

Committee of Permanent Representatives
Subcommittee Meeting
Thursday 22 March 2021
1:00 p.m. – 4:00 p.m. (GMT+3)
Online Meeting

Agenda Item 3: Update on the UNEP management reform.

The note serves as background document for Agenda item 3: Update on the UNEP management reform. It provides a progress update on the implementation of the UNEP management reform, further to the roadmap presented by the Secretariat at the 146th meeting of the Committee of Permanent Representatives.

Member States are invited to provide further guidance and feedback on the information provided by the Secretariat.

BACKGROUND DOCUMENT: UPDATE ON THE FIVE LINES OF DEFENSE

INTRODUCTION

In 2019, following a crisis in confidence, UNEP implemented the Back-to-Basics Model: “A Roadmap for strengthened foundational controls and principles for management and administration of UN Environment”.

A focused strategy centered around “Five lines of Defense” was identified to ensure that foundational management practices are in place across the board in order to strengthen and put in place control and oversight mechanisms to support the achievement of excellence in processes and operations.

The five lines of defense is a multi-dimensional approach built on a solid management foundation which is internationally acceptable and responds to different stakeholders. The five lines of defense are:

- i. Re-establishing management tone at the top;
- ii. Re-sensitizing and training staff on their role as gatekeepers and custodians of policies;
- iii. Benchmarking best practices internally across UN agencies and the public sector;
- iv. Partnering with auditors and evaluation office to benefit from an external view and;
- v. Focusing on communication of results, improving our programme management; and reporting, and improving transparency.

This background paper provides an update on the actions taken since the last briefing to the CPR in October 2019.

I. Re-establishing management tone at the top

- Management tone has been maintained and managers are aware of corporate expectation as leaders of UNEP.
- Between November 2019 and December 2020, three staff surveys have been carried out; a UN Secretariat wide staff engagement; UNEP pulse check and COVID-19 survey. The results of these surveys indicate that the highest and consistent scores in UNEP has been trust in management. This is a demonstrable indicator of management tone at the top.
- In 2020, UNEP appointed a Conduct and Discipline focal point to prevent misconduct, to ensure adequate response when possible misconduct is reported and to provide remedial action for certain forms of misconduct.

II. Re-sensitizing and training staff on their role as gatekeepers and custodians of policies

- A review of FMO/Administrative Officers was also initiated in 2020 with the aim of developing a typology through a comprehensive workforce levels mapping of FMOs/Administrative Officers to inform and support the consistency of job titles, roles and levels in UNEP including MEAs. The exercise also aimed to provide clarity around the performance standards as well as the skills and knowledge that FMOs are expected to hold in order to fulfil their functions and allow for key updates and policy sharing.

- To enhance our capacity building initiatives to ensure ongoing training of staff on their role as gatekeepers and custodians of policies, an online platform of the Corporate Academy has been launched. The first three training courses that have been rolled out are: Grants Management; Anti-Fraud and Client Orientation.
- In the second phase trainings on Procurement; Delegation of Authority and Enterprise Risk Management will be rolled out.
- Finalized Corporate Services Division restructure. The new CSD is structured around 4 clusters with new portfolios and capacities in teams they are: Corporate Strategy and Management; Business Innovation and Operations; Partnerships and Resource Mobilization and Global Funds.
- Three new Standard Operating Procedure (SoPs) manuals were developed by the Human Resources Section in May of 2020 in an effort to further the systematization of HR processes and to keep all stakeholders in alignment in the critical area of recruitment.
- The Organization has implemented a number of financial guidance policies. These include guidance on issuance of Delegation of Authority for Certifying Officers, a new policy on unapplied and unidentified deposits, UNEP Standard Operating Procedure – Operation of Petty Cash Accounts, and clarification of roles of Procurement/Certifying Official and Approving Office on Form F.249 Commercial and Non-commercial banking details form.
- UNEP will issue its Statement of Internal Control in 2021. The Statement of Internal Control is a public accountability document that describes the effectiveness of internal controls.

III. Benchmarking best practices internally across UN agencies and the public sector

- Finalized, the Terms of Reference (TOR) for the benchmarking of selected policies and strategies in other UN entities. The TOR was expanded to include how UNEP can deliver and adapt to “new ways of working” post COVID-19.
- The procurement exercise to identify a consultant company to carry out the review is in the stages of finalization; the consultancy is expected to be officially launched in June 2021.

IV. Partnering with auditors and evaluation office to benefit from an external view

- The 2018 Travel Audit of UNEP has been officially closed by OIOS.
- In 2020, the following audits were undertaken:
- Management of Partnerships at UNEP: Received 1 Critical, 12 important recommendations. On the critical recommendation, UNEP has already taken remedial action that has been submitted for auditors consideration.
- Grants Management at UNON, UNEP and UN-Habitat: Received 6 important recommendations.
- Management of Data Classification and Data Privacy at UNON, UNEP and UN-Habitat: ongoing.

V. Focusing on communication of results, improving our programme management; and reporting, and improving transparency

- In 2021, UNEP has implemented a comprehensive quarterly programmatic monitoring dashboard for review by the Senior Management Team. The dashboard tracks and monitors

a range of issues which include programme implementation, internal controls and administrative matters. As this is the first year of its introduction, it is a learning exercise, and the dashboard will continue to be enhanced.

- UNEP continues to improve its performance monitoring through the development of monthly dashboards. These dashboards cover a wide range of management information covering budget implementation, travel management, and recruitment data.
- The Global Environment Facility (GEF) dashboard was also released in 2020 to assist the Organization in monitoring status of GEF funded projects and derive from the analysis project intervention areas.
- The Green Climate Fund (GCF) dashboard provides an overview of the budget and expenditure situation by project, type of readiness and country, an in-depth view on project proposals with details on the cash availability and expenditure trends by year.
- UNEP continues to utilize the Peer Review Mechanism launched in 2019. In 2020, in an effort to identify potential risks, two Peer Review processes were carried out which informed decision-making around risk mitigation and early detection of potential challenges in project implementation.
- UNEP is implementing the following key UN System-wide reform strategies:
 - Implemented the 1% coordination levy.
 - Active member of the Business Operations Strategies (BOS) and Common Back Office (CBO).
 - Members of task teams on Future of Work, Digital Transformation, Sexual Exploitation and Abuse, Resident Coordinator System, HR Network, to name a few.
 - Joined the Management Accountability Framework (MAF) for assessment of Resident Coordinators and reciprocity in the assessment of our Country Representatives.
 - As a member of the International Aid Transparency Initiative (IATI), UNEP continues to work with the IATI Secretariat on improving the quality and frequency of project data published. Going forward, UNEP will also actively participate in IATI governance and in the UN agency network of IATI members with a view to influence IATI's policy direction for a stronger focus on environmental sustainability.

In conclusion, while the elements of the strategy remain relevant and effective; UNEP's operational environment is dynamic and evolving, new areas of focus have been identified as we continue to build on the successes in addressing other areas. Therefore, whereas the Five Line of Defense remains the cornerstone underpinning our approach to solid management and transparency, these five components have been revisited based on the progress in their implementation and rolled into the Operational Excellence Pillar of UNEP. The Operational Excellence Pillar is a larger overarching approach meant to engage all UNEP and is being developed to ensure that operational and administrative mechanisms and systems are in place to support the new MTS. Key additional components will include enhancement in HR management systems, UN Common Services initiatives, Management Accountability Framework including Delegations of Authority and the roll out of Enterprise Risk Management as examples.