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## **Industrial Development Board**

### **Forty-eighth session**

Vienna, 23–25 November 2020

Item 14 of the provisional agenda

### **Addressing recommendations of the Joint Inspection Unit review of management and administration in UNIDO**

## **Recommendations of the Joint Inspection Unit review of management and administration in UNIDO**

### **Report by the Director General**

In line with decision IDB.45/Dec.10, the present document provides a progress report of the Director General on the implementation of the recommendations of the Joint Inspection Unit's review of management and administration in UNIDO (IDB.45/14/Add.1). It follows up on the report provided to the forty-seventh session of the Industrial Development Board (IDB.47/20).

## **I. Introduction**

1. At its forty-fifth session, the Board considered the report of the Joint Inspection Unit (JIU) on the review of management and administration in UNIDO (IDB.45/14/Add.1) and comments of the Director General thereon (IDB.45/1/Add.2). Further to this, the Board requested the Director General to implement the recommendations addressed to him within existing resources, and to provide a progress report to the Industrial Development Board at its forty-sixth session (IDB.45/Dec.10). This report was provided in document IDB.46/15.
2. The Director General is pleased to transmit herewith the progress of the Secretariat on the implementation of the recommendations of JIU.

For reasons of economy, this document has not been printed. Delegates are kindly requested to bring their copies of documents to meetings.



## II. JIU recommendations and UNIDO's comments on progress achieved

<i>Recommendations</i>	<i>Responsibility</i>	<i>UNIDO response</i>
1 The General Conference is invited to examine at its seventeenth session, in 2017, the strategies proposed by the Director General to support the achievement of the Sustainable Development Goals, with special emphasis on Goal 9, to ensure that the role of the Organization is well defined, and to provide necessary resources through the successive programmes and budgets for the implementation of those strategies.	Legislative body	<p><b>Accepted – under implementation</b></p> <p>Following the adoption of GC.17/Res.1, progress has been made to support the implementation of the MTPF 2018–2021. UNIDO has in place a Quality Assurance Framework (QAF) and a revised Integrated Results and Performance Framework (IRPF) where the associated IRPF indicators were submitted to the 18<sup>th</sup> Session of the General Conference (GC.18/CRP4). UNIDO has also issued an Administrative Instruction on “Managing for Results: A guide to UNIDO’s IRPF Approaches and Tools” in 2020. As the IRPF is operationalized, new operational strategies, frameworks and plans, aligned to the MTPF 2018–2021 are now available. These include the UNIDO Strategic Framework for Partnering with Middle-Income Countries submitted to the forty-seventh session of the IDB (IDB.47/26) and the UNIDO Small Island Developing States Strategy, 2019–2025 presented at the 18<sup>th</sup> General Conference (GC.18/CRP.5). Preparations towards a Programme and Budget, 2002–2023 based on results-based budget are underway.</p>
2 The Director General should consider formalizing the internal senior management briefings with a view to strengthening the corporate-wide coordination and information-sharing functions in order to support the Executive Board in the management of the Organization.	Executive head	<p><b>Accepted – implemented</b></p> <p>An Information Circular has been issued, formalizing the internal senior management meeting as a coordination and information-sharing mechanism (<b>IC/2017/08</b>).</p>
3 The Industrial Development Board should ensure that sufficient regular budget resources are provided to fund core functions of the Organization so as to enable it to carry out all its mandates as a specialized agency of the United Nations in a consistent and sustainable manner, in line with the provisions of the Lima Declaration. In this context, the Board, in accordance with its decision IDB.44/Dec.8, may also invite UNIDO member States to increase their contributions to the	Legislative body	<p><b>Under consideration</b></p> <p>Discussions are ongoing at the Informal Working Group on Programme and Budget Committee-related issues, reviewing options to improve the financial situation of UNIDO. In the meantime, UNIDO continues the dialogue with Member States on timely collections of the assessed contributions via regular reporting to the Committee and Board, specifically through the Director General’s reports on the financial situation of UNIDO. The Organization also regularly encourages Member States to provide voluntary contributions to the Special Account of Voluntary Contributions for Core Activities/Major Capital Investment Fund accounts, including requests for renouncing Unutilized Balances of appropriations.</p>

