

## **Annex 4: UNOPS 2018 annual report on the recommendations of the Joint Inspection Unit**

### **I. Summary**

1. This annex presents responses of UNOPS management to the recommendations issued by the Joint Inspection Unit (JIU) in the reports relevant to UNOPS. The provision of this annex is in accordance with the recommendation given in the JIU management letter JIU/ML/2016/14 '*Acceptance and Implementation of JIU Recommendations by the United Nations Office for Project Services (UNOPS)*' that the UNOPS Executive Director set up a system to report to the Executive Board on JIU reports and recommendations.

2. In line with General Assembly resolution 59/267 of 23 December 2004, and as reiterated in resolution 62/246 of 3 April 2008, the present report provides a synopsis of management responses to the recommendations and draws attention to the recommendations directed to the legislative bodies of United Nations system organizations.

3. As highlighted in the '*Outcome of the review of the follow-up to the Joint Inspection Unit reports and recommendations by the United Nations system organizations*', UNOPS has made significant progress in the management and implementation of earlier JIU recommendations. Indeed, JIU rated UNOPS as level four, five being the highest score in the maturity of the follow-up process. In the maturity matrix, UNOPS shared the sixth position with other two agencies, out of the total of 18 positions. Additionally, the JIU reported good verification practices by UNOPS focal points. UNOPS is only one of five agencies to be in this group.

4. Section IV of this report contains the list of 12 unresolved recommendations from 2009-2017. Only two of the recommendations were issued by the JIU more than three years ago (in 2014), these are scheduled for implementation in 2019. The remaining open recommendations were issued in 2017 or later and are strategic in nature, such as the recommendations on UN system-private sector partnerships, the implementation of which requires a strong coordination of the UN system organizations.

5. In 2018, the JIU issued five more reports, of which four are directed to UNOPS.<sup>1</sup> These are summarized in table 1 below. The annexure also highlights recommendations directed to the legislative bodies of the United Nations system organizations, especially those aspects that have particular relevance for the work of UNOPS.

### **II. Overview of Joint Inspection Unit reports issued in 2018**

6. Of the 23 recommendations relevant to UNOPS, 18 are addressed to UNOPS management and five are addressed to the legislative bodies.

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<sup>1</sup> The report that was not directed to UNOPS is JIU/REP/2018/2 '*Progress report on the recommendations contained in the review of South-South and triangular cooperation in the United Nations system*'.

**Table 1: JIU reports directed to UNOPS in 2018**

Summary of recommendations					Implementation status		
Reference*	Name of report	Addressed to executive head	Addressed to legislative body	Total directed to UNOPS	Not accepted/not relevant	Implemented	In progress
<a href="#">JIU/REP/2018/1</a>	Review of internship programmes in the United Nations system	4	-	4	2	-	2
<a href="#">JIU/REP/2018/3</a>	Review of management and administration in the United Nations Office for Project Services (UNOPS)	1	2	3	1	1	1
<a href="#">JIU/REP/2018/4</a>	Review of whistle-blower policies and practices in the United Nations system organizations	8	2	10	2	1	7
<a href="#">JIU/REP/2018/5</a>	Opportunities to improve efficiency and effectiveness in administrative support services by enhancing inter-agency cooperation	5	1	6	-	-	6
<b>Total</b>		<b>18</b>	<b>5</b>	<b>23</b>	<b>5</b>	<b>2</b>	<b>16</b>

\* At the time of finalization of this report, several reports relevant for UNOPS were pending publication by the JIU. UNOPS will incorporate the 2018 reports yet to be published by the JIU in its 2019 annual report.

### III. Synopsis and review of relevant Joint Inspection Unit reports and recommendations in 2018

#### A. Review of internship programmes in the United Nations system (JIU/REP/2018/1)

7. This review addresses the role of internship programmes as part of the ongoing reform of human resources management in the United Nations system. The report addresses the role of internships in the broader context of youth empowerment and the role of young women and men as core actors of the 2030 Agenda for Sustainable Development. It assesses the characteristics of the variety of internship programmes in the United Nations system, identifying good practices and sharing lessons learned. The review provides an assessment of internship programmes in JIU participating organizations, in order to bring about a more effective use of internship programmes as a talent pool management strategy.

