Mid-Term Evaluation of UNEP's Medium-term Strategy 2010 – 2013

Working Paper

1. Human & Financial Resources supporting MTS Implementation

1.1 Introduction

1. Human resource management" and "resource mobilization" are two of the (four) institutional mechanisms – together with "strategic presence" and "gender responsiveness" - to be put in place to achieve the MTS objectives, "building on continuing efforts to become a more effective, efficient, and results-focused organization".

2. UNEP aims to "build a high-quality, multi-skilled and mobile workforce that is efficient, competent, and possesses the highest degree of integrity", paying due regard to geographical representation and gender balance. UNEP intends to do so through targeted and more efficient recruitment efforts, combined with the development of management and leadership capacities of existent staff and the implementation of a staff rotation programme. As regards financial resources, the MTS wants to be "a credible platform for mobilizing resources" around its objectives and strategic/programmatic frameworks. UNEP intends to enhance voluntary contributions to the Environment Fund (EF), strengthen its direct engagement with development partners, and raise contributions from the private sector, foundations, and non-environmental funding windows, including humanitarian, crisis and peace-building instruments.

3. UNEP operates under the broad framework of the UN Secretariat. As such, the statutory approval process for UNEP Programme of Work (PoW), which includes the biennial budget estimate, has not significantly changed with the introduction of the MTS. Similarly, the rules and regulations defined by the UN Secretariat for human resources management, performance measurement, reporting and financial audits are binding on UNEP. The move to the new programmatic framework has been accompanied by an important organizational restructuring for financial management and administration. Effective January 2008, the Corporate Services Section (CSS) and the Administrative Service Centre (ASC) in Geneva have incorporated related functions previously undertaken by the United Nations Office in Nairobi (UNON). Together with the Quality Assurance Section (QAS) and the Resource Mobilization Section (RMS), CSS has represented the backbone of UNEP management and administration for the implementation of the MTS.

4. Following the recommendation included in the "Review of UNEP's Programme Implementation Mechanisms and Administrative Structures" by Dalberg Global Development Advisors (the Dalberg Review hereafter, 2006) to "create senior management posts with responsibilities for articulating and coordinating UNEP's strategy as relates to various types of resources and investments within an Operational Support Team" and the following recommendation of an audit by the UN Office of Internal Oversight Services (OIOS, 2009), QAS, CSS and RMS were later organized as the Office of Operations (OfO), to allow for strategy development, resource mobilization, budgetary and financial reporting, human resource planning, and performance monitoring to be more interlinked, and to avoid duplication and overlap of activities. The OfO has been responsible for the strategic management of UNEP budgetary, financial, human, information technology and physical resources. However, UNEP still relies on UNON as service provider in the areas of accounting, payroll and payments, recruitment and staff services, staff development, procurement and inventory maintenance.

1.2 Human resource management

5. In preparation for the MTS, and in response to recommendations made by the Dalberg Review (2006), UNEP Senior Management Team (SMT) approved the document "Approaches to realignment of staff skills against programmatic priorities" (the Approaches document hereafter). The document stated the need to: a) institutionalize recruitment practices (including the assessment of capacity and the development of recruitment plans in Divisions and across Divisions); b) promote targeted recruitments (internal and external); c) implement the Optional Voluntary Separation Programme, and; d) implement the rotation and training programme. Despite formal approval by SMT and distribution through intranet, the Approaches document does not seem to have been a reference for human resources management in UNEP, and systematically acted upon.

6. Building on the four focus areas, this Evaluation has come out with four criteria against which performance of UNEP towards achieving human resources management-related objectives can be assessed: i) Strengthened human resources base and allocation of human resources according to the priority objectives of the MTS; ii) Enhanced capacities of UNEP staff to implement the MTS, iii) Increased efficiency of recruitment processes and human resources management, and; iv) "One UNEP" corporate culture promoted and staff motivation enhanced. Criterion iv) is not officially mentioned in the Approaches document. Yet, the Evaluation reckons the importance of organizational motivation for enhanced performance. As indicated in the framework developed by the International Development Research Centre (IDRC) and Universalia Management Group[1], organizational performance ultimately depends on three main factors: the external environment, organizational capacity (strategic leadership, human resources, financial management, organizational processes, programme management, infrastructure), and organizational motivation. Organizational motivation is both related to the history and mission of the Organization, but also to its culture and the system of incentives in place.

1.2.1 Strengthened human resources base and allocation of human resources according to priority objectives in the MTS

7. In the PoW document for 2010-11, UNEP estimated an overall 8% increase in its staff capacity (55 posts) compared to the previous biennium. This estimate does not include extra-budgetary funded project posts. The increase was more significant at high professional levels (P5 and above, +33%) and for Local Level / General Service (+20%) staff, while the number of young professionals at P1/P2 level decreased by 41%. Staff estimates for the biennium 2012-13 were less rosy, with a reduction of 57 posts (9%, 29 Professionals and 28 Local Level) mainly paid for by the EF, following a Governing Council Decision (24/9) to "take a cautious approach to the creation of additional posts under the EF". Although PoW staff figures are only estimates and are not representative of UNEP's entire work-force, they provide evidence of UNEP's intention to enhance its staff capacity at the beginning of the MTS period and, two years later, the need to back off to the original figures, given the extremely critical world-wide financial situation.

8. The increase in staff numbers for 2010-11 was intended to strengthen UNEP's operational capacity in line-management functions within the OfO, and to enhance UNEP's presence in the regions.

9. As indicated in paragraph 3 above, effective January 2008, 18 posts (7 Professionals and 11 Local Level) were transferred from UNON to UNEP, and 6 Professionals have been added to the various corporate services

[1] Charles Lusthaus et al, Enhancing organizational performance – a toolbox for self-assessment, IDRC, 1999

function. Overall, the OfO had 80 posts assigned in the PoW 2010-11, and 78 planned for the biennium 2012-13[2], which the Evaluation would consider adequate to the size of the Organization (14%).

10. Regarding UNEP's presence in the regions, this evaluation observes a significant increase (61%) of (core and project) posts planned to be assigned to Regional Offices (excluding DRC) compared to 2008-09. This increase was intended to particularly benefit the Regional Office for Latin America and the Caribbean (+81%) and the Regional Office for Africa (+76%), to balance the amount of UNEP resources available in the regions. The increase responds to the need "to provide client countries with timely and quality assistance", as stated in three of the six SP Strategies for 2010-11 (DC, HSHW, and RE), and, again, in the UNEP Budget Committee document of July 2011.[3]

Table 1: Break-down of UNEP staff by Regional Offices (2008-09 and 2010-11), PoW 2010-11

11.

Professional post type	**PoW 2008-09**					
	ROA	ROAP	ROE	ROLAC	RONA	ROWA
Core post (100 series)	18	18	12	16	5	12
Project post (200 series)	3	2	2			
Total	**21**	**20**	**14**	**16**	**5**	**12**
	PoW 2010-11					
Core post (100 series)	21	20	16	18	7	14
Project post (200 series)	16	11	5	11	1	2
Total	**37**	**31**	**21**	**29**	**8**	**16**

12. In the PoW 2010-11, the increase in staff resources mostly benefitted DRC (+19%), DEWA (+14%), and DCPI (+12%). DELC, DTIE and DEPI resources were reduced, inasmuch as -7%, -4%, and -3% respectively.

13. However, UNEP staff figures provided by UNON[4] show a very different picture. After 2009, when UNEP workforce increased by more than 100 staff despite the negative signals about the forthcoming financial crisis, UNEP has steadily cut its human resources base down to 867 staff (i.e. a reduction of 6.4% since 2009). In the last three years (up to end of September 2012), only DEPI and DELC have seen their staff base increase by 5.5% and 10.5% respectively. In this period, UNEP has hired (initial appointments) 1 ASG, 11 D staff, 10 P5, 11 P4, 33 P3, and 33 P2.

14. Percentage-wise, UNEP has not significantly modified its staff composition by Division. DTIE, DRC and DEPI represent each about 20% of UNEP staff, followed by DEWA (9%), DELC (7%), and DCPI (4%). DEPI emerges as the only Division whose share of staff has increase since 2008 from 16% to 20%.

Table 2: UNEP staff figures 2008-2012

	2008	**2009**	**2010**	**2011**	**2012**
DEWA	74	77	78	76	77
DELC	58	53	57	60	63
DEPI	132	163	164	157	173
DTIE	183	202	193	181	187

[2] 4 Director level, 9 P5, 5 P4, 17 P3, 2 P2, and 41 GS. These figures includes Fund Management Officers (FMOs) and Assistants within Divisions.
[3] The UNEP budget committee recommended that "in light of budget restrictions and the importance of successfully delivering on the programme of work, funds set aside for strengthening UNEP's strategic presence should first be allocated to strengthening existing Regional Offices, and their thematic capacity to deliver on the PoW".
[4] Excluding staff of Convention Secretariats

DRC	182	207	211	210	197
DCPI	41	41	45	43	38
OED	81	103	99	100	92
GEF	66	76	60	52	36
UNSCEAR	3	4	3	4	4
TOTAL	**820**	**926**	**910**	**883**	**867**

15. As regards strengthening UNEP's presence in the regions, the Evaluation denotes that this happened only thanks to the set-up of various Liaison Offices. In the biennium 2010-11, all Regional Offices but ROLAC saw a slight decrease of their staff base (in the measure of 2 to 5 staff decrease). At the same time, UNEP established Liaison Offices in Beijing, Moscow, Brussels, Brasilia and Mexico City, and reinforced the one in New York.