Recommendations	Responsibility	UNIDO response
special accounts created by the secretariat.		
4 The Director General should present to the Industrial Development Board at its forty-sixth session in 2018 a comprehensive report aimed at improving the financial situation of the Organization, integrating proposals on the main categories of its resources (regular budget, operational budget and voluntary contributions).	Executive head	<p><b>The Secretariat has taken note of this recommendation</b></p> <p>The ongoing discussions at the Informal Working Group on Programme and Budget Committee-related issues are reviewing options to improve the financial situation of UNIDO. Based on a proposal made by the IWG to the Committee and the Board, the General Conference at its 18th Session authorized the Director General to advance from the Working Capital Fund such amounts as might be necessary to finance budgetary appropriations pending the receipt of contributions. (GC.18/Dec.13 (iii)). This would enable the Organization to increase budget utilization and thus reducing the unutilized balances of appropriations.</p>
5 The Director General should expand the risk management strategy presented at the forty-fourth session of the Industrial Development Board in 2016 to comprehensively address all major risks faced by the Organization with appropriate mitigation measures, and submit it to the Board for endorsement at its forty-sixth session in 2018.	Executive head	<p><b>Accepted – under implementation</b></p> <p>A Risk Management Committee has been established to further develop the UNIDO Risk Management strategy and to advise the Executive Board on measures to be taken. As noted in document IDB.47/16, the UNIDO Risk Focal Point, the Director of the Department of External Relations, completed an initial institution-wide risk mapping exercise to identify the main perceived risks in key areas of UNIDO’s operations. The survey also collected related mitigation strategies and actions that were planned or already under implementation.</p> <p>The collated results of the in-house risk mapping were presented to the Risk Management Committee. The Risk Management Committee analysed, grouped and aggregated the perceived risks against the MTPF, which resulted in the creation of a preliminary corporate risk register.</p> <p>To respond to the strong interest and support shown by Member States on this issue, the UNIDO Focal Point presented the outcome of the initial risk mapping exercise, an overview of UNIDO’s enterprise risk management profile, and the preliminary corporate risk register in a briefing to Member States on 14 December 2018.</p> <p>Through the Risk Focal Point, UNIDO actively participated in the High-Level Committee on Management (HLCM) Cross-functional Task Force on Risk Management. The Task Force, comprised of various United Nations organizations, developed a risk maturity model to serve as a benchmarking tool for United Nations organizations implementing enterprise risk management. UNIDO’s participation in the Task Force provided invaluable feedback on and fine-tuning of its approach to advancing the Organization’s enterprise risk management policy framework.</p>

<i>Recommendations</i>	<i>Responsibility</i>	<i>UNIDO response</i>
<p>6 The Director General should finalize the revised Human Resources Management Framework and issue it as a Director General's bulletin by the end of 2017. Relevant policies and administrative instructions should be promulgated or updated accordingly.</p>	<p>Executive head</p>	<p>In advancing UNIDO's enterprise risk management maturity, the Risk Management Committee prepared a workplan based on its risk maturity model and best practices in enterprise risk management. The workplan focuses on: validating the top-rated risks; enhancing management dialogue related to the risk profile, with a view to defining risk appetite, tolerance and thresholds; defining and updating acceptable risk mitigation measures; assigning risk responsibility; providing substantive input to updating the Internal Control Framework; and instilling a common understanding of risk in the Organization through guiding documentation. This will serve to ultimately identify top risks of the Organization, as well as applicable mitigation measures and ownership.</p> <p>As one of the risks with high impact on the financial situation of UNIDO, the risk of withdrawal of Member States from the Organization was highlighted specifically by Member States. The Department of External Relations continues to engage with a number of former Member States, while also focusing on strengthening UNIDO's relations with other non-Member States.</p> <p>In 2019 UNIDO was subjected to an in-depth review (the first of its kind) by MOPAN, the Multilateral Organizations' Performance Assessment Network that reported i.a. the lack of a "formal, standardized organization-wide Risk Management Framework".</p> <p>In early 2020, UNIDO participated in the survey under the JIU project A.449: Enterprise Risk Management: approaches and uses in United Nations system organizations".</p> <p>The June 2020 restructuring of the UNIDO Secretariat created the function of Special Advisor to the Director General n Operations Coordination and Risk Management signalling a growing emphasis on the subject matter.</p> <p>A joint communication to IDB/48 (23-25 November 2020) is planned to present an integrated overview of progress in Enterprise Result Management Policy, the Internal Control Framework, the Accountability Framework, and the Business Continuity Plan.</p> <p><b>Accepted – under implementation</b></p> <p>Following the approval of the Executive Board of the Human Resources policies road map, the following have been revised so far:</p> <ol style="list-style-type: none"> <li>1. UNIDO Competency Framework: issued as DGB/2019/10 on 21 May 2019.</li> <li>2. Changes to the Staff Rules regulating appointment and promotion process issued as DGB/2019/14 on 23 August 2019.</li> <li>3. ISA Framework: revision has been prepared and is in final preparation stage.</li> </ol>

