Intermediate Progress Report - 26.05.2021

Audit of the management of trust funds at the Economic Commission for Europe (OIOS 2018-084)

No.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions taken to close recommendation	Implementation date[5]
1	ECE should review its resource mobilization strategy and multi-year plan and take appropriate steps such as: (i) incorporating measurable and quantifiable performance indicators in the strategy; (ii) instituting a process to track the progress achieved; and (iii) including the impact of resource mobilization activities in its annual report to the Executive Committee.	Important	O	A revised Resource Mobilisation Strategy: (i) calling for measurable and quantifiable performance indicators to be included in the Resource Mobilization Plans; (ii) instituting a process to track the progress achieved; and (iii) measure the impact of resource mobilization activities in an annual report to the Executive Committee was approved by EXCOM on 20 May 2020. The first Resource Mobilization Plans incorporating measurable and quantifiable performance indicators were presented to EXCOM at its 113th meeting of 22 January 2021. In line with the revised strategy, ECE will report on the impact of resource mobilization activities through the 2020 Technical Cooperation report to be presented to EXCOM on 8 July 2021.	**Revised target date:** 08/07/2021 **In Progress**
2	ECE should strengthen its due diligence process by incorporating procedures for engagement with NGOs and other entities as donors and partners.	Important	C	A *Due Diligence Questionnaire for NGOs and other entities as donors and partners* has been established to complete the existing *Due diligence Questionnaire for Potential Private Sector Partners*. As of 1 July 2019, all agreement documents with NGOs and other entities other than member States must be submitted to the Office of the Executive Secretary, Chef de Cabinet accompanied by a duly completed and signed due diligence questionnaire from the entity itself. **Based on the action taken by ECE, recommendation was closed by OIOS.**	**Implemented:** 04/07/2019
3	ECE should take appropriate steps to update its policies and procedures relating to management of extrabudgetary resources with the requirement to mainstream SDGs in their activities.	Important	C	The entire Programme of Work of ECE for 2020 and 2021 is aligned with the 2030 Agenda. SDGs have been mainstreamed in all ECE extrabudgetary activities at all the steps of the project cycle since 2018. At planning phase, before EXCOM approval, project managers are required to fill specific project management templates (attached) including specific sections on 2030 Agenda for Sustainable Development and SDGs the project activities will contribute.	**Implemented:** 10/07/2020

No.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions taken to close recommendation	Implementation date[5]
				The annual Technical Cooperation report presented every year to EXCOM (see 2018 and 2019 reports attached) has been structured around the SDGs where ECE has a comparative advantage (11 SDGs). ECE member States have expressed their appreciation for this format reflecting the progress in the implementation of the 2030 agenda. All evaluations of extrabudgetary projects also look at how relevant was the project to contribute to the 2030 Agenda. All ECE evaluations are available at: http://www.unece.org/info/open-unece/evaluation/evaluation-reports.html **With the 2019 Technical Cooperation report anchoring the new format structured around the SDGs, presented to EXCOM on 10 July 2020, ECE marks this recommendation as implemented.**	
4	ECE should: (i) establish a mechanism to consult available National Voluntary Reviews (NVR) of the country where projects are planned to be implemented; and (ii) encourage more Member States to participate in the NVR process to enhance project effectiveness.	Important	C	1. All project managers are mandatory consulting VNRs when developing the project documents. A specific section in VNRs was added to all new project proposals from October 2018. 2. As VNRs is a voluntary process initiated by the Government, there is no direct ECE engagement in VNRs. The Regional Forum on Sustainable Development (RFSD) provides a platform for the ECE member States to share their experience on SDGs, inter alia encouraging ECE member States to participate in VNRs. The Chair's summary of the discussions (https://undocs.org/E/HLPF/2019/3/ADD.1 - Annex I, p.10), in the context of the latest RFSD for the ECE Region (March 2019) reflects this call to ECE member States to participate in VNR process. 3. ECE actively participates in the UNCTs in the 17 programme countries, and engages technical support through MAPs missions. ECE provided technical expertise to 4 MAPs missions, which support countries to identify opportunities for mainstreaming, acceleration and policy support for SDGs, which are a key driver, and foundation for countries developing VNRs. **Based on the action taken by ECE, recommendation was closed by OIOS.**	**Implemented:** 30/06/2019