Table 3: Regional and Liaison Offices staff figures 2008-2012

		2008	**2009**	**2010**	**2011**	**2012**
DRC	ROA	20	27	30	25	24
	ROAP	36	44	44	41	42
	ROLAC	20	27	25	26	24
	RONA	8	10	10	8	8
	ROE	26	34	29	27	26
	Liaison Offices	12	10	14	26	25

16. In conformity with the planning, UNEP strengthened its OfO in 2009, increasing the number of staff members from 37 to 63. As indicated above (paragraph 3), this was mainly due to the transfer of finance and administration functions from UNON to UNEP CSS. Since then, however, the OfO's staff base has decreased down to 56 members, the decline being more significant for QAS (-5 staff only in 2012) and CSS (-4 in 2011-12). The position of Director of QAS at D1 level has remained vacant for three years - with the Senior Planning Officer performing the function of Director ad interim – and then filled in by the Director of OfO, while waiting for the classification of his post at D2 level to happen (documents sent to the UN Secretariat only in October 2012).

Table 4: Executive Office staff figures (2008-12)

		2008	**2009**	**2010**	**2011**	**2012**
OfO	Quality Assurance Section	14	14	17	19	14
	Resource Mobilization Section	4	5	6	6	7
	Corporate Services Section	10	35	30	27	26
	Administrative Services Centre - Geneva	9	9	8	10	10
	TOTAL	37	63	61	62	57

1.2.1 Allocation of human resources by Sub-programme

17. Over the MTS period, there has not been any significant shift in the way staff resources are managed. Staff continue to be recruited in functional Divisions, and reporting lines and the locus of authority firmly reside with the Division Director. However, staff are able to work on Sub-Programmes which cuts across several divisions in a matrix system.

18. In preparation for the PoW 2010-11, UNEP estimated the effort, in terms of staff time, that each Division would have put into the implementation of Sub-Programmes (see table 5 below): DELC and DEPI staff would have devoted a significant share of their time (about 70-75%) to one SP only (EG and EM respectively), while other Divisions would have worked more towards objectives across SPs. DTIE indicated that its staff time would have been almost entirely (96%) split among the three SPs (RE, HSHW, and CC) which the Division leads.

Table 5: Indicative Divisional Effort per Sub-Programme (2010-11)

	DEWA	**DEPI**	**DELC**	**DRC**	**DTIE**	**DCPI**
CC	**21.41%**	10.83%	5.53%	14.40%	**25.94%**	**37.98%**
DC	9.42%	14.65%	1.36%	4.71%	0.50%	10.28%
EM	**21.85%**	**70.59%**	13.33%	16.99%	2.49%	17.00%
EG	**28.90%**	2.18%	**74.05%**	**42.55%**	0.68%	11.50%
HSHW	6.94%	1.59%	3.70%	8.97%	**28.58%**	11.04%
RE	11.47%	0.16%	2.04%	12.38%	**41.82%**	12.30%

19. The results of the UNEP survey confirmed that UNEP staff generally divides its time between two SPs or more. DTIE and DELC staff except, as they generally work for the implementation of one SP only. However, the Integrated Management Information System (IMIS) which UNEP uses for human resource management does not allow for such allocation of staff time along functional and thematic lines. UNEP was thus compelled to assign de facto the cost of staff to the SP to which they devote the major part of their working hours. This proved particularly challenging for those staff positions – such as Division Directors, Regional Directors, but also drivers and other support staff- who cannot be said to be working towards the achievement of specific Sub-programme objectives. In the event, the allocation of staff among SPs was only partially based on the contribution they provide to SP objectives. The inclination of Division Directors to include all the staff they manage within the SP they lead or give the major contribution to (combined with some logical fallacy in the design of the MTS), had to be ultimately rectified by the OfO for a better balanced (and sometimes admittedly artificial) distribution of resources[5]. In the Pow 2012-13, UNEP propose to allocate the costs of specific professional figures (including Senior Managers, Fund Management Officers) in a specific SP under Programme Management. While the proposal was accepted by UNEP GC, it was subsequently rejected by the UN Committee for Programme Coordination. These costs were thus later spread over the six SPs.

20. For proper resource management and accountability reasons, it is of utmost importance that the contribution of staff to different SPs is acknowledged in both Division and individual work plans, and that staff performance is assessed accordingly against the achievement of the objectives as in the plans. The Evaluation appreciates OfO's effort for PoW 2014-15 to calculate the distribution of staff by SP proceeding from the time they invest in the accomplishment of Outputs. The introduction of the UN Enterprise Resource Planning (Umoja) in the Secretariat's administrative reform in 2013 might help to better align staff resources to results.

[5] This was particularly true for the EG SP, whose blurred boundaries allowed for the initial allocation within it of the majority of DELC, DRC, and DEWA staff.

21. Taking account of the limitations that any analysis of human resources based on PoW figures has, the Evaluation observes that the distribution of human resources in the PoW– excluding staff hired within projects – favors the EM and EG SPs, which account together for almost half of UNEP budget (23% each), followed by CC (19%), RE (17%), HSHW (11%), and DC (7%). The analysis of the distribution of PoW posts among SPs confirms this trend. Compared to others, the EG and EM SPs also appear to use a bigger part of their EF resources to fund posts: the ratio of post/non post resources for the two SPs is respectively 0.46 and 0.37, compared to an average 0.31 in UNEP.

Table 6: Share of Human Resources budget and posts by SP (PoW 2010-11 and 2012-13)

Sub-Programme	Share of HR budget	Share of posts 2010-11[6]	Share of posts 2012-13
Climate Change	19%	14%	13%
Disasters and Conflicts	7%	6%	5%
Ecosystem Management	23%	18%	18%
Environmental Governance	23%	23%	23%
Harmful Substances and Hazardous Waste	11%	9%	10%
Resource Efficiency and Sustainable Consumption and Production	17%	11%	11%

22. The distribution of staff resources by level appears almost equal across SPs, with few exceptions. The analysis of deviation from average values by SP shows that:

- The EM SP has a 10% higher than average share of P5 (16), as well as of P3;
- The CC SP have a 10% higher than average share of P4;
- The EG SP has a higher share of P4, P2 and GS staff than average;
- OfO/Programme Support has a very low share of P4 staff (5%);
- The RE SP has a 11% lower than average number of young professionals (P2 level)

23. While some of these variations (e.g. the one in the EGSP) can be explained by the challenges that OfO faced in the distribution of resources among SPs (see paragraph 19 above), using the professional level as a proxy for level of expertise, UNEP appears to have a strong professional base dedicated to the implementation of the EG, EM, and CC SPs. In turn, the professional level within the Office for Operations/Programme Support function (at P4 level) does not seem entirely adequate to support MTS implementation.

Gender and geographic balance

24. UNEP seems to have achieved good progress in the gender balance of its staff. Women now represent 59% of UNEP entire workforce, and 55% of Professional staff at P1-P3 level. The Evaluation notices a significant increase (+6%) of women at Director levels since 2010 – women are now 30% of the ASG and Directors of UNEP

[6] The total share of posts for 2010-11 and 2012-13 does not add up to 100%, as it does not includes the posts allocated to the Executive function, Programme Support, and the Scientific Committee on the Effects of Atomic Radiation

-, while some challenges remain at middle- and senior- professional levels. The share of women at P4 and P5 levels has not changed much since 2008, from 35% to 37% of staff.

25. As of October 2012, UNEP staff base is comprised of 117 countries. Among Professionals, the United States of America, Kenya, and the United Kingdom are more represented, with 37, 36, and 30 staff members each. The OfO is committed to reach geographic balance, although hiring staff members from under-represented countries has been admittedly difficult. National examinations have helped in this respect.

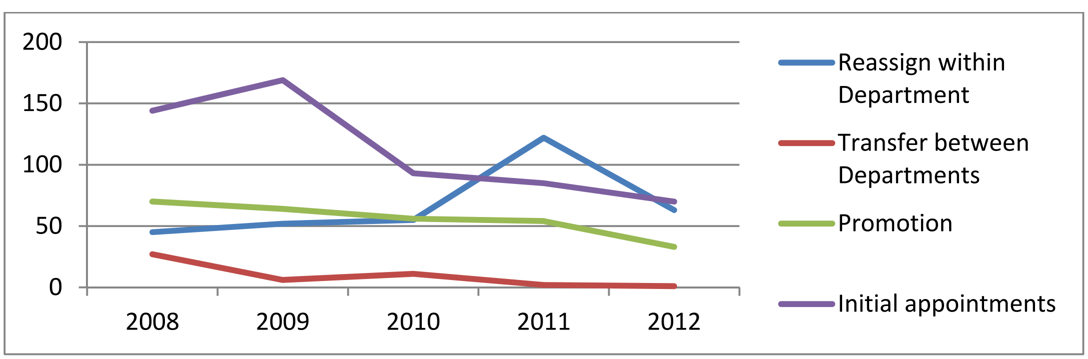
The rotation programme

26. The rotation programme was first introduced in UNEP in 2009, as a component of the Training and Learning Programme developed by the Strategic Implementation Team (SIT). The Evaluation reported anecdotal evidence of high interest by staff, which however did not turn into actual moves of staff within the Organization, partly due to the fact that vacant posts within Divisions were not made available. The programme was proposed again in 2010, still with very limited success. Figures provided by UNON show that, in the biennium 2010-11, 177 UNEP staff (including those working in Conventions' Secretariats) were reassigned. Reassignment of staff within UNEP peaked in 2011 (+121% compared to 2010), at the same time as the beginning of the MTS period. The Evaluation however could not distinguish between transfers within and between Divisions. Mobility, in any case, remains a quite significant component of UNEP recruitment: in the first nine months of 2012, about 60% of the human resources actions have involved internal candidates (40% lateral moves and 20% promotions).

