

**DONOR-LED ASSESSMENTS OF  
THE UNITED NATIONS SYSTEM ORGANIZATIONS**

*Prepared by*

***Gopinathan Achamkulangare  
George A. Bartsiotas***

**Joint Inspection Unit**

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## EXECUTIVE SUMMARY

### Donor-led assessments of the United Nations system organizations JIU/REP/2017/2

1. Non-core donor Government funding (also referred to as extrabudgetary or voluntary contributions) and funding from donors such as the European Commission and pooled funding mechanisms have become increasingly essential for most United Nations system organizations to pursue their mandates. The portion of non-core or voluntary contributions of United Nations system organizations amounted to about 70 per cent in 2015. Reliance on non-core resources is strongest in the case of United Nations funds and programmes, which received 77 per cent and 79 per cent of all their funding as non-core in 2010 and 2015 respectively, up from 58 per cent in 2007. In some organizations such as the Office of the United Nations High Commissioner for Refugees and the World Food Programme, the percentage is significantly higher, even up to over 90 per cent in recent years. In transferring such funds to the United Nations system, donor Governments are increasingly advocating for organizations to strengthen their capacity and performance of reporting the results and sharing the evidence compiled by their management, internal oversight offices and other accountability mechanisms with the organizations' legislative and governing bodies.

2. Donors are increasingly undertaking their own assessments of United Nations system organizations and their programmes to ensure that funds have been used efficiently, for intended purposes and with the expected levels of accountability. These reviews are in addition to the management reports, audits, evaluations and inspections provided by the existing oversight and accountability architecture of the organizations. The management and oversight bodies of United Nations system organizations have been expressing concerns in recent years about the increase in such donor-led assessments (a total of 205 bilateral assessments by members of the Development Assistance Committee of the Organization for Economic Cooperation and Development during the 2012-2014 period alone). The Development Assistance Committee itself provides a detailed discussion of the proliferation of bilateral assessments and implications for the United Nations system organizations in its multilateral aid reviews of 2013 and 2015.

3. While a number of United Nations system organizations have found the bilateral donor assessments to be useful spur to management introspection, and have used them as springboards to improve their internal procedures and practices, most organizations view donor-led assessments as a challenge that requires them to divert significant amounts of management and operational time from their programmes, as well as absorbing transaction costs. They also point to the high risk of duplication and overlap. Duplication may be found in the different assessments conducted at global, regional and country levels for the same organization by various donors. Assessments by donors also raise other challenges including, on occasion, the need for an organization to balance response to recommendations identified as a priority by certain donor reviews with the priorities for improvement/reform agreed with the Member States comprising its governing body. Challenges to the single audit principle have been also raised by a number of organizations.

4. The present report reviews the various approaches, arrangements and practices in place regarding donor-led assessments in the United Nations system. The Inspectors seek to identify areas of common challenges and concerns, and make recommendations as appropriate. The report focuses on the organizations that have the highest number of donor assessments and on the 16 major donors (including the European Commission) to the

United Nations system. For operational activities for development (amounting to 60 per cent of all contributions to the United Nations system) in 2015, the top three Government donors accounted for 47 per cent of all contributions made by Governments, while the top 10 accounted for 73 per cent. The European Commission has been among the three top non-Member State donors, providing contributions amounting to about US\$ 1.7 billion in 2015. There is, predictably, a correlation between the volume of funding provided and the number and percentage of assessments conducted by the donor concerned. The report contains six formal recommendations, three addressed to the legislative/governing bodies and three to the executive heads. It also includes 11 informal or “soft” recommendations in the form of suggestions to both the organizations and the donors.

### **Observations and findings**

5. Donor assessments cover various types of reviews, including corporate reviews aimed at assessing the overall performance of the organization; review of the performance of a single operational unit within the organization; assessment of the implementation of a thematic programme covering several operational units or of a field office and its capacity; and the review of the adequacy of the financial, human resources or other regulatory frameworks of an organization as a whole. Corporate-level reviews assess the organization’s governance arrangements, accountability framework, risk management, oversight, due diligence and related areas. Reviews conducted at the programme or project level consist mainly of due diligence exercises, verifications, monitoring and reporting, “value for money” assessments and evaluations.

6. The assessment practices vary among donors: some focus on corporate-level reviews of targeted organizations, whereas others concentrate only on specific programmes or projects. Donor assessments also differ in terms of scope and coverage. Apart from reviews undertaken individually, assessments may be conducted by a group of donors such as the Multilateral Organization Performance Assessment Network (MOPAN). Donor Governments that are members of MOPAN are involved in this capacity in assessments conducted by MOPAN, in addition to their bilateral assessments. Donor Governments may at the same time be members of the governing body of the organizations being assessed in their bilateral assessments. Some donor Governments may also be members of an intergovernmental organization (such as the European Union/European Commission) that conducts its own assessments of United Nations system organizations.

7. Donors conduct bilateral assessments as necessary to promote reform and gain assurance that their funds are spent efficiently and as intended; to satisfy their domestic constituencies, consisting mainly of legislatures and parliamentary committees, national audit authorities, the media and civil society; and to ensure the funds are spent on programmes aligned with their national priorities.

8. There is no established practice among donors for publicizing the reviews or sharing the reviews among themselves. In addition, some of the non-traditional donors, including foundations, have been conducting their own assessments, although the focus of these appears to be visibility and attribution of their contributions.

9. A number of organizations maintain that donors do not involve them in the planning of the reviews or agree with them on the time frame in advance, and that the consultation process for the reviews is usually inadequate. They are not always aware of the methodologies or the criteria against which they are being assessed, thereby raising concerns about the quality and accuracy of the findings reported in the donor reviews.

10. United Nations system organizations have to dedicate considerable resources, mainly staff and time, for their involvement in the donor assessments. The tasks consist of providing information and documentation, explaining the organization's regulatory frameworks and procedures, planning and conducting detailed senior-level interviews and meetings during the visit of the review team, seeking and securing the cooperation and participation of programme country institutions and stakeholders, ensuring adherence to the public disclosure and confidentiality policy of the organization, providing customized programmatic and financial reports, providing comments and "management responses" to reports and, finally, implementing the remedial actions in response to observations and recommendations of the assessment. The transaction costs associated with these donor assessments may divert substantial resources from the United Nations system organizations' core activities.

11. Other areas of concern to organizations include the lack of familiarity of the external consultants engaged by donors for the assessments with their financial and related regulations and rules; conflict with the existing confidentiality and public disclosure policies; and the intrusive nature of the reviews, often going beyond the scope agreed or provided in the donor agreements and project documents. Some have referred to the absence of an adequate legal basis for the donor assessments. Concerns about the quality and accuracy of the findings reported in some of the donor reviews have been expressed by a number of organizations.

12. Organizations noted that in most cases, 60 to 70 per cent of the information sought by the donors in the course of the reviews is already available in the public domain in their annual reports, documentation provided to the governing bodies, oversight reports and programmatic and financial reports submitted in respect of individual contributions in accordance with donor agreements and project documents. However, they acknowledged that available information may not be strictly in the form or format in which it is sought by the donor during the assessment.

13. One of the main reasons adduced by donors for conducting their own assessments has been that the funds provided by them are not subject to oversight by the internal and external oversight bodies of the organizations in the same robust way that the regular budget and core resources are. The latter do not express an opinion on specific programmes or projects funded by specified contributions. For instance, the internal and external auditors do not systematically examine whether donor contributions are used in accordance with the requirements established in donor agreements, and do not provide explicit assurance in that regard. Donors maintain that such testing and assurance would enhance the credibility of the oversight offices and their work. However, this implies the need for addressing the question of the donors providing additional funds for such oversight activities. The present report advocates that new ways be explored to formally bridge the assurance expectations and needs of the donors with the work performed by existing oversight bodies. Further strengthening of the oversight functions of organizations is likely to enhance the confidence of donors and their reliance on the oversight reports.

14. Apart from calling for making audit reports and evaluations publicly available, some donors underlined the need for organizations to improve the quality of evaluations and the institutional results frameworks, stressing that more robust and evidence-based evaluations is one of the ways of dealing with their information needs. The donors need to raise these and related issues in the governance forums of the organizations. The Inspectors call upon the legislative organs of the organizations to support ongoing efforts for greater transparency and accountability in the performance of organizations and for these efforts to be reflected appropriately in the work of the internal oversight bodies.

15. The present report also explores the potential to standardize and streamline the donor review process in such a manner as to provide donors with the information that they need while reducing the administrative burden and costs to the United Nations system organizations, including through joint audits, evaluations and donor assessments.

16. Joint donor assessments such as those carried out by MOPAN have the potential of reducing overlap and transaction costs; however, cross-tabulation of bilateral and MOPAN assessments of organizations reveals significant overlap between assessments conducted under MOPAN and bilateral assessments of organizations conducted during the same period of time individually by members of MOPAN and other donors. The inference is that many donor Governments are using MOPAN assessments as a source of evidence in their assessment process, rather than as a replacement for their own assessments.

17. Many donors welcomed the implementation by organizations of initiatives such as the International Aid Transparency Initiative as a tool for greater transparency and accountability.

18. The present report advocates improved use of web portals, dashboards and enterprise resource planning systems reporting. The report also calls upon the organizations to create a publicly available online global/central repository for all donor assessments in respect of every organization.

19. The report examines how both donors and organizations can benefit from adopting a more consultative approach in conducting donor assessments. Such an approach can contribute substantially to organizational learning, reform and improvement. As such the report calls for more robust collaboration between organizations and donors in the planning phase and subsequently, in the actual conduct of the assessments. It also calls for coordination among donors on the one hand, and among United Nations system organizations on the other, to address commonalities and avoid duplication.

20. The present report underscores the need for a strategic dialogue between the donors and the organizations. At present, the dialogue takes place mainly at the operational level, affording little opportunity for strategic engagement between the two parties. Only engagement at a strategic level can help donors identify shared priorities and gain a better appreciation of both the mandate of the organizations and the reforms undertaken and improvements effected as a result of legislative decisions. In this context, the practice initiated by the World Bank Group in 2013 of holding strategic consultations and conducting portfolio reviews with main donors is cited as a good practice, worthy of emulation by the United Nations system organizations. Another good practice has been the ongoing dialogue and consultations between the European Commission and the United Nations system in the context of assessments and verifications conducted by the European Commission. The report also calls for the eventual adoption of a standard template donor agreement.

## **Recommendations**

### **Recommendation 1**

**The legislative/governing bodies of the United Nations system organizations should encourage better access to, dissemination of and exchange of information concerning donor assessments among the Member States and should, in this context, call upon the executive heads to make such assessments publicly available by uploading them in an online global repository to be established by the Secretary-General of the United Nations for that purpose not later than 2018.**



**Recommendation 2**

**Member States that are members of the Multilateral Organization Performance Assessment Network (MOPAN) should initiate an evaluation of the MOPAN 3.0 methodology to assess its rigour and utility in providing the expected levels of information, and determine its effectiveness in reducing the need for additional individual donor assessments.**

**Recommendation 3**

**The executive heads of the United Nations system organizations should designate, on the basis of the volume and variety of donor reviews, an appropriate central function in their respective organizations for coordinating the multiplicity of donor assessments, managing the information provided to donors, standardizing communications, ensuring consistency and tracking the follow-up action on findings and recommendations by the responsible organizational units.**

**Recommendation 4**

**The executive heads of the United Nations system organizations should engage with donors to determine the key elements in their assessments and should encourage their audit and evaluation bodies, with due regard for their independence, to consider taking these elements into account in their risk assessments and work plans, in order to avoid potential duplication and overlap.**

**Recommendation 5**

**The legislative/governing bodies of the United Nations system organizations should request the executive heads to identify and provide adequate resources and support to the internal audit and evaluation offices of their respective organizations to enable them to provide the required levels of assurance that would help minimize duplication and overlap with external reviews, verifications and assessments conducted by third parties.**

**Recommendation 6**

**The executive heads of the United Nations system organizations and the Secretary-General, in the context of the United Nations System Chief Executives Board for Coordination, should develop a common position for initiating a high-level dialogue with donors to determine shared priorities and define a multi-stakeholder assessment platform with a robust framework and methodology to capture a collective reflection of an agency's performance and reduce the need for additional bilateral assessments.**

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## ABBREVIATIONS

BMZ	German Federal Ministry of Economic Cooperation and Development
CBPFs	Country-based Pooled Funds
CEB	United Nations System Chief Executives Board for Coordination
CHF	Common Humanitarian Fund
DAC	OECD Development Assistance Committee
DFID	Department for International Development
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
FAO	Food and Agriculture Organization of the United Nations
GCF	Green Climate Fund
GEF	Global Environment Facility
IATA	International Aid Transparency Initiative
ICAO	International Civil Aviation Organization
ILO	International Labour Organization
IMO	International Maritime Organization
ITC	International Trade Centre
ITU	International Telecommunication Union
JIU	Joint Inspection Unit of the United Nations system
MOPAN	Multilateral Organization Performance Assessment Network
OECD	Organization for Economic Cooperation and Development
OHCHR	Office of the United Nations High Commissioner for Human Rights OIOS Office of Internal Oversight Services
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCTAD	United Nations Conference on Trade and Development
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNMAS	United Nations Mine Action Service
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNWTO	World Tourism Organization
UPU	Universal Postal Union
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

## I. INTRODUCTION

1. As part of its programme of work for 2016, the Joint Inspection Unit (JIU) conducted a review of donor-led assessments of United Nations system organizations.
2. Non-core donor Government funding (also called extrabudgetary, earmarked or voluntary contributions) and funding from donors such as the European Commission and pooled funding mechanisms have become increasingly essential for most United Nations system organizations to pursue their mandates. The portion of non-core or voluntary contributions amounted to about 70 per cent in 2015. Reliance on non-core resources is strongest in the case of United Nations funds and programmes, which received 77 per cent and 79 per cent of their funding as non-core in 2010 and 2015 respectively, up from 58 per cent in 2007.<sup>1</sup> In some organizations such as the Office of the United Nations High Commissioner for Refugees (UNHCR) and the World Food Programme (WFP), reliance on voluntary contributions can be significantly higher, even up to 90 per cent in recent years.
3. In transferring such funds to the United Nations system, donor Governments and other donors are increasingly advocating for organizations to strengthen their capacity and performance of reporting the results and sharing the evidence compiled by their management, internal oversight offices and other accountability and oversight mechanisms with the organizations' legislative and governing bodies.
4. In addition to the assurance provided by the internal oversight and accountability mechanisms of the United Nations system, donors are increasingly undertaking separate external reviews of United Nations system organizations and programmes. These reviews range from corporate-level assessments to project- and programme-level assessments and verifications, including regional-level and thematic assessments.
5. Donor reviews allow for the collection of credible evidence that funds have been used efficiently, for intended purposes and with the expected levels of accountability. Several donors carry out reviews of the overall performance of key United Nations system organizations to meet their own needs, but not all of them publish these reviews. Some exceptions are Australia, the Netherlands, Norway and the United Kingdom of Great Britain and Northern Ireland, which conduct and publish multilateral aid reviews that assess the overall effectiveness and efficiency of an organization's management processes, governance and oversight performance. In addition, most donors, when providing extrabudgetary funds to fund specific projects or programmes, prescribe specific reporting requirements tied to that funding. Some intergovernmental donors such as the European Commission also conduct assessments at the corporate level and verifications at the programme and project level.
6. External assessments and reviews by donors raise the risk of duplication, as reviews conducted by the different donors, and also the organizations' own internal reviews, focus mostly on common themes such as financial and administrative frameworks, partnership arrangements, internal control, audit and oversight issues and programmatic results. Another layer of duplication may be found in the different assessments conducted at global, regional and country levels for the same organization by certain donors. Reviews by individual donors also raise other challenges, including, on occasion, the need for an organization to balance responding to recommendations identified in multiple donor reviews with the priorities for improvement/reform agreed with the Member States comprising its governing body.
7. There have been attempts among donors to achieve increased harmonization of their review activities. For instance, members of the Multilateral Organization Performance

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<sup>1</sup> OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris, OECD Publishing, 2015), p. 17.

Assessment Network (MOPAN) have agreed to conduct multilateral aid reviews and to carry out joint assessments, share information and draw on each other's experience in monitoring and evaluation. However, many of these same donors continue to request additional information and evidence to complete their own reviews. Examples include the Department for International Development (DFID) of the United Kingdom, the Norwegian Agency for Development Cooperation and the European Commission.

8. Many United Nations system organizations view donor-led reviews as a challenge that demands significant amounts of their management and operational time. Internal and external oversight mechanisms also need to be closely coordinated to avoid unnecessary duplication and additional workload. It is necessary, for example, to provide information and documentation and explain United Nations procedures to donor staff and consultants; to plan field visits and accommodate and accompany donor oversight providers on the visits; to arrange for and conduct senior-level meetings with donor staff and consultants; to provide explanations of field assessments to programme country institutions and stakeholders and secure their cooperation; to review and respond to observations made in formal reports and meetings; to prepare customized programmatic and financial reports; and finally, to implement satisfactory remedial actions in response to recommendations.

9. Further, the challenge of duplication extends to the conduct of audits of United Nations system organizations. Concerns were raised with the Secretary-General as far back as 1993 by the Chair of the Panel of External Auditors of the United Nations. In its first report on the proposed programme budget for the biennium 1998-1999, the Advisory Committee on Administrative and Budgetary Questions outlined its continued concerns over increasing requests for donor audits and the burden they cause.<sup>2</sup> The Advisory Committee reinforced its support for regulation 7.6 of the Financial Regulations of the United Nations, which provides that the United Nations Board of Auditors should be solely responsible for the conduct of external audit.<sup>3</sup> This position was adopted as the "single audit principle"<sup>4</sup> by the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination (CEB) in 2005. In many organizations, donor reviews and verifications that resemble audits are hence seen to be at odds with the single audit principle.

#### **A. Objectives and scope of the review**

10. The main objectives of the present review were: (a) to map and assess the types and defining characteristics of donor-based assessments; (b) to examine the reasons and rationale for requiring such assessments; (c) to ascertain the degree to which donor requirements are different from, or could be satisfied by, existing oversight processes; (d) to examine the issue of transaction costs for the United Nations system organizations; and (e) to explore how reviews by donors could be more effectively planned, coordinated and budgeted to achieve the objectives of all stakeholders.

11. The Inspectors also examined how the main management and oversight functions could contribute to the provision of information to satisfy donor accountability requirements, including how existing oversight processes, including financial reporting, external audit,

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<sup>2</sup> See A/52/7/Rev.1, para. 100.

<sup>3</sup> Ibid., para. 102.

<sup>4</sup> "The United Nations Board of Auditors and the appointed External Auditors of the specialized agencies and of the International Atomic Energy Agency, retain the exclusive right to carry out external audit of the accounts and statements of the United Nations Organizations. If special reviews are required, governing bodies should request the appointed External Auditor to carry out specific examinations and to issue separate reports to them on the results" (CEB/2005/HLCM/R.20, p. 3).

internal audit, evaluation, investigations and inspections, could be better leveraged to provide assurance to donors and alleviate the need for separate donor reviews.