8. The report contains four recommendations for UNOPS, all of which are addressed to the executive head. Two of the recommendations are accepted and in progress, but UNOPS Management does not accept the other two recommendations, which concern the internship programme. UNOPS is constantly looking for ways to improve the internship programme, and wishes to point out that the current internship policy is closely aligned with the JIU benchmarking framework.

#### B. Review of management and administration in the United Nations Office for Project Services (UNOPS) (JIU/REP/2018/3)

9. The report provides an independent assessment of the regulatory frameworks and related practices, and identifies opportunities for improvement. The review focused on areas such as governance, executive management, oversight, strategic planning, risk management, and financial

and human resources management. The JIU took note of the environment in which the organization is operating and considered the distinctive features of the UNOPS, in particular its self-financing nature and its service delivery mandate. Through the review the Inspector: (a) confirmed the specific culture of the organization, its high degree of flexibility, and its strong and successful business orientation; (b) noted the viability of the self-financed UNOPS business model, based on neither assessed nor voluntary contributions; and (c) positively assessed the UNOPS arrangements for management and administration.

10. The report makes three formal recommendations: two are addressed to the legislative body and one is addressed to the executive head. At its second regular session in 2018 the Executive Board took note of the Inspector's report and the management response (DP/OPS/2018/6).

### **C. Review of whistle-blower policies and practices in the United Nations system organizations (JIU/REP/2018/4)**

11. In this report, the JIU assessed the policies, processes and procedures associated with whistle-blowing and protection against retaliation (PAR) with the aim of improving their responsiveness and effectiveness and enhancing the overall accountability and integrity of the UN system. The JIU recognized that PAR policies and practices are essential components of organizational accountability and integrity. When responses are inadequate or where systems are weak, personnel are deterred from coming forward to report misconduct and wrong-doing, and this greatly increases the risk of substantive damage to organizational reputation, and undermines operations.

12. UNOPS welcomes this report and wishes to reaffirm that it will not condone retaliation against any individual reporting misconduct or cooperating with audits or investigations or other duly authorised fact-finding activities. Such retaliation would be a violation of the fundamental obligation of all personnel to uphold the highest standards of efficiency, competence and integrity and to discharge their functions and regulate their conduct with the best interests of UNOPS in view. There are ten recommendations addressed to UNOPS, eight of which have been accepted by the organization. The remaining two recommendations had been implemented by UNOPS prior to the issuance of the report JIU/REP/2018/4. These two recommendations required UNOPS to publicly post an annual report on misconduct and to carry out a global staff survey on accountability and ethics-related topics, both of which had already been implemented at the time of the report issuance.

### **D. Opportunities to improve efficiency and effectiveness in administrative support services by enhancing inter-agency cooperation (JIU/REP/2018/5)**

13. The JIU reviewed the opportunities for efficiency gains by United Nations system organizations in working together. The principal objective of this report was to estimate the scale of resources devoted to the delivery of administrative support services in general and at the country level, and to assess the interactions between country and global level administrative support service arrangements. Such arrangements include a common back office and an ambitious common premises target. The review was system-wide in scope, but focused on organizations with active field operations.

14. UNOPS welcomes this report and its recommendations, which are in line with the UN system-wide reform. UNOPS has accepted all six recommendations and looks forward to working with the other organizations on their implementation. Two of the recommendations are addressed to the legislative bodies and the remaining four are addressed to the executive head.