27. Transfer between UN Departments proved more difficult: 13 staff members from other UN Departments joined UNEP[7]. Also, since the VINE programme - the UN wide rotation (mobility) programme – was launched in 2008, only one UNEP staff member has benefitted from it. In August 2012, the ED acknowledged the limited success of the initiative, and decided to postpone any further decision to the time the UN Secretary General acts on it as a general policy for the UN Secretariat.[8]

28. Opportunities for career progression in UNEP appear more limited. In the period 2008-12, the number of staff promoted has steadily fallen, each year, from 70 to 33. In the last three years, excluding the staff working for the Conventions' Secretariat, promotion involved 105 staff, 44% of whom within the General Service category, 24% at P4 level, 14% at P3 level, 11% at P5 level, and 6% at D level.

Graph 1: UNEP staff movements (2008-12)[9]



[7] 11 of whom in 2010: 2 to DTIE, 2 to DEWA, 2 to the Executive Office, and 1 to DCPI
[8] At the forthcoming session of the General Assembly, the UN Secretary General will present a proposed framework on mobility and career development, based on a proposal prepared by the Staff-Management Committee.
[9] Including staff of the Conventions' Secretariats

2.1.2 Enhanced capacities of UNEP staff to implement the MTS

29. The need to "attract, build, and maintain a highly competent, multi-skilled and versatile international workforce capable of fulfilling the mandates of UNEP and UNEP-administered MEAs" and "to boost career development within UNEP" has been long acknowledged. Back in 2006, the report "Managing the future of UNEP" spoke out against the lack of a budgeted staff training strategy, and considered this to be "a result of career development not being a priority for UNEP management". In 2007/08, the Strategic Implementation Team (SIT) was tasked with drafting a Training and Learning Programme for UNEP and its administered-MEAs, to be implemented by QAS in collaboration with the UNON Staff Development and Training Unit (SDTU). The Programme included – among others – UNEP-customized opportunities for management training, seminars and brown-bag lunches organized in cooperation with the Environmental Education and Training Unit, and an induction course.

30. The Evaluation is under the impression that, despite strong support by the Executive Director (ED) and the then Deputy Executive Director (DED), capacity development became less of a priority in the overall MTS development and implementation process. Once the SIT was dismantled at the beginning of 2010, no dedicated staff[10] was appointed to carry the task forward. The Training Strategy remained in draft form, and some elements (e.g. the induction course) were never, or fully (e.g. the rotation programme), implemented.

31. While there was loss of momentum on the development of a coherent training and human resource management strategy to implement the MTS, a few worthwhile initiatives which contributed to the MTS implementation were undertaken. In 2009, QAS organized a first "fast track capacity building for PoW" programme. The initiative was part of the SMT-approved "Programme of Work 2010-11: Designing the activities to deliver the results", a blended communication and training strategy on UNEP's new PoW structure. The Fast Track Capacity Building initiative, which was funded by the Danish Government within the project "Improving RBM in UNEP: internal capacity building" and had a budget of USD 579,708[11] - aimed to guide UNEP staff on the formulation of Programme Frameworks derived from the PoW, while at the same time provide guidance on the matrix implementation. The training involved 270 UNEP staff, and it was implemented five times in Nairobi (including the Training of Trainers (ToT)), twice in Geneva, and once each in regional and decentralized offices. Although QAS planned to use internal UNEP staff to conduct the training, this did not happen, as staff who benefitted of the ToT felt not adequately equipped to do it, and at the end an external consultant was hired. Despite strong support by the ED - who introduced the workshop during a town-hall meeting to kick-off the activity, highlighted the importance of top-management buy-in, and clarified roles and responsibilities – the training content could have benefitted from more guidance and clarity from QAS on processes, roles, and responsibilities, including of Regional Offices. The workshops were perceived to be more like a consultative learning experience than training. The lack of inclusion of FMOs in the training, although requested, represented a missed opportunity for Results Based Budgeting (RBB) and for better integration of fund management in programme management. This was more so, as the planned workshops coordinated by the then CSS (when procedures on budgeting would have been clarified) never happened. The Evaluation also notes that the training materials provided on that occasion were of sub-optimal quality for the purpose: they missed the context (no definition of what RBM is), were not clear on results and processes, separated project results from corporate level results, and monitoring from reporting.

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[10] UNEP Human Resources Officer was hired in 2010. Yet, his Terms of Reference ranges from human resources management to finance and procurement.

[11] The project covered staff and travel costs to: enhance delegated authority; create functioning operational matrix format for monitoring and accountability purposes (including the set-up of a project database and the development of a programme manual), and; improve quality programme management/delivery through training (RBM and Prince II).

32. At the same time, QAS planned a "logic framework clinic", to support UNEP staff with the formulation of projects' logical framework. The initiative did not attract the interest of staff and it was interrupted after only a couple of sessions. Although commendable, the initiative should have been planned differently, as a one-to-one help desk service rather than a brown bag lunch open to all staff.

33. A second training on RBM project management, funded by the Swedish International Development Agency (SIDA), was organized by QAS in 2011-12, "to target capacity needs in programme and project implementation, and improve UNEP's orientation towards measurable results". The roll-out of the training included eleven sessions (five in Nairobi, and one session each in Paris, Geneva, Osaka, Bangkok, Panama, and Manama), and saw the participation of 184 staff. According to the terminal report of the training, participants found the training particularly relevant and useful to develop their capacities on project design, and the use of Theory of Change in project formulation. Still, as occurred with the previous training, they lamented the lack of stronger support by, and participation in the initiative of, OfO and QAS staff. For future initiatives, the involvement of staff from other sections of the OfO is highly recommended.

34. Other relevant training events for the implementation of the MTS, organized in the biennium 2010-11 to enhance staff capacity, included: training on the Programme Information Management System (PIMS, attended by 313 staff), Prince II Foundation (103 participants), IMDIS training (44 participants), Green Procurement, and One UN briefing (organized by ROAP for 22 staff in DTIE Office in Osaka). Also, 20 UNEP staff attended the ToT, organized by the UN System Staff College (UNSSC), on mainstreaming environmental sustainability and climate change in the UN Development Assistance Frameworks (UNDAFs). The Evaluation acknowledges the merit of these initiatives, as tailored to the needs of UNEP staff. The value-added of Prince II training got instead somehow lost, as it proposed terms not fully compatible with the ones in use in UNEP, and it was not adapted to UNEP specific context.

35. In addition, in the biennium 2010-11, UNEP staff attended several instructor-led training courses organized by UNON SDTU[12], including the Leadership Development Programme (for D1 and D2 staff), the Management Development Programme (for P5 and P4 staff), the General Service Development Programme, and the course on Women Preparing for Leadership. Fifty-one UNEP staff also attended the course on Performance Management for Managers and Supervisors, focused on the development of work-plans and the definition of objectives for inclusion in the E-PAS plan. Overall, the Evaluation estimates that UNEP staff is taking good advantage of the training opportunities offered by UNON SDTU (including on career development), representing 36% and 41% of the trainees in 2010 and 2011 respectively. This was confirmed by the UNEP survey results, where 75% of the respondents confirmed to have participated in training and staff development initiatives organized by UNON.

36. In parallel, QAS has developed a Programme Manual to provide guidance on UNEP processes for planning, managing, and reporting on activities and results, to ultimately improve the standards of UNEP's projects and their focus on the results framework set out in the MTS and PoW. Work on the Programme Manual started as early as in 2009, but it has taken three years to complete. The Evaluation collected anecdotic evidence of the difficulty the project managers had in getting the buy-in of staff other than QAS and few other committed colleagues in-house. The Evaluation appreciated the current version of the manual, which provides a comprehensive framework for RBM, building on recommendations provided by the Formative Evaluation of UNEP PoW as well as by external reviews such as the MOPAN Assessment of UNEP. In this regard, the uptake and implementation of the Manual is likely to significantly strengthen the basis for RBM within UNEP.

[12] Training opportunities for UNEP staff are also available in Geneva, New York and Bangkok. The Evaluation, however, has not been able to collect data related to training offered in these locations.

37. Importantly, in October 2011, a dedicated Training Officer joined the OfO from the Staff Development and Learning Unit of the UN Secretariat in New York, where she had been temporarily assigned from DEPI within the context of the mobility policy. The Training Officer developed a (still draft) Training Approach for the biennium 2012-13 with the aim, among others, "to promote an understanding of results-based planning, budgeting and management using a standardized approach for donor reporting for consistency and comparability". Identified training needs include areas such as: budget and financial management, project and programme management, International Public Sector Accounting Standards (IPSAS), and an induction course.

38. Nine training opportunities are identified for implementation in the biennium 2012-13, but, as of November 2012, only two have been realized (the Professional Development Coaching Programme and the above-mentioned RBM Project/Programme Management training funded by SIDA). Importantly, even though the need for training for FMOs was stressed during the Administration Management Meeting in 2010 and resources by SIDA were allocated to the purpose the same year, the Fund/Programme Management training is still "under development".[13] No induction course has been planned.