12. The Inspectors explored the potential to standardize and streamline the donor review process in order to provide donors with the information that they need while reducing the administrative burden and costs to the organizations, including through joint audits, evaluations and donor assessments.

13. For the purposes of the present report, a **“donor review” or “donor assessment” is defined as an exercise conducted by a donor Government or other donor, which includes the systematic collection, review and analysis of information concerning the performance of a United Nations system organization and involves the production of written and formalized assessments of that organization. Informal notes and memorandums are not considered reviews. The terms “donor review” and “donor assessment” are used interchangeably throughout the report.**

14. Also, not covered by this definition are the following: (a) information requests or site visits done by donor staff in the context of the standard programme implementation process for programmes or projects funded by extrabudgetary/voluntary contributions; (b) information requests and additional due diligence measures in the context of regular programme implementation and performance monitoring and evaluation; (c) standard financial and programmatic reporting in line with the respective donor agreements; and (d) ongoing consultations between donors and the United Nations system organizations.

15. The report does not consider the governance, oversight and assurance frameworks set up by donors for pooled/joint funding arrangements such as multi-donor trust funds or pooled funds, such as the Common Humanitarian Fund, the Central Emergency Response Fund, country-based pooled funds, etc. Those pooled funding arrangements have their own governance and oversight structures, and the work carried out by the United Nations Development Group (UNDG), the Development Operations Coordination Office, the United Nations Development Programme (UNDP) and the Office for the Coordination of Humanitarian Affairs of the Secretariat, among others, is recalled in this context.

16. In the present report, JIU does not examine in detail the practices of individual donors and/or United Nations system organizations, but looks at the subject of donor assessments and the related issues holistically.

17. The review took into account the fact that United Nations system organizations differ in their mandates, business models, funding structures, proportionate amounts of non-core, earmarked, extrabudgetary and voluntary resources, and ways in which they interface with donors. **The review focused on the United Nations system organizations that have the highest number of donor assessments and on the 16 major donors to the United Nations system, including the European Commission.**<sup>5</sup> Assessments undertaken by other donors, including foundations, were not considered in detail owing to resource and time limitations.

18. In reviewing the various approaches, arrangements and practices adopted by organizations in dealing with donor reviews, the Inspectors have sought to identify areas of common challenges and concerns, and have made recommendations as appropriate. It is recognized that some of the recommendations may not apply equally to all organizations that participated in the review.

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<sup>5</sup> JIU sought to interview representatives from the top 15 donor Governments in terms of funding to the United Nations system in 2013, based on data from the DAC creditor reporting system (namely the Governments of the United Kingdom, the United States, Germany, France, Japan, Sweden, Canada, Italy, the Netherlands, Norway, Australia, Spain, Denmark, Switzerland and Belgium), plus the European Commission.

## **B. Methodology**

19. The review was undertaken from March to December 2016 on a United Nations system-wide basis, inclusive of the United Nations, its funds and programmes, specialized agencies and the International Atomic Energy Agency, at a global, regional and national level.

20. A methodology comprising desk reviews, detailed questionnaires and system-wide interviews of staff at different levels was used to facilitate information gathering and analysis of the subject matter. The project began with a review of the available literature on donor assessments, United Nations-specific documents and reports and an analysis of the issues identified therein. The data collection included information received in meetings conducted at headquarters offices of participating organizations and in field visits to selected country offices in Kenya, Panama and Somalia. Teleconferences were conducted when on-site visits were not possible. In total, more than 280 persons were interviewed. Detailed questionnaires were sent to 28 participating organizations and responses were received from 26 of them. In addition, a separate questionnaire was sent to elicit the views of the 15 donor Governments that are the largest contributors to the United Nations system. Inputs and responses to the questionnaire were received from 10 Government donors as well as from the European Commission.

21. The data collection phase included information received in meetings with the World Bank, the European Commission, the National Audit Office of the United Kingdom and the Global Fund. Meetings were conducted with development agencies of Member States, such as DFID and the United States Agency for International Development. In addition, meetings were held with representatives of seven permanent missions to the United Nations. However, gathering the perspectives and views of a wider range of donor agencies was not feasible.

22. Time constraints likewise did not allow for more in-depth testing and face-to-face interactions with all 28 participating organizations of JIU or all the related oversight, inter-agency and coordination bodies. As such, the review took into account evidence reported in relevant audits and reports conducted by the Board of Auditors, the Independent Audit Advisory Committee and a number of other internal and external oversight bodies of United Nations system organizations.

23. Under an internal peer review procedure, comments were solicited from all JIU Inspectors (collective wisdom) before the report was finalized. The draft report was circulated to United Nations system organizations and other stakeholders for correction of factual errors and for comments on the findings, conclusions and recommendations. To facilitate the handling of the report, the implementation of its recommendations and monitoring thereof, annex VII to the present report contains a table indicating whether the report is submitted for action or for information to the governing bodies and executive heads of the organizations reviewed.

24. The report contains six formal recommendations, of which three are addressed to the legislative/governing bodies and three to the executive heads. The formal recommendations are complemented by 11 informal or “soft” recommendations in the form of additional suggestions to both the organizations and the donors for effecting improvements; the informal recommendations appear in bold throughout the text.

25. The Inspectors wish to express their appreciation to all who assisted them in the preparation of the present report, and in particular to those who participated in the interviews and questionnaires and so willingly shared their knowledge and expertise.



## II. PROLIFERATION AND MULTIPLICITY OF DONOR REVIEWS

26. The conduct of reviews and assessments varies among donors. Some donors conduct a number of different assessments of the same organization. These include multilateral aid/development reviews, which assess the overall performance of the organization, due diligence or capacity assessments, and “value for money” assessments that include effectiveness and efficiency of an organization’s or programme’s management processes, governance, oversight and assurance framework. Some others focus on reviews of specific programmes or projects that are funded by them. In general, the scope of the review depends on the donor’s focus on a particular topic and the requirements of its domestic constituencies. The terms and conditions under which donor reviews are conducted are set out in the bilateral or multilateral funding agreements between donors and United Nations entities. For example, the European Commission has negotiated blanket agreements through the Financial and Administrative Framework Agreement to provide a more standardized basis for funding, and these include financial, contractual and verification arrangements with the various United Nations system organizations.

27. As a result of the increased non-core funding of the United Nations system organizations, the number of assessments conducted by donors has multiplied over time. While the majority of assessments are carried out by donor Governments, non-traditional donors as well follow similar practices and conduct their own reviews. These include reviews by private foundations and other funding mechanisms (vertical funds such as the Global Environment Facility, the Global Conservation Fund, etc.). This has led to a proliferation of donor assessments, the majority of which are outsourced to external consultants, creating additional burden and complexity.

28. Most donors provide funding to organizations primarily on the basis of their own assessments and priorities and, to a lesser extent, on agreed organizational or intergovernmental assessments.<sup>6</sup> With a few exceptions, the validation of a particular assessment by one donor is not accepted by the whole donor community.

29. Owing to the administrative burden posed by donor reviews, organizations are exploring ways to accommodate the needs and requirements of donors in an efficient, cost-effective manner so as not to duplicate existing assurance and oversight mechanisms. At the same time, a number of organizations have approached the donor assessments as a useful spur to introspection and have used them as springboards to improve their internal procedures and practices.

30. The steady increase in donor assessments, highlighted in various studies conducted in the international forums,<sup>7</sup> points to increased scrutiny of public funding of United Nations system organizations and an increased demand for directing scarce resources towards the most effective multilateral organizations. Decisions around funding, its allocation and evidence of an adequate return on invested funds have been driving an increase in the number and depth of such assessments. These trends were confirmed in the interviews conducted with a number of key donors for the present report.

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<sup>6</sup> OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris, OECD Publishing, 2015).

<sup>7</sup> See, for example, OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris, OECD Publishing, 2015); OECD, *Multilateral Aid 2013* (Paris, OECD Publishing, 2013); V. Lindoso and N. Hall, “Assessing the effectiveness of multilateral organizations”, BSG-WP-2016/013, April 2016, BSG Working Paper Series, Blavatnik School of Government, University of Oxford.

**A. Systematic assessments of United Nations system organizations conducted by individual Governments and other donors have steadily increased in recent years**

31. The 2015 report of the OECD Development Assistance Committee (DAC) on multilateral aid found that bilateral assessments of multilateral organizations continue to proliferate: 14 of 29 Committee members conducted at least one bilateral assessment of multilateral organizations between 2012 and 2014, for a total of 205 bilateral assessments covering 55 organizations during the period.

32. A multilateral organization may be subject to multiple bilateral assessments each year. For example, UNDP was reviewed through 17 external assessments from 2012 to 2014. The actual number may have been higher, considering that other assessments (by multilateral organizations or peer mechanisms, for example) may also have been done.<sup>8</sup>

33. Results from the data received through the JIU questionnaire across 26 United Nations system organizations confirm the OECD findings regarding the proliferation of donor reviews, as there were, on average, 40 to 45 reviews per year carried out between 2011 and 2015.

34. Some donor Governments such as the United Kingdom and Australia conduct assessments across a number of United Nations system organizations on a three- or four-year cycle, and in response to decision-making cycles within those Governments. The European Commission usually conducts “pillar assessments” prior to providing funding to the recipient organizations; verification missions are conducted in line with the Financial and Administrative Framework Agreement and the related regulatory framework. In other cases, such as Japan and Germany, in-depth assessments of a number of United Nations system organizations have only been carried out once, in 2010 and 2016, respectively.

35. The number of assessments reported to JIU by individual United Nations system organizations reflects only assessments of which they are aware; some assessments may take place without discussion by the donor Government with the assessed organization. For instance, the data reported to JIU suggest that Japan carried out only a modest number of assessments between 2011 and 2016; yet, evidence from other sources indicates that Japan carries out annual assessments of the performance of key United Nations system organizations as part of its annual budgetary process. The same applies to France and Germany, as a number of their assessments are conducted in the form of desk reviews and use evidence publicly made available by the organization to its governing/legislative bodies or through MOPAN.

36. The questionnaire responses and contextual information gained from JIU interviews show that more than 80 per cent of the known assessments between 2011 and 2015 were carried out by seven donor Governments and the European Commission (see annex II, table A). Two donors are particularly active, corresponding to their significant funding of the United Nations system organizations.

37. There is, predictably, a correlation between the volume of funding provided and the number/percentage of donor assessments conducted by a specific donor. For instance, for operational activities for development in 2015,<sup>9</sup> three donors (the United States of America, the United Kingdom and Japan) accounted for 47 per cent of all contributions to the United

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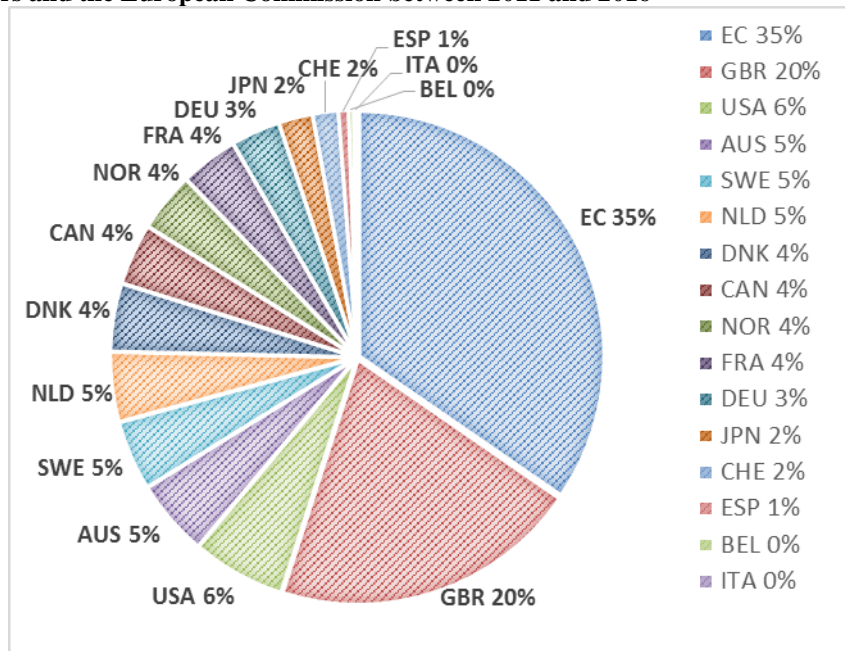
<sup>8</sup> OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris, OECD Publishing, 2015), p. 30.

<sup>9</sup> Operational activities for development in 2015 accounted for almost 60 per cent (US\$ 26.7 billion) of total funding for United Nations system-wide activities (US\$ 44.6 billion) (A/72/61-E/2017/4, para. 4).

Nations system made by Governments, while the top 10 accounted for 73 per cent.<sup>10</sup> The European Commission has been among the top three non-Member State donors, providing contributions amounting to about US\$ 2 billion in 2014 and US\$ 1.7 billion in 2015.<sup>11</sup> The information provided in annex II concerning the number of assessments carried out by the 15 major Member State donors and the European Commission should be read against this background.

38. A number of United Nations system organizations have been assessed multiple times by the same donor Governments between 2011 and 2016, with a number of organizations being assessed on multiple occasions in a given year. As can be seen from chart 1 below (and the data presented in annex II), while taking into consideration the proportionate funding of the donor to the United Nations system and the number/percentage of individual assessments, some of the major donors are more active than others. However, the picture appears different when looking only at individual donor assessments at the corporate level, as presented in chart 2. It should be noted that the European Commission has initiated a revision of its financial rules, which, when finalized, is expected to lead to a significant reduction in the number of assessments.

**Chart 1: Percentage of assessments of United Nations system organizations carried out by the 15 main donors and the European Commission between 2011 and 2016<sup>12</sup>**



Source: Responses to the JIU questionnaire.

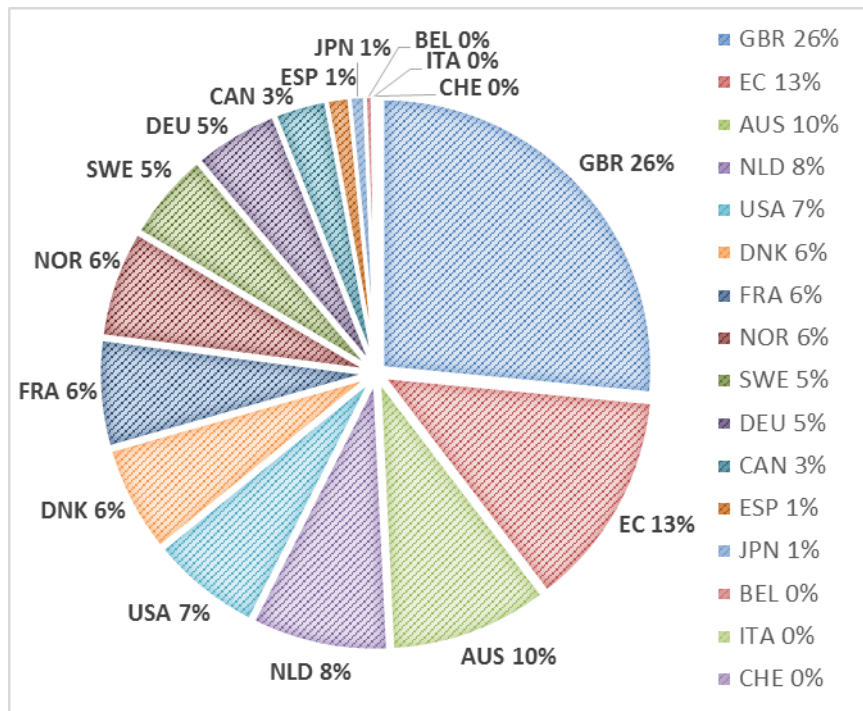
*Abbreviations:*<sup>13</sup> AUS, Australia; BEL, Belgium; CAN, Canada; CHE, Switzerland; DEU, Germany; EC, European Commission; ESP, Spain; DNK, Denmark; FRA, France; GBR, United Kingdom; ITA, Italy; JPN, Japan; NOR, Norway; NLD, Netherlands; SWE, Sweden; USA, United States.

<sup>10</sup> The top 10 donors in 2015, beginning with the largest funding, were the United States of America, the United Kingdom of Great Britain and Northern Ireland, Japan, Germany, Sweden, Canada, Norway, the Netherlands, Switzerland and Australia (A/72/61-E/2017/4, para. 25 and footnote 15).

<sup>11</sup> A/71/583, table 2B.

<sup>12</sup> As indicated, the data are based on the information provided by organizations and donors in their questionnaire responses. However, it should be taken into consideration that some organizations have started to systematically collect this type of data while others have not, and hence some of the former may rank high in the table for this reason.

**Chart 2: Percentage of corporate assessments of United Nations system organizations carried out by the 15 main donors and the European Commission between 2011 and 2016**



Source: Responses to the JIU questionnaire

*Abbreviations:* AUS, Australia; BEL, Belgium; CAN, Canada; CHE, Switzerland; DEU, Germany; EC, European Commission; ESP, Spain; DNK, Denmark; FRA, France; GBR, United Kingdom; ITA, Italy; JPN, Japan; NOR, Norway; NLD, Netherlands; SWE, Sweden; USA, United States.

39. Other donor Governments may be following the trail of the above-mentioned donors. The 2013 evaluation of MOPAN found that between 2010 and 2012, 11 of the then 17 members — Australia, Belgium, Canada, Denmark, Finland, France, the Netherlands, Norway, Sweden, the United Kingdom and the United States — carried out formal assessments of the performance of at least some United Nations system organizations. Subsequently, two of the six that had not done so,<sup>14</sup> namely Germany<sup>15</sup> and Switzerland,<sup>16</sup> carried out their first bilateral assessments in 2015.

40. While more donors are moving to carrying out comprehensive assessments based on their own methodology, it is unclear whether these are examples of a sustained trend rather than one-off initiatives. For instance, Japan commissioned an outsourced report aimed at

<sup>13</sup> Note: The following abbreviations of country names are used in accordance with the M49 standard adopted by the Statistics Division of the Department of Economic and Social Affairs of the Secretariat (see <http://unstats.un.org/unsd/methods/m49/m49alpha.htm>).

<sup>14</sup> See MOPAN 2015 annual report, annex E.

<sup>15</sup> “BMZ Mapping of Multilateral Organizations engaged in Development (BMAP)”. This mapping exercise looked at 30 organizations with regard to their mandate and relevance, performance and engagement with BMZ.

<sup>16</sup> An overview of multilateral organizations based on economic and foreign policy interests of Switzerland; development policy priorities; opportunities for participation and influence; and performance.

improving its assessments of multilateral organizations<sup>17</sup> that was published in 2010, but there is no evidence of this being repeated or followed up. Rather, Japan has since carried out annual assessments of multilaterals' performance and rated their performance against its own criteria, synchronised with the Government's budget cycle.

