

Reference document concerning “Matters relating to the Joint Inspection Unit (JIU): Reports of the JIU” (GB.325/PFA/7)

Status of ILO’s follow-up on JIU recommendations as of August 2015¹

The information is presented in a table structured as follows:

Column 1: Reference number and title of the report/note;

Column 2: Recommendation number;

Column 3: Text of the recommendation;

Column 4: Addressee: “L” indicates when a recommendation is addressed for decision by legislative organ and “E” when a recommendation is addressed for action by executive head;

Column 5: Intended impact:

- “Enhanced transparency and accountability”;
- “Management improvement through dissemination of best practices”;
- “Enhanced coordination and cooperation between participating organizations”;
- “Strengthened coherence and harmonization”;
- “Management improvement through enhanced controls and compliance”;
- “Management improvement through enhanced effectiveness”;
- “Significant, one-time or recurrent, financial savings”;
- “Management improvement through enhanced efficiency”; and
- “Other”;

Column 6: Acceptance status: “Accepted”; “Not accepted”; “Under consideration”; and “Not relevant”;

Column 7: Implementation status: “Not started”; “In progress”; and “Implemented”;

Column 8: Impact achieved: “Yes”; “Partially”; and “No”; and

Column 9: Remarks.

¹ The JIU reports are available in the JIU website: <http://www.unjiu.org/> in English, French and Spanish.

Status of ILO follow-up on JIU recommendations as of August 2015

Report	Rec. No	Recommendation	Addressee	Intended impact	Acceptance	Implementation	Impact achieved	Remarks
JIU/REP/2013/3: Selection and appointment process for the United Nations Resident Coordinators, including preparation, training and support provided for their work	2	The executive heads of United Nations system organizations who have not yet done so should instruct their human resources management offices to develop and implement appropriate guidelines for the identification, screening and preparation of potential Resident Coordinator (RC) candidates as soon as possible.	E	Management improvement through enhanced effectiveness	Accepted	Implemented	Yes	In a bid to encourage officials to consider career opportunities in the UN RC system, the ILO has put in place the following arrangements: (1) issuing internal calls (targeting ILO managers) for "expressions of interest" in RC positions; (2) identifying potential candidates who fulfil the RC eligibility criteria; (3) providing access to a series of preparatory training/coaching activities in order to assess the overall attributes of interested officials in relation to the requirements for RC positions; (4) providing selected candidates with opportunities for internal preparation through participation in a high-level assessment centre, an Executive Communication Course and a three-day coaching session facilitated by two former ILO officials who served as UN RCs.
JIU/REP/2013/3: Selection and appointment process for the United Nations Resident Coordinators, including preparation, training and support provided for their work	3	The Secretary-General, in his capacity as Chair of the United Nations System Chief Executives Board for Coordination should initiate, through UNDG, the review and revision of the standard operating procedures (SOPs) of the Inter-Agency Advisory Panel (IAAP) as needed to: (a) ensure a more open nomination process for candidates who are already in the RC pool; (b) address the possibility of incorporating interviews for shortlisted candidates at the request of the IAAP, to better advise the UNDG Chair on their suitability for a particular position; and	E	Management improvement through enhanced effectiveness	Not relevant	–	–	This recommendation is addressed to the Secretary-General, as CEB Chair. The ILO fully supports this recommendation. It favoured proposals for the inclusion of interviews in the process (including the use of pre-recorded video interviews) and for there to be a minimum number of votes for a candidate to be shortlisted for consideration by the UNDG Chair.