39. The training approach is still a living (draft) document, and relies very much on opportunities offered by UNON SDTU given the limited resources available. The Training Officer confessed feeling like "having the wheels but not being able to go", and that strong management and direction are needed to support the implementation of training. The Evaluation acknowledges these challenges, and concurs with the view that strong support by Senior Managers (here and elsewhere) for corporate activities is very much required, including making staff available for ToT. Yet, the training approach as currently developed by OfO does not seem to be based on a real prioritization of corporate and staff needs, and lacks an estimation of resources required for its implementation. The inclusion of short programmes on staff well-being, which – although important - are not peculiar to UNEP and could be attended elsewhere, is questionable when considered next to other more strategic capacity development needs. Similarly, if the induction programme was realized, the workshops labeled as "on-boarding" (one of the nine proposals for 2012-13) would not be needed anymore.

40. As already acknowledged by the Dalberg Review (2006), UNEP needs to "increase staff development opportunities and integrate its talent management approach into its strategy". The evaluation reckons that, in the next biennium, the UNEP training approach should focus on developing skills for the MTS implementation, concentrating on: Programme and project design; Results-Based Management (RBM) and RBB, and; Financial management for FMOs. This evaluation further recommends implementing an induction training programme for new staff, in collaboration with the different units in the OfO and Programme Managers from across the Organizations, in order to ensure that all UNEP new staff gain a better understanding of UNEP's mandate, its relation to the wider UN System, its organizational set-up and key delivery mechanisms to achieve the results in the MTS.

41. It is recommended that, whenever feasible, RBM-related training is carried out by UNEP staff, in collaboration with UNON SDTU, and targets primarily senior level staff and programme developers. The Training Officer will take the lead in coordinating the efforts of all the staff involved, while the OfO in its entirety (and not just QAS) and Programme Officers within Divisions will be responsible for the content and the conduct of the trainings, each in its own area of responsibility. It is of utmost importance that UNEP Regional and Out-posted Offices are involved in all the corporate training opportunities offered. Budgetary resources should not be an issue if the ED Management Note of March 2012 stating that "a budget for RBM training will be a standard item in all future budgets of the PoW" is acted upon. As already recommended in the terminal report of the 2012 RBM

[13] SIDA provided USD 270,000 for capacity development, including training on: the Programme Information Management Systems (PIMS), Financial and Administrative Training, to be led by OfO Finance, and Project Management training. PIMS and the Project Management training were held in 2011 and 2012, respectively.

training, QAS should establish a peer coaching function/desk as follow-up to such training initiatives, to support project managers in the formulation of the next generation projects.

2.1.3 Increased efficiency in recruitment processes and human resources management

42. Human resources management (recruitment, placement, promotion, and mobility of staff) in UNEP is based on the Administrative Instruction ST/AI/2010/3, which applies to the UN Secretariat as a whole. UNEP does not have its own human resource strategy, although UNEP is planning to develop one sometime in the biennium 2012-13.

43. The Human Resources Section of the OfO and UNON Human Resources Management Services (HRMS) collaborate in the recruitment and management of UNEP human resources, according to a list of well-defined tasks. According to estimates provided by OfO, the selection of new staff (from the job opening to the decision taken) should take 64 days, 49 of which are spent in the organization of interviews and the review process. Then three to four months pass before new staff members join the Organization, depending on a number of factors including the notice time they have to give to previous employers.

44. 60% of the newly recruited or newly promoted staff who responded to the UNEP survey rated the recruitment process, in terms of transparency and efficiency, "somewhat inefficient" or worse. Negative assessments appear to be derived from the bad reputation that the UN human resources gateway Inspira got since its early days. The system was rolled out too early, with a number of features missing, and proved not to be user-friendly. With the abolition of 200 series posts for project staff in July 2009, all candidates aspiring to work for UNEP have to submit their application through Inspira, and management in turn has to evaluate them all using the same system. The early inaction of managers, who waited up to sixty days to start the assessment of application, has added up to the perceived complexity of the system in creating a sense of frustration about the recruitment processes. The selection phase was estimate to take on average up to 100 days more than expected. The relationship with the Human Resources Management Section of UNON appears smooth, with no bottlenecks but the in the classification phase (where staff capacity is limited) hampering the process.

45. As stated in paragraph 5, the Approaches document (2009) includes, among its goals, the "institutionalization of recruitment practices". These refer to: the assessment of capacity gaps at the Divisional and SP level; the development of recruitment plans in Divisions and across Divisions; the streamlining and review of job descriptions to ensure minimum overlap of capacity across Divisions; the development of draft guidelines for the constitution of review panel and conduct of interviews and report writing.

46. The Evaluation collected anecdotal evidence that discussions on capacity gap assessment and targeted recruitment plans to deliver on the MTS objectives did not systematically occur at SP or Division level. Eighty per cent (80%) of the respondents to the UNEP survey indicated to have not participated in any of those. Moreover, about half of the staff who participated in such discussions considered them to be of no utility, as they have never witnessed any decisions coming out from this analysis. An additional 25% reported that, whenever a recruitment plan was drafted, it could not be implemented, given the lack of resources and the length of the appointment process. Staff lamented the lack of full support by the ED and SMT to the initiative.

47. It is the impression of the Evaluation that, with few exceptions, UNEP has implemented the MTS with the already existing human resources. The sought re-profiling of the Organization for it to be better equipped for the implementation of the MTS has not entirely occurred.

2.1.4 “One UNEP” corporate culture promoted and staff motivation enhanced

48. In its Audit of Governance (2010), OIOS found that UNEP lacked a corporate culture supportive of UNEP’s goals, and that Divisional cultures still persisted. To compensate for this, OIOS recommended strengthening the mechanism for assessing organization culture on a periodic basis, for: “a common vision and coordination among Divisions as they implement Sub-programmes”, “management to be committed to competence and readiness to take corrective action when needed”, and “staff members to support changes entailed by the adoption of the MTS”. The OIOS recommendation was rejected by UNEP management, with the view that the implementation of the MTS in itself would promote a corporate culture in UNEP.

49. Two years later, this Evaluation still notes the absence of a “One UNEP” culture oriented towards the fulfillment of corporate goals. While acknowledging that the current MTS matrix structure has increased cooperation and coordination among Divisions (66% of positive answers in the UNEP survey) and to a significant extent allowed for effective SP management (58% of positive answers)[14], respondents to the survey blamed the matrix system to be still too much tied up with Division leadership. It has been reported that “Lead Divisions make decisions biased towards Divisional interest, often going against the recommendations of the SPCs”, and that “the current matrix structure works only for those SPs that are resident in a particular Division”.

50. Cooperation seems to have been mostly “ad-hoc”, based on specific issues. Sixty-four per cent (64%) of the respondents to the UNEP survey indicated that, within the current MTS framework, cooperation and coordination depend both on personalities and institutionalized practices, but that personalities count more. A number of UNEP staff lamented the lack of incentives for collaboration, beyond “a greater sense of UNEP-wide programme implementation”. Staff feels that their personal efforts of working with other Divisions towards corporate objectives have been to some degree rewarded, but they were disproportionate to both the reward and the results. It appears that synergies are easy to achieve at technical level, but it becomes more complicated at senior management level because of “competition over funds and fame”. The main issue seems not to lie in the commitment of individual staff and their sense of organizational identity, nor at UNEP- nor at Division-level. It is indeed in the competition among Divisions within SPs - especially over the allocation of resources and at senior level - and in the perceived gap between authority and responsibility, where the bottleneck towards a “One UNEP” culture is.[15]

51. The high level of competition among Divisions, accompanied by a perceived low level of trust towards corporate functions in UNEP, is seriously affecting the morale of UNEP staff. A significant number of respondents to both the OIOS and the UNEP survey seemed to support the view that morale in UNEP is low, as is management and leadership with no collegiality and a lot of opposition among colleagues. Notably, the frustration of the staff is linked both to the persistence of the silo mentality and the apparent disconnect between Divisions and those sections of OfO dealing with planning and reporting. The lack of clear guidance during the programme and project formulation phase, combined with the difficult financial situation, has created a spiral of negativity towards corporate functions.

52. Significant improvement on the delegation of authority and the overall restructuring of the Office of Operations has occurred in UNEP. Yet, the reform pathway seems less than half-way through. To enhance

[14] These results were confirmed by the OIOS survey: 53% of the respondents somehow agreed that the matrix system has increased divisional cooperation.

[15] Staff members are required to draft individual work-plans through E-PAS where individual goals are linked to the Division goals. Most of the Divisions have in turn drafted Division work-plans, more as management tools to coordinate their inputs to the various SPs and estimate the costs of “corporate functions”. Few Divisions have held meeting on planning with no formal work-plan following.

collegiality in decision-making and the adoption of common standards in project planning and management, the Evaluation recommends that:

- SPCs are invited to SMT meetings, whenever SPs' resource management issues are dealt with;
- OfO makes further efforts to reach out to Divisions, improve its corporate communication, and make the MTS process more transparent, through the soon-to-be-launched intranet, monthly newsletters, and regular updates of the Programme Manual.

1.3 Resource Mobilization

53. The first Resource Mobilization (RM) Strategy was adopted by the UNEP Governing Council in 2001. Following a review by an Inter-Division Task Team for RM in 2007, UNEP moved to a more clearly federated RM framework in 2009, in parallel with the drafting of the MTS and the Strategic Presence study. The UNEP Framework for RM (as presented to the SMT in May 2009) recommends strengthening the "recently established Resource Mobilization Section (RMS) with a group of resource mobilization professionals that provides top quality, hands-on service and support staff at all levels of UNEP. The RMS must establish a knowledge base including practical guidelines, donor priorities, sample proposals, model agreements with donors, and profiles for reference by senior staff". The importance of having a "clear strategy for resource mobilization" focused around the MTS objectives, as well as the need to support Regional Offices in raising donor funds allocated at country level for PoW implementation, is highlighted.

