and encompassed a thorough examination of formal sessions, consultations, and operational procedures.

More broadly, the current governance structure, mandated by [General Assembly resolution 48/162](), provides a robust framework that includes:

- Comprehensive engagement through approximately 75 informal consultations, 3 Board sessions, and 30 Bureau meetings annually.
- Direct, unrestricted interaction with the established independent oversight units (Office of Audit and Investigation, Independent Evaluation Office, and Ethics Office).
- Clear processes for engagement with other United Nations legislative and governing bodies.
- Strong, dedicated secretariat support for the largest Board among the United Nations funds and programmes.

These established mechanisms demonstrate UNDP's commitment to transparency and accountability. The organization has incorporated lessons learned from recent experiences across the United Nations system to further strengthen its oversight frameworks. The existing structure facilitates effective risk assessment and management while maintaining robust governance through both formal and informal channels.

Management observes that the report's methodology and benchmarking framework could benefit from:

1. A clearer definition of what is meant by "international standards" and "best practices" within the United Nations system context.
2. Consideration of the United Nations governance structure and existing oversight mechanisms.
3. A detailed analysis of how recommended changes would be compatible with, and integrate within, established United Nations governance bodies.

Specific points of clarification

The management perspective offers the following clarifications on specific points raised in the JIU report:

Risk management framework

The JIU report notes that UNDP's risk management policies do not explicitly describe roles for the Executive Board. However, UNDP's Enterprise Risk Management (ERM) framework effectively integrates Board oversight through:

- Regular risk management reporting in formal sessions;
- The Board-approved UNDP accountability framework and oversight policy;
- Comprehensive risk reporting through independent oversight functions;
- A dedicated and recurring joint agenda and decision item on risk management included in the formal session of the Executive Board as of the 2025 first regular session, as requested by the Board in decision 2024/1.

The ERM framework aligns with ISO 31000:2018 standards and has been updated to further clarify the Executive Board's role in risk oversight processes.

ERM Policy, paragraph 22: Governing Body: The UNDP Executive Board's oversight roles and responsibilities were established by General Assembly resolution A/RES/48/162. It describes the responsibility of the Board as "*providing inter-governmental support to and supervision of the activities of each fund or programme in accordance with the overall policy guidance of the General Assembly and the Economic and Social Council, in accordance with their respective responsibilities set out in the Charter, and for ensuring they are responsive to the needs and priorities of recipient countries*". In exercising its own accountability and oversight responsibilities effectively at the strategic level, the Executive Board, requires independent, objective assurances and reports that decisions made at the policy level are implemented, that resources are properly and ethically used for their intended purposes, and that management is fulfilling agreed objectives (including effective risk management) set by policymakers. The Executive Board also reflects on key improvements to the ERM system as well as strategic risks of critical importance, annually at the first regular session of the Executive Board as a joint agenda item.

Governing bodies mandate

The Executive Board's oversight roles and responsibilities, as clearly articulated in General Assembly resolution A/RES/48/162, include:

- Providing intergovernmental support and supervision of activities;
- Ensuring alignment with the policy guidance of the General Assembly and the Economic and Social Council;
- Maintaining responsiveness to the needs and priorities of recipient countries;
- Ensuring the effective implementation of policy decisions;
- Overseeing the proper utilization of resources;
- Monitoring management's fulfilment of established objectives.

Time allocation and meeting effectiveness

Regarding concerns about time allocated to oversight discussions, UNDP facilitates comprehensive engagement through:

- Year-round informal consultations on oversight matters;
- Direct, unrestricted Board member access to independent oversight units;
- Advance distribution of detailed written reports;
- Additional briefings upon request.

The effectiveness of joint segment discussions remains a priority. In alignment with Executive Board decision 2024/12, which emphasizes "inclusive and meaningful participation", UNDP is committed to optimizing these sessions while maintaining thorough oversight.