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		(c) change the present voting system to establish a minimum required number of support votes (preferably 50 per cent of those voting) for a candidate to be shortlisted for consideration by the UNDG Chair.						
JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	1	The executive heads of UN system organizations should act to ensure that their respective partnership arrangements involving the transfer of UN resources to third parties (notably implementing partners (IPs)) are clearly defined as being distinct from other types of partnerships not receiving UN resources, as well as from commercial contracts, in order to assure that appropriate rules and regulations apply in the different cases.	E	Enhanced transparency and accountability	Accepted	Implemented	Yes	<p>The status and use of ILO IPs are governed by the Internal Governance Document (IGDS No. 270) on implementation agreements (IAs) issued in 2012. IGDS No. 270 defines the categories of IP and distinguishes IPs from commercial entities to which a different set of rules and regulations apply (Chapter X, Procurement, of the ILO Financial Rules).</p> <p>In addition, in order to register an entity as an IP in the ILO Enterprise Resource Planning (ERP) system, that entity needs to be identified as such in the ILO supplier form following a special registration procedure managed by the ILO's Finance Department. The ILO's ERP system will only allow IAs to be approved with those entities identified as IPs.</p> <p>The ILO is now reviewing experience with the IA procedures. This process will include consideration of the possibility of aligning the ILO's definition of IPs with those of other UN agencies and extending the scope of implementation agreements to include additional activities.</p>

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JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	2	The executive heads of United Nations system organizations should ensure that key information on implementing partners such as expenditures by purpose (programme, project, activity etc.), modality (e.g. national government entity, NGO/CSO, etc.), and evaluation of their performance are readily available in their organizations. Such key information should be reported regularly to legislative bodies, within the existing reporting mechanisms.	E	Enhanced transparency and accountability	Accepted	In progress	–	<p>A new ERP functionality covering implementation agreements (IAs) was implemented in December 2013, by which IAs are automatically generated by the ERP system. This tool includes reporting on all IAs entered in the ERP system (i.e. name of the IP, value and duration of the associated agreement, and payments made under the agreement).</p> <p>This functionality is going to be extended to all field offices with the ongoing deployment of the ERP's financial/purchasing functionality to the regions (planned roll-out to the field by end of 2017).</p> <p>Within the ILO's governance and control framework, the responsibility for monitoring and managing performance of IPs rests with the budget holder and responsible officials. These are normally the ILO officials who are directly responsible for budget or project delivery in countries. The evaluation of performance of IAs is also done through evaluation of the technical cooperation projects.</p>
JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	3	The legislative bodies of the UN system should direct the executive heads of their respective organizations to prepare and submit to them an organization-specific comprehensive strategic framework for partnerships, inclusive of IPs, in line with their overall corporate strategic objectives. This framework should include an analysis of resources required to operationalize it.	L	Management improvement through enhanced effectiveness	Not accepted		–	In view of the Sustainable Development Goals the ILO is planning to reinforce its strategy for partnership. Currently, the ILO has a Strategic Framework for partnerships in the context of its development cooperation strategy; however, this does not include IPs as the ILO does not consider appropriate to develop a separate strategic framework for partnerships inclusive of IPs. The IP partnerships are addressed in specific procedures.

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								For the time being IPs are mainly identified by country offices at the time of implementing programmes.
JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	4	The executive heads of UN system organizations should establish rigorous IP selection and assessment processes designed to determine an IP's capacity and potential weaknesses and risks, and ensure capability to fulfil programme delivery requirements.	E	Management improvement through enhanced effectiveness	Accepted	Implemented	Yes	<p>The current procedure requires an assessment to be made by technical units. If key criteria are not met then competitive bidding processes are invoked.</p> <p>The assessment process and selection criteria stated in Annex 1 of the ILO's Internal Governance Document on implementation agreements (IGDS No. 270) are well established. These are the same for all IPs irrespective of their size and capacity and of the financial value of the agreement proposed to be signed.</p> <p>These criteria provide for, among other aspects: an assessment of the technical and financial capacity of each IP, including its capacity to meet ILO financial control and reporting requirements; whether any record exists in relation to previous performance issues, disputes or instances of fraud or attempted fraud; and confirmation that the IP has not been identified on the Consolidated List (UN Resolution No. 1267).</p> <p>To assist the responsible ILO official in assessing and selecting an IP, IGDS No. 270 requires a justification form to be completed (Appendix B). As part of the review of IGDS No. 270, the ILO is likely to propose some changes to the "implementation agreement" functionality in its ERP system.</p>