54. In July 2009, UNEP developed Policy Guidelines on RM, for approval by the SMT. The (one-page) Policy Guidelines highlight the need to stabilize and broaden the resource base for the MTS implementation, adopting a programme-based approach in line with the thematic priorities of the MTS. The description of the different roles that the ED/DED, RMS, Divisions/SPCs, and Regional Offices would play in a federated RM system is cross-referred to the document "Guidelines on Federated Resource Mobilization – Roles and Responsibilities". The latter, although exhaustively listing the roles and responsibilities of different stakeholders within UNEP, does not describe the RM process' phases and timing.

55. UNEP staff appear to be generally aware of UNEP Policy and Guidelines on RM (75% of the respondents to the UNEP survey indicated so), including roles and responsibilities of different players. They also acknowledge the utmost importance of coordination of efforts in RM, to raise funds for the implementation of the MTS, moving away from the pair tied contributions- donor driven programmes. All RM initiatives, starting from project managers either at HQ or Regional Offices, need to get through RMS, to ensure coherence and complementarity with UNEP priorities as in the MTS and PoW.

56. UNEP staff are also aware of their own (primary) responsibility in RM as project managers, given the reliance of UNEP on extra-budgetary funding other than the EF. Several interviewees indicated that the majority of resources mobilized in the last biennium have actually been derived from contacts that project managers established with donors' representatives in the course of the projects, by involving them at key moments in time of the project implementation. Yet the Evaluation observes that UNEP has not adequately considered the implications that this responsibility assigned to project managers would imply, in terms of required skills and expertise on RM.

57. Overall, the federated RM process in UNEP is considered good on paper, and "somewhat efficient" (36% of answers in the UNEP survey) in practice, with significant margins for improvement as refers to: a) enhanced role of SPCs for more strategic RM and increased accountability; b) clear procedures for securing internal approval of funds; c) more delegation to Regional Offices to attract resources at that level. In this respect, the

Evaluation appreciates the (on-going) development of Standard Operating Procedures (SOPs) on the management of funds received under Programme Cooperation Agreements (PCAs), as well as the recent efforts by RMS to consider SPCs their first entry points into SPs and UNEP priority areas of work. SPCs acknowledge the recent efforts RMS made in reaching out more with information about RM opportunities UNEP could tap into, building up on the role that SPCs could play in RM. The capacity SPCs have of discerning priority areas for funds outside their Division cannot however be given for granted.

Table 7: Roles of different stakeholders within UNEP in Resource Mobilization (derived from UNEP Guidelines, 2009)

<table>
<tr><th></th><th>Guidance</th><th>Negotiation</th><th>Private sector</th><th>Thematic Areas</th><th>Regional and national level</th><th>Knowledge management</th><th>Others</th></tr>
<tr><td>ED /DED</td><td>Guide the development of a strategic framework for RM</td><td>Lead negotiations with major donors, including Ministers, Heads of UN Agencies and other International Organizations and private sector CEOs</td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>RMS</td><td>Provide policy advice and guidelines on RM</td><td>· Lead EF mobilization
· Lead development of major partnership agreements</td><td>Create an enabling environment for fundraising with private sector, foundations, etc.</td><td>Support RM in thematic areas through multi-donor multi-year trust funds</td><td>Support RM at regional and national level</td><td>· Develop and maintain intelligence bank through RM database
· Integrate programme/financial performance data for reporting to SMT and donors</td><td></td></tr>
<tr><td>Divisions
SPCs</td><td></td><td rowspan="2">· Support EF mobilization efforts
· Support development of major partnership agreements</td><td></td><td>Lead RM for thematic areas</td><td></td><td rowspan="2">Provide support to RM knowledge management</td><td rowspan="2">Advise RMS on resource needs and opportunities, and confer about specific initiatives</td></tr>
<tr><td>Regional Offices</td><td></td><td></td><td></td><td>Lead RM at regional and national level</td></tr>
</table>

58. As indicated in the introduction to this section, the MTS considers the EF to be the “funding bedrock of UNEP” and that “an increase in voluntary contributions to the EF is necessary for UNEP to deliver critical normative responsibilities, environmental analysis, policy advice and project design and implementation”. Estimates in PoW documents for 2010-11 and 2012-13 indicate that EF resources represent 40.3% of UNEP’s total budget; Trust Funds and Earmarked Contributions 53%; UN Regular Budget and support costs complementing the resource base inasmuch as 3% each.[16] The data provided by RMS for the top fifteen donors show a more balanced picture in favor of EF: in the biennium 2008-09, UNEP EF base was 7% higher than extra-budgetary contributions; in 2010-11 this gap however was reduced to 2% only, but only because of a more significant reduction of EF compared to XB.

59. Resource mobilisation efforts need to be fully aligned to PoW results. Programme Cooperation Agreements (PCAs) signed with Norway and Sweden soft-earmarks funds at Sub-programme level, which are then allocated at project level through internal consultations. In the MTS period (2010-13), the EG SP - including the Poverty and Environment Initiative - received the most significant share of funds (40% of SIDA funds, 24% of Norway funds on average), followed by EM (24% and 18.5%). The Evaluation denotes an increased interest by Norway on Resource Efficiency and Sustainable Consumption issues to be funded in 2012-13. Within the SPs, donors indicated their priority target areas, including the Poverty and Environment Initiative, and environmental monitoring and assessments such as GEO5.

Table 8: Share of resources allocated to SPs: PCAs with Sweden and Norway

	CC	DC	EM	EG	HSHW	RE	Others
PCA Sweden 2010-13	12.6%	-	24.2%	40%	20%		3.2%[17]
PCA Norway 2010-11	22%	5%	18%	23%	13%	9%	10%[18]
PCA Norway 2012-13	17%	6%	21%	25%	11%	15%	5%

60. In addition, UNEP has signed two Strategic Cooperation Agreements with the European Commission, within the context of the Environment and Sustainable Management of Natural Resources Framework (ENRTP). As the Framework Agreement signed with Spain[19] , this contract slightly differs as the extra-budgetary funds provided are earmarked at project level by a joint committee. The ENRTPs (one signed with DG Environment and one with DGDev) have their own expected results, but relate to UNEP Programme of Work. The ENRTP process has been – according to several interviewees - complicated to manage, and would benefit of a closer involvement of the UNEP Liaison Office in Brussels during the project concept approval stage.

61. PCAs help UNEP direct resources in a more coordinated way towards priority areas, balancing the donors’ priorities with the Organization’s ones. Earmarked funding to specific projects still persists (see paragraph 88), not only because of specific donors’ interest, but also due to the better ability of some project managers to present better project proposals and reach out for funds. The Evaluation does not consider earmarked funds diminishing the value of federated resource mobilization in UNEP, provided that each agreement signed with donors is approved by RMS, once the conformity with UNEP PoW is checked.

62. UNEP does not have a strategy to reach to private sector and foundations, nor does it have admittedly the capacity to do so. As it has historically been, DCPI and DTIE continue to engage more with the private sector, the latter in a variety of ways including technical advisory platforms (such as the Finance Initiative and the Sustainable Buildings and Climate Initiative) and policy/standard-setting dialogues. UNEP staff considers unlikely that, with the exception of specific initiatives, the private sector and the foundations are ready to fund directly UNEP as others UN entities through corporate agreements. Foundations are more likely to contribute, whenever Governments also do. As such, project managers are invited to reach out to the private sector and foundations for funding specific projects and initiatives, not necessarily implemented by UNEP but also by partner NGOs.

[16] In addition, UNEP receives a significant amount of resources that do not fund the PoW, such as the GEF, Multilateral Funds, and MEAs funds

[17] Mid-Term Review of the MTS and RBM Training

[18] Emerging policy issues

[19] UNEP is close to sign a similar agreement with China and Brazil (under negotiation).

63. UNEP's reliance on extra-budgetary resources other than the EF is acknowledged in several instances[20], although not much is said about how to deal with financial unpredictability and insecurity. Of the six Strategic Frameworks, only the DC one did not limit itself to acknowledge the need to build on partnerships, given the limited resources available, but indicated alternative sources of funding than the EF. The CC Framework admitted the SP's dependence on GEF funding[21] for implementation, and the need to enhance the funding base, without specifying how though.

64. However, the reliance of UNEP on extra-budgetary resources other than the EF is not an issue of concern for all staff members. Some staff members working for the HSHW and the CC SP, for example, consider the funds received in the biennium 2010-11 sufficient, and appear confident that more resources will come (for example, through the Green Climate Fund for CC). Yet, they acknowledge to have spent considerable time fundraising (for example for mercury negotiations), and that resource availability is still very much dependent on the external environment and the perceived risks.

65. The inadequacy of resources – due to the financial crisis, the difficulty to attract long-term funding for institutional development and for what is perceived as "academic work"- is often mentioned in UNEP documents as one of the major risks (generally with medium probability and high impact) for implementation. Mitigation strategies vary in details across SPs, and include the development of multi-stakeholder fundraising strategies, close cooperation with in-country partners, early sensitization of donors and enhanced awareness of the importance of normative work.