<i>Recommendations</i>	<i>Responsibility</i>	<i>UNIDO response</i>
<p>7 The Director General should develop an action plan containing monitoring measures aimed at improving the geographical diversity of the UNIDO workforce and report regularly to the Industrial Development Board on its implementation, starting at its forty-sixth session in 2018.</p>	<p>Executive head</p>	<p>4. Policy on prohibition, prevention and resolution of harassment, including sexual harassment: updated by DGB/2019/12 on 4 June 2019.</p> <p>5. Staff Performance Management: reviewed by focus groups in 2018, consultation with relevant Departments to implement the changes in the policy and in the Enterprise Resource Planning system is to be finalized in 2021 in parallel with the new online platform/tool SuccessFactors.</p> <p>6. HR Strategy and updated HR policies: under preparation to replace the existing HR Framework;</p> <p>7. G-to-P development and advancement programme: proposal submitted to UNIDO Joint Advisory Committee for staff-management consultations.</p> <p>8. The Administrative Instruction on Declaration of Confidentiality and Conflicts of Interests was issued on 24 August 2020.</p> <p>Administrative Instruction on Merit Award and Promotion is under preparation.</p> <p><b>Accepted – under implementation</b></p> <p>UNIDO’s Geographical Diversity Action Plan 2020-2025 is in the final preparation stage for the approval of the Executive Board. The action plan unfolds through the below four approaches:</p> <ol style="list-style-type: none"> <li>1. Raising awareness across all levels of the workforce and promoting accountable talent acquisition decision-making;</li> <li>2. Undertaking outreach activities to improve employer brand and attract new talent from unrepresented member states;</li> <li>3. Solidifying partnerships with member states, UN system organizations and other networks around the objective of achieving greater diversity and inclusion; and</li> <li>4. Applying data-driven methods, including monitoring and reporting, to achieve greater geographical diversity.</li> </ol> <p>The UNIDO Integrated Result Programme Framework (IRPF) includes two indicators related to the geographical diversity of the UNIDO workforce: one percentage of Member States whose nationals are active core staff members and percentage of Member States whose nationals are active members of the UNIDO workforce.</p> <p>In addition, the 2019 UNIDO Annual Report (table 2 of appendix F) provides a breakdown of all Individual Service Agreement appointments/contracts by</p>

<i>Recommendations</i>	<i>Responsibility</i>	<i>UNIDO response</i>
8 The Director General should develop an action plan to improve the gender balance of the UNIDO workforce that would complement the Policy on Gender Equality and the Empowerment of Women, containing monitoring measures, and should report regularly to the Industrial Development Board on its implementation, starting at its forty-sixth session in 2018.	Executive head	<p>country/area/territory. The IRPF and the Annual Report are regularly reported to the Board.</p> <p><b>Accepted – under implementation</b></p> <p>In line with the UNIDO Policy on Gender Equality and the Empowerment of Women; the UNIDO Gender Equality and Empowerment Strategy of 2016–2019; this recommendation; and the United Nations Secretary General’s Gender Parity Strategy 2017, UNIDO has developed and approved the Gender Parity Action Plan 2018–2023, for reaching gender parity in staffing.</p> <p>Details of the Gender Parity Action Plan were presented to the forty-sixth session of the Industrial Development Board (IDB.46/20 and IDB.46/20/Rev.1) and progress in its implementation will be reported on through the Director General Report on UNIDO gender equality and the empowerment of women and the Director General Report on UNIDO personnel matters to the Industrial Development Board at its forty-seventh session.</p> <p>UNIDO continues its efforts to improve gender balance and to accelerate progress in gender parity among its staff, including through recruitment process, training and development.</p>
9 The Director General should issue an updated information technology and information management policy, and set up an organization-wide working group to assist the Executive Board in overseeing the implementation of the policy and in providing strategic direction in this area.	Executive head	<p><b>Accepted – implemented</b></p> <p>The policy on information and communication technology has been updated and issued as a Director General’s bulletin (<b>DGB/2017/08</b>).</p> <p>An information and communication technology (ICT) working group has been established to further strengthen and enhance the effectiveness of information technology and information management in the Organization (<b>IC/2018/10</b>).</p>
10 The General Conference is invited to adopt a comprehensive vision of the UNIDO field presence as an integral part of the Organization’s role in implementing the 2030 Agenda, including a set of criteria to assess its effectiveness.	Legislative body	<p><b>Accepted – implemented</b></p> <p>An Independent Thematic Evaluation of UNIDO Field Network, assessing the relevance and effectiveness of the Field Network in relation to UNIDO’s performance and impact, its ISID mandate and the 2030 Agenda, was published in December 2019. A roadmap for maximizing opportunities within the UNDS reform was submitted to the IDB (IDB.47/CRP.10) and the eighteenth session of the General Conference (GC.18/6). The roadmap includes actions to empower the field network and enhance UNIDO presence in the field, as well as to improve results, accountability and programmatic services at the country level. The revised IRPF indicators also currently allow the measuring, and</p>

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		therefore the managing of UNIDO's performance and results at the country level. Mechanisms and capacity building for results-based programming, monitoring, and reporting at the level of field offices is included within the operationalization plans of the IRPF.

### **III. Action required of the Board**

3. The Board may wish to take note of the information contained in the present document.
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