41. The JIU review found that donor Government assessments are focusing mainly on a limited number of the United Nations system organizations (see tables 1 and 2 below). Furthermore, cross-tabulation of bilateral and MOPAN assessments of organizations reveals significant overlap between assessments conducted under MOPAN and bilateral assessments of organizations conducted during the same period of time individually by members of MOPAN and other donors. **The inference is that many donor Governments are using MOPAN as a source of evidence in their own assessment process, rather than as a replacement for bilateral assessments.**

**Table 1: Number of assessments of United Nations system organizations carried out from 2011 to 2016 against whether organizations were also subject to MOPAN assessments**

Number of assessments	Organization	Assessed by MOPAN	Year of MOPAN assessment
Over 100	UNFPA	Yes	2014
	UNHCR	Yes	2011, 2014
75-100	FAO	Yes	2011, 2014
	WFP	Yes	2013
	United Nations <sup>a</sup>	Yes	2015/16
50-75	WHO	Yes	2013
	UNICEF	Yes	2012, 2015/16
25-50	UNDP	Yes	2012, 2015/16
	UNOPS	No	
	UN-Women	Yes	2014
	UNESCO	No	
	UNRWA	Yes	2011
10-25	ILO	Yes	2015/16
	UNAIDS	Yes	2012, 2015/16
	UNEP	Yes	2012, 2015/16
	UNIDO	No	
	IAEA	No	
5-10	ITC	No	
	UNCTAD	No	
	UNODC	No	
	ICAO	No	
	IMO	No	
0-5	UNWTO	No	
	WMO	No	
	UN-Habitat	No	
	UPU	No	
	ITU	No	
	WIPO	No	

Source: Responses to the JIU questionnaire.

<sup>a</sup>Includes ECA, ECE, Office for the Coordination of Humanitarian Affairs, OHCHR, Office of Programme Planning, Budget and Accounts of the Secretariat and United Nations Mine Action Service.

<sup>17</sup> Cited in OECD, *Multilateral Aid 2013* (Paris, OECD Publishing, 2013), p. 39.

**Table 2: Number of corporate assessments of United Nations system organizations carried out from 2011 to 2016 against whether organizations were also subject to MOPAN assessments**

Number of assessments	Organization	Assessed by MOPAN	Year of MOPAN assessment
Over 50	UNFPA	Yes	2014
	United Nations <sup>a</sup>	Yes	2015/16
	UNHCR	Yes	2011, 2014
20-35	UNICEF	Yes	2012, 2015/16
	UNDP	Yes	2012, 2015/16
	WFP	Yes	2013
	WHO	Yes	2013
5-20	UNRWA	Yes	2011
	UN-Women	Yes	2014
	UNESCO	No	
	UNAIDS	Yes	2012, 2015/16
	UNIDO	No	
	FAO	Yes	2011, 2014
	UNEP	Yes	2012, 2015/16
	IAEA	No	
0-5	UNCTAD	No	
	ICAO	No	
	UN-Habitat	No	
	WMO	No	
	UNWTO	No	
	UPU	No	
	ITU	No	
ITC	No		
	WIPO	No	

*Source:* Responses to the JIU questionnaire.

42. Annex II provides four overview tables showing the total number of assessments and the number of corporate assessments done by the 16 major donors, including the European Commission, from 2011 to 2016, arranged in the order of most to least assessed organization and most to least active donor in terms of number of assessments.

### **B. Types and categories of donor assessments**

43. As discussed above, donor assessments vary in many ways. In terms of scope, some are organization-wide (for example, DFID multilateral aid/development reviews, European Commission pillar assessments and MOPAN assessments), while others cover only a country or regional office (United Kingdom country due diligence reviews), a specific function (United Kingdom procurement reviews) or a programme or project (European Commission verifications).

44. In terms of the objective and how the results are used, some reviews are intended to assess the strategic involvement of a Member State in a particular organization and test to the “strategic fit” of that organization vis-à-vis the priorities of the Member State; some seem to be related to the fiduciary role of a (donor) Member State as a member of the organization’s governing board; and others are related solely to being a donor in a particular country for a particular project or programme, either as a precursor to providing funds (due diligence or risk assessments at country level) or as a verification ex post of the use of funds.

45. Regarding the focus of review, some assessments are mainly programmatic, some are focused on governance, some on managerial issues such as procurement and financial management, and others primarily transactional to determine the eligibility of funds.

Regarding timing, some are done *ex ante*, for instance, due diligence reviews prior to funding decisions, and some *ex post*, such as European Commission verifications. Some reviews are performed periodically and regularly updated, such as DFID multilateral aid/development reviews. Some are done only by headquarters or field offices, while others involve a combination of the two.

46. Issues brought up during interviews included some donors not sharing the methodology and criteria of their assessments with the organizations concerned or allowing them to review drafts so that factual inaccuracies or incorrect interpretations could be addressed. The tendency of a number of donors not to make final reports available to organizations or the public was also an issue of concern.

47. Annex III provides a list of the various types of assessments of United Nations system organizations done by the 16 major donors to the United Nations system.

### **C. Multiple donor assessments result in risk of duplication and significant transaction costs**

48. A number of United Nations system organizations have been subject to multiple reviews at the corporate level conducted by individual donors (see table 2 above). UNDP, UNFPA, UNHCR and WFP were subject to at least 15 corporate assessments by donors between 2011 and 2016, in addition to two assessments by MOPAN. As indicated below, there is risk of duplication and overlap in regard to the various assessments of the same organization done by different donors, or a group of donors such as MOPAN.<sup>18</sup>

49. DAC in its 2013 multilateral aid report noted considerable overlap among the assessments of Australia, the Netherlands, Sweden, the United Kingdom and MOPAN (see annex V). There were core commonalities in the criteria and benchmarks against which donors evaluated various agencies, even though their priorities might differ.<sup>19</sup> The report concluded that there was a strong degree of convergence in the criteria adopted by different assessments, which suggested that there was great potential for joint approaches.<sup>20</sup> All five donors Governments reviewed and MOPAN covered similar areas, including managing for results, strategic management, effective human resources, evaluation function for delivery and external results and partnership behaviour.

50. This is in line with the views expressed by many officials of the United Nations system organizations interviewed for the present JIU review, as well as representatives of some major Government donors. While donor assessments are conducted for multiple purposes, one major reason is to provide assurance to national constituencies such as the Parliament, national auditors and other oversight bodies that funds provided are spent as intended within accepted rules of efficiency, accountability and economy. That there is significant overlap and duplication among the different donor reviews has been also highlighted in MOPAN discussions.

51. Overlap and duplication in donor assessments were observed not only in corporate level reviews, but also in assessments of country programmes or projects. For example, one organization reported that, in addition to an audit by the internal oversight office, one of its field operations was simultaneously reviewed by three different entities: two bilateral donors

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<sup>18</sup> Duplication and overlap between two or more programme/project-related assessments may arise when more than one donor conducts an assessment of the same programme/project. Duplication may also occur if a programme or project is assessed individually by one donor in addition to being assessed by another donor as a sample in the context of a corporate assessment.

<sup>19</sup> OECD, *Multilateral Aid 2013* (Paris, OECD Publishing, 2013), pp. 39-40.

<sup>20</sup> *Ibid.*, p. 48.

and the Board of Auditors. Similarly, in another organization, a country office was subject to simultaneous assessments by a bilateral donor, one verification mission by the European Commission and an audit by the organization's internal audit office.

52. There are examples of the same donor Government conducting assessments of the same organization simultaneously in more than one capacity: as a member of the governing body of the organization; on an individual basis assessing its contributions to a particular organization; as a member of a group of donors conducting donor reviews (such as MOPAN); and as a member of an intergovernmental organization (such as the European Commission) assessing an organization's use of the way funds made available to it.

53. The number of donor assessments is not likely to decrease in the foreseeable future, as indicated in the MOPAN 2015 annual report.<sup>21</sup> The number of donors conducting individual assessments of United Nations system organizations has increased. Norway, for instance, conducted an assessment based on MOPAN methodology of nine organizations of particular interest to Norway. Sweden plans to conduct 20 separate organizational assessments in the coming years and to introduce, in 2017, a report to its Parliament on multilateral performance and results. Germany conducted its first bilateral assessment in 2015, entitled "BMZ mapping of multilateral organizations engaged in development"; this exercise looked at 30 organizations in terms of their: (a) mandate and relevance; (b) performance; and (c) engagement with the German Federal Ministry of Economic Cooperation and Development (BMZ).

54. Many organizations interviewed for the present report view donor-led reviews as a challenge that entails significant transaction costs on their part (except for the cases where donor assessments are done in the form of desk reviews that require limited interaction with the organization concerned). When organizations are assessed, they need to explain to an array of donor staff and consultants the United Nations regulatory framework, financial and other regulations, rules and procedures; to plan field visits and accommodate and accompany donor teams on the visits; to conduct senior-level meetings with donors; to explain field assessments to programme country institutions and stakeholders and seek their cooperation; to adhere to the confidentiality and public disclosure regulations and requirements and obtain the necessary clearances in this respect from the authorities concerned at the corporate headquarters; to review and respond to observations made in formal reports and meetings; to prepare customized programmatic and financial reports; and finally, to implement satisfactory remedial actions in response to recommendations. Internal and external oversight mechanisms also need to be closely coordinated in order to avoid duplication and additional workload.

55. The responses by the United Nations system organizations to the JIU questionnaire suggest that their concerns lie not only with the number of comprehensive assessments conducted by donors, but also with the increase in the number carried out using the donors' own methodology and requiring the organizations to provide significant additional evidence to allow satisfactory completion. Several organizations noted that in some cases, 60 to 70 per cent of the information requested by donors was already available on the website of the organization, in other publicly accessible documentation or in documentation already provided to governing bodies of the organization. However, donors noted that the quality of publicly available documents varied greatly, so additional assessments and verifications were needed.

56. Some organizations have started to prepare templates to better respond to such information requests, in particular for those that are recurrent and done periodically.

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<sup>21</sup> The MOPAN 2015 annual report is available from [www.mopanonline.org/otherproducts/](http://www.mopanonline.org/otherproducts/).



Nevertheless, even in those cases, significant transaction costs are still incurred in transcribing the data into the differing formats required by different donors.

57. Staff time at all organizational levels, including managers in the field and at headquarters, is required to support donor assessments. For instance, to accommodate and support a European Commission verification mission in a typical country office, significant staff time needs to be allocated throughout the process, for preparing the documents initially requested, providing responses to the donor questionnaire, preparing and supporting the one- or two-week field mission of the consultant(s), responding to requests, reviewing the draft and final report and initiating follow-up action on the observations. Corporate-level reviews, such as DFID multilateral aid reviews,<sup>22</sup> MOPAN assessments and European Commission pillar assessments, are reportedly even more resource-intensive owing to their larger scope and coverage.

58. Most organizations expressed difficulties in providing estimates for the resources spent on donor assessments, in response to JIU's request. Two reasons were mentioned: firstly, they do not track those costs separately and it is difficult to quantify them; and secondly, the large number of offices and functions involved at headquarters and in the field "complicate" such computation. One organization reported that one full-time staff member was traditionally devoted to donor-led reviews from one functional area alone (resource mobilization); additional time involving staff from other units such as programme, finance, liaison oversight, front office and management could not be quantified. Similarly, another indicated that two full-time equivalents are necessary just for the coordination of donor reviews. This does not include the resources and time spent by operational units and country offices.

59. Workload and transaction costs differ according to the type of assessment. According to one organization, corporate-level comprehensive assessments, like those undertaken by DFID, can take up the time of one programme specialist and one director during the review. According to another organization, the European Commission pillar assessment took four full-time equivalents at levels ranging from P-3 to P-5 for one month and one D-2 for two weeks.<sup>23</sup> The review by another donor required answering questionnaires that took two full-time equivalents at levels ranging from P-3 to P-5 for two weeks. The quantum of work for responding to questionnaires can be significant. For example, for the MOPAN review alone, one organization had to provide approximately 3,000 documents.

60. But even assessments of smaller scope may necessitate expending a considerable amount of resources. For example, when a European Commission verification is ongoing, one staff member, usually at the Brussels office of the assessed organization, spends time managing the verification, supporting the field colleagues and auditors throughout the process and providing comments when the draft report is received. Field staff spend several days preparing for the verification, collecting the supporting documents, meeting with the verification mission, scheduling and conducting interviews and providing information on procedures. Usually one or two field staff are assigned to manage one European Commission verification for several weeks. As explained by the European Commission, a United Nations staff member financed by the European Commission funds is often associated with the verification missions. There is less than one verification per 10 million euros, and 7 per cent of indirect costs is already provided to cater for all such costs that do not match the extensive and detailed list of direct costs.

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<sup>22</sup> These have been termed multilateral development reviews since in 2016.

<sup>23</sup> The European Commission noted that the figures may be inflated; it is very unlikely that a pillar assessment would require four full-time equivalents at the Professional level for a month and one at D-2 level for two weeks.

61. The issue of transaction costs has been reviewed by a working group established under the CEB Finance and Budget Network in its “costing of oversight exercise”. The Finance and Budget Network conducted a survey among its members, which included, among its various cost items, estimates for donor assurance activities.<sup>24</sup> The survey results and preliminary estimates were considered by CEB as internal documents and not made available to JIU. Discussions on the costs of oversight and accountability mechanisms, including those of donor assurance activities, were still ongoing in the Finance and Budget Network at the time of drafting of the present report.<sup>25</sup>

62. The costs of supporting and coordinating donor assessments are not charged separately to the donor, but are borne by the assessed organization. Staff costs and other resources allocated to such exercises are usually covered by the programme support costs. Additional problems arise if assessments are conducted after the programme or project has been finalized, for instance for some European Commission verifications and the Commission’s residual error rate reviews. In those cases, the costs cannot be charged to the programme support costs, unless the charge is specifically agreed to when concluding the agreement.

63. Most organizations indicated that for certain types of donor reviews, they were unable to fully recover the staff and other transaction costs. They, therefore, suggested that those costs should, in part or in full, be funded by and recovered from donors as direct costs or as a portion of the programme support costs. A good example of this is in the World Bank, where the unit for coordinating donor assessments<sup>26</sup> is funded through a proportion of 0.5 per cent charged to the total overhead/ programme support costs of 5.5 per cent.

64. Another challenge of multiple assessments is that they may result in different results for the organization reviewed. By nature, bilateral assessments are anchored in the priorities of the entity conducting the assessment, so it is not unusual for different assessments by the same multilateral agency to prioritize different criteria or for similar criteria to yield different results.<sup>27</sup> Divergent scores for the same multilateral agency may send mixed signals to organizations.<sup>28</sup> Annex VI provides an example of how results and ratings can vary among multilateral assessments by two different donors.

**65. It is recommended that the United Nations system organizations engage in discussions with donors with a view to including in the provisions of donor agreements the additional costs and resources associated with coordinating and supporting donor assessments.**

**66. It is also recommended that donors make every effort to rationalize the need for individual assessments, taking into account the plethora of existing information available from the public domain, including other donors’ assessments, MOPAN assessments and the organization’s internal and external oversight reports and evaluations, in order to minimize the associated administrative costs to the United Nations system and avoid duplication. Such an approach will be in line with commitments made by donors in the context of MOPAN and transparency initiatives such as the International Aid Transparency Initiative (IATI), the Grand Bargain and the Good Humanitarian Donorship initiative.<sup>29</sup> Reference is also made to recommendations 1, 2, 4 and 6 below.**

<sup>24</sup> CEB/2016/HLCM/FB/5 and CEB/2016/HLCM/21.

<sup>25</sup> See CEB/2016/HLCM/FB/11 and FB/9, CEB/2016/5 and CEB/2016/HLCM/FB/5.

<sup>26</sup> Assessments by the bank’s donors of the bank.

<sup>27</sup> OECD, *Multilateral Aid 2013* (Paris, OECD Publishing, 2013), p. 45.

<sup>28</sup> Ibid.

<sup>29</sup> See chapter III below for further details.

#### D. The number of sources of evidence that donors use in assessments is increasing

67. In carrying out assessments, Governments can potentially make use of several sources of evidence, and the number of such sources is increasing. For instance, global initiatives aimed at transparently assessing the performance of United Nations system organizations have been increasing, as shown in table 3 below.

**Table 3: Sources of evidence on performance of United Nations system organizations (selection)**

Organization/ Initiative	Activity	Launched	Purpose
MOPAN	Organizational effectiveness assessments	2002	Established to harmonize donor approaches to assessing the organizational and development effectiveness of multilateral organizations and to reduce burden and duplication through joint assessments
United Nations Evaluation Group/ OECD Development Assistance Committee Network on Development Evaluation	Peer review of evaluation functions	2006	Share good practices, experience and mutual learning, build greater internal capacity and external confidence in the United Nations evaluation systems, reduce demands for external assessments of organizations' performance and effectiveness, facilitate cross-organization dialogue and stimulate organizations to change
IATI	Voluntary, multi-stakeholder initiative	2008	Seeks to improve the transparency of aid, development and humanitarian resources in order to increase their effectiveness in tackling poverty
United Nations Development Cooperation Forum	Mutual accountability survey	2009	Intended to provide an independent and comprehensive review of progress made in mutual accountability and aid transparency at national and international levels, as a means to build more effective accountability frameworks
Centre for Global Development	Quality of official development assistance assessment	2010	Assessment of the quality of official development assistance provided by 35 donor countries and more than 100 aid agencies. Aid quality is assessed using 31 indicators grouped in four dimensions that reflect the international consensus of what constitutes high-quality aid

Source: JIU compilation based on OECD and MOPAN.

68. Some donors are increasingly using data and evidence obtained from these additional sources such as IATI and MOPAN. While this, in turn, may reduce the burden on the respective organizations, some donors still perform their own evidence-gathering for a number of reasons, including mandatory internal procedures, or because they do not consider the evidence and data of MOPAN or other external sources sufficiently robust, detailed or timely for their own assessments, done in line with certain national periodicities (see also section F below on MOPAN).

69. Donors interviewed for the present report indicated that the number and comprehensiveness of their information requests also depended on the public disclosure and information policies of the organizations concerned, including those governing public disclosure of oversight and audit reports. Donors may consider evidence provided by one organization to be more robust than that provided by other organizations. Donors increasingly expect better results-based reporting, management and improved monitoring and evaluation (see chapter III, sections D, E and F).

### **E. With some notable exceptions donor assessments are not widely shared**

70. The JIU questionnaire responses by a number of donors confirm a major observation in the DAC 2015 multilateral aid report, namely, that the criteria against which organizations are being assessed and the outcomes of assessments are on completion often not shared with the multilateral organizations. The reports states: “Little transparency in methodologies, outcomes and implications of these assessments means that learning opportunities are limited; as these processes do not feed into the organizations’ reflections on how they can enhance performance.”<sup>30</sup> JIU interviews found that donors carry out assessments to meet varying needs, but opinions diverge between the United Nations system organizations and donors over the degree to which results of assessments are used as the basis for dialogue on an organization’s performance.

71. In contrast to the trend of United Nations system organizations’ performance being made publicly available through management and audit reports and evaluations, JIU found no evidence that donors are moving to increasingly make their assessments publicly available and/or share them with other donors. Since 2011, only Australia and the United Kingdom have published their assessments, as does MOPAN. Some donors stated that they share their assessments informally with other Government donors and select members of the organization’s governing/legislative body.