66. To mitigate the risk of unsecured funding, UNEP has introduced RM benchmarks at key moment in time during the programme and project planning processes, against which measuring the ability of the organization to attract donor resources. The "ability to attract donor funding" is one of the criteria against which the SMT (former Project Approval Group) is called on assessing Programme Frameworks, and project concepts in them. Yet, the Evaluation noted that only half of the Programme Frameworks for the biennium 2010-11 included an estimate of the resources needed for project implementation, and that just two-thirds of them included a break-down of secured and unsecured funds. Only the four RE Programme Frameworks included a budget estimate for each project concept. In those few cases where the SMT was given enough elements to judge on the "ability to attract donor funding", it commented on the need for a stronger focus ("not to have projects looking like a shopping list") and for a better description of the potential on-the-ground impact derived from the use of UNEP normative products.

67. The Evaluation believes that, in order to stabilize and enhance its funding base, UNEP RM approach should focus not only on enhancing the Organization's partnerships (including at regional and country level), but also on developing sounder RM strategies at SP level, and better-formulated project proposals. The DC Sub-programme can be held up as a positive example in this respect. The Sub-Programme has developed an exemplary RM Strategy, which has been regularly updated with the evolving context of humanitarian and development aid financing. As the DC Sub-Programme Evaluation acknowledged, the two main areas of focus proposed by the strategy are very sensible: i) to make sure that the environmental dimensions of disasters and conflicts become and remain a priority in policies, strategies, plans and financing frameworks of donors and crisis countries alike, and; ii) to increase the submission of high quality programme and project proposals to relevant, both traditional and new, funding sources. CC SP has asked a consultancy company advice on how to better shape the SP offer by identifying flagship concepts for RM. This helped raising funds, for example, by the German Government for a publication by DEPI.

68. In line with the ED Management Note of March 2012, this evaluation recommends that RMS strengthens its policy and practices on RM by:

- Enhancing its efforts and outreach to emerging economies and countries outside the Euro-zone, as well as engaging more the private sector and research foundations in the implementation of projects;
- Strengthening the role of SPCs in the identification of priority areas of work and liaison with Divisions contributing to SPs;

[20] The DfID Multilateral Aid Review (2012) rated UNEP's financial management as weak, indeed because of the lack of predictable funding.
[21] About 70% of UNEP activities on CC adaptation are funded by the GEF. The GEF also supports 30-40% of the projects managed by UNEP Energy Branch.

- Supporting the development of RM Strategies by SP, including a section on regional priorities for funding;
- Strengthening communication efforts about RM opportunities UNEP could tap into, as well as enhancing the RM knowledge base, by finalising SOPs and regularly updating donor profiles on the intranet
- Better formulating project concepts, including a clear plan for the mobilization of resources. Liaison Offices should be invited to attend the meetings where these are discussed, to help the prompt identification of concepts of interest of donors (e.g. the EU).

69. The stability, and prospective increase, of the funding base is however not the only issue of concern. The evaluation noted complaints about the poor timing of the receipt of mobilized resources. For example, when the GEO process was launched in November 2010, the project team had barely funds available for the organization of the production meeting. The delay in the mobilization of funds prompted the team to accomplish the work in 18 months, instead of 24 as planned. Starting from PoW 2012-13, "the timely mobilization of funding required for the delivery of the PoW" has been included among the Expected Accomplishments of the OED. UNEP aims to increase the share of resources mobilized within the first six months of the year to implement the PoW in a given year. The Evaluation appreciates it, while noting that the UNEP's capacity to attract resources in the first six months of the year is limited by the Governments' own budget cycles. To compensate for it, UNEP RMS should continue encouraging Governments to contribute as early as possible during a given year, and increase the number of long-term cooperation agreements with top donors.

1.3.1. Resource allocation: the process

70. UNEP's budget required for the delivery of EAs and PoW Outputs is defined each biennium within the PoW. UNEP is required to plan and budget for the coming biennium with little more than six months of programme and budget performance to draw upon. Therefore, budget figures included in the PoW are customarily estimates, provided by Governing Council Members. UNEP had an estimated biennial budget of USD 450.67 million for 2010-11, and USD 475.489 for 2012-13 (+5.6%).

71. UNEP is bound by the UN financial rules and procedures, and it has systems in place to meet reasonably good standards of financial management. SPCs are extensively involved in the budget preparation process. After being reviewed by a budget committee, which makes sure that resource requirements are realistic, that administrative and overhead costs are adequate, and allocations among Divisions are appropriate, the PoW is submitted to the UNEP CPR and the UN Advisory Committee on Administrative and Budgetary Questions (ACABQ) in September of the first year of the preceding biennium. The PoW then goes through a second review process by the UNEP Governing Council and the UN Fifth Committee as part of the UN broader programme plan.

72. The allocation of UNEP resources (Regular Budget, EF, Trust Funds and earmarked contributions, Programme Support[22]) first goes by Sub-Programme, and then by Division participating in a SP. The allocation of EF-non post resources follows the distribution of EF-posts among SPs, which thus becomes strategically important and it is in turn influenced by the limitations of the system in use. Trust Funds and Earmarked Resources are instead allotted on the basis of the corporate agreements signed with donors[23], and of other strategic considerations such as the ability of some SPs (e.g. DC) to attract more extra-budgetary resources than others.

73. In addition to the direct costs related to project implementation, each Division incurs a set of expenditures by virtue of being a management structure. These include costs for: administration, representational activities, outreach for resource mobilization and intelligence gathering on needs and priority areas of focus. These costs can seldom be unequivocally linked to a particular deliverable, while nonetheless support the implementation of

[22] UNEP budget only reflects amounts that channel through the UNEP accounting system. GEF funding and projects delivered through wider partnerships, such as the Great Apes Survival Partnership and the Poverty and Environment Initiative, are not included. The UN financing system is in fact unable to capture spending on UNEPs' behalf by other agencies or partners. Moreover, funds pertaining to MEAs administered by UNEP are excluded, with the exception of related programme support costs retained by UNEP.

[23] Following the signature of the agreement and the receipt of funds, usually through annual or biennial installments, OfO Finance provides the Division Directors, Regional Offices, and SPCs with an overview of trust funds mapped against SPs, and the requests the SPCs to consult with Division Directors and project managers to decide on the breakdown of allocations at project level.

programmes. In a memo dated August 2009, the then DED specified that representation and other corporate costs should be included in the PoW under the heading of "Business Development". Through Divisional a work-plan, each Division estimates these costs, which are then re-allocated by OfO among SPs following the EF allocation.

74. As table 9 shows, PoW budget estimates for the biennia 2010-11 and 2012-13 do not present huge differences in the resources allocated among SPs. In each biennium, the CC and EG SPs are estimated to receive 18% of the total funds each, followed by RE (16%), EM (14%), HSHW (13%), and DC (11%). The OfO would receive 5% of the total resources, while the Executive Direction function would get 2%.

Table 9 : UNEP estimated budget for the MTS period (millions of USD)

	EF		**Trust Funds and earmarked contributions**		**Programme Support Costs**		**Regular Budget**	
	2010-11	**2012-13**	**2010-11**	**2012-13**	**2010-11**	**2012-13**	**2010-11**	**2012-13**[24]
A. Policy making organs	-	-	-	-	-	-	4,499	71
B. Executive Direction[25]	6,456	9,041	-	212	-	-		4,991
CC	28,767	30,788	47,919	50,838	NA	1,466	1,108	1,104
DC	10,087	10,455	36,981	39,234		1,394	439	470
EM	33,987	36,226	26,700	28,326		681	2,126	1,967
EG	40,229	41,622	36,834	39,077		486	3,265	3,451
HZ	17,985	19,543	37,666	39,960		1,239	440	433
RE	24,945	26,867	41,900	44,452		1,658	410	411
D. Fund Programme reserve	6,000	6,365	-	-	-	-	-	-
Programme Support[26]	11,544	10,055	12,058	-	16,765	21,259	1,560	1,225
TOTAL	**180,000**	**190,962**	**240,058**	**242,099**	**16,765**	**28,183**	**13,847**	**14,123**

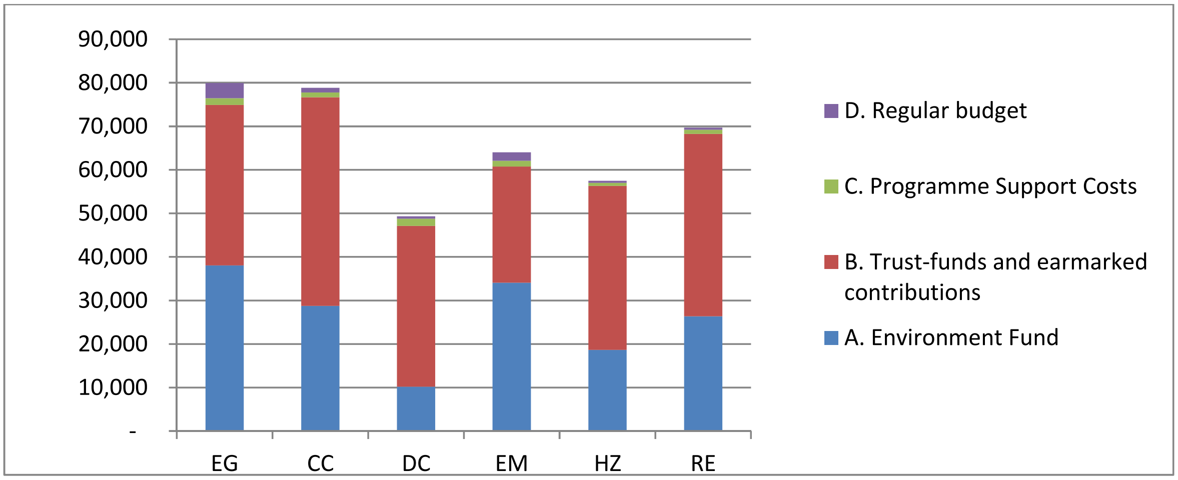
75. The analysis of PoW resources broken down by source of funds shows that, in the period 2010-13:

- Regular Budget resources – which provide support to corporate functions and are used to pay few staff positions - benefit more the EG SP (24%) than others (EM 15%, CC 8%, and other SPs 3% each).
- "Small" SPs (like DC and HZHW) receive less EF in proportion (6% and 10% respectively)27. This was motivated by the better capacity that these Programmes have to attract extra-budgetary contributions. This holding true, the Evaluation registered from the same SP staff that this produced a counter-effect, with donors reluctant to support activities to which UNEP is not allocating its own resources;

[24] Figures are before re-costing
[25] Includes the Executive Office, the Secretariat for Governing Bodies, and the Evaluation Office
[26] Newly proposed for biennium 2012-13, to cater for costs related to the functioning of the OfO. In 2010-11, "Management and Administration" costs were included, together with the Executive Function, under Support Budget.
[27] The amount of EF received by these SPs was so limited that Managers did not even distribute it.