## IV. Unresolved Joint Inspection Unit recommendations 2009-2017

Recommendation summary 2009-2017		
Reference and name of report	Recommendation description	Latest implementation status
<p><a href="#">JIU/REP/2014/9</a></p> <p>Contract management and administration in the United Nations system</p>	<p><b>Recommendation 5</b></p> <p>The executive heads of the United Nations system organizations should develop a specific contract-management training programme in their organizations that would include courses offered as a requirement for all persons managing contracts of a certain size, value and complexity.</p>	<p>Preparations for the online course for Contract Management are well underway; the key elements of the course have been agreed following consultation with relevant experts in the Procurement Group and the Infrastructure and Project Management Group. More detailed work on the actual content as well as the development of the course into eLearning form is scheduled for mid-2019.</p>
<p><a href="#">JIU/REP/2014/9</a></p> <p>Contract management and administration in the United Nations system</p>	<p><b>Recommendation 11</b></p> <p>The executive heads of the United Nations system organizations should augment the capabilities of their existing information technology systems such as Enterprise Resource Planning systems, or consider other specialized contract-management systems, to support the management of post-award contract activities based on a cost/benefit analysis and taking into account the level of need for such functionality.</p>	<p>Significant progress has been made in implementing the recommendation. An important part of the contract management module (the supplier performance evaluation tool) has been developed within the ERP system and was launched in September 2017. The development of the remainder of the contract management module is to be completed by May 2019.</p>
<p><a href="#">JIU/REP/2017/7</a></p> <p>Review of donor reporting requirements across the United Nations system</p>	<p><b>Recommendation 3</b></p> <p>The executive heads of the United Nations system organizations should encourage better access to, and dissemination and exchange of, information concerning donor reporting among the member States and should ensure that every organization maintains a corporate repository for all contribution agreements and donor reports.</p>	<p>UNOPS welcomes this recommendation. It has already established standard templates for contribution agreements for major donors and is working to further integrate donor specific reporting requirements into its ERP system. The ambition is to have a clear indication in the ERP system as to the timelines under which reports have to be submitted, to whom and in what specific format in compliance with the signed agreement. UNOPS is already recording all its signed agreements with donors in its ERP system, linked to the relevant projects. The final step will be to have a self-service function for donors to see the status of all projects they provided funding for. In this context, a wider dissemination of donor reporting related information can be supported between the member states.</p>

<p><a href="#">JIU/REP/2017/8</a></p> <p>The United Nations system – private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development</p>	<p><b>Recommendation 3</b></p> <p>The Secretary-General of the United Nations and the heads of United Nations system organizations, assisted by the United Nations Global Compact, should coordinate and streamline a unique, system-wide package of information about the opportunities for partnerships offered to the private sector by the Sustainable Development Goals, for the benefit of interested organizations.</p>	<p>UNOPS accepts this recommendation and will support the United Nations Global Compact in implementing the recommendation. UNOPS will provide the information on opportunities in UNOPS platforms designed to broker partnerships with the private sector. In November 2018, a task force was created with the representation of different agencies and with specific action points, the implementation of which should address this recommendation.</p>
<p><a href="#">JIU/REP/2017/8</a></p> <p>The United Nations system – private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development</p>	<p><b>Recommendation 5</b></p> <p>The heads of United Nations organizations should enhance the role and responsibilities of the Private Sector Focal Points Network with regard to sharing knowledge, promoting good practices and finding innovative solutions to problems related to partnerships with the private sector, including by entrusting them with specific tasks and agenda items on which to report.</p>	<p>UNOPS welcomes this recommendation and will look to engage with other units and individuals to participate, and will start channelling relevant updates to the UNOPS Partnership Network. UNOPS is also developing a private sector guidance note for internal use.</p>
<p><a href="#">JIU/REP/2017/8</a></p> <p>The United Nations system – private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development</p>	<p><b>Recommendation 6</b></p> <p>All heads of the United Nations system organizations, assisted by the United Nations Global Compact, should jointly create a common database on the profiles and performance of the businesses that are involved, or potentially interested, in partnerships with the United Nations, based on the information voluntarily submitted by the participating organizations.</p>	<p>In September 2018, UNOPS Legal Group has promulgated a new due diligence policy. The Partnerships and Liaison Group will track, compile and feed in the required information.</p>
<p><a href="#">JIU/REP/2017/8</a></p> <p>The United Nations system – private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development</p>	<p><b>Recommendation 7</b></p> <p>The Secretary-General of the United Nations and all the executive heads of participating organizations should identify and agree on a minimum set of common standard procedures and safeguards for an efficient and flexible due diligence process, to be applied system-wide in a transparent way by the United Nations operational staff engaged in the initiation and implementation of partnerships with the private sector.</p>	<p>UNOPS Partnerships and Liaison Group participated at a UN taskforce that are looking to develop the standardized due diligence process. UNOPS has shared its best practices and policy with the taskforce and will continue the dialogue.</p>