72. Organizations themselves are not always aware of all ongoing donor assessments, in particular when conducted at the country level. Similarly, information on completed and ongoing donor assessments is not available in a consolidated way for the organizations’ governing bodies. As the assessments are handled bilaterally between the assessing donor and the organization, information on the results is available only if made public.

73. The present review found that no mechanisms or practices exist for donors to share information on assessments with other donors or the organization’s membership through its governing body.

74. Better sharing of donor assessments and advance notification of plans for such assessments would help to reduce the risk of overlap and duplication among them. It would also provide to the stakeholders concerned a broader evidence base for their assessments. Some organizations pointed out that better sharing of information on assessments and their outcomes would help to resolve tensions arising between changes advocated by one donor in its bilateral dealings with the organization, and the changes prescribed by its governing board which express the full membership’s prioritization of areas for change.<sup>31</sup>

75. Most organizations interviewed for the present report noted that sharing assessments among Member States would become more useful if the Member States agreed on quality standards, common scope and terms of reference of the assessment prior to it being conducted. Some others, however, noted that making all donor reports public might be risky, especially if the organizations reviewed were not part of the assessment processes or the methodology was not transparent. Concern was expressed that releasing critical reports could be unfairly damaging and would not distinguish specificities unique to each organization.

76. The above concerns notwithstanding, a number of organizations felt that the benefits of sharing donor assessments outweighed the risks. Most organizations welcome sharing of

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<sup>30</sup> OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris, OECD Publishing, 2015), p. 80.

<sup>31</sup> See also OECD, *Multilateral Aid 2015*, p. 80.

assessments that are based on clarity as to the methodology applied, agreed standards and a consultative approach, as outlined in following chapters. Also, most interviewees agreed that it would be useful for the United Nations system organizations to establish a global online repository for publicly available institutional assessments of multilateral organizations.

77. With regard to the proposal for setting up a global system-wide online repository, some organizations felt that this would first and foremost require the consent of the donors concerned. Some preferred it being done on an agency basis and not globally. Some advocated it being set up under the aegis of CEB. Some voiced the apprehension that the donors concerned might not wish their assessments to be discussed in the legislative/governing body. Some feared that such a step could be damaging to the organizations in the long term on account of the uneven quality of the assessments, lack of clarity on methodology and criteria, likely exclusion of assessments that rely exclusively on desk reviews of publicly available documentation, and the lack of opportunity to engage and comment on the terms of reference, methodology and draft reports.

78. Notwithstanding these concerns, the Inspectors recommend the establishment of an online global system-wide repository of individual donor assessments of multilateral organizations, as a measure that will enhance transparency, information-sharing and organizational learning and reform.

79. The following recommendation is expected to enhance accountability and transparency.

**Recommendation 1**

**The legislative/governing bodies of the United Nations system organizations should encourage better access to, dissemination of and exchange of information concerning donor assessments among the Member States and should, in this context, call upon the executive heads to make such assessments publicly available by uploading them in an online global repository to be established by the Secretary-General of the United Nations for that purpose not later than 2018.**

**F. Has MOPAN reduced the degree of duplication and level of transaction costs?**

80. MOPAN was established in 2002 by eight countries concerned with assessment of the performance of multilateral partners. Since then the methodology used has evolved and the membership has expanded to 18 countries. The two most significant changes came with the adoption of the common approach methodology in 2009 and the development of MOPAN 3.0 in 2015/16.

81. The common approach was derived from seven existing bilateral assessment tools and drew on other assessment processes, such as the OECD survey on monitoring the Paris Declaration and the Common Performance Assessment System of the multilateral development banks. The common approach was developed for several reasons, including the wish of the MOPAN members to harmonize their work and avoid duplication, to increase the amount and scope of information on the effectiveness of their individual organizations and to reduce the transaction costs associated with running their own evaluations. The common approach was meant to replace the existing bilateral assessment tools and to forestall the development of other assessment approaches.<sup>32</sup>

<sup>32</sup> Paul Balogun and others, "Evaluation of MOPAN", vol. I, Main Report (Stockholm, Swedish Institute for Public Administration, 2013), p. 21. Available from [www.mopanonline.org/otherproducts](http://www.mopanonline.org/otherproducts).

82. An Evaluation of MOPAN conducted in 2013 found that:<sup>33</sup>

- Evidence suggested that MOPAN had modest success in forestalling individual MOPAN members each demanding the same information from the assessed multilaterals. Some MOPAN members – such as Australia and France – reportedly made little use of the MOPAN assessment evidence. By contrast, several others, such as Canada, Ireland and Switzerland, reportedly made extensive use of MOPAN evidence in their dialogue with multilateral agencies.
- MOPAN members continued to carry out their own assessments. Senior officials of member countries interviewed were unanimous that MOPAN could never substitute entirely for donor assessments.
- Given the stated intent of harmonization, the evaluation found the absence of discussion and agreement between the MOPAN members and multilateral organizations on how MOPAN could be used to enhance harmonization and reduce the multilaterals’ transaction costs to be a major gap.

83. Evidence collected by JIU from organizations with first-hand experience with the MOPAN common approach is consistent with the above findings. The evidence confirms two trends, namely, that MOPAN assessments cover United Nations system organizations that are also subject to the greatest number of donor-Government assessments, and that the number of MOPAN members separately carrying out formal assessments of selected United Nations system organizations’ performance is, in fact, increasing (see table 2 above).

84. Similarly, the OECD 2013 multilateral aid report sets out the factors constraining common assessments, such as those of MOPAN, from substituting fully for individual donor-Governments assessment. It states that “bilateral assessments are anchored in donor priorities, so it is not unusual for different assessments by the same multilateral agency to prioritize different criteria and/or for similar criteria to yield different results”.<sup>34</sup>

85. Furthermore, a survey conducted for the 2015 OECD multilateral aid report provided additional insights on the issue:

“Some MOPAN members like Germany have relied on MOPAN assessment findings to inform their internal reviews of multilateral organizations. Others, however, continue to conduct bilateral assessments that are transaction-heavy for multilateral organizations or have unclear implications. The responses to the OECD/DAC survey suggest that this may be because, at the time of the survey, the MOPAN assessments did not have the level of granularity, the focus, or the coverage that some members would have liked to see. For example, Canada mentioned a lack of coverage of results achieved, elements of organizational effectiveness and cross-cutting themes. The United States mentioned lack of comparability of the assessments across institutions.”<sup>35</sup>

86. In response to the accumulated input from donors and multilateral organizations, MOPAN launched a new approach and methodology in 2015 (MOPAN 3.0). The changes introduced with the new approach are expected to increase the impact of the Network’s assessments, so that they can contribute more effectively to reducing proliferation.<sup>36</sup>

87. Whether MOPAN 3.0 will lead to a significant reduction in transaction costs to assessed United Nations system organizations remains an open question. Responses to the JIU

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<sup>33</sup> Ibid.

<sup>34</sup> OECD, *Multilateral Aid 2013* (Paris, OECD Publishing, 2013) p. 45.

<sup>35</sup> OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris, OECD Publishing, 2015), p.81.

<sup>36</sup> Ibid.

questionnaire from donors indicate that 6 of the 10 donors would like to be able to rely more on MOPAN in order to meet their Governments' needs while reducing the administrative burden and costs of the assessed organizations. For example, two donors indicated that they rely on MOPAN, while another advocated for efforts to make MOPAN evaluations as good as possible. Another donor argued that United Nations system organizations should further work with MOPAN to broaden its coverage and the frequency and scope of its assessments.

88. As indicated by one donor in response to the JIU questionnaire, MOPAN evaluations provide a reliable source of evidence to assess the performance of multilateral organizations. Sharing the costs of these assessments allows MOPAN members to decrease, to a large extent, the need for formalized bilateral assessments. Furthermore, the use of a methodological process such as MOPAN 3.0 allows members to collect information from different stakeholders on a broad range of questions. Nonetheless, the benefits of depth and rigour characterizing MOPAN 3.0 come with three main limitations: (a) the frequency of individual assessments remains low (every three or four years in most cases); (b) the number of organizations assessed remains limited (12 organizations over a two-year period); and (c) the collective endorsement of MOPAN 3.0 makes it difficult to tailor the assessments to specific needs of individual members.

89. Another donor indicated that the work conducted by MOPAN can replace, to a large extent, formalized assessments aimed at producing in-depth analyses. However, MOPAN assessments cannot provide data tailored to its specific needs and would be difficult to conduct on an annual basis. This donor has, therefore, developed an in-house questionnaire collecting annual data on almost 30 organizations. This internal assessment provides a necessary complement to MOPAN evaluations.

90. Similar challenges were recognized by yet another donor. MOPAN's current coverage would not allow it to undertake a performance overview of the agencies assessed in the individual corporate assessments. While this donor supports MOPAN assessments, it stated that for political reasons, it is likely to continue to conduct some degree of tailored analysis in determining each United Nations system organization's fit with changing bilateral priorities and fiduciary requirements.

91. Despite the aforementioned challenges, there appears to be consensus that joint assessments such as those conducted by MOPAN provide an opportunity for reducing the number and scope of individual donor assessments and the associated evidence-gathering. Efforts made to strengthen the MOPAN methodology to accommodate wider donor needs are a step in the right direction.

92. Some organizations noted that, while MOPAN is useful, its quality and methodology need to be improved, and it should build on the work done by the internal and external oversight and evaluation offices.

93. The implementation of the following recommendation is expected to enhance transparency and accountability and reduce risks of duplication and transaction costs.

#### **Recommendation 2**

**Member States that are members of the Multilateral Organization Performance Assessment Network (MOPAN) should initiate an evaluation of MOPAN 3.0 methodology to assess its rigour and utility in providing the expected levels of information and determine its effectiveness in reducing the need for additional individual donor assessments.**

### **III. ALLEVIATING THE NEED FOR DONOR ASSESSMENTS THROUGH INCREASED ORGANIZATIONAL TRANSPARENCY AND ACCOUNTABILITY**

94. Donors are increasingly asking United Nations system organizations for more transparency and provision of more robust data and information. Some donors believe that this will, in turn, alleviate the need for (and potentially decrease the number of) donor-led assessments.

95. Many organizations reviewed acknowledged that there is room for improvement in terms of transparency, accountability and evidence of how the organizations are using the funds received and the results achieved, and in seizing opportunities for reducing transaction costs in supporting and accommodating donor-led assessments. As stated by one organization, the United Nations system must advocate for much more transparency and discuss openly its management approaches, capacity and possible limitations. This is an issue facing both the United Nations and donors alike.

96. Some donors stated they appreciate that evaluation and audit reports are available on the websites of the organizations, that the United Nations practises aid transparency and that many organizations participate in the International Aid Transparency Initiative. Some, however, believe that several organizations have to step up and make more efforts towards increasing transparency by providing data on the funds received and demonstrating that they have been spent effectively and efficiently. Some noted that the data and evidence provided at times lack robustness, and that the reports submitted are not sufficiently results-based.

97. JIU found that organizations have made good progress in recent years in enhancing transparency and accountability and in the way that they use resources. The adoption of the International Public Sector Accounting Standards, implementation of new enterprise resource management and planning systems and improvements in performance and results reporting as well as strengthening of the evaluation and audit functions provide examples. Reference is made to the pertinent JIU reports on those topics.<sup>37</sup> Most organizations are making considerable efforts to increase their communication to donors by implementation of IATI, improved monitoring and reporting and making information available online through their websites, dashboards and web portals, in addition to the standard reporting to the governing bodies. The following sections address areas highlighted for further improvement by both donors and organizations.

#### **A. International Aid Transparency Initiative**

98. Several donors have been advocating for United Nations system organizations' compliance with the International Aid Transparency Initiative (IATI). Many of these donors, who themselves are members of the Initiative, have made IATI implementation a prerequisite for their continued funding. As a result, the number of United Nations system organizations adhering to IATI principles has been steadily increasing. In 2015, nine United Nations entities were reporting to be using the IATI standard, but with varying degrees of quality. Four other

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<sup>37</sup> See, for example, JIU/REP/2014/6: Analysis of the evaluation function in the United Nations system; JIU/REP/2016/8: State of the internal audit function in the United Nations system; JIU/REP/2012/8: Review of Enterprise Resource Planning (ERP) systems in United Nations organizations; and JIU/REP/2010/6: Preparedness of United Nations system organizations for the International Public Sector Accounting Standards (IPSAS).



entities became members of the Initiative in 2016, indicating a commitment to begin reporting using the standard in the near future.<sup>38</sup>

#### **International Aid Transparency Initiative (IATI)**

- IATI is a voluntary, multi-stakeholder initiative that seeks to improve the transparency of aid, development and humanitarian resources in order to increase their effectiveness in tackling poverty. IATI brings together donor and recipient countries, civil society organizations and other experts in aid information who are committed to working together to increase the transparency and openness of aid.<sup>39</sup>
- IATI was launched in 2008 at the Third High-level Forum on Aid Effectiveness to support donors in meeting their political commitments on transparency, as laid out in the Accra Agenda for Action.
- At the Fourth High-level Forum on Aid Effectiveness, held in Busan, Republic of Korea, in 2011, development actors committed themselves to “implement a common open standard for electronic publication of timely, comprehensive and forward-looking information on resources provided through development cooperation” that takes into account the statistical reporting of DAC and the work of IATI.
- IATI comprises one part of the Common Standard, alongside the creditor reporting system and the forward spending questionnaire, both of which are OECD statistical reporting systems. The purpose of the Common Standard is to improve the availability of historical, current and future resource flows, to foster more accurate detail in reporting data provided by a broader range of cooperation providers and to encourage data reporting in a more timely fashion.
- There is a strong call for and support for IATI by the major donor Governments, and the European Commission, to the United Nations system. Ten of the 16 major donor countries surveyed by JIU for the present report have IATI membership.<sup>40</sup>

99. JIU interviews revealed that enhanced transparency and status of implementation of IATI are welcomed by most donors and have had a positive impact on information requests and related transaction costs. Furthermore, IATI compliance is becoming a prerequisite for United Nations system organizations to receive funding, as in the case of the United States and the United Kingdom. The majority of the United Nations system organizations surveyed by JIU for the present report are IATI members or comply with the IATI standards. These include UNDP, UNEP, UNFPA, UNICEF, UNOPS, UN-Women, UNAIDS, UNESCO, ILO, the Office for the Coordination of Humanitarian Affairs, WFP, FAO, UNIDO, and WHO.<sup>41</sup> Several others, such as UNHCR, are considering or preparing to adopt IATI standards.

100. While IATI compliance has been embraced by a number of United Nations system organizations, others have seen it as a challenging undertaking. While IATI compliance has become a standard feature in review requirements by several donors, being fully IATI compliant does not necessarily prevent donors from conducting their own assessments. A number of donors indicated that they were unable to use IATI data owing to quality and comparability issues. The information reported in IATI would be very different in nature than what is collected in donor assessments. IATI does not provide information on the organization’s internal control, strategic framework, etc., which are key areas usually assessed by many donors. Another challenge reported is that it is not possible to put some of the data

<sup>38</sup> A/72/61-E/2017/4, para.79.

<sup>39</sup> [www.aidtransparency.net/about](http://www.aidtransparency.net/about).

<sup>40</sup> [www.aidtransparency.net/governance/members-assembly](http://www.aidtransparency.net/governance/members-assembly); these countries are Australia, Belgium, Canada, Denmark, Finland, Germany, the Netherlands, Sweden, the United Kingdom and the United States. The European Commission is also an IATI member.

<sup>41</sup> [www.aidtransparency.net/governance/members-assembly](http://www.aidtransparency.net/governance/members-assembly).

required by IATI (for example, all contracts issued) on the organization's website, since this may pose risks to the United Nations partner, the programme and/or the United Nations system organization in some programme countries.

101. Some organizations found IATI compliance to be difficult and experienced additional costs because the IATI reporting methodology is different from their own methodology. They indicated that, given their business model, funding schemes and work processes, they would have to change their management, finance and programme planning systems in order to provide information in accordance with the IATI criteria.

102. In particular, some humanitarian organizations indicated that IATI was not considered fully suitable, as the standard was initially designed for development agencies and was derived from the OECD standard. Some of these organizations proposed to review the standard to make it more suitable for humanitarian agencies. They reiterated the importance of other transparency initiatives for the humanitarian sector, such as the Grand Bargain and the Good Humanitarian Donorship initiative, which call upon donors to standardize their reporting needs. They emphasized that in order for those transparency initiatives to be successful, there was a need for donors to honour their commitments with regard to standardization. Unless the donors made concerted efforts to change their practices, duplications, overlaps and ineffective use of resources would continue.

103. Despite these challenges, many organizations indicated that they were keen to have a high score on IATI, as it is seen as an important factor for resource mobilization discussions and securing funding from major donors.

104. While a number of organizations noted that they had not seen an actual reduction of individual donor assessments as a result of IATI, most organizations felt that it had the potential to reduce the need for donor reviews and alleviate some of the burden imposed on the organizations by such reviews. Further, most organizations acknowledged that adherence of organizations to IATI could bring about standardization of data reporting, which would ultimately lead to increased reporting transparency. To that end, one organization suggested that the IATI standards be further extended to include areas most commonly requested by donors so as to lessen the need for individual donor assessments. It may be recalled here that the CEB Finance and Budget Network has been discussing the need to explore the potential for leveraging the IATI standard to allow for more efficient and enhanced reporting of CEB data.<sup>42</sup>

**105. It is recommended that the United Nations system organizations embrace transparency initiatives such as IATI, the Grand Bargain and the Good Humanitarian Donorship initiative, so as to increase transparency and promote data standardization and reporting in their respective organizations. When reviewing/updating the IATI and other transparency standards, consideration should be given to extending them to include areas most commonly requested by donors so as to lessen the need for individual donor assessments.**

#### **B. Improved use of web portals and dashboards and using enterprise resource planning systems for providing real-time data**

106. JIU interviews for the present report revealed that improved websites and information portals are increasingly being set up by a number of organizations, such as UNIDO, UNFPA, UNDP, UNHCR and ILO, and by UNDG to increase the flow of information to Member States in general and donor countries in particular.

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<sup>42</sup> CEB/2016/HLCM/FB/9, p. 22.

107. For example, UNFPA has web portals to provide detailed information on all its country programmes, and is developing a portal to provide such data to its major donors. Its website provides detailed information at the global level, as do the websites of UNDP and UNICEF. While IATI may be seen as duplicating some aspects of this, the real value of IATI is the possibility of geographical positioning of information and provision of detailed programmatic information that is not in the public domain. UNFPA noted that providing information publicly helped the organization, as it increased donor confidence, enhanced transparency and allowed the organization to showcase its activities, programmes and results.

108. UNDP has traditionally been putting a lot of information on its public website, and was one of the first to establish dashboards. UNDG has set up a transparency portal that displays data from all UNDG members in accordance with the IATI standard. The data are updated in real time by pulling the latest information from the IATI registry.<sup>43</sup> The portal was developed in response to a request by the Economic and Social Council through the quadrennial comprehensive policy review to strengthen the analytical quality of system-wide reporting on funding and performance and programme results for operational activities for development.