- TFs and earmarked contributions are expected to be divided almost equally by SPs (an average 16% by SP): the CC and RE SPs are expected to attract more extra-budgetary resources than others (20% and 18% respectively), while the EM SP less (11%);
- Programme Support Costs are almost equally distributed among SPs, with the exception of lower shares allocated to the EG and EM SPs (as they receive less extra-budgetary resources other than the EF);

Graph 2: Allocation of resources by SP (biennium 2010-11)

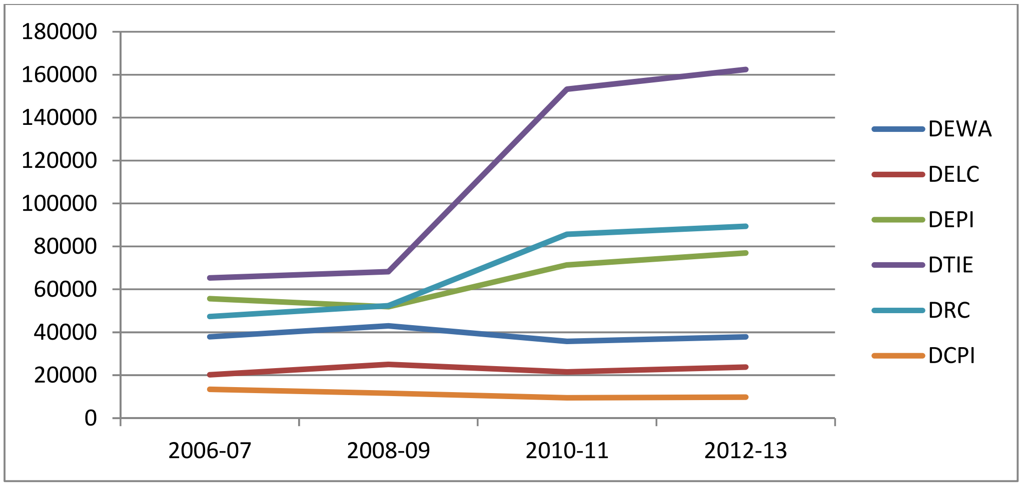


76. UNEP budget includes an estimate of resources by SP at an aggregate level, but does not provide any break down at the level of EA or Output, despite the latter being presented in the same document. Subsequent consultations between SPCs and Division Directors are expected to identify, for each SP, what analytical, policy, legal, outreach and operational work may be needed to achieve each EA, and what the budgetary implications are. This would result in the development of UNEP Programme Frameworks, where the link between EAs, Outputs, and resources allocated to their achievements is accounted for. The new funding logic was expected to provide an incentive for collaboration, since the delivery of EAs generally requires inputs from several Divisions, and failure to collaborate might have consequences on all Divisions involved.

77. However, the Evaluation found that such a discussion on priority areas of work did not happen, and resources were finally allocated among Divisions for them to manage "independently of the SP structure". This held true across all SPs. In the case of the EG SP, for example, participating Divisions, unable to find an agreement on how to split the resources on the basis of the SP priorities, ultimately decided to equally break the funds down among the three main participating Divisions (DEWA, DELC, and DRC), leaving 5% to DCPI. In the event, SPs are not the driving factors in the distribution of resources; rather Divisions still lead the allocation process.

78. The analysis of resources by Division in the last four biennia (2006-13, see graph 3 below) shows that Divisions such as DTIE, DRC, and DEPI have benefited significantly more from the move to the new framework in terms of resources allocated. DEWA, DELC and DCPI have instead lost ground in terms of resource allocated. DEWA, for example, lamented a significant decrease in EF resources for both posts and activities: in the last biennium, DEWA EF-financed posts decreased from 68 to 62; DEWA presence in the regions was similarly affected as all the posts funded by extra-budgetary sources were closed off. The Evaluation relates this to the Lead role that DTIE and DEPI play for 5 (out of 6) SPs, and to the decision to enhance the role of Regional Offices in line with the Strategic Presence document. Divisions such as DEWA and DCPI, who are supposed to work more across SPs, reported to have instead experienced significant challenges in receiving funds through sub-allotments, and to have been denied the access to funds for projects already agreed by SPCs. The Evaluation reports anecdotal evidence of complicated sub-allotments procedures and an average 4 months needed before allocated funds become programmed funds. The high-level of competition among Senior Managers and the frustration of staff for funding being under the control of few Divisions is well known and reported in the OIOS survey on UNEP (2012).

Graph 3: Resource allocations by Division (PoWs 2006-13)



79. It also appears that, once resources are distributed among Divisions, Lead Divisions and SPCs have no means to monitor the use of funds by other Divisions. The Evaluation collected anecdotal evidence across SPs of Divisions having diverted resources from the SP for political representation and purposes other than SP implementation, reducing the actual amount available for the latter. Some SPs denounced that the amount of resources actually available for SPs' implementation was barely half of what officially indicated. Overall, the Evaluation notices a paramount lack of information about, and transparency in, the allocation of resources within a SP, which made the Team unable to determine how efficient the strategic management process has been in optimizing the allocation of resources for the achievement of the intended objectives.

80. The lack of transparency in the allocation of resources has been extensively acknowledged and documented by external reviews such as the OIOS Audit (2010), the MOPAN assessment (2011) and the recent draft audit of the EM SP (2012), which all urged UNEP to comply with a full RBB system. These reviews rated the resource allocation process as "very inadequate" on paper, with no explicitly documented criteria - other than the historical allocations to Divisions to cover for structural costs and programme implementation - to guide the allocation of resources to the SP, its thematic areas, and individual projects within the SP. These reviews considered the overall alignment of resources to global priorities satisfactory; the disbursement at EA and PoW Output levels rather not. The majority (58%) of the respondents to the UNEP survey blamed the lack of publicly available criteria for resource allocation linked to the RBM system, and the arbitrary allocation of resources by Senior Managers, with limited (if any) involvement of SPCs and Programme Managers.

81. Following a recommendation by the ED, in 2011 UNEP has established a Task Team on Programme Management and Implementation, with the aim to – among others - increase the transparency of its resource allocation decision-process. The ED subscribes to the need for a more structured process for allocating the EF, the extra-budgetary resources secured at corporate level and other discretionary funding. OfO was tasked "to ensure that we have criteria […] for allocating the EF budget to Divisions, based not simply on staff but on the PoW Outputs and cross-cutting functions to be delivered by each Division".

82. The Evaluation urges UNEP to move towards a full Results-Based-Budgeting (RBB) system. As no Division can claim sole ownership of one Sub-Programme, to enhance transparency and accountability, the Evaluation recommends that allocation of resources within SPs is based on formally-approved Divisional work-plans, which would show how the Divisions contribute to the achievement of stipulated results defined in the SPs. EF should be foremost allocated to core functions of the Organization, in line with UNEP's mandate.

2.3.2. Resource mobilization: the reality check

83. As indicated in the previous section, budget figures included in the PoW are estimates based on pledges by Governing Council Members through the EF and corporate agreements. Making a reality check through contributions by the top 15 donors in the last two biennia (2008-09 and 2010-11), the Evaluation noticed a decrease in the

EF resource base of 9% (- USD 21.6 million), in parallel with a reduction of extra-budgetary contributions by 4% (-USD 6.6 million). The overall 75% reduction of contributions by Italy and Spain, which amounted to a cut of about USD 40 million, hugely affected UNEP resource levels and its capacity to implement the MTS as planned. Few donors – such as Germany, USA, Sweden, and Finland, among others – have rather enlarged their total contributions within a range of 20-36% increase. Belgium and Germany have increased their EF contribution by 41% and 24% respectively; Finland and Germany have increased their extra-budgetary contributions by 70% and 55% respectively. Without having had the opportunity to discuss with donors, the Evaluation is of the opinion that the reduction in resources is not linked to a diminished perceived relevance of UNEP's work. Back in 2008/09, the top 15 donors of UNEP all indicated to be interested in financing EM work, and all but the USA pointed out also CC as an area of focus. RE, EG, HSHW, and DC follow with 11, 10, 8, and 7 preferences respectively.

