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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-sixth session of the Industrial Development Board (IDB.46/15).

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 and forty-seventh sessions (IDB.45/Dec.10). The first report was provided to the forty-sixth session of the Board 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.

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

	Recommendations	Responsibility	UNIDO response
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	**Under consideration** Following the adoption of GC.17/Res.1, UNIDO is undertaking a major update of its Integrated Results and Performance Framework (IRPF) to measure and track UNIDO's programme and operational effectiveness, in support of the implementation of the medium-term programme framework (MTPF) 2018–2021. UNIDO is also working towards a draft strategic framework as requested by Member States in GC.17/Res 6. A set of strategic policies and guidelines will be prepared and issued in due course, for their implementation in 2019.
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	**Accepted – implemented** An Information Circular has been issued, formalizing the internal senior management meeting as a coordination and information-sharing mechanism (**IC/2017/08**).
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 special accounts created by the secretariat.	Legislative body	**Under consideration** 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.

	Recommendations	Responsibility	UNIDO response
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	**The Secretariat has taken note of this recommendation** 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. A proposal to enhance the budget utilization is expected to be made to the Committee and the Board.
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	**Accepted – under implementation** 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. 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. 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. 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.

	Recommendations	Responsibility	UNIDO response
			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. The results of the full risk assessment are planned to be reported to Member States in a briefing in the fourth quarter of 2019. 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.
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.	Executive head	**Accepted – under implementation** Following the approval of the Executive Board of the Human Resources policies road map, the following have been revised so far: 1. UNIDO Competency Framework: approved by the Director General (March 2019), Director General's bulletin to be issued shortly; 2. Streamlined Appointment and Promotion Process: proposal endorsed by the UNIDO Joint Advisory Committee (March 2019), to be submitted to Director General by the end of April 2019; 3. 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 under way; 4. HR Strategy: under preparation to replace the existing HR Framework and to be issued as a Director General's bulletin; 5. G-to-P development and advancement programme: proposal submitted to UNIDO Joint Advisory Committee for staff-management consultations.

	Recommendations	Responsibility	UNIDO response
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.	Executive head	**Accepted – under implementation** Given the scarcity of resources, in 2018, priority was given to the development of the Gender Parity Action Plan 2018–2023, which was completed and issued. Developing an action plan to improve the geographical diversity is on the Human Resources workplan. Relevant consultations have already started. Drafting of the action plan will commence as soon as the preparatory work is done. The UNIDO Integrated Result Programme Framework includes two indicators related to the geographical diversity of the UNIDO workforce at the end of the year: one focusing on the representation of UNIDO Member States in the total workforce, the other one on their representation among staff members. Also, table 2 of annex E of the Annual Report of UNIDO provides a breakdown of all Individual Service Agreement appointments/contracts by country/area/territory. Both documents are regularly reported to the Board.
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	**Accepted – under implementation** 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. 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.
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	**Accepted – implemented** The policy on information and communication technology has been updated and issued as a Director General's bulletin (**DGB/2017/08**). 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 (**IC/2018/10**).

	Recommendations	Responsibility	UNIDO response
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	**Under consideration** The IRPF is being operationalized through the capacity-building of UNIDO staff, including the field offices. Developing the appropriate policies, templates and tools to institutionalize the IRPF will be integrated into the operation and management of the Organization’s activities both at the Headquarters and in the field. At the same time, the updated terms of reference of the field office include the role of results monitoring, and increased participation in the Organization’s programmatic work.

III. Action required of the Board

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