109. UNIDO has, since 2005, had a donor extranet and an open data platform. The donor extranet takes information from the enterprise resource planning system and all Member States have access to it, so they can look at the status of different areas of interest, such as, for example, procurement. Launched in 2011, the enterprise resource planning system has, among other functionalities, a procurement dashboard which allows it to display the names of all suppliers by country and how much UNIDO procures from them. ILO put in place a public donor dashboard in 2010, which was revamped in 2016 into the development cooperation dashboard. The UNHCR portal for donors provides regularly updated information about the organization's programmes, operations, financial requirements, funding levels and donor contributions.

**110. It is recommended that the United Nations system organizations make improved use of open data systems, dashboards and information portals on their websites, including by leveraging the functionalities of their enterprise resource planning and information systems in a cost-effective manner, so as to generate more detailed and aggregated information and provide real-time data to the legislative organs and interested donor parties.**

### C. The Grand Bargain

111. The Grand Bargain is an example of an initiative that commits organizations, donors and other stakeholders working in the humanitarian field to collaborate more effectively and fosters partnership.

112. The vision of the Grand Bargain calls upon donors to commit to more flexible, multi-year funding, with less burdensome reporting requirements, in exchange for major agencies committing to greater transparency and collaboration and reduced management costs<sup>44</sup> (see annex IV for details).

113. Interviewees for the present report expressed a variety of views on the goals and implementation of the Grand Bargain. Some organizations noted that they were strongly engaged and would take the steps necessary to ensure full compliance. Others stated that they preferred an incremental approach to the implementation of the Grand Bargain, and that it would take some time to materialize.

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<sup>43</sup> See <http://open.undg.org/>.

<sup>44</sup> <http://blog.worldhumanitariansummit.org/entries/how-grand-is-the-grand-bargain/>.

114. Some organizations, however, while supporting the principles of the Grand Bargain, argued that it came under serious question by some Member States because it lacked an intergovernmental process and, for that reason, they do not see it as a commitment.

115. Given the recent timing of its adoption, it is too early to assess how the Grand Bargain will in reality materialize, and how and to what extent the principles and hence the commitments by all parties will be put into practice and yield results. However, all interviewees acknowledged that it is a step forward in terms of donors and United Nations agencies coming together, engaging in a dialogue and agreeing on a number of steps to make their cooperation more effective and cost-efficient, including increased transparency and reporting on the part of the United Nations system organizations and concomitant streamlining of donor reporting and assessments.

#### **D. Robustness of the organizations' monitoring and reporting systems**

116. The organizations' standard reporting to their executive boards and legislative bodies, such as annual reports and thematic reports, as well as oversight reports and evaluations, form a principal source of information for donors, complementing the donor-specific reports on earmarked funding. They are also being used as evidence when donors conduct their own desk reviews of United Nations system organizations and to triangulate information.

117. Most donors interviewed indicated that the provision of robust, detailed and timely information in those reports would reduce the need for broad-scale individual donor assessments, separate evidence-gathering and requests of information from organizations, thereby reducing transaction costs for both donors and the assessed organizations.

118. In response to the JIU questionnaire, the majority of donors (6 of the 10) consider the United Nations system organizations as a whole to be "somewhat responsive" or "very responsive" partners in providing the necessary programme, financial and audit information, though the situation varies considerably among them. UNDP, UNFPA, UN-Women, UNICEF and WFP are perceived as "highly responsive", as they maintain high reporting standards, while others are not considered as responsive.

119. Canada, Denmark, France, Norway, Switzerland and the United Kingdom highlighted examples of good practices by United Nations system organizations. These included providing donors with detailed information regularly during the executive board meetings, making information available on the organizations' websites, including through web portals, and practising transparency in line with commonly accepted standards such as IATI. Donors also indicated that many organizations were responsive to their requests for information, and appreciated that evaluation and audit reports were increasingly being made available by most organizations. Whether that has had a positive impact by reducing the number of donor reviews is not clear.

120. At the same time, a number of donors indicated that some reports and data provided by organizations were not robust, lacked evidence and were not always sufficient. Donors wish to receive better information as to results and outcomes achieved with the funding provided, rather than general descriptions of activities and actions. Many donors expressed the need for further improvements in monitoring and reporting. They also called for further strengthening the body of evidence coming from the organizations and their oversight bodies, especially evaluation and audit. Such information is viewed by donors as critical for them to report back to their domestic constituencies.

121. The need for continuous improvement highlighted by the donors was also recognized by most of the organizations contacted for this report. The latter stressed the importance of understanding the donors' requirements, expectations and needs and including them, as far as

feasible, in the organization's own monitoring and reporting systems and performance indicators. They see the need for working towards streamlining and standardizing the information needed by donors and applying a better reporting of results. The majority of organizations and donors interviewed indicated that this would form the starting point for adapting and strengthening the organization's system to better respond to donor needs.

122. As acknowledged by one organization, there is a need for a thorough understanding of each donor's focus and interests. An effort to include these interests in the overarching planning activities of the organization will help to showcase a stakeholder approach to management and a commitment to organizational sustainability.

123. Another aspect brought up in interviews was that of visibility and attribution of funding to the respective donor. This attribution is not done in general standard reporting. Some organizations have responded by revising their reporting format to include additional information and details as to what has been achieved by the funding provided by individual donors. This helped to alleviate the need for donors to request individual reports for their contribution and/or individual reviews for the programmes and projects covered.

124. Some organizations proposed to standardize supporting documents and information needed by donors and institute regular reporting mechanisms, which do not necessarily imply additional administrative burden and costs to the organizations. However, they acknowledge that individual donors have different needs and requirements, owing in part to their domestic legislation, and this creates challenges. Another organization explained that it had started to implement more stringent internal reviews of project proposals, in collaboration with the implementing partner, to ensure that programmatic expectations and reporting requirements from donors could be met.

125. Suggestions were also made that the organizations' public disclosure policies should better correspond to the information needs of donors. UNDP, UNFPA and UNICEF are better than others in this respect. For instance, standard organizational policies, rules and guidelines and information on basic procedures and processes should be available on the organization's website or made available through the organization's executive boards. This would alleviate the burden on organizations to provide such basic and standard information and would make the work of donors easier. The same applies for sharing oversight and evaluation reports.

126. WHO and UNESCO have started to prepare standard sets of responses and information on key management and administrative processes such as internal control, risk management, human resources, procurement, etc., as this information is requested by most donors in their assessments. This has allowed some reduction in transaction costs and helped in swiftly responding to enquiries.

127. Donors and organizations highlighted the fact that currently, there is no linkage between donor reviews and general donor reporting (programmatic/financial and monitoring and evaluation). These are viewed as two separate processes and there is a need to better align the two. Some organizations observed that the multiplicity of requirements, frameworks and indicators of different donors make it difficult for agencies to reconcile them in their own monitoring and reporting systems. Hence, they considered it important for donors to continue their efforts in harmonizing the requirements as much as possible through MOPAN and transparency initiatives such as IATI, the Good Humanitarian Donorship initiative and the Grand Bargain.

**128. It is recommended that the executive heads of the United Nations system organizations work closely with donors to increase the understanding of donors' requirements, expectations and needs, and include them, as far as feasible, in the organizations' own monitoring and reporting systems and performance indicators. This**

**should include an effort to standardize the information needed by donors and apply better reporting on results.**

#### **E. Improving the quality of institutional results frameworks**

129. The need for improving the process of results-based management in the United Nations system organizations has been recognized by donors and many organizations alike. Donors expect such improvements to enhance transparency and accountability and to be able to deliver comprehensive information to them on the effective and efficient use of resources and on how the desired outcomes and results have been achieved.

130. The push for accountability and results needs to be viewed in the context of increased scrutiny by the donors' domestic constituencies and perceived inefficiencies of multilateral organizations in general and the United Nations system organizations in particular. This forms an integral part of the ongoing public debate on the perceived lack of cost-effectiveness, return on investment and value for money associated with funds provided to the United Nations system and other multilaterals.

131. The better the results-based management systems and results framework, the less donors see a need to conduct additional assurance activities. As stated by one donor, "generally [we] do not impose specific reporting requirements on multilateral development or humanitarian partners but rather, to the extent possible, rely on the organizations' own reporting formats and schedules. There is an expectation that high-quality results-based management and reporting occur for all programming. Where this is judged as insufficient, we will build our expectations into the funding arrangement".

132. Another donor noted that improving the quality of institutional results frameworks, strengthening the body of evidence coming from the agencies and their oversight bodies and standardizing and strengthening management information and reporting available from the United Nations system organizations, for example through transparency initiatives and improved reporting to the governing boards, would help to reduce administrative overheads and better meet the information and assurance needs of donors.

133. In recent years, results-based management and results frameworks have been the subject of review by both donors and organizations, and the United Nations system organizations are at different stages of implementing results-based management processes or effecting improvements to the existing ones.

134. DAC observed that the application of results management approaches in international development has not been simple, and that progress in meeting international commitments is uneven.<sup>45</sup> Owing to the fact that there has been an increase in the diversity of results frameworks employed, by both donors and partner countries, DAC members "will need to pursue their efforts to strengthen consistency between donors' and partners' results strategies".<sup>46</sup> The 2015 JIU report on the evaluation function also highlights the need for a more robust results-based institutional framework within the United Nations system through the conduct of a much-strengthened centralized and decentralized evaluation function.<sup>47</sup>

135. Interviews for the present report indicate that organizations have recognized the need to improve the way results are measured and reported on. An organization may deliver good

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<sup>45</sup> OECD Development Assistance Committee, "Measuring and managing results in development co-operation" (Paris, OECD, November 2014), p. 9. Available from [www.oecd.org/dac/peer-reviews/Measuring-and-managing-results.pdf](http://www.oecd.org/dac/peer-reviews/Measuring-and-managing-results.pdf).

<sup>46</sup> Ibid.

<sup>47</sup> JIU/REP/2014/6: Analysis of the evaluation function in the United Nations system.

results, but if it cannot articulate them and provide sufficient evidence and assurance in a way that donors understand them, its message will not reach the intended audience. Robust results-based management systems and the quality of the organizations' results frameworks are key in this context.

136. While accountability mechanisms and needs differ markedly between donors, better communication by United Nations system organizations, including greater clarity and demonstration of the link between resources and results, would greatly help. Organizations need to better understand the priorities of donors in terms of accountability, transparency, value for money and results orientation. This, in turn, will help align assurance and reporting mechanisms to take into account donors' needs and alleviate additional transactions costs for external reviews and assessments. Care should be taken to ensure that the discussions on results frameworks are held in the context of, and aligned with, the organization's agreed strategic framework.

**137. It is recommended that the United Nations system organizations initiate measures for improving their results-based management, following best practices of other international organizations, so as to enhance transparency and accountability towards donors, and provide comprehensive information on the effective and efficient use of resources and their linkage to outcomes achieved.**

#### **F. Enhanced performance and results reporting of normative activities**

138. An additional challenge for some United Nations system organizations lies in demonstrating during donor assessments the value of normative (such as norm-setting and standard-setting, servicing of treaty bodies, provision of upstream policy advice and similar activities) and policy-related work.

139. Organizations with predominantly normative mandates and activities indicated during interviews for the present report that the methodology of donor assessments mainly focusses mainly on development, and at times humanitarian work, but does not suit the assessment of normative work. They argued that indicators and criteria for assessing performance, cost-efficiency and value for money for normative work are different. This has led in some cases to misunderstandings and diverging views between donors and the assessed organizations in regard to the assessment results.

140. For instance, UNESCO reported that it had engaged with DFID and suggested that the assessment methodology of the multilateral aid review be more sensitive to the agency's normative role. WHO experienced similar issues when DFID conducted its first multilateral aid review in 2012. The challenge was that the multilateral aid review viewed the organization mainly as a development agency, but did not take into account its normative role. So, in the context of the 2016 multilateral development review, WHO engaged with DFID and was somewhat more successful in communicating its position. Since other donors such as Sweden and Norway use indicators from the WHO programme budget, this situation does not arise to the same extent.

141. OHCHR had experienced similar difficulties with a number of donors. OHCHR felt that what the donors were looking for in normative agencies was not viable, so it embarked on a dialogue with the donors to show them how its normative activities impacted development-related work. These dialogues resulted in more viable, useful and better assessments.

142. UNEP, on the other hand, realizing the difficulties in assessing the impact of its normative work, proceeded to adopt a results-based approach to planning for its operational and normative work in 2011. Since then, UNEP has changed its reporting to focus on outcomes and results, rather than simply reporting on activities and lower-level outputs.

UNEP has a project review committee that provides quality assurance to projects to ensure that they comply with results-based management principles.<sup>48</sup>

143. OECD has highlighted the challenges of assessing normative work by stating that “challenges of comprehensive assessments lie in determining the effectiveness of organisations with normative mandates... for which there is no suitable measure of performance on the ground, which is where most comprehensive assessments are concentrated”.<sup>49</sup>

144. **It is recommended that the United Nations system organizations speed up their measures for enhancing transparency and accountability with respect to the normative work undertaken by them (such as norm-setting and standard-setting, servicing of treaty bodies, provision of upstream policy advice and similar activities) by working closely with donors to address assessment criteria relevant to their work in this area and sharing their experiences in the framework of CEB.** Reference is made to recommendations 4 and 6.

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<sup>48</sup> “Results-based management in the United Nations development system, a report prepared for the United Nations Department of Economic and Social Affairs for the 2016 quadrennial comprehensive policy review”, Angela Bester, Independent Expert, final draft, 8 January 2016, p. 7.

<sup>49</sup> OECD, *Multilateral Aid 2013* (Paris, OECD Publishing, 2013), p. 41.



#### **IV. LACK OF A CENTRAL FUNCTION FOR COORDINATION OF DONOR ASSESSMENTS**

##### **A. Focal point and central function for donor assessments**

145. Most organizations interviewed for the present report acknowledge the need for effective coordination of the multiplicity of assessments from both the internal oversight functions as well as the outside donor entities. Such coordination would go a long way to ensure effective support to donor assessments, avoid risk of duplication and overlap and foster and facilitate appropriate follow-up and organizational learning.

146. Organizations have allocated this coordination function to various designated offices that manage certain aspects of the support to donor-led reviews. These lead offices, or focal points, also keep track of donor-led assessments, assist in consolidating the information provided to donors and facilitate missions and interviews of donor representatives and/or consultants engaged by them for the reviews.

147. Designated offices for coordination vary from one organization to another. The evaluation section performs that role at ECA, ITC, UNICEF and WHO; the resource mobilization branch at FAO, UN-Women, UNAIDS and UNFPA; and the donor relations/cooperation/partnership office at the Office for the Coordination of Humanitarian Affairs, ILO, UNIDO and UPU. Others have placed this responsibility with their finance office (ICAO and UNCTAD) or the bureau of strategic planning (UNESCO). UNRWA establishes coordination teams for every assessment and coordinates with its Department of Internal Oversight Services on these assessments.

148. In many organizations, different offices take the lead for different types of donor reviews; the evaluation office may cover MOPAN assessments and DFID multilateral aid reviews, while European Commission pillar assessments, DFID due diligence reviews or European Commission verification missions are handled by other offices, such as the respective Brussels office of the organization or the resource mobilization and partnership unit. Furthermore, donor assessments at the regional and country levels are handled by the respective head of office, who would be the main interlocutor for such assessments.

149. In UNFPA, all donor reviews are channelled through the resource mobilization and partnership office at headquarters that coordinates information requests and answers provided by different offices/departments/divisions. While there is no established procedure for regional or country offices to report to this office in case they are subject to a donor review, they usually do so in order to seek guidance with regard to requests for documentation, policies and information needed from headquarters, usually through the resource mobilization advisors placed at those offices. However, regarding the European Commission, reviews and assessments are announced and channelled through the UNFPA Brussels office.

150. At UNICEF, the evaluation office would lead the coordination of MOPAN assessments, DFID multilateral aid reviews and European Commission pillar assessments, while the controller's office addresses European Commission verification missions in consultation with, and supported by, the UNICEF Brussels office. At WFP, donor reviews are not managed centrally, and requests for information from donors as well as information shared with donors are not held in a central repository. There are, however, specific units within WFP that coordinate reviews and requests from specific donors (for example, the WFP Brussels office coordinates European Commission verification missions). During 2017, WFP plans to centralize the donor review coordination function at Rome headquarters. At UNIDO, the Strategic Donor Relations Division coordinates all donor assessments and maintains the

related documentation. The ITC Independent Evaluation Unit engages to clarify donors' evaluation plans and to ensure alignment with the ITC evaluation work programme and transparency.

151. Having various units to record and manage donor-led assessments does not necessarily ensure that the organization captures all the ongoing donor reviews, since different units handle different types of reviews. Further, an information gap may still exist in cases where reviews are done at the regional or field levels, such as due diligence assessments of field offices prior to funding decisions or European Commission verification missions.

152. Almost all the organizations interviewed for the present report found it difficult to readily provide JIU with information on the status of all completed, ongoing or planned donor reviews or assessments, including donor reviews at headquarters and regional and field offices. The Inspectors consider this to be a serious deficit and an important area that needs to be addressed with a sense of urgency.

153. UNDP indicated that its headquarters became aware of donor-led reviews at field offices only when those offices sought headquarters input. UNICEF explained that DFID would contact the concerned UNICEF country office, but not inform headquarters. The country office would then inform the Division of Public Partnerships at headquarters which, in turn, would contact DFID to inquire about the scope.

154. The fact that in most organizations, different offices take the lead for tracking different types of donor reviews not only makes it difficult for an organization to keep accurate track of all reviews, but creates duplication within the organization, as different units and offices provide similar or the same information to donors. It also leads to the risk that differing pieces of information and views on the same issue may be provided to donors, or that information that has not been cleared, or needs to be protected under the organization's public disclosure or confidentiality policies, may become publicly available.

155. The situation that prevails currently in most organizations does not allow for efficiently collecting the information sought and creating a knowledge base that would facilitate responding to similar future donor requests and assessments. It creates difficulties for following up on and tracking findings and suggestions of donor assessments and impedes organizational learning and reform.

156. Recognizing that exposure to donor assessments varies from one organization to another, the Inspectors are of the opinion that a differentiated approach is appropriate to address the aforementioned challenges of coordinating and monitoring donor reviews and assessments. Based on the volume and complexity of the donor review-related work involved, United Nations system organizations should designate the appropriate office or individual to lead the handling of, and support to, donor assessment and all the related activities. Such an office or function should establish a database of all information provided to donors in respect of all types of donor assessments and a repository of all donor reviews, their findings and suggestions and information on follow-up by the organization. If such an office or function is not established at the organization's oversight office, close coordination between the designated office or function and the former should be ensured so as to avoid risks of duplication between donor reviews and activities of the organization's internal/external oversight functions. The potential conflict of interest in the donor relations and resource mobilization unit handling this subject (accepting donor requirements in return for more funding) also needs to be addressed.