No.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions taken to close recommendation	Implementation date[5]
5	ECE should include in the terms of reference for evaluations the need for evaluations to comply with the United Nations Evaluation Group's revised gender-related norms and standards.	Important	C	The Terms of Reference template for evaluations has been updated and now reflects the UNEG's revised gender-related norms and standards. The template is available on the ECE internal intranet and is hereby attached. **Based on the action taken by ECE, recommendation was closed by OIOS.**	**Implemented:** 17/10/2018
6	ECE should: (i) develop a catalogue of technical cooperation services based on available technical expertise; and (ii) institute a project intake process to ensure that projects fall within the available expertise to further enhance the effectiveness of its technical cooperation activities.	Important	O	ECE Technical Cooperation Strategy was revised and adopted by EXCOM on 17 May 2021. By 31 July 2021, it will be completed by a revised Directive 15 clarifying the management of resources funded from Sect.23 of the regular budget, the Regular programme of Technical Cooperation (RPTC). Noting that Directive 18 already clarifies the management of extrabudgetary funds, these three documents taken altogether will frame technical cooperation activities and project intake processes for the future years. They are also completed by the resource Mobilization Strategy adopted in 2020 (see Rec#1) and the resource Mobilization Plans for 2020-2022, presented to EXCOM in January 2021.	**Revised target date:** 31/07/2021 **In Progress**
7	ECE should: (i) take appropriate steps to ensure that indicators of achievement in project proposals are focused on outcomes; (ii) use appropriate tools to track the progress of outcomes; and (iii) include them in the annual report on technical cooperation activities to the Executive Committee.	Important	C	The guidance to the logical framework, including on outcomes (expected accomplishments) and indicators was strengthened. Reporting on individual projects includes reporting against the set indicators for majority of the technical cooperation projects (depending on the donor-agreed templates). The annual report on Technical Cooperation provides summary of the results on all technical cooperation interventions, including the projects. Whenever possible, factual data on indicators will be included. **Based on the action taken by ECE, recommendation was closed by OIOS.**	**Implemented:** 30/06/2019
8	ECE should: (i) resume lessons learned exercises based on the evaluations conducted; (ii) convey the results of the lessons learned exercise to the concerned divisions for making	Important	C	(i) ECE held a lessons-learned exercise on evaluations conducted in 2018 the 12 March 2019. The objective of the workshop was to draw lessons from the evaluations conducted in 2018 and facilitate an exchange of experiences across the organization. (ii) The presentation made during the workshop and the final report	**Implemented:** 21/03/2019

No.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions taken to close recommendation	Implementation date[5]
	necessary adjustments in future project proposals; and (iii) include the lessons learned from evaluations in its annual report to the Executive Committee.			are attached; these documents have been shared with ECE Directors and distributed across ECE divisions and uploaded to Open UNECE. (iii) To ensure the sustainability of this learning, an additional induction workshop was held on 13 May 2019 for project managers who will manage evaluations in 2019. (iv) The 2018 Annual report on evaluation was presented to EXCOM during the 104th meeting (http://www.unece.org/info/about-unece/executive-committee-excom/meetings/2019/104th-meeting.html). In the report, the chapter 4 analyses the results of the internal evaluations conducted and highlight the key areas of improvement **Based on the actions taken by UNECE, recommendation was closed by OIOS.**	
9	ECE should review the trust funds with low contributions and/or no activity and determine whether they can be closed and merged with the technical cooperation trust fund to improve trust fund management.	Important	O	Following review and discussions with respective programme managers regarding the closure or the merging of the general trust funds with low contributions or little or no activities with the technical cooperation trust fund 32ECE, the Executive Office has determined during Q4 2019 that four trust funds may be merged upon finalization of remaining commitments in 2020 in order to minimize disruption to ongoing activities. On 10 December 2020, the Executive Secretary sent a memo to the Controller to formally request the closure of four extra-budgetary trust funds (32EAA, 32EIA, 32EHA, and 32LTA), in line with an OIOS audit recommendation. **Based on the action taken, ECE requests the closure of this recommendation.**	**Implemented:** 10/12/2020
10	ECE should: (i) review the use of consultants and ensure that they are only hired to perform tasks that require specialized skills; and (ii) include a knowledge transfer clause in the consultants' terms of reference, where applicable, to facilitate upgrading the technical skills of its staff.	Important	C	This recommendation was implemented the 23 October 2018, as per an email from ECE Executive Officer. UNECE C/IC tool has been updated to reflect the additional requirements for project managers. ECE has also reviewed the contracts which have been signed since the new requirement has been implemented and confirms that these contracts comply with the requirement. **Based on UNECE's confirmation that the consultants are used for specialized functions based on their review, recommendation is closed by OIOS.**	**Implemented:** 23/10/2018

No.	Recommendation	Critical[2]/ Important[3]	C/ O[4]	Actions taken to close recommendation	Implementation date[5]
11	ECE should: (i) ensure that consultants and contractors provide a statement of good health for self-certification and complete a beneficiary form; and (ii) monitor and address delays in processing of payments to consultants.	Important	C	This recommendation was implemented the 23 October 2018, as per an email from ECE Executive Officer. UNECE C/IC tool has been updated to reflect the additional requirements for project managers. **Based on the action taken by UNECE, recommendation was closed by OIOS.**	**Implemented:** 23/10/2018

---

[2] Critical recommendations address critical and/or pervasive deficiencies in governance, risk management or control processes, such that reasonable assurance cannot be provided with regard to the achievement of control and/or business objectives under review.

[3] Important recommendations address important (but not critical or pervasive) deficiencies in governance, risk management or control processes, such that reasonable assurance may be at risk regarding the achievement of control and/or business objectives under review.

[4] C = closed, O = open

[5] Date provided by ECE.