These clarifications would need to be considered within the broader context of UNDP's comprehensive governance framework and its ongoing commitment to strengthening oversight mechanisms. As reflected in the Member State-led review of the working methods of the Executive Boards (2018-2020), UNDP consistently engages in improving its governance processes while maintaining operational effectiveness.

Analysis of JIU recommendations

JIU recommendation JIU/REP/2023/7	UNDP management view
1. The Executive Boards should request that the Economic and Social Council clarify the definition of new initiatives, as outlined in General Assembly resolution 48/162, and define a process by which such initiatives will be recommended for approval, through the Council, to the General Assembly, as necessary.	The recommendation warrants careful consideration regarding the definition and scope of "new initiatives." The Executive Board approves UNDP's strategic plan, which is developed through extensive consultations with Member States and other stakeholders. It also formally approves regional and country programme documents. UNDP's scope of work is encompassed within these frameworks.

2. The Executive Boards should develop terms of reference that fully describe their governance responsibilities and adhere to the best practices in relation to the JIU benchmark and submit them for approval by the Economic and Social Council and the General Assembly.	UNDP recognizes the importance of clear roles and responsibilities. The current framework under General Assembly resolution 48/162 provides for effective governance. Introducing specific terms of reference may be duplicative of existing roles and responsibilities and established working methods of the Executive Board. Additionally, it raises questions about whether this would offer the same flexibility to the Board or potentially introduce constraints.
3. Based on their own approved terms of reference, the Executive Boards should develop terms of reference for Board members that are aligned with the JIU benchmark, including for specialized positions, such as Bureau members.	Building on the above, regarding any new terms of reference being aligned with the JIU benchmark of the governance architecture of the United Nations System vis-à-vis, the Executive Board may wish to consider: • The distinct characteristics of Executive Boards, including their relationship with the General Assembly through the Economic and Social Council as established in resolution 48/162. • The specific context of geographical representation and rotation systems that ensure equitable participation from all Member States. • The multilateral nature of decision-making and consensus-building that characterizes United Nations governance. • The existing frameworks that guide Board member appointments and responsibilities. • The interconnected nature of oversight responsibilities shared among various United Nations bodies.
4. The Executive Boards should, as part of their overall structures, consider creating appropriate committees and corresponding terms of reference.	The establishment of additional Executive Board committees requires evaluation to ensure enhancement rather than duplication of existing mechanisms or creation of parallel processes, for example, existing committees such as the Fifth Committee (on administrative and budgetary matters) and the Advisory Committee on Administrative and Budgetary Questions (ACABQ), responsible for expert examination of the programme budget of the United Nations, etc.
5. The Executive Boards should implement the recommendations made by JIU in its 2019 report on audit and oversight committees, including on strengthening the independence of an oversight committee by having a direct reporting line to the Executive Board.	It is important to recognize that UNDP's Audit and Evaluation Advisory Committee (AEAC) consists of experienced, well-recognized experts who maintain their professional and ethical independence through established mechanisms. Current arrangements ensure both independence and effective administrative functioning.

	The AEAC provides independent advice to the UNDP Administrator on key issues related to the oversight functions of audit and investigation, evaluation, and ethics, supporting the Administrator in fulfilling oversight responsibilities and holding senior managers accountable for compliance and performance. This is in line with the UNDP oversight policy, approved by the Executive Board. The annual report of the AEAC is made available to the Executive Board and the Chair of the AEAC is present at relevant Board sessions to respond to queries. The AEAC Chair is also available for individual meetings with the President of the Board, should these be requested. Direct and unrestricted access is therefore already provided and guaranteed, and any independent body can provide reports or address questions to the Board. However, in the context of an international civil service, reporting lines to Principals need to be maintained for accountability, compliance with rules and regulations, for access to the internal justice system and to ensure the independence of judgement and advice from political interference. Oversight functions provide independent reports and advice through internal audits, investigations, evaluations and the external audit function (UNBOA), which reports separately and directly to Member States.
6. The Executive Boards should request that their secretariats collaborate on the preparation of harmonized terms of reference for all Board secretariats, aligned with the JIU benchmark and submitted to their respective Boards for approval.	Any harmonization efforts should focus on enhancing efficiency and how the Board operates and handles its procedures. If there are any performance issues with the Secretariat, it is within the Board's rights and responsibilities to bring these concerns directly to the attention of the heads of the agencies, who will address these in the context of the established staff rules and regulations and provide relevant remedial actions as necessary.
7. The Executive Boards should assess their current rules of procedure and working methods to support more engaged participation by all Board members and more efficient and effective means for discussion and decision-making.	Between 2018 and 2020, Member States led a through consultative process to review and update the Executive Board's working methods. The current procedures and methods, adopted in 2021, support inclusive participation and effective decision-making. The membership reflects equitable geographical representation and ensures broad, effective participation as outlined in the established frameworks. The existing rules of procedure and working methods are designed to foster active participation from all members of the Board.