84. At project level, financial information included in the PIMS are incomplete and have not been recently updated. As such, in order to assess to what extent (if any) UNEP has suffered from gaps in financial resources against the project plans, the Evaluation asked Project Managers within the six SPs to provide an update of resources allotted and disbursed to each project, broken down by EF and other extra-budgetary resources. About three quarters of the project managers answered the evaluation query, making the project's sample representative of more general trends in UNEP, exception made for the EG SP for which the Evaluation was able to get information for less than a third of the project.

85. On average, UNEP has received/raised about 73% of the resources estimated at the beginning of the biennium 2010-11. The resource gap has, in particular, affected three SPs: EG (although the calculus for this is based - as indicated - on a significantly less representative sample), HSHW[28] and DC. The CC SP has, instead, been able to raise more funds than initially planned. However, it is to be noted that, for some SPs, it was more a matter of delayed funds than total lack of resources: funds for PoW 2010-11 projects have actually been received in 2012, and projects were subjected to revision.

Table 10: Share of resources received and raised by SP against the plan for 2010-11 (sample)

	Degree of responsiveness / Base of analysis (share of projects)	Share of actual resources received/raised	Share of EF	Share of other extra-budgetary resources
CC	77%	125%	8%	92%
DC	100%	55%	1%	99%
EM	58%	83%	0%	100%
EG	29%	**39%**	7%	93%
HSHW	100%	56%	3%	97%
RE	100%	78%	2%	98%

86. Sixty per cent (60%) of the respondents to the UNEP survey acknowledged that the projects they managed have suffered significant budget reductions against the plan, and 15% of them consider the gap to have been "very significant". Some respondents also blamed the "think big and go out for more money" attitude: UNEP staff were encouraged to design too ambitious projects, which could not then be fully implemented because of the financial crisis and the difficulty to raise funds. The "ability to maintain the level of contributions in the face of the global economic downturn" and the "capacity to do something with little or no money for activities" were considered by several respondents to the OIOS Survey as among their recent most significant achievements.

87. The constrained budgetary situation is likely to have affected UNEP's effectiveness, to an extent which is hardly quantifiable in the absence of a financial gap analysis by EA. Only about half of the respondents to the UNEP survey indicated to have discussed how the budget reduction would have affected the attainment of higher-level results. The same source revealed that budget reductions against the plan primarily affected the implementation of activities at country level, including capacity development, and did not allow for a proper follow-through and outreach to stakeholders. For example, GEO5 – UNEP's flagship publication – was delivered with a budget of USD 5.6 million (compared to an estimate of USD 9.5 million): the budget reduction affected the team's capacity to

[28] Data for the HSHW have been kindly provided by the SPC, who however admitted to be aware only of what received by the DTIE Chemicals Branch. A double-check with project managers has been done to the extent possible.

implement capacity development activities in the region, and other outreach initiatives. The translation budget was reduced to the backbone, and – as of today – the report has not been translated in French, Russian, and Arabic. Funds for the Spanish version were raised with the support of donors from Latin America and the Caribbean.

88. The Evaluation recorded anecdotic evidence across SPs of a serious resources gap between well-funded and high-visibility projects and under-funded ones for which delivery of results will inevitably take much longer. Examples of high-visibility projects benefiting of earmarked funds include the UNEP Finance Initiative, the Strategic Approach to International Chemicals Management (SAICM) and the Global Mercury Partnership. The last two initiatives received approximately 80% of the total funds for the HSHW SP.

Overall, UNEP staff proved a good degree of flexibility in adapting to the new circumstances by looking for co-financiers and partners (also for in-kind contributions) and prioritizing activities, but also stretching their capacities to the limit. Some SPs and Divisions seem to have been more proactive in reaching out for funds, including within the private sector, than others. Raising funds for flagship publication and other core areas work of UNEP has however proved difficult, as donors think UNEP should use its own EF to finance such products.

2.3.4. Resource management

89. Once resources are allocated to participating Divisions within a SP for project implementation, the OfO initiates the project accounting process in IMIS, in collaboration with the responsible Fund Management Officer (FMO) to ensure compliance with the Financial Regulations and Rules of the UN. FMOs ensure that the EF allotment in IMIS is aligned with the EF allocation for the Division within the SP, and that any other extra-budgetary allotment is based on funding already received by UNEP. The Account Services Unit of UNON then approves obligation documents (OBMOs) in IMIS and liquidates them, recording expenditures and offsetting any outstanding cash advance balance against third-party and project identification forms. UNEP OfO uses a Financial Monitoring Tool (FMT) to collectively monitor allotments, obligations, and disbursements by SP, Division, and funding type. The FMT however does not include any resource directly allocated to projects, nor to GEF funding.

90. SPs are conceived as a framework only for financial planning but not for financial management. SPCs work across the Divisional structures but do not hold any authority over human or financial resources. It was always part of the design intent that the Organisation should not create a ‘power base’ in the Sub-programmes that would be at odds with the authority currently vested in Divisions Directors to avoid a situation where ‘power struggles’ or conflicts would impede smooth implementation of the PoW. The current role of SPCs is one of ‘facilitation’ rather than coordination, in the sense that the managerial authority vested in the position is minimal. As acknowledged in the Formative Evaluation, this lack of authority can impede SPCs from getting access to progress information from other Divisions, limit their ability to influence project and programme design processes, and constrain their influence on resource allocation decisions to pursue alignment with Sub-programme priorities. Their ability to ensure that actions are taken to mitigate corporate risks to Sub-programme implementation is also weak, especially when actions are required beyond the Lead Division. SPCs currently lack access to budgetary resources to perform coordination duties unless they happen to hold other substantive responsibilities that can afford them some flexibility in this regard. FMOs are still accountable for managing resources for their own Division’s projects, and they do not have any responsibility at SP level.

91. The current financial administration process, down to project level, is generally perceived by UNEP staff as inefficient, with prevalence of micro-management practices, little delegation of authority, and difficulty in accessing information from OfO Finance. Interviewed UNEP staff expressed the need to have a more transparent and efficient resources management process. Staff indicated the need for a better RBB system, with budget allocations closely tied to goals, disbursements based on previous performance, and FMOs working more closely with programme officers in the planning and execution of projects. While a system of checks-and-balances for financial accounting has been established, a disconnection between programme and financial approval persists. Most of the PoW 2010-11 projects were not signed off until mid-2010, and thus still continue throughout 2012-13. The projects’ revision process, including the definition of new milestones, is only now occurring because of lack of human resources to undertake the task. Activities however continue, as financial approval was granted.

92. Financial management needs to be better integrated into project planning and delivery. FMOs should ot limit themselves to the administration (including the certification over the use) of project resources. The Evaluation

thus supports the ED recommendation to OfO (Management Note, 2012) to review and update the administrative operations associated with the delivery of the PoW, the need to clearly map out roles and responsibilities in corporate service and administrative function, and the full operationalization of the "delegation of authority". The review should address the coordination vacuum between the units (QAS and OfO Finance) responsible for programme and financial management, as well as the ability of project managers to access IMIS for projects they are responsible. This will allow UNEP Management to assess the adequacy of financial resources for the delivery of the MTS objectives, and to address any funding gap affecting UNEP performance. The Evaluation also recommends that FMOs are systematically involved in project planning, and that financial and project revisions are done concomitantly. FMOs should also report to the OfO, and not only to Divisions.

93. Monitoring of expenditures in UNEP, including by partner organizations, adheres to UN Financial Rules and Regulations. UNEP's financial statements are all audited by the UN Board of Auditors every two years, to ensure compliance with Article VII of the Rules. In addition, OIOS conducts audits at regional and project level. A sample of OIOS audit reports examined by the MOPAN review provided evidence that audit recommendations regarding irregularities are followed up by UNEP's management.

94. Scrutiny of costs is also achieved through internal processes. The UNEP GC is responsible for guiding financial management through the development of the MTS, and regularly review costs in the biennial PoW. In addition, every six months, Senior Management prepares financial report for review by the CPR.

95. "Cost-effectiveness of proposed resource utilization" is also one of the twelve criteria used by PRC to assess the quality of the project proposals before approval. The Evaluation conducted a desk review of 54 proposals submitted in 2010 to the PRC, and found that:

- The assessment of cost-effectiveness was hampered by too aggregated budget figures. Whenever cost-effectiveness concerns were raised (in about a third of the cases), they referred mostly to the opportunity cost of having staff/focal points in country. Only once was PRC was able to review a project in detail and suggest that project proponents do more-upstream work for efficiency and sustainability. In two other cases, the issue of leveraging work under another SP to increase efficiency and enhance collaboration was raised;

- In the great majority of cases, reasoning over cost-effectiveness was equated to budget allocation planning, including: over-inflated budgets; too high staff costs; disproportionate travel budget (either too high or too low), and; lack of budget provisions for Regional Offices and DCPI.

96. Several reviews by donors have pushed for UNEP to enhance its "value-for-money mind-set / cost and value consciousness", as they found little evidence on UNEP controlling administrative costs and achieving economy on purchased inputs. Any assessment of cost-effectiveness is outside of the scope of this Evaluation. However, the Evaluation observes that tasking PRC to assess cost-effectiveness at project level is unrealistic. When project documents are presented for approval, budget estimates are too aggregate for any meaningful analysis of value-for-money, and it would require an expertise which is not necessarily there. The Evaluation is of the opinion that assessing the cost-effectiveness of measures taken is of utmost importance and needs to be regularly done, yet better within a project whenever procurement of inputs is planned.

97. Importantly, UNEP does not currently a follow-up system to reward performance through increased allocation of resources. The Evaluation has discussed the opportunity to reward projects that can, for example, show up-scaling of norms and guidelines and greater effectiveness.