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JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	5	The General Assembly, in the context of the Quadrennial Comprehensive Policy Review (QCPR) and in line with the development of a common UN framework for measuring progress in national capacity development, should commission a system-wide study to take stock of the effectiveness and impact of UN IP-related approaches, initiatives and systems to strengthen national capacities and promote national ownership in the delivery of programmes and activities for sustainable development.	L	Management improvement through enhanced effectiveness; strengthened coherence and harmonization.	Accepted	Not started	–	Strengthening capacity of constituents at national level is core to the ILO mandate. Different approaches have been developed by the ILO for this purpose. When entering into a particular implementation agreement with an IP, the ILO aims to develop or enhance capabilities within a country or region. This is one of the criteria established in IGDS No. 270 that would justify signature of an implementation agreement. It should be noted that workers' and employers' organizations are both the ILO's constituency and the ILO's IPs. The ILO would support such a study subject to previous agreement of all parties on the terms of reference for the study.
JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	6	The executive heads of UN system organizations should act to strengthen IP agreements and other legal instruments in line with good practices so as to ensure the inclusion of all provisions needed to safeguard the interests and rights of their organizations.	E	Management improvement through enhanced effectiveness; management improvement through enhanced efficiency.	Accepted	Implemented	Yes	The ILO terms and conditions applicable to implementation agreements, which form an integral part of an implementation agreement, address the different legal aspects of the execution of the agreement to safeguard the interests of the ILO. The terms and conditions include, among other provisions, clauses against fraud and terrorism, and provisions on intellectual property rights, use of the ILO name and logo being subject to prior approval, insurance and liability, etc. In addition, an IP is obliged to provide financial and technical progress reports in order to receive progress payments. These reports shall include all original bank statements as well as an expenditure forecast, extracts from the cash book and a bank reconciliation statement.

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								<p>The duly authorized representative of the IP is required to certify on the financial progress reports that the goods and services for which the expenditure has been incurred or will be incurred are not being financed from any other sources and are for the direct use and sole benefit of the work to be performed under the agreement.</p> <p>ILO representatives have access to implementation agreements personnel as well as books of account and underlying records.</p>
JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	7	The executive heads of the United Nations system organizations should establish risk-based monitoring frameworks to guide their respective organizations in systematically monitoring programmes and projects delivered by IPs. The frameworks shall be adapted by country offices to best fit the types of interventions in the country specific environments.	E	Other	Accepted	In progress	-	<p>The ILO has a risk-based approach for the selection and engagement of IPs. Responsible officials are required to certify the IPs suitability on a number of criteria including on past performance with the ILO and other UN agencies before entering into new agreements. In addition officials must review and certify that agreed outputs are delivered before additional payments are made.</p> <p>ILO audits continually identify opportunities to improve control over monitoring of implementation agreements (in reference Chief Internal Auditor report to the March 2014 session of the Governing Body).</p> <p>Establishing a comprehensive risk-based monitoring, including through an enhancement of the ERP system, should be based on a cost-benefit analysis taking into account the level of need for such information and the existing mechanism.</p>