157. In addition, a formal or informal steering or working group or community of practice for the respective donor review may be established internally to assure the involvement and inputs of all relevant offices, as necessary.

158. To sum up, a central function needs to be established to keep track of the completed, ongoing and forthcoming donor reviews, and also act as a clearing process for the provision of information to donors, in order to assure consistency and avoid the perpetuation of errors and to ensure that all information provided to donors has been appropriately cleared at the relevant level and represents the official corporate view of the organization.

159. The implementation of the following recommendation is expected to enhance accountability and transparency.

### **Recommendation 3**

**The executive heads of the United Nations system organizations should designate, on the basis of the volume and variety of donor reviews, an appropriate central function in their respective organizations for coordinating the multiplicity of donor assessments, managing the information provided to donors, standardizing communications, ensuring consistency and tracking the follow-up action on findings and recommendations by the responsible organizational units.**

#### **B. Consultative approach to conducting donor assessments and joint reviews**

160. Germany, Sweden, Norway, Switzerland, France and Japan conduct desk reviews building on existing information publicly available or provided to Member States through the legislative/governing bodies. These desk reviews often use information from other donor reviews, mainly MOPAN and other publicly available reviews, including those of DFID, the Australian Agency for International Development and the Canadian International Development Agency.

161. Often the results of these reviews and the final reports are used only for internal purposes and not shared with the organizations concerned.

162. While the transaction costs for such reviews are much lower, as they do not involve the organization, in many instances the organizations do not have the possibility to comment or provide feedback and inputs during the process on the methodology, scope and the assessment criteria. Also, there is no assurance that donors will use the most recent and up-to-date information, documentation and policies for the reviews. This has led, on occasion, to conflicting views between the assessed organization and the donor on the methodology applied and the results of the review. More active engagement with the organizations from the outset would help to avoid some of those misunderstandings. Another major drawback is that such reviews only allow limited organizational learning and improvement, since many of their findings are not made available to the organization.

163. Apart from the desk reviews done by some donors, most donor assessments are done openly with participation, at certain levels, of the reviewed organization. Engagement and consultation take place upfront, albeit to varying degrees, and in most cases the draft report is shared for comments, as is the final report.

164. Organizations interviewed indicated that it would be useful to further strengthen the participatory approach. Donors should consider sharing the assessment methodology and terms of reference, as it would allow discussion at the outset of the process on the scope, criteria and data collection requirements. This would pave the way for a more effective conduct of the assessment and better understanding by the organization of the methodology applied. It would also prevent or reduce risks of misunderstandings, as donors could convey their expectations and requirements and the organization would better understand the assessment process. It would allow for better organizational learning and improvement in line with the assessment observations and findings.

165. Organizations expressed the view that it would be important to provide them with an opportunity to comment on the draft and final report. It was noted that in some cases this is not done, or the comments are not appropriately taken into account, or made available together with the donor report. This becomes more of an issue in cases where the report is shared with other donors who use it as a basis for their own decision-making.

166. One organization stated that the donor review team had met several senior managers at headquarters, which helped to explain the organization's position in a comprehensive manner that resulted in a more accurate assessment. Another organization's staff were given the opportunity to review the terms of reference and suggested revisions to lighten the exercise and successfully reduce the burden on headquarters, regional bureau and country office staff. In another case, an organization made an effort to systematically collect background documents to be shared with the donor, and discussions were held before the actual reviews. This made the subsequent review process shorter and more seamless.

167. A number of organizations indicated that donors had not always been receptive to adapting their assessment methodology or criteria to the particularities of their organization, as they were mostly predetermined by internal management factors and national priorities. While the framework of cooperation on the donor side was often restrictive, some interviewees mentioned that at times increasing demands were coming from donors that experienced high turnover of staff at the capitals. In such cases, greater engagement of the organization with the donor mission would be useful.

168. A novel approach discussed during interviews for the present report is the possibility of setting up a joint steering committee or advisory group for the donor assessment, on which both donor and organization representatives are represented, as well as other stakeholders, including beneficiaries and representatives of programme countries as appropriate. This approach, for instance, was used for one of the projects implemented by the Evaluation Unit of ITC. Another example was the steering committee established for a country programme assessment, in which donor representatives and other stakeholders, including beneficiary representatives, were represented.

169. A number of organizations suggested that a concrete measure would be to conduct joint evaluations with donors in a more regular and systematic manner. By working together in a participatory manner, the learning and accountability requirements of all concerned parties could be addressed. Moreover, joint exercises also provide opportunities for including national authorities, thereby addressing the call for the United Nations to play a greater role in strengthening national evaluation capacity. They stressed that a consultative approach is also contingent upon the readiness of the donor's assessment team to follow such an approach.

170. **It is recommended that the United Nations system organizations make proactive efforts to engage with donors throughout the review process, including on the assessment methodology, terms of reference, criteria and accommodating donor assurance requirements, to foster a consultative and participatory approach.** Reference is made to recommendations 4 and 6 on central repository and high-level dialogue with donors.

### C. Use of consultants for assessments

171. Several organizations noted that additional challenges could arise when assessments were conducted by consultants on behalf of the donors. Reportedly in some cases consultants did not have the requisite knowledge of the United Nations system and the organization under review, so the organizations had to invest time in providing guidance on the organization's policies, processes and practices. In a few cases, this resulted in assessments that, in the view

of the organizations, did not fully reflect the actual situation and created some misunderstandings with donors, which then had to be resolved through additional dialogue and consultations after the field reviews had been completed.

172. Specifically, some organizations mentioned that consulting firms working for donors tend to approach “assessments” in the same manner as internal audits (see chapter VI below and annex I to present report, on the single audit principle), which is inconsistent with the “single audit principle”. Moreover, the engagement of consulting firms could lead to conflicts of interest and give rise to confidentiality concerns in those instances when such firms also served as vendors for the United Nations system organizations being assessed. By engaging in such assessments, in particular assessments involving the procurement functions and records of the organization, the consulting firms would have access to information which could later give them an unfair advantage in solicitation exercises.

173. Some donors have come to realize that the use of consultants requires better guidance and oversight on their part, while other donors prefer to have assessments conducted by their own staff or to have donor staff attend consultants’ field visits. For instance, the Directorate General for Humanitarian Aid and Civil Protection of the European Commission (ECHO) generally uses its own staff for verification missions and usually has one internal auditor accompany the mission and oversee the process. On the other hand, the Directorate General for International Cooperation and Development relies mostly on consultants, usually private audit firms. At the same time, some donors indicated the need for ensuring that United Nations staff responsible for supporting donor assessments have adequate knowledge of the process, the information required and agreed terms of reference, for example, the Financial and Administrative Framework Agreement in the case of the European Commission verifications.

174. It was also suggested by some organizations that it would be useful to assign one of their own qualified staff members, for example from the oversight office, to participate in the donor assessment mission. This would help to facilitate the process, prevent possible conflicts and make the missions more effective, while allowing for better organizational learning. **The Inspectors consider this to be a good practice and recommend that organizations adopt such an approach when it is economically feasible.**

#### **D. Organizational learning and reform**

175. A number of organizations, in particular those with high voluntary and non-core funding, indicated that they welcomed donor assessments, as they provided an opportunity for reflection and learning on how the organization can build on its strengths and improve its performance. These organizations have found the assessments useful in enhancing accountability, efficiency and effectiveness.

176. Specifically, some mentioned that donor reviews had given their organization a wider perspective, enabling them to take stock of good practices to incorporate in their own policies in areas such as procurement, internal control and anti-fraud measures. The donor reviews were found useful in prompting some of the reform initiatives for increased transparency and risk management, such as IATI and enterprise resource management. Donor reviews also provided a basis for the organizations to understand donor priorities, thus helping them to prioritize the limited available funding for a better return on investment.

177. Often, the findings and recommendations of the donor-led assessments were in line with those emerging from the organizations’ evaluation, audits and other oversight reports, and thus were useful in confirming the internal oversight findings and observations. Some organizations, however, noting that there had been much overlap and duplication with the

organization's own oversight work, considered the added value of the donor assessments to be limited.

178. Notwithstanding the above, a number of organizations were more critical, remarking that, in fact, the value of donor-led reviews diminished with time, as they become repetitive and duplicative in nature and led to unnecessary transaction costs, instead of increased effectiveness, efficiency, accountability and transparency.

179. A number of organizations noted that some assessments were driven by donors' domestic requirements and processes, and in those cases the organization concerned did not consider the reviews adding much value in terms of organizational learning and reform.

**180. It is recommended that the observations, findings and suggestions of donor reviews be taken up and analysed by the organizations' central focal point for coordinating donor assessments and other relevant offices, and appropriately acted upon by the respective responsible organizational units. The actions taken, and/or possible divergent views by the organization on some of the findings or observations, should be part of the issues discussed in the dialogue with donors.** Reference is made to recommendations 4 and 7.

#### **E. Other suggestions for improving the conduct, coordination and planning of donor assessments**

181. Regarding assessments, ILO has made efforts to reduce overlap and duplication. When European Commission verification missions or general reviews are planned, attempts are made to minimize assessment of the same projects. If, for example, ILO internal rules specify that an external evaluation has to be done for a project, and a donor has selected the same project for an assessment, then ILO tries to use the donor assessment as the external evaluation to reduce duplication.

182. WFP in particular and the United Nations system as a whole are advocating for assessments, including European Commission verification missions, to be held during or at the end of the project implementation period to reduce transaction costs, since the staff involved in the project and project documentation would be more readily available.

## **V. ROBUSTNESS OF THE ORGANIZATIONS' INTERNAL AND EXTERNAL OVERSIGHT AND EVALUATION FUNCTIONS**

183. All donors interviewed for the present report indicated that they use oversight reports by internal and external auditors as one of the main sources of information and evidence for their decision-making concerning the funding of organizations. However, different views were expressed as to the adequateness and robustness of such reports.

184. While some donors indicated they relied heavily on information provided by oversight offices, others noted that there was room for improvement of oversight functions throughout the United Nations system. Many underscored the need for clearer messaging to donors about the audit processes and accessibility of oversight outputs, including access to audit and evaluation reports. Donors indicated that consistent response to those needs in a streamlined, transparent and standardized way across the United Nations system organizations might reduce the need for their commissioning of separate assessments.

185. Consistent and thorough access to audits that provide assurance on the proper functioning of an organization was of great importance to all donors interviewed. Further, continued efforts were needed to strengthen oversight reporting to the governing bodies. A number of donors indicated that the annual report of the internal audit function could include the expression by the auditors of a clear opinion on the adequacy and effectiveness of the frameworks of governance, risk management and control, and the analysis that supported that opinion. It could also include an articulation of the key issues and risks identified and the effectiveness of management controls.

186. Furthermore, there appears to be a desire on the part of donors to formally bridge their expectations and needs with the assurance work performed by the external auditors. According to the donors, the external auditors of United Nations system organizations do not systematically examine whether donor contributions are used in accordance with the requirements established in donor agreements and provide explicit assurance in that regard.

187. Organizations suggested that, according to their mandates and existing audit charters and financial rules and regulations, such specialized assurance work, as desired by some donors, is not necessarily expected from the external auditors. For instance, by resolution 74 (I) of 7 December 1946, the General Assembly established the United Nations Board of Auditors to audit the accounts of the United Nations and its funds and programmes and to report its findings and recommendations to the Assembly through the Advisory Committee on Administrative and Budgetary Questions. The Board of Auditors maintains that it undertakes the compliance audit of the United Nations and its funds and programmes and does check whether donor contributions are used in accordance with the requirements established in donor agreements. It also conducts spot checks of the utilization of funds in accordance with the agreed terms and conditions between the donor and the United Nations entity.

188. On the other hand, some donors voiced the need for the work, assurance expectations and mandate of the external auditors to be reviewed and adapted to the current funding realities, in particular to the fact that in many organizations, the regular budget has been stagnant or decreasing, while there has been a significant increase of specified (earmarked, extrabudgetary or voluntary) contributions. In their view, organizations have become more and more project-driven, which requires a different operating model for oversight functions. Those new realities have an impact on how the external auditors can fulfil their mandate in line with donor expectations and requirements. This applies equally to the organizations' internal audit functions as well as the evaluation function.

189. As previously stated, specific donor assurance requirements and expectations could be included and reflected in the respective donor agreements. One organization suggested that

there is an opportunity at the stage of signing donor funding agreements to ensure that the agreements contain a stipulation for the oversight function (external or internal) to provide an opinion on the use of the resources provided.

190. Many interviewees indicated that the exchange of information and cooperation between the donors and the organizations' internal and external oversight offices could be improved, particularly by regular consultations on the annual and upcoming audit and evaluation work plans of the oversight entities to avoid potential duplication of efforts.

191. Such improved consultation and exchange of information on completed, ongoing and planned assessments would enable the organizations' audit/oversight offices to take risks and priorities expressed by donors into consideration in their risk assessments, as appropriate. A more proactive interface of oversight offices with a wide range of donors would increase the level of comfort for potential funding and help in identifying areas of common interest. It would also provide an opportunity for donors to identify areas for reviews or evaluations that they might undertake, with the understanding that adherence to the single audit principle and compliance with the applicable rules and audit charters would be guaranteed. Donors would need to consider providing extrabudgetary funding to support such work.

192. Some audit offices, such as the Office of Internal Oversight Services (OIOS) of the United Nations Secretariat, have started to engage the donors more proactively in order to have a clear expectation of what they expect from oversight bodies, understand their concerns and determine how the work of OIOS could help in responding to their requests and reducing duplication, taking into consideration the need to preserve the OIOS audit risk-based planning process. Further, in order to pay greater attention to outcomes, results and impact, as expected by donors, the performance audit approach is being given greater attention. Discussions are also under way to explore the feasibility of including information specifically dedicated to extrabudgetary funding in the OIOS annual reports.

193. As noted, however, internal and external audit are guided by their own mandates and regulatory frameworks. Given the fact that most, if not all, audit offices devise their audit plans on the basis of risks across the whole organization, some funds provided by donors do not fall into those higher-risk areas selected for audit. For specific donor funds that are included in the scope of an audit, they are often commingled with other donors' funds and therefore not separately identified in reports.

194. Looking beyond the audit-provided assurance, some oversight and evaluation offices also indicated that there was a need to strengthen capacities such as staffing, competencies, and accountability mechanisms at all levels of the organization (headquarters, regional and field) to better manage for results through solid results-based planning, monitoring, evaluation, risk management and knowledge management processes. Strengthening and expanding coverage by audit and evaluation offices alone would not suffice to fully accommodate donors' assurance needs.

195. Also, regarding assurance mechanisms, one of the donors indicated that organizations needed to do a better job of educating donors about the structures, systems and processes of the assurance functions of the United Nations entities. More confidence would be engendered if the agencies allowed greater transparency with respect to the remit of the assurance functions and the scope of the audits delivered.

196. Another donor underscored the importance of clearer messaging to external partners about the process and accessibility of oversight and monitoring procedures and outputs, and consistent delivery and standardization of oversight reports' results across the United Nations system organizations.



197. A critical area demanding attention of the organizations relates to providing adequate support to the oversight offices and reinforcing their capacity to take on the task of providing requisite levels of assurance to donors for their specified contributions and thus reduce the need for external assessments. Towards this end, the organizations should consult the donors to obtain clarity about their needs and requirements and assess how the oversight offices can be empowered to fulfill them. This would help to sensitize the donors about the requirements for additional resources required for capacity reinforcement of oversight offices of the organizations, and to recognize this as a shared responsibility, in the light of the significant increase of voluntary funding in proportion to regular or core resources.

198. The implementation of the following recommendations is expected to enhance reporting transparency.

#### **Recommendation 4**

**The executive heads of the United Nations system organizations should engage with donors to determine the key elements in their assessments and should encourage their audit and evaluation bodies, with due regard for their independence, to consider taking these elements into account in their risk assessments and work plans, in order to avoid potential duplication and overlap.**

#### **Recommendation 5**

**The legislative/governing bodies of the United Nations system organizations should request the executive heads to identify and provide adequate resources and support to the internal audit and evaluation offices of their respective organizations to enable them to provide the required levels of assurance that would help minimize duplication and overlap with external reviews, verifications and assessments conducted by third parties.**

#### **Coordinating evaluation activities to better respond to donor information needs**

199. Donors regard evaluations as one of the major pillars upon which they assess performance and effective and efficient use of the funds provided by them to the organizations. They indicated, during interviews, that robust, high-quality and timely evaluations of programmes/projects funded would reduce the need to conduct additional assessments and would enhance donor confidence.

200. Donors acknowledged that a number of United Nations entities have traditionally had strong evaluation functions (UNDP and UNICEF were cited as examples), while some organizations needed improvement in this area. In general, weaknesses were reported mainly in decentralized evaluations, and less in respect of evaluations conducted by central evaluation units.

201. These views are also reflected in pertinent oversight reports addressing the subject of evaluation, including the JIU review of the evaluation function, the DAC peer reviews and work done by the DAC Network on Development Evaluation (EvalNet) and the United Nations Evaluation Group.<sup>50</sup>

<sup>50</sup> See analysis of the evaluation function in the United Nations system (JIU/REP/2014/6) and OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris, OECD Publishing, 2015), among others.

202. According to DAC, a robust evaluation function is needed if donors are to rely on existing organizational resources for their bilateral assessments.<sup>51</sup> “This implies that donors will support jointly, through governing bodies, the independent evaluation units enabling them to provide the primary information donors need for their assessments. It also implies that donors will make publicly available either the totality or parts of their bilateral assessments, in order to provide useful information for other donors’ reviews.”<sup>52</sup>

203. Many donors interviewed for the present report emphasized that evaluations should be improved so as to provide better information and assurance of the effectiveness and efficiency of programmes and projects, including the impact and results achieved. Some indicated that evaluations could be further improved by strict adherence to evaluation norms and standards, robustness of evidence, using the best available methodology and timeliness, among others.

204. In cases where the evaluation function is decentralized (evaluation is conducted at the field level), donors indicated that they would welcome their own involvement in the exercise, as their personnel in the programme countries are knowledgeable about the programme. In this respect, all stakeholders acknowledged the need for a mechanism to be in place so that the headquarters of the organization as well as the capitals of donor countries and the central evaluation offices are fully aware of all decentralized evaluations and can provide the necessary guidance and coordination to the field offices. Such an approach would also help in avoiding duplication and overlap.

205. Organizations interviewed for the present report felt that for evaluations to rise to the level of robustness and scope required by donors, a closer involvement of the donor concerned is required and additional resources should be provided for this purpose. Having independent evaluations and involving donors throughout the process would enhance donor confidence and foster transparency. Unambiguous provisions relating to evaluation, including the involvement of, and consultation with, the donor, as well as respective responsibilities and ways of resolving differences, would need to be spelt out in project documents and funding agreements.

206. The need for a sustained dialogue between the organizations and donors is reiterated in this context. Successful examples of collaboration between the donors and organizations were cited by UNHCR (with the Netherlands), WFP (with the European Commission) and UNEP (with the European Commission). Organizations should include representatives of the donor Government concerned in the process of consultations with stakeholders, preferably by involving them in the steering groups or advisory groups constituted for that purpose.