<p><a href="#">JIU/REP/2017/8</a></p> <p>The United Nations system – private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development</p>	<p><b>Recommendation 10</b></p> <p>The Secretary-General of the United Nations should encourage, in concertation with the executive heads of the Joint United Nations Programme on HIV/AIDS, the United Nations Development Programme, the United Nations Educational, Scientific and Cultural Organization, the United Nations Population Fund, the Office of the United Nations High Commissioner for Refugees, the United Nations Children’s Fund, the United Nations Industrial Development Organization, the United Nations Office for Project Services and the World Food Programme and the executive heads of any other interested United Nations organizations with a presence in the field, a multistakeholder mechanism of consultations and solution-seeking at the country level, steered by the Resident Coordinator, in which the businesses are involved from the beginning in the design of partnerships in support of the 2030 Agenda for Sustainable Development. Where such mechanisms initiated by Governments exist, the United Nations country teams should encourage multi-stakeholder participation.</p>	<p>UNOPS Partnerships and Liaison Group is leading the coordination of UNOPS involvement and is engaging with selected country offices for input.</p>
<p><a href="#">JIU/REP/2017/8</a></p> <p>The United Nations system – private sector partnership arrangements in the context of the 2030 Agenda for Sustainable Development</p>	<p><b>Recommendation 11</b></p> <p>The Secretary-General, in his capacity as Chair of the United Nations System Chief Executives Board for Coordination, and the executive heads of interested organizations, should build on existing and ongoing efforts and continue to empower the United Nations Innovation Network or other existing United Nations joint innovation initiatives to identify and discuss issues that are relevant for the coordination of the existing innovation initiatives, funds, labs, accelerators and incubators, and their interface with the private sector, with a view to facilitating and stimulating innovation in the implementation of the 2030 Agenda.</p>	<p>UNOPS welcomes this recommendation, the implementation of which is driven by the UNOPS Head of Innovation, an active member of the United Nations Innovation Network as well as other joint innovation initiatives.</p>
<p><a href="#">JIU/REP/2017/9</a></p> <p>Review of mechanisms and policies addressing conflict of interest in the United Nations system</p>	<p><b>Recommendation 1</b></p> <p>Executive heads of the United Nations system organizations should direct their officials entrusted with the ethics function to map the most common occurrences and register the risks of situations exposing their respective organizations to organizational conflicts of interest, no later than December 2019.</p>	<p>UNOPS accepts this recommendation and will continue working towards its implementation.</p>
<p><a href="#">JIU/REP/2017/9</a></p> <p>Review of mechanisms and policies addressing conflict of interest in the United Nations system</p>	<p><b>Recommendation 2</b></p> <p>Executive heads of the United Nations system organizations, who have not yet done so, should direct their human resources services to introduce a mandatory conflict of interest disclosure form that should be signed by staff members, along with their declaration of office, by all staff members and other types of personnel joining an organization, whether in a short- or long-term capacity. The form should be developed with the assistance of the ethics function of the respective organization and with other functions, as</p>	<p>UNOPS accepts this recommendation. The Ethics Office is working towards its implementation with the support of the People and Change Group.</p>

	appropriate, and in consultation with any future inter-agency forum.	
<p><a href="#">JIU/REP/2017/9</a></p> <p>Review of mechanisms and policies addressing conflict of interest in the United Nations system</p>	<p><b>Recommendation 4</b></p> <p>Executive heads of the United Nations system organizations, who have not yet done so, in consultation with the Legal Network of the United Nations system organizations, should take the necessary steps to introduce, by December 2019, adequate legal clauses in contractual agreements with their staff and non-staff, as appropriate, binding them to the period of restriction set for their function that prohibits them from engaging in clearly defined post-employment activities for the duration of that period of time.</p>	<p>UNOPS accepts this recommendation and will continue working on its implementation.</p>