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JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	8	The executive heads of the United Nations system organizations should institute, for staff engaged with implementing partners (and especially staff in country offices), training in fraud awareness and prevention, with emphasis on fraud related to third parties.	E	Management improvement through enhanced effectiveness.	Accepted	In progress	–	<p>The ILO Procurement Bureau provides training to ILO staff at headquarters and field offices on IGDS No. 270 and the use of implementation agreements generally. The relevant templates and training tools are available via the Bureau's intranet home page.</p> <p>The ILO Internal Audit Office has been undertaking anti-fraud awareness sessions for a number of years. The anti-fraud training sessions always include an element relating to procurement.</p>
JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	9	The executive heads of the United Nations system organizations should revise existing oversight function charters to ensure they have the right to investigate third parties involved in implementing UN-funded activities. These revised charters should be submitted to legislative bodies for approval.	E	Management improvement through enhanced controls and compliance	Not accepted	–	–	<p>Although it would be possible to amend the IAO's audit charter stating that the IAO has the "right" to investigate third parties, this clause could not supersede a legal agreement between the ILO and a third party. If the agreement does not include an access clause, the third party could deny any request from the IAO to access its books of account no matter what the charter states. Therefore, the ILO seeks to ensure to have access rights in contracts between the ILO and third parties, which the ILO does in the case of implementation agreements.</p> <p>The current checklists require officials to confirm if there have been issues in the past with the IP, e.g. lack of access to third parties. If this is the case, then the officials should raise this as an issue and not award any further agreements.</p>

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JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	10	The executive heads of the United Nations system organizations should review the capabilities of their existing automation systems, such as ERPs and other database tracking systems, with the aim of consolidating IP-related data among these systems, based on a cost/benefit analysis and taking into account the level of need for such information.	E	Enhanced transparency and accountability	Accepted	In progress	–	New functionalities for tracking IPs information have been introduced in the ILO's ERP system (Contract Purchase Agreement module). The ILO's ERP system collects the data required for financial expenditures through implementing partners. Currently performance data is not collated by the ERP new functionalities. A cost/benefit exercise would need to be conducted to establish the feasibility of enlarging the scope of the system to meet this type of requirement.
JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	11	The executive heads of the United Nations system organizations should instruct country offices to act at the country level to establish, in cooperation with other UN organizations, procedures for sharing IP-relevant information. Channels for such cooperation should include operations management groups of the UNCT and the clusters and working groups established under the UNDAF, UNPAF and UNDAP.	E	Enhanced coordination and cooperation among participating organizations	Accepted	In progress	–	Existing sharing mechanisms should be evaluated at UN Country Team (UNCT) level for joint programme implementation, and UNDG is to decide on a common format preliminarily. The current practice is that UN Resident Coordinators (RC) decide on a case-by-case basis.

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JIU/REP/2013/4: Review of the management of implementing partners in United Nations system organizations	12	The UN Secretary-General, as Chairperson of the CEB, should act to ensure that IP-related policy and management issues become a regular agenda item of the three CEB pillars. Consideration of these issues can occur in a special IP-focused working group or as a standing item in existing functional networks. Issues considered should include IP strategies, selection, assessments/due diligence, agreements, accounting and financial management, monitoring and auditing, and performance evaluation.	E	Other	Not relevant	–	–	This recommendation is addressed to the Secretary-General, as CEB Chair. Some issues related to implementation agreements could be discussed from time to time by CEB organs, but there are no strong justifications to include implementation agreements as a regular agenda item of the three CEB pillars.
JIU/REP/2014/1: An analysis of the resource mobilization function within the United Nations system	1	The legislative bodies of the United Nations system organizations should periodically review the resource mobilization strategy/policy, including by providing political guidance and oversight of the implementation of the resource mobilization strategy/policy and by ensuring monitoring and the review of regular updates.	L	Enhanced transparency and accountability	Accepted	Implemented	Yes	The ILO has reviewed its technical cooperation strategy (which includes resource mobilization); an independent evaluation was carried out. The evaluation findings along with an updated Development Cooperation Strategy (including resource mobilization) will be presented at the Governing Body in November 2015.
JIU/REP/2014/1: An analysis of the resource mobilization function within the United Nations system	2	The General Assembly of the United Nations and the legislative bodies of the United Nations system organizations should request member States, when providing specified contributions, to make them predictable, long-term and in line with the core mandate and priorities of the organizations.	L	Management improvement through enhanced effectiveness	Accepted	Implemented	Yes	The legislative bodies of the ILO request member States specific voluntary contributions (on top of the assessed contributions) that are more predictable, long-term and in line with ILO's mandate. This is reflected for instance in the TC Strategy for Africa, periodical reviews of the Decent Work Country Programmes and the ILO's Development Cooperation Strategy 2015–17.