207. Similarly, when the donors themselves are conducting the evaluations, it would be advisable to involve the evaluation office of the organization.

208. However, the Inspectors recognize some difficulties in adopting a system-wide approach in view of the fact that the evaluation functions differ among organizations, being more decentralized in some organizations than in others.

**209. As previously stated, a sustained dialogue between the organizations and donors is needed to address concerns of both parties; such a dialogue should include interaction with the evaluation offices of the former in order to identify how the evaluations can be improved and the information requirements of the donors can be better met.**

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<sup>51</sup> See OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris, OECD Publishing, 2015), p. 81.

<sup>52</sup> Ibid.

## VI. DONOR REVIEWS AND THE SINGLE AUDIT PRINCIPLE

210. One of the vexatious issues that comes up in any consideration of the donor-led oversight reviews and assessments is the possible violation of the single audit principle adopted by the United Nations system organizations. Annex I to the present report contains a brief note on the historical background and evolution of this issue.

211. Some organizations reviewed for the present report stated that challenges to the single audit principle might exist, for example, in the form of differences between the donor's regulatory and assurance frameworks and those of the United Nations system organization. The internal rules and regulations of some donors require different assurance levels than those provided by the organizations' audit bodies, and those donors maintain the right to conduct their own assurance activities in regard to funds provided to external parties.

212. As an example, the European Commission conducts pillar assessments of United Nations system organizations and verifications of the organizations' activities financed by the Commission. Provisions for those assessments and evaluations have been included in the Commission's agreement with the United Nations system, reflecting the legal requirements of the Commission in respect of all partners to which it provides funding.

213. Interviewees argued that, while in strictly legal terms the European Commission may comply with the single audit principle, verifications are sometimes viewed by the organizations as mini-audits. Often verification assessors request information that goes beyond project-related material and is required by audit standards such as International Standard on Auditing 505 (external confirmations). If the organization does not provide the required detailed documentation, all related expenses may be considered ineligible.

214. Some of the organizations interviewed expressed the view that, while signing agreements with donors is necessary to secure funding, it is essential to address the issue of the single audit principle and incorporate measures to avoid potential duplication of donor assessments, that is, multiple assessments of the same activities by different donors. Carefully crafted clauses and provisions will help organizations in their negotiations with donors. To that end, initiatives similar to the ongoing efforts between the Financial and Administrative Framework Agreement of the European Commission and the United Nations system to improve cooperation and coordination should be further pursued and built on, as appropriate.

215. A number of organizations indicated that it would be helpful to resume discussions on a United Nations system-wide basis on how the single audit principle could be best addressed in view of the increased assurance needs of donors and the evolving funding structure of the United Nations system organizations, that is, the significant increase of specified (non-core, voluntary and earmarked) funding, subsequent to the initial adoption of the principle. All stakeholders, including the oversight offices, the organizations' external auditors, the audit and oversight advisory committees and inter-agency networks, such as the Representatives of Internal Audit Services of the United Nations Organizations (UN-RIAS), should be consulted and/or participate in such discussions.

**216. It is recommended that the executive heads of the United Nations system organizations and the Secretary-General, in the context of CEB, launch further discussions on the single audit principle and its operationalization, with a view to reflecting current practices and funding realities. Based on the outcome of the discussions, the CEB's High-level Committee on Management, in close consultation with all stakeholders involved, should prepare a standard template donor agreement that would incorporate provisions respecting the single audit principle, as well as other related aspects such as reporting, monitoring and evaluation requirements.**

## VII. NEED FOR A STRATEGIC DIALOGUE

217. Modalities of the dialogue and consultations between donors and organizations vary widely, depending on whether the discussion concerns: (a) regular or core budget funding, in which case it is mainly done through the organization's legislative and governing bodies and formal governance structures; or (b) specified (non-core, extrabudgetary and voluntary) contributions, in which case it is done through bilateral engagement between the donor and the organization, often in informal settings. These modalities have significant implications for how donors decide on funding allocations and on required assessments. As noted by OECD in its 2015 report, "while the number of [donor] departments/institutions involved in decision-making on multilateral funding does not necessarily imply sub-optimal allocation of funds, ensuring coordination and coherence in funding management practices is an issue for most donors". The report further states that scattered decision-making by donors is leading to piecemeal allocations and limited strategic engagement with multilateral organizations.<sup>53</sup>

218. As the OECD report indicates, donors lack a comprehensive overview of the total earmarked resources channelled through the multilateral aid system and of their overall impact. For most donors, the dialogue with multilateral organizations on earmarked resources takes place mainly at the operational level, with little scope for strategic engagement. As such, the dialogue focuses for the most part on operational details, "making these organizations implementing agents rather than institutional partners".<sup>54</sup> Furthermore, without systematic feedback from and to upper management, earmarked funding decisions – particularly at the country level – often do not take account of reforms that have been agreed to at the senior level.<sup>55</sup>

219. Similarly, the JIU report on resource mobilization<sup>56</sup> had advocated the establishment of a structured high-level policy dialogue with donors.

220. As indicated below, efforts have been under way to address the need for a high-level dialogue of multilaterals with donors. The World Bank and some United Nations entities have been leading the way in this respect.

221. Such efforts include the structured financing dialogues conducted in two thirds of United Nations entities in the context of operational activities for development. The dialogues are aimed at providing greater clarity on expected outcomes and impact outlined in the strategic plans of organizations and the resources available to finance them. Such a dialogue process has the potential to significantly strengthen current funding practices towards the alignment of funding with functions through substantive deliberations at the level of governance, which, in turn, will build trust between United Nations entities and Member States and other stakeholders.<sup>57</sup> The International Fund for Agricultural Development and WHO were cited as good examples of structured dialogues having served as a vehicle for regular consultations on issues relating to reform of the organizations. Integral to the experiences of those entities has been a concerted effort to increase the ownership by Member States of the strategic plans and resource frameworks and related decisions at the level of governing bodies.<sup>58</sup>

222. UNRWA has established a forum with key donors (the Harmonized Results Working Group) designed to improve coordination and reduce donor-specific inquiries, assessments

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<sup>53</sup> Ibid., p.105.

<sup>54</sup> Ibid.

<sup>55</sup> Ibid.

<sup>56</sup> JIU/REP/2014/1.

<sup>57</sup> A/72/61-E/2017/4, para.86.

<sup>58</sup> Ibid., para.90.

and requirements consistent with the Paris Declaration on Aid Effectiveness. As reported, the Agency has had limited – if any – success in reducing the number of donor-led assessments, which may well reflect the fact that almost all of its funding is “non-core”.

223. UNHCR has strategic consultations at senior level with all of its key donors and numerous bilateral and multilateral meetings and daily contact at the working level, both with the permanent missions in Geneva and in the donor capitals. This constant dialogue with donors serves to identify shared priorities and understand donors’ requirements and address their concerns.

224. The World Bank Group conducts donors’ portfolio reviews to provide donors with a consolidated view of their contributions. The Bank started strategic consultations with major donors to reflect on what and how they can achieve things together. Similarly, the United Kingdom has recently established annual portfolio reviews with UNDP and UNICEF that could potentially take its discussions with these organizations to a strategic level. These initiatives represent a positive start to thinking through multilateral funding, its objectives and the best ways to achieve shared priorities. “Carrying out strategic consultations and portfolio reviews could represent emerging good practice for the management of earmarked funding.”<sup>59</sup>

225. Further, interviews for the present report indicate a number of instances where donor Governments coordinate and cooperate with the United Nations system organizations in order to incorporate priorities that are mutually agreed upon and to ascertain and satisfy donor assurance needs. Canada indicated that it is able to maintain a continuous dialogue with organizations by being on the executive board of several of them (WFP, UNESCO, UNFPA, UNICEF, UN-Women and UNDP). Because of this, Canada is able to more easily “leverage [the] evaluations and audits of these institutions as much as possible”.

226. The principal governance arrangement between Australia and a United Nations entity accommodates joint or mutually agreed audit/oversight processes, which lead to close cooperation and mutual consultation. Denmark is engaged in a continuous dialogue with United Nations system organizations through informal donor-facilitated audit and fraud round-table meetings. This vehicle is used to discuss issues regarding internal audit and anti-corruption with the aim of enhancing cooperation and coordination.

227. DFID indicated that, from 2016 onwards, it is expecting to conduct annual strategic dialogues with the agencies. Other donors such as Sweden, Norway and Japan have started similar exercises.

228. Reportedly, the ongoing dialogue and consultation between the United Nations and the European Commission (in the context of pillar assessments) has helped to foster cooperation and, in particular, to promote better understanding of each other’s expectations in terms of assurance, due diligence and oversight needs.

229. A number of interviewees voiced the need for the United Nations system organizations to develop a common position for initiating such a high-level dialogue with donors. The needs and expectations of all stakeholders need to be considered in this effort. As part of this dialogue, it would be advisable to have in place a multi-stakeholder assessment platform that considers the needs of all donor Member States, with a robust framework and methodology to capture a collective reflection of an organization’s effectiveness and reduce the need for additional bilateral assessments. Some organizations suggested that MOPAN be developed as an agreed-to common tool to cover governance, risk management, etc., while reviews on

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<sup>59</sup> OECD, *Multilateral Aid 2015: Better Partnerships for a Post-2015 World* (Paris, OECD Publishing, 2015), p.105.

determining the “effectiveness” relevant to the particular donor’s national objectives would be the focus of any additional donor assessment exercise outside of MOPAN.

230. Some donors indicated that it would facilitate cooperation if the different organizations of the United Nations system had harmonized rules and approaches. As stated by one donor, reducing the disparities (in rules, procedures, etc.) between the organizations would be welcome and it would indeed help to reduce the number of assessments.

231. Some organizations suggested that a high-level dialogue would create a more collaborative relationship with donors and could lead to a better understanding on the part of donors of the organizations’ mandates and the challenges they face, and to increased donor support in terms of funds, staff, advocacy for the mandate, etc. However, they cautioned that in developing the common position for collaboration, the United Nations should be mindful of the need to avoid this being perceived as a donor-driven process that might have an adverse impact on the organizations’ ability to deliver on the Sustainable Development Goals and other elements of the agreed strategic frameworks and, ultimately, to safeguard and uphold the credibility of the organization among all its stakeholders, including donors and other Member States.

232. The implementation of the following recommendation is expected to enhance accountability and transparency.

#### **Recommendation 6**

**The executive heads of the United Nations system organizations and the Secretary-General, in the context of the United Nations System Chief Executives Board for Coordination, should develop a common position for initiating a high-level dialogue with donors to determine shared priorities and define a multi-stakeholder assessment platform with a robust framework and methodology to capture a collective reflection of an agency’s performance and reduce the need for additional bilateral assessments.**

## Annex I

### Background: the single audit principle

The single audit principle is intended to provide cost-effectiveness, in that one audit is conducted in lieu of multiple audits of individual programmes.<sup>a</sup> In a document of the CEB High-level Committee on Management it is explained in the following terms: “The United Nations Financial Regulations give the United Nations external auditors, the United Nations Board of Auditors, the exclusive right to audit the accounts and statements of the United Nations and allow only the United Nations General Assembly to direct, and the United Nations Advisory Committee on Administrative and Budgetary Questions to request, the United Nations Board of Auditors to conduct specific audits. Comparable principles apply to the specialized agencies of the United Nations system. At its forty-eighth session, the General Assembly in its resolution 49/216, section A, endorsed the principle of the “single audit”, upon the recommendation of the Secretary-General in his report A/48/587 of 10 November 1993.”<sup>b</sup>

On the basis of regulation 7.6 of the Financial Regulations of the United Nations which provides that the Board of Auditors is solely responsible for the conduct of the external audit, the Panel of External Auditors of the United Nations has taken an official position on this issue in several instances and has written on numerous occasions to the Secretary-General in his capacity as Chair of the Administrative Committee on Coordination.<sup>c</sup> In the first letter, written in January 1993, the Chairman of the Panel indicated that if special reviews/audits were required, the governing body was to request the appointed external auditor to carry them out and report accordingly. Any such request might carry extra fees.<sup>d</sup>

Subsequently, the Secretary-General sent a letter to the Administrative Committee on Coordination for examination of this issue and transmitted the relevant statement of the Committee to the General Assembly in his report on independent audits and management reviews of activities of the United Nations system (A/48/587), suggesting that the Assembly endorse the views and recommendations of the Panel, as supported by the Committee (A/48/587, para. 4). The Committee stated that it was not in favour of independent audits of individual funds, while acknowledging that some degree of flexibility was desirable for external management reviews (A/48/587, annex, paras. 7 and 8). The General Assembly, in its resolution 49/216 of December 1994, took note of the said report.<sup>e</sup>

In 2001, the Chairman of the Panel wrote again to the Secretary-General indicating that the single audit principle was a matter to be decided by the governing bodies in consultation with their external auditors and suggesting that a mechanism for independent advice on any third-party audit requests be set up. Next, in a letter to the United Nations Controller in 2002,

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<sup>a</sup> The single audit principle was originally adopted in the United States of America. However, in the United Nations system there is still confusion regarding its definition. Furthermore, it is legitimate in some cases to ask for separate assessments of risky, complex and/or expensive projects or programmes (see JIU/REP/2010/5, para. 165).

<sup>b</sup> CEB/2005/HLCM/R.20, paras. 4-6.

<sup>c</sup> The Administrative Committee on Coordination is now the United Nations System Chief Executives Board for Coordination.

<sup>d</sup> JIU/REP/2010/5, para. 165.

<sup>e</sup> Ibid., para.166.

the Chairman of the Panel stated that the Panel did not favour the introduction of clauses in audit agreements to which the external auditors were not signatories and noted the intention of the Secretary-General to consider the proposed mechanism for independent advice.<sup>f</sup>

In 2005, the CEB Finance and Budget Network agreed to request the High-level Committee on Management to endorse the single audit principle and require that the governing bodies request the appointed external auditor to carry out specific examinations and to issue separate reports to them on the results.<sup>g</sup>

Overall, the various stakeholders formally agree to the single audit principle. Some organizations, however, in particular their oversight offices and external auditors as well as the Panel of External Auditors, argue that assessments conducted by Government and other donors may pose challenges to the single audit principle.

There has been considerable discussion between the United Nations and the European Commission on the subject of verifications conducted by the Commission. According to the Financial and Administrative Framework Agreement signed in 2003 between the United Nations Secretariat and the European Commission, “the European Communities may undertake, including on the spot, checks related to the operations financed by the European Communities”. Representatives of the European Commission “will be given access to the site of the project and/or the Headquarters of the United Nations Secretariat or relevant organization or programme” and United Nations staff “will supply all relevant financial information and will explain to the European Commission representatives, with appropriate concrete examples, how the accounts are managed and the procedures observed to ensure transparency and accuracy in the accounts and to guard against the misuse of funds and fraud”. The agreement also provides that the United Nations “will refer those requests to the United Nations Board of Auditors to respond as necessary”. Accordingly, the Commission may perform an “on-site walk through, with appropriate concrete examples” of the system and request information and clarifications, “including verification of underlying documents”. Request for copies of documents should be considered by the United Nations management on a case-by-case basis, in consultation with external auditors “as necessary”.<sup>h</sup>

The European Commission maintains that the verification missions are fully in line with provisions of the Financial and Administrative Framework Agreement, including the verification clause, and respect the single audit principle. The European Commission points out that verification missions are conducted by service providers who are deemed to fully respect the guiding principles for the planning, conduct and reporting of specific verifications provided in the European Commission-United Nations common terms of reference for a verification mission of a United Nations entity. The service providers should neither question, nor work against, the single audit principle. Wherever differences of interpretation arise between verification teams and United Nations entities, the latter can turn to the European Commission for clarification.

The ongoing consultations between the European Commission and the United Nations, including through the European Union-United Nations working group on the Financial and Administrative Framework Agreement, have helped to address issues related to the Agreement in the spirit of partnership and good cooperation.

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<sup>f</sup> Ibid., para.170.

<sup>g</sup> CEB/2005/HLCM/R.20.

<sup>h</sup> JIU/REP/2010/5, paras. 167 and 169 (with further references).



## Annex II

**Table A: Number of assessments of United Nations system organizations performed by the 15 major donor Governments and the European Commission from 2011 to 2016, presented in the order of most to least assessed organization**

	Total by org.	AUS	BEL	CAN	CHE	DEU	DNK	ESP	FRA	GBR	ITA	JPN	NLD	NOR	SWE	USA	EC
<b>Total by donor</b>	<b>893</b>	<b>45</b>	<b>3</b>	<b>36</b>	<b>15</b>	<b>29</b>	<b>40</b>	<b>6</b>	<b>34</b>	<b>182</b>	<b>2</b>	<b>20</b>	<b>41</b>	<b>35</b>	<b>41</b>	<b>55</b>	<b>309</b>
UNFPA	112	5		4	1	6	5		2	42			7	2	6	11	21
UNHCR	104	3		2	1	2	4		2	21		3	5	2	2	16	41
FAO	98	1		2	1	1			1	5			1	1	1		84
WFP	88	6		6	1	3	2			10	1	5	3	3		6	42
United Nations*	82	6		4			4			18		6	3	2	6	5	28
WHO	65	3	1	1	2	2	2		3	18		1	1	1		5	25
UNICEF	51	3		1	1	1	4	2	2	14			3	4	4		12
UNDP	45	3		1	1	1	2	2	5	15			3	3	4	4	1
UNOPS	31	1	1	3	1		1			5		1	1	1	3		13
UN-Women	31	1		2	1	1	2			8		2	1	3	8	1	1
UNESCO	29	1		2	1	2			2	5	1		1	3	2	2	7
UNRWA	26	5			1	3	3	1	1	6		1	1	2	1		1
ILO	20	2	1			1	1		2	3			1	2	2		5
UNAIDS	20	1		2	1	1	6		1	3			6	1			
UNEP	18	2				1	3		2	1			1	1	1		6
UNIDO	17					1				1		1	2	3			9
IAEA	10			2					2					1		3	2
ITC	8			2	1	1	1			1					1	1	
UNCTAD	7				1	1			2				1				2
UNODC	7			3					2	1							1
ICAO	7			1					2							1	3
IMO	6	1								3							2
UN-Habitat	4	1				1				2							
UNWTO	3							1	1								1
WMO	2								2								
UPU	1																1
ITU	1																1
WIPO	0																

Source: Responses of participating organizations and donors to the JIU questionnaires.

Abbreviations: AUS, Australia; BEL, Belgium; CAN, Canada; CHE, Switzerland; DEU, Germany; EC, European Commission; ESP, Spain; DNK, Denmark; FRA, France; GBR, United Kingdom; ITA, Italy; JPN, Japan; NOR, Norway; NLD, Netherlands; SWE, Sweden; USA, United States.

\* Includes ECA, ECE, Office for the Coordination of Humanitarian Affairs, OHCHR, Office of Programme Planning, Budget and Accounts of the Secretariat and United Nations Mine Action Service.