## V. Review of relevant JIU recommendations in 2018 for consideration by the legislative body

Report description and recommendations	Remarks
<p><b>Review of management and administration in the United Nations Office for Project Services (UNOPS) (JIU/REP/2018/3)</b></p>	
<p><b>Recommendation 1</b></p> <p>The Executive Board should adopt, at its 2019 annual session, revised terms of reference for the Audit Advisory Committee, prepared by the Executive Director, in compliance with good practices and established standards, notably with regard to the mandate, independence and composition of the Committee and the procedures for the appointment of its members.</p>	<p>The review and the management response (DP/OPS/2018/6) were considered by the Executive Board at its second regular session in 2018. The Executive Board took note of the management response. At the first regular session in 2019 the Executive Director informed the Executive Board that three new members had accepted the nomination to join our Audit Advisory Committee, and that gender parity had been achieved in this body. The new members were current members of UNOPS Strategic Advisory Group of Experts. Furthermore, the Board was informed of the intent to merge the Audit Advisory Committee and the Strategic Advisory Group of Experts for efficiency reasons, and that appointment of additional members was not foreseen. The recommendation is considered closed.</p>
<p><b>Recommendation 3</b></p> <p>The Executive Board should revisit at regular intervals the contingency provisions under the UNOPS budget to determine the appropriate threshold of the mandatory operational reserve and take a decision on the UNOPS reserves portfolio, starting at the second regular session of the Executive Board in 2019.</p>	<p>The review and the management response (DP/OPS/2018/6) were considered by the Executive Board at its second regular session in 2018. The Executive Board took note of the management response, which underlined that the self-financed UNOPS business model had not changed materially since Board decisions 2012/5 and 2013/33, and that the Inspector's report did not give evidence of such change, on the contrary the Inspector's report had repeatedly confirmed the viability of the extant business model. The recommendation is considered closed.</p>

<b>Review of whistle-blower policies and practices in the United Nations system organizations (JIU/REP/2018/4)</b>	
<p><b>Recommendation 1</b></p> <p>Legislative bodies should adopt measures by 2020 to ensure that all policies related to misconduct/wrongdoing and retaliation specify appropriate channels and modalities, such as independent oversight committees, for reporting and investigating allegations against the executive head of the organization, as well as against any other functions that may entail a potential conflict of interest in the handling of such issues.</p>	<p>UNOPS accepts this recommendation and considers it implemented. Per UNOPS policy, any allegations of misconduct by the Executive Director, the Deputy Executive Director or Internal Audit and Investigations Group (IAIG) personnel requiring an investigation shall not be investigated by IAIG, to avoid any potential or perceived conflict of interest. The appropriate external investigative body would be determined on a case-by-case basis based on the circumstances of the allegation.</p>
<p><b>Recommendation 4</b></p> <p>By 2020, the legislative bodies of the United Nations system organizations should request executive heads to ensure that the independence of the head of ethics, head of oversight and ombudsman/mediator functions is clearly defined, in accordance with recommendations contained in JIU reports (JIU/REP/2006/2, JIU/REP/2010/3, JIU/REP/2011/7, JIU/REP/2015/6 and JIU/REP/2016/8), and that these functions report periodically to the legislative body.</p>	<p>UNOPS accepts this recommendation and refers it to the legislative body.</p>
<b>Opportunities to improve efficiency and effectiveness in administrative support services by enhancing inter-agency cooperation (JIU/REP/2018/5)</b>	
<p><b>Recommendation 2</b></p> <p>The legislative bodies should request executive heads to develop performance indicators and targets to drive improvements in the delivery of administrative support services, and to post performance publicly.</p>	<p>UNOPS accepts this recommendation and would like to highlight that the Shared Services Centre group is working towards its implementation.</p>