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								Donor countries have responded through support to the Regular Budget Supplementary Account (RBSA) which provides unearmarked voluntary funding (eight donors in 2015) or through lightly earmarked thematic funding for specific ILO global outcomes.
JIU/REP/2014/1: An analysis of the resource mobilization function within the United Nations system	4	The executive heads of the United Nations system organizations should put in place, if they have not already done so, risk management and due diligence processes for resource mobilization; this should include, inter alia, ensuring that due diligence is not performed by the same individuals responsible for fundraising.	E	Management improvement through enhanced effectiveness	Accepted	Implemented	Yes	The ILO has a Risk Management Framework which includes provisions for risk management at project design and implementation levels (also resource mobilization). This framework ensures that risk assessment and due diligence are performed by quality appraisal and clearance functions in the Office, not by those dealing with resource mobilization. Finally, there are concrete risk assessment and due diligence components in the public-private partnerships procedure, also performed by other units than those responsible for resource mobilization.
JIU/REP/2014/1: An analysis of the resource mobilization function within the United Nations system	5	The executive heads of the United Nations system organizations should organize dialogues with their respective donors to agree upon common reporting requirements which would simplify the reporting process for the respective organizations and satisfy the information needs of the donors with a view to reducing the reporting burden and associated costs.	E	Management improvement through enhanced effectiveness	Accepted	In progress	–	The ILO dialogues with its donors on reporting on a systematic basis. In every review of every partnership that the ILO has signed, a specific component about reporting is included with the final goal of reducing the reporting burden and associated costs on both sides. Good examples of standardizing and simplifying reporting exist. Reports for review meetings and joint committees have been reduced to a four-page format factsheet (between 2012 and June 2015, more than 30 instances).

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								However, certain donors and certain funding windows rather move in the opposite direction, imposing specific and sometimes onerous reporting.
JIU/REP/2014/3: Capital/refurbishment/ construction projects across the United Nations system organizations	1	The executive heads of the United Nations system organizations should establish close monitoring and periodic reporting mechanisms for capital/refurbishment/construction projects throughout all project phases.	E	Management improvement through enhanced controls and compliance	Accepted	Implemented	Yes	The ILO's Governing Body is kept informed on the project's progress at each session (twice a year).
JIU/REP/2014/3: Capital/refurbishment/ construction projects across the United Nations system organizations	2	Taking into account the high cost and high risk of capital/refurbishment/construction projects, the legislative/governing bodies of the United Nations system organizations should exercise their monitoring and oversight role with regard to their respective projects on an ongoing basis, including during the pre-planning, planning, executing and completing phases, ensuring cost efficiency and the achievement of the overall goals of the projects.	L	Management improvement through enhanced controls and compliance	Accepted	Implemented	Yes	A Governance Committee is in place for the project and meets monthly to follow progress and take decisions accordingly. The committee is chaired by the Deputy Director-General for Management and Reform, and comprises the Legal Adviser, the Treasurer, a representative of the Director-General's Office, and the heads of the Strategic Programming and Management Department, Internal Services and Administration Department and Procurement Bureau.
JIU/REP/2014/3: Capital/refurbishment/ construction projects across the United Nations system organizations	4	The executive heads of the United Nations system organizations should ensure that the 19 best practices presented in the present review are followed when undertaking capital/refurbishment/construction projects.	E	Dissemination of good/best practices; strengthened coherence and harmonization.	Accepted	Implemented	Yes	The executive heads of the United Nations system organizations should ensure that the 19 best practices presented in the present review are followed when undertaking capital/refurbishment/construction projects.