	Membership on each Executive Board is determined with due regard to equitable geographical representation and other relevant factors, ensuring the broadest and most effective participation. The number of seats on each Board takes into account the need for the effective conduct of its work.
8. The Executive Boards should direct their respective organizations to ensure that the charters, frameworks, and terms of reference of independent and advisory functions and committees reflect the roles and responsibilities of the Boards, including in relation to reporting lines, access to the Board and consultations on human and financial resources, to ensure independence.	UNDP regularly reviews charters and has established clear processes for Board engagement. Direct and unrestricted access for independent bodies to report to the Board is also well established.
9. The Executive Boards should direct their respective organizations to ensure that the roles and responsibilities of the Boards for risk management are appropriately reflected in the organizational policies on risk management.	UNDP's Enterprise Risk Management framework aligns with ISO 31000:2018 standards and incorporates comprehensive risk management approaches. The Board's engagement in risk oversight is reflected through established mechanisms and regular reporting processes including: • Regular reporting on risk management in formal sessions. • The Board-approved UNDP accountability framework and oversight policy. • Comprehensive risk reporting through independent oversight functions. • The recent Executive Board decision 2024/1 introduced a recurring, dedicated risk management session during the first regular session.
10. By the end of 2024, each Executive Board should create an ad hoc committee to assess the recommendations (formal and informal) in the present review and prepare an action plan to address and implement them, including setting target dates and regular reporting on progress.	UNDP supports structured evaluation of the recommendations through appropriate mechanisms as outlined in Executive Board decision 2024/12, including the two-track process of information gathering and working group establishment.

Conclusion

UNDP management remains firmly committed to upholding the highest standards of governance and oversight, as demonstrated through the organization’s comprehensive frameworks and policies.

Reflecting this commitment, and in alignment with Executive Board decision 2024/12, UNDP supports "a two-track process” comprising: (a) an information-gathering exercise; and (b) the establishment of a dedicated working group, to rigorously evaluate and implement appropriate recommendations that will sustain and enhance organizational effectiveness.

UNDP is fully committed to engaging proactively and constructively with the Executive Board to further enhance governance standards and operational excellence. The organization remains dedicated to ensuring its capacity to deliver on its mandate effectively, while maintaining its status as a transparent, accountable, efficient, and effective public institution that serves the needs of its stakeholders.

III. Initial views of the UNDP independent offices on the Joint Inspection Unit report

Initial views from the Office of Audit and Investigations of UNDP

The Office of Audit and Investigations (OAI) of UNDP welcomes the JIU review of governance and oversight of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and UN-Women.

As an independent Office with a mandate to enhance risk management, oversight and accountability across UNDP, OAI strongly supports the objectives of the JIU report in examining whether existing governance arrangements are appropriately streamlined and aligned with best practices.

With regard to the recommendations put forward by the JIU Report, OAI supports a review of the terms of reference of the Executive Board (recommendation 2). The terms of reference define the role and responsibilities of the Executive Board in terms of oversight and governance, and it is good practice to periodically review these documents to ensure governance arrangements remain aligned with evolving best practices and stakeholder needs. OAI recommends prioritizing this recommendation, as a large portion of remaining recommendations would be influenced by the outcome of this process.