**Table B: Number of assessments of United Nations system organizations performed by the 15 major donor Governments and the European Commission from 2011 to 2016, presented in the order of most to least active donor in terms of number of assessments**

	Total by org.	EC	GBR	USA	AUS	SWE	NLD	DNK	CAN	NOR	FRA	DEU	JPN	CHE	ESP	BEL	ITA
<b>Total by donor</b>	<b>893</b>	<b>309</b>	<b>182</b>	<b>55</b>	<b>45</b>	<b>41</b>	<b>41</b>	<b>40</b>	<b>36</b>	<b>35</b>	<b>34</b>	<b>29</b>	<b>20</b>	<b>15</b>	<b>6</b>	<b>3</b>	<b>2</b>
United Nations*	82	28	18	5	6	6	3	4	4	2			6				
UNAIDS	20		3		1		6	6		1	1	1		/			
UNCTAD	7	2					1				2	1		/			
ITC	8		1	1		1		1	2			1		/			
UNDP	45	1	15	4	3	4	3	2	1	3	5	1		/	2		
UNEP	18	6	1		2	1	1	3		1	2	1					
UNFPA	112	21	42	11	5	6	7	5	4	2	2	6		/			
UN-Habitat	4		2		1							1					
UNHCR	104	41	21	16	3	2	5	4	2	2	2	2	3	/			
UNICEF	51	12	14		3	4	3	4	1	4	2	1		/	2		
UNODC	7	1	1						3		2						
UNOPS	31	13	5		1	3	1	1	3	1			1	/		1	
UNRWA	26	1	6		5	1	1	3		2	1	3	1	/	1		
UN-Women	31	1	8	1	1	8	1	2	2	3		1	2	/			
WFP	88	42	10	6	6		3	2	6	3		3	5	/			1
FAO	98	84	5		1	1	1		2	1	1	1		/			
IAEA	10	2		3					2	1	2						
ICAO	7	3		1					1		2						
ILO	20	5	3		2	2	1	1		2	2	1				1	
IMO	6	2	3		1												
ITU	1	1															
UNESCO	29	7	5	2	1	2	1		2	3	2	2		/			1
UNIDO	17	9	1				2			3		1	1				
UNWTO	3	1									1				1		
UPU	1	1															
WHO	65	25	18	5	3		1	2	1	1	3	2	1	2		1	
WMO	2										2						
WIPO	0																

Source: Responses of participating organizations and donors to the JIU questionnaires.

Abbreviations: AUS, Australia; BEL, Belgium; CAN, Canada; CHE, Switzerland; DEU, Germany; EC, European Commission; ESP, Spain; DNK, Denmark; FRA, France; GBR, United Kingdom; ITA, Italy; JPN, Japan; NOR, Norway; NLD, Netherlands; SWE, Sweden; USA, United States.

\* Includes ECA, ECE, Office for the Coordination of Humanitarian Affairs, OHCHR, Office of Programme Planning, Budget and Accounts of the Secretariat and United Nations Mine Action Service.

**Table C: Number of corporate assessments of United Nations system organizations performed by the 15 major donor Governments and the European Commission from 2011 to 2016, presented in the order of most to least assessed organization**

	Total by org.	AUS	BEL	CAN	CHE	DEU	DNK	ESP	FRA	GBR	ITA	JPN	NLD	NOR	SWE	USA	EC
Total by donor	447	43	2	14	0	23	29	6	29	119	1	4	35	29	24	30	59
UNFPA	77	5		4		6	5		1	24			6	2	4	6	14
United Nations*	44	6		1			3			9			3	2	5	3	12
UNHCR	37	3				1	4		2	10		2	3	2	2	6	2
UNICEF	33	2		2		1	2	4	2	9			2	4	2	0	3
UNDP	33	2		1		1	2	2	4	8			2	3	3	4	1
WFP	32	6		1		1	2			9	1		3	3			6
WHO	32	1	1	1		1	2		1	18				1		5	1
UNRWA	18	5				2	2			6			1	1			1
UN-Women	16	1		1		1	2			3			2	1	4		1
UNESCO	16	1		1		2			2	5			1	1		2	1
UNAIDS	16	2					2		1	3			6	2			
ILO	15	2	1			1			2	2			1	2	1	1	2
UNIDO	14	1				2				1		2	2	3		1	2
FAO	12	1		1		1			1	5			1	1	1		
UNEP	12	2				1	3		2	1			1	1	1		
IAEA	6								2							2	2
UNCTAD	6					1			2				1				2
UNOPS	5									1					1		3
UNODC	5	1		1					2								1
IMO	5	1								3							1
ICAO	4								2								2
UN-Habitat	4	1				1				2							
WMO	2								2								
UNWTO	1								1								
UPU	1																1
ITU	1																1
ITC	0																
WIPO	0																

Source: Responses of participating organizations and donors to the JIU questionnaires.

Abbreviations: AUS, Australia; BEL, Belgium; CAN, Canada; CHE, Switzerland; DEU, Germany; EC, European Commission; ESP, Spain; DNK, Denmark; FRA, France; GBR, United Kingdom; ITA, Italy; JPN, Japan; NOR, Norway; NLD, Netherlands; SWE, Sweden; USA, United States.

\* Includes ECA, ECE, Office for the Coordination of Humanitarian Affairs, OHCHR, Office of Programme Planning, Budget and Accounts of the Secretariat and United Nations Mine Action Service.

**Table D: Number of corporate assessments of United Nations system organizations performed by the 15 major donor Governments and the European Commission from 2011 to 2016, presented in the order of most to least active donor in terms of number of assessments**

	Total by org.	GBR	EC	AUS	NLD	USA	DNK	FRA	NOR	SWE	DEU	CAN	ESP	JPN	BEL	ITA	CHE
<b>Total by donor</b>	<b>451</b>	<b>119</b>	<b>59</b>	<b>43</b>	<b>37</b>	<b>30</b>	<b>29</b>	<b>29</b>	<b>29</b>	<b>24</b>	<b>23</b>	<b>14</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>0</b>
UNFPA	77	24	14	5	6	6	5	1	2	4	6	4					
UNHCR	38	10	2	6	3	6	4	2	2	2		1					
FAO	17	5		3	3			1	1	1	1			2			
WFP	32	9	6	2	2		2		3		1	2	4			1	
United Nations*	42	9	12	2	2	3	3		2	5	1	1	2				
WHO	39	18	1	6	3	5	2	1	1		1	1					
UNICEF	26	9	3	1		0	2	2	4	2	1	1			1		
UNDP	33	8	1	5	1	4	2	4	3	3	2						
UNOPS	10	1	3	1	2					1	1	1					
UN-Women	16	3	1	1	1		2		1	4	2	1					
UNESCO	19	5	1	2	6	2		2	1								
UNRWA	15	6	1	2	1		2		1		1				1		
ILO	17	2	2	1	2	1		2	2	1	2			2			
UNEP	12	1		1	1		3	2	1	1	1	1					
UNIDO	11	1	2	2	1	1			3		1						
UNAIDS	8	3					2	1	2								
IAEA	8		2		1	2		2			1						
ITC	4			1	2						1						
UNCTAD	4		2					2									
UNODC	5		1	1				2				1					
ICAO	5		2	1				2									
IMO	4	3	1														
UNWTO	1							1									
UN-Habitat	4	2		1							1						
WMO	2							2									
UPU	1		1														
ITU	1		1														
WIPO	0																

Source: Responses of participating organizations and donors to the JIU questionnaires.

Abbreviations: AUS, Australia; BEL, Belgium; CAN, Canada; CHE, Switzerland; DEU, Germany; EC, European Commission; ESP, Spain; DNK, Denmark; FRA, France; GBR, United Kingdom; ITA, Italy; JPN, Japan; NOR, Norway; NLD, Netherlands; SWE, Sweden; USA, United States.

\* Includes ECA, ECE, Office for the Coordination of Humanitarian Affairs, OHCHR, Office of Programme Planning, Budget and Accounts of the Secretariat and United Nations Mine Action Service.

## **Annex III**

### **Types of assessments performed by donors (selection)<sup>a</sup>**

#### **Australia**

1. Australian multilateral assessment
2. Partnership performance assessments
3. Multilateral scorecard
4. Regional or field office reviews
5. Project reviews
6. Making performance count – multilateral performance assessments

#### **Canada**

1. Development effectiveness review
2. Annual narrative project reports
3. Fiduciary risk evaluations

#### **Denmark**

1. Denmark's engagement in multilateral development and humanitarian organizations
2. Danish multilateral development cooperation analysis
3. Danish International Development Agency organization strategy
4. Midterm reviews
5. Final evaluations of projects

#### **European Commission**

1. Pillar reviews
2. Verification missions
3. Results oriented monitoring exercises

#### **France**

1. Assessments of multilateral organizations
2. Assessments at the programme and project level

#### **Germany**

1. BMZ mapping of multilateral organizations engaged in development
2. "Pre-qualification" evaluations at the regional and field office level
3. BMZ monitoring visits at the project level
4. GIZ monitoring and verification exercises at the project or programme level

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<sup>a</sup> Based on the information provided by organizations and donors in their questionnaire responses.

**Japan**

1. Multilateral evaluation of organizations
2. Administrative operational review
3. Reviews at the project level and regional or field office level
4. Evaluation of assessed contributions/voluntary contributions to international organizations

**The Netherlands**

1. Dutch multilateral assessment scorecard
2. Evaluations at the field and regional offices and at the project level
3. Reviews of the Netherlands' humanitarian assistance

**Norway**

1. NORAD NOMFA
2. Project and field office reviews

**Sweden**

1. Sweden's assessments of multilateral organisations
2. SIDA project reviews
3. SIDA field office assessment

**United Kingdom**

1. DFID multilateral development reviews<sup>b</sup>
2. DFID verification missions
3. DFID due diligence assessments, including central assurance assessments
4. DFID commercial expertise reviews
5. DFID internal audit and investigation functions reviews
6. DFID portfolio delivery review
7. DFID annual reviews
8. DFID project, programme and field office level reviews: due diligence assessments, annual reviews, project completion reviews and verification missions

**United States**

1. United States Agency for International Development reviews at the project level and at the corporate level
2. Government Accountability Office reviews at the corporate level and at the project or programme level
3. United States Department of Labor project reviews
4. Whistleblower policy assessments

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<sup>b</sup> Formerly, multilateral aid reviews or multilateral development evaluations.

## **Annex IV The Grand Bargain**

The purpose of the Grand Bargain is to get more means into the hands of people in need. By increasing efficiency, resources can be shifted away from draining backroom activities to frontline delivery. It is also intended to identify and implement a shared open-data standard and common digital platform which will enhance transparency and decision-making.

### **The goals of the Grand Bargain are to:**

- (1) Publish timely, transparent, harmonized and open high-quality data on humanitarian funding within two years of the World Humanitarian Summit in Istanbul. Aid organizations and donors consider IATI to provide a basis for the purpose of a common standard;
- (2) Make use of appropriate data analysis, explaining the distinctiveness of activities, organizations, environments and circumstances (for example, protection, conflict-zones, etc.);
- (3) Improve the digital platform and engage with the open-data standard community to help ensure:
  - accountability of donors and responders with open data for retrieval and analysis;
  - improvements in decision-making, based upon the best possible information;
  - a reduced workload over time as a result of donors accepting common standard data for some reporting purposes;
  - traceability of donors' funding throughout the transaction chain as far as the final responders and, where feasible, affected people.
- (4) Support the capacity of all partners to access and publish data.

### **The main elements of a Grand Bargain are:**

- For aid organizations and donors to work more closely towards:
  - More financial transparency
  - More support and funding tools to national first responders
  - Scale up use of cash-based programming and more coordination in its delivery
- For aid organizations to commit to:
  - Reduce duplication and management costs
  - Periodic functional expenditure reviews
  - More joint and impartial needs assessments
  - A Participation Revolution: listen more to and include beneficiaries in decisions that affect them
- For donors to commit to:
  - More multi-year humanitarian funding
  - Less earmarks to humanitarian aid organizations
  - More harmonized and simplified reporting requirements

*Source:* “The Grand Bargain: a shared commitment to better serve people in need”; “Too important to fail – addressing the humanitarian financing gap”

**Annex V**  
**Commonalities among five comprehensive assessments of multilateral organizations**
































		Australia	Netherlands	Sweden	United Kingdom	MOPAN
<b>Macro level</b>	Effective leadership	x		x	x	
	Governing body effective in guiding management	x	x		x	
	Innovative approaches	x				
	Likelihood of change			x	x	
	Lesson learning	x				x
	Managing for results	x	x	x	x	x
	Strategic management	x	x	x	x	x
	Transparency and accountability	x		x	x	
<b>Operational</b>	Corruption		x	x		
	Cost/value consciousness	x			x	
	Delegated decision-making					
	Effective HR	x	x	x	x	x
	Evaluation function for delivery and external results	x	x	x	x	x
	Evidence-based programming					x
	Financial accountability	x	x	x	x	x
	Transparent information sharing			x		x
	Operates within mandate, international commitments	x	x	x	x	x
	Organisational performance			x		x
	Promotes transparency in partners	x				
<b>Country-level</b>	Align and contribute to national country priorities/systems	x		x		x
	Partnership behaviour	x	x	x	x	x
	Participatory approach with partners, marginalised groups	x			x	
	Progress towards results				x	x
	Relevant to major stakeholders					x
	Results at country level		x	x	x	x
	Transparency, accountability of allocations	x			x	x
<b>Relevance to donors' national aid objectives</b>	Environment/ Climate Change/ Sustainability	x	x	x	x	
	Economic growth				x	
	Fills a policy gap	x				
	Fragility	x			x	
	Gender	x	x	x	x	
	Good governance		x	x	x	
	Focus on poor countries				x	
	Food security		x			
	Human rights			x		
	Humanitarian			x	x	
	MGGs	x			x	x
	People with disabilities	x				
	Poverty reduction	x		x		
	Security/legal		x		x	
	Social development			x		
Sexual and reproductive health		x				
Water		x				

Source: OECD, *Multilateral Aid 2013* (Paris, OECD Publishing, 2013), p. 40.



**Annex VI**  
**Comparison of ratings of multilateral agencies by the Australian Agency for International Development and the United Kingdom Department for International Development**

Acronym	Multilateral Agency	Australian Multilateral Assessment (March 2012)	UK Multilateral Aid Review (April 2011)	Acronym	Multilateral Agency	Australian Multilateral Assessment (March 2012)	UK Multilateral Aid Review (April 2011)
AfDB	African Development Bank			IOM	International Organisation for Migration		
AsDB	Asian Development Bank			UNAIDS	The Joint United Nations Programme on HIV/AIDS		
CDB	Caribbean Development Bank			Adaptation fund	Kyoto Protocol Adaptation Fund		
CERF	Central Emergency Relief Fund			Montreal Protocol	Multilateral Fund for the Implementation of the Montreal Protocol		
CIFs	Climate Investment Funds			OHCHR	Office Of The United Nations High Commissioner For Human Rights		
ComSec	Commonwealth Secretariat Development Programmes			PIDG	Private Infrastructure Development Group		
CGIAR	Consultative Group on International Agricultural Research			UNHCR	United Nations High Commissioner for Refugees		
	Extended Financing Window (MDG Fund)				UNITAID		
EBRD	European Bank for Reconstruction and Development			UNCDF	United Nations Capital Development Fund		
ECHO	European Common Humanitarian Organisation			UNICEF	United Nations Children's Fund		
EC Budget	European Commission Budget			UNDP	United Nations Development Programme		
EDF	European Development Fund			UNESCO	United Nations Educational, Scientific and Cultural Organization		
FAO	Food and Agriculture Organisation			UNEP	United Nations Environment Programme		
GAVI	Global Alliance for Vaccines and Immunization			UNFCCC-LDCF	United Nations Framework Convention on Climate Change The Least Developed Countries Fund		
GCDT	Global Crop Diversity Trust			UN - Habitat	United Nations Human Settlements Programme		
GEF	Global Environment Facility				United Nations Industrial Development Organization		
GFDRR	Global Facility for Disaster Reduction and Recovery			UNISDRR	United Nations Office for Disaster Risk Reduction		

Acronym	Multilateral Agency	Australian Multilateral Assessment (March 2012)	UK Multilateral Aid Review (April 2011)	Acronym	Multilateral Agency	Australian Multilateral Assessment (March 2012)	UK Multilateral Aid Review (April 2011)
Global Fund	The Global Fund to Fight AIDS, Tuberculosis and Malaria			UNMAS	United Nations Mine Action Service		
GPE	Global Partnership for Education (FTI)			UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs		
IaDB	Inter-American Development Bank			UNODC	United Nations Office on Drugs and Crime		
ICRC	International Committee of the Red Cross			Peacebuilding Fund	United Nations Peacebuilding Fund		
IDA	International Development Agency			UNFPA	United Nations Population Fund		
IFRC	International Federation of Red Cross and Red Crescent Societies			UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East		
IFC	International Finance Corporation			UN Women	United Nations Entity for Gender Equality and the Empowerment of Women		
IFAD	International Fund For Agricultural Development			WB	World Bank		
ILO	International Labour Organisation			WFP	World Food Programme		
IMF - TA	International Monetary Fund Technical Assistance Trust Funds			WHO	World Health Organisation		

The European Union has provided the following clarification: "The EU is unique among DAC Members in that it plays a dual role in development assistance. Although the EU is a full DAC member and a donor of ODA in its own right, with its own development policy and own resources, it is often presented as a multilateral in DAC publications for statistical purposes. This report reflects this dichotomy."

Note: Illustration is authors' own based on performance indicators from each review. A full moon or pie represents the maximum score for which an agency is eligible.

Source: DFID (Department for International Development) (2011), Multilateral Aid Review, Government of the United Kingdom, London; AusAID (Australian Aid) (2012), Australian Multilateral Assessment, Government of Australia, Canberra

Source: OECD, *Multilateral Aid 2013* (Paris, OECD Publishing, 2013), p. 46.

## Annex VII

## Overview of actions to be taken by participating organizations on the recommendations of the Joint Inspection Unit

JIU/REP/2017/2

		Intended impact	United Nations, its funds and programmes														Specialized agencies and IAEA																		
			CEB	United Nations*	UNAIDS	UNCTAD	ITC	UNDP	UNEP	UNFPA	UN-Habitat	UNHCR	UNICEF	UNODC	UNOPS	UNRWA	UN-Women	WFP	FAO	IAEA	ICAO	ILO	IMO	ITU	UNESCO	UNIDO	UNWTO	UPU	WHO	WIPO	WMO				
Report	For action		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			
	For information		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			
Recommendation 1		a	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L			
Recommendation 2		g	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L		
Recommendation 3		a	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E		
Recommendation 4		a	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	
Recommendation 5		a	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	L	
Recommendation 6		a	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E

**Legend:** L: Recommendation for decision by legislative organ E: Recommendation for action by executive head

: Recommendation does not require action by this organization

**Intended impact:** a: enhanced transparency and accountability b: dissemination of good/best practices c: enhanced coordination and cooperation d: strengthened coherence and harmonization e: enhanced control and compliance f: enhanced effectiveness g: significant financial savings h: enhanced efficiency i: other

\* As listed in ST/SGB/2015/3.