Additionally, OAI has made several observations that may be relevant when conducting a review of the Executive Board's terms of reference, and considering changing to current practice:

- The independence of oversight mechanisms, such as OAI, is a fundamental cornerstone of an effective governance framework. Currently, OAI is fully independent; able to exercise scrutiny and fulfil its mandate without external (to OAI) direction or undue influence. It is crucial to ensure that this independence is preserved – or even enhanced – as a result of the review.
- Any review should take into account the role of existing accountability mechanisms within the current governance framework, particularly that of the Audit and Evaluation Advisory Committee (AEAC). In line with the Institute of Internal Auditors' best practice guidance, this committee is composed of non-executive, independent subject matter experts who oversee the quality and independence of OAI. Any future changes to governance arrangements should aim to align with existing mechanisms, avoid duplication and ensure proportionality.
- Thematically the JIU report endorses regular and candid interaction between the independent offices and the Executive Board. OAI supports this objective and regards routine engagement with the Executive Board as an important enabler of effective oversight and governance. OAI will continue to engage closely with the Board through formal and informal briefings, regularly sharing its Charter [most recently updated in June 2022]; and providing briefings on ad hoc issues as they arise.

Initial views from the Ethics Offices of UNDP, UNFPA, UNOPS, UNICEF and UN-Women

The respective Executive Boards of the UNDP, UNFPA, UNOPS, UNICEF and UN-Women requested the Directors/Heads of the independent offices to provide their initial views of the JIU review of governance and oversight of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and UN-Women (JIU/REP/2023/7) (the "2023 JIU review").[1]

As Directors/Heads of independent offices, the Directors of the Ethics Offices of UNDP, UNFPA, UNOPS, UNICEF and the Ethics Advisor at UN-Women (referred to herein as the "Ethics Offices"), who regularly engage as members of the Ethics Panel of the United Nations (EPUN) with harmonized responsibilities, consulted to provide the Executive Boards a harmonized view regarding issues raised in the 2023 JIU review as it relates to the Ethics Offices.

For the aforementioned Ethics Offices, Recommendation 8 and the first two informal recommendations under Chapter VII of the JIU review were of relevance:

Recommendation 8

The Executive Boards should direct their respective organizations to ensure that the charters, frameworks and terms of reference of independent and advisory functions and committees reflect the roles and responsibilities of the Boards, including in relation to reporting lines, access to the Board and consultations on human and financial resources, to ensure independence.

Informal Recommendations

Chapter VII

- To ensure the independence of oversight functions, a consistent approach is necessary so that the Executive Boards are responsible for the approval of all oversight charters (para. 82).
- In accordance with best practices, the selection, performance assessment, and renewal and termination of the contracts of the heads of the independent oversight functions should require consultation with the Executive Boards and should be reflected in their terms of reference (para. 83).

To support in the consideration of these recommendations, the Ethics Offices of UNDP, UNFPA, UNOPS, UNICEF and UN-Women note the following:

To the extent the recommendations concern the framework and terms of reference for the ethics offices of UNDP, UNFPA, UNOPS, UNICEF and UN-Women, this is set forth in ST/SGB/2007/11, the Secretary-General's bulletin on the *United Nations system-wide application of ethics: separately administered organs and programmes*. The bulletin promotes a harmonized approach in support of an Ethics Office's goal to "*cultivate and nurture a culture of ethics, integrity and accountability, thereby enhancing the trust in, and the credibility of, the United Nations, both internally and externally*." It also created EPUN, which is tasked with establishing a unified set of standards and policies of the United Nations Secretariat and of the separately administered organs and programmes.

In its earlier and separate report on the *review of the ethics function in the United Nations system* (the "2021 JIU Report"), the JIU noted that *"[t]he mandate or terms of reference of the Ethics Offices of the United Nations and its funds and programmes all conform to the standards suggested in 2010. In the main, the funds and programmes[2] apply the terms of reference set out in the Secretary-General's bulletin on separately administered organs and programmes in the United Nations system-wide application of ethics,[3] issued in follow-up to General Assembly resolution 60/1*."[4]

As the framework and terms of reference for the ethics offices has been issued by the Secretary-General, to the extent there would be any revisions thereto, it would be appropriate to engage in further consultation with the United Nations Secretariat thereon.

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[1] Paragraph 11 of Executive Board decision 2024/12 for UNDP/UNFPA/UNOPS, paragraph 11 of Executive Board decision 2024/15 for UNICEF, and paragraph 10 of Executive Board decision 2024/3 for UN-Women.
[2] The JIU made express reference to UNDP, UNFPA, UNOPS and UNICEF in its footnote. At the time of the report, UN-Women had not yet created its own in-house ethics function. The Ethics Advisor at UN-Women has established the ethics function at UN-Women consistent with ST/SGB/2007/11.
[3] ST/SGB/2007/11, section 3.
[4] JIU/REP/2021/5, paragraph 73.

Currently, the Ethics Offices engage regularly with the Executive Board. Pursuant to Executive Board decisions, the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF and UN-Women have requested that ethics be added as a recurring item for decision at their annual sessions and for ethics to directly submit an annual report on its activities to their respective Executive Board. Each of the Ethics Offices also has an informal session with Executive Board members prior to the annual session.

The Ethics Offices consider independence a prerequisite for the effective implementation of their mandate. In its 2021 JIU Report, the JIU noted *"…the independence of the [ethics] function to be of utmost importance to protect it from undue influence and pressure. This independence is critical to ensure the unbiased and objective discharge of its responsibilities, in particular in cases of protection against retaliation."*[5] In this regard, the Ethics Offices note that the JIU identified specific standards for the independence of the ethics function. These standards already include provisions concerning engagement with the governing body, as well as safeguards in the selection/appointment, performance and dismissal/removal of the head of the Ethics Office. With respect to reporting lines, consistent with the bulletin, the JIU standards for independence of the Ethics Office provide that each ethics office shall be headed by an Ethics Officer, who shall function independently and report directly to the Executive Head.

This reporting structure is consistent with Articles 100 and 101 of the United Nations Charter, which provide that the staff shall be appointed by the Secretary-General under regulations established by the General Assembly, and that in the performance of their duties, the staff shall not seek or receive instructions from any government or from any authority external to the Organization. Furthermore, the Secretary-General has delegated authority on human resources matters, including the appointment of staff, to the executive heads of the separately administered organs and programmes. Should any revisions under consideration entail additional involvement of the Executive Boards beyond the standards identified for the Ethics Offices in the 2021 JIU report, it would be relevant to also consider their compatibility with the bulletin setting out the framework and terms and conditions for the Ethics Offices as well as the aforementioned provisions of the Charter.

Initial views from the Independent Evaluation Office of UNDP

The Independent Evaluation Office (IEO) of UNDP welcomes the JIU review in its efforts to strengthen the Executive Board's role on matters related to internal and external oversight functions. However, with respect to the JIU recommendation that the Executive Boards consider creating a dedicated committee for oversight matters, the IEO raises a few concerns. The establishment of such a committee could lead to increased workload for the delegations to these bodies, incur additional costs for secretariat support, and exacerbate disparities in their members' capacity to engage effectively. In addition, this approach could potentially dilute the Board's oversight function by relegating it to a small number of members, rather than involving the entire Board. Instead, the IEO suggests that existing mechanisms and bodies be better leveraged. For example, regular use of closed-door sessions between the Executive Boards and the independent oversight functions can provide a sufficiently confidential, interactive and efficient platform for discussing relevant issues. Likewise, the work of existing external oversight advisory committees could be more effectively leveraged to offer insights into the robustness of internal oversight functions.

[5] JIU/REP/2021/5, paragraphs 97-100.