



Global Environment Facility
Fiduciary Management Standards

Standards and Practices Review Template

Draft Version Agency: **UNEP**

Proprietary and Confidential
Draft — Preliminary and Tentative — For Discussion Purposes Only

December 12, 2007

A. Audit, Financial Management and Control Framework**(1) External Financial Audit**

The external financial audit function ensures an independent (as defined by the International Federation of Accountants (IFAC)) review of financial statements and internal controls.

- a. The agency has appointed an independent external audit firm or organization.
- b. The work of the external audit firm or organization is consistent with recognized international auditing standards such as International Standards on Auditing (ISA).
- c. Financial statements are prepared in accordance with recognized accounting standards such as International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) or Generally Accepted Accounting Principles (GAAP) that are accepted in major capital markets for listed companies.
- d. The internal controls over financial reporting cover the use of GEF funds, and Management asserts to the agency governing body that these internal controls are adequate.
- e. An annual audit opinion on the financial statements is issued by the external auditor and made public.
- f. An independent audit committee, or comparable body, is appointed and oversees the work of the external audit firm or organization as it relates to the audit of the financial statements. The audit committee or comparable body has written terms of reference that address its membership requirements, duties, authority, accountability and regularity of meetings.
- g. The external auditor makes regular reports of observations with respect to accounting systems, internal financial controls, and administration and management of the organization. Auditor and management progress reports are reviewed by the audit committee or comparable body annually.

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>a) UNEP, as a UN Fund and Programme which operates in compliance with the UN Financial Regulations and Rules, is subject to external audit by the UN Board of Auditors, who operates independently of UNEP and reports to the UN General Assembly.</p> <p>b) The audit is conducted in accordance with the common auditing standards of the Panel of External Auditors of the UN, the specialized agencies and the International Atomic Energy Agency and with the International Standards on Auditing (ISA). See “Quality Assurance” section of the UN Board of Auditors Rules of Procedure.</p> <p>c) The UNEP accounts are maintained in accordance with the Financial Regulations of the United Nations as adopted by the General Assembly, the rules formulated by the Secretary-General as required under the regulations, administrative instructions issued by the Under-Secretary-General for Management or the Controller and specific divisions of the Governing Council of UNEP. The financial statements are prepared in accordance with the UN System Accounting Standards (UNSAS) as adopted by the Administrative Committee on Coordination, now replaced by the UN System Chief Executive Board for Coordination. The UN is preparing for implementation of International Public Service Accounting Standards (IPSAS) by 2010.</p> <p>d) UNEP financial reporting covers the trust funds related to the management of GEF finances and internal controls, as prescribed by the UN Financial Regulations and Rules (UNFRR) and related instructions and advisories, are applied. The UNEP financial report and accounts, including associated trust funds and other related accounts, are completed and certified as correct by the Chief Finance Officer and approved and transmitted by the Executive Director to the UNEP Governing Council.</p> <p>e) In accordance with the decision of the UN General Assembly at its 29th Session, an external audit report is issued on the UNEP financial statements for each biennium which is made public. In addition, UNEP has a special</p>	<p>a) and b) United Nations Board Of Auditors Rules Of Procedure (Adopted at the 49th Regular Session of the Board 30 June – 1 July 2005 and Amended at the 35th Special Session on 7 December 2005)</p> <p>http://www.unsystem.org/auditors</p> <p>c) UNSAS Revision VIII of Dec 2007. Detailed information on IPSAS implementation found in the UN website</p> <p>d) Governing Council documentation available at www.unep.org</p>

Inventory of Current Organizational Environment	Documentation References
<p>arrangement with the UN Board of Auditors to conduct an annual audit on UNEP's GEF trust funds. A copy of the audit opinion is provided to the GEF Trustee.</p> <p>f) Please refer to United Nations Board Of Auditors Rules Of Procedure.</p> <p>g) All audit report observations are subject to regular review and are formally reported upon annually.</p>	

II. Description of area(s) in which agency does not meet this standard, and description of agency's monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
<p>The UN currently applies the UN System Accounting Standards which differ from IPSAS in some areas.</p>	<p>The UN Secretariat is working towards implementation of IPSAS effective 1 January 2010. UNEP, as a UN Fund and Programme, is part of this process.</p>

(2) Financial Management and Control Frameworks

An internal control framework, as defined by internationally recognized frameworks such as COSO, Cadbury and CoCo, is a risk-based process designed to provide reasonable assurance and feedback to management regarding the achievement of objectives in the following categories:

- *Effectiveness and efficiency of operations*
 - *Reliability of financial reporting and financial management frameworks*
 - *Compliance with applicable policies and procedures.*
- a. A control framework has been adopted that is documented and includes clearly defined roles for management, internal auditors, the board of directors or comparable body, and other personnel.
- b. The control framework covers the control environment (“tone at the top”), risk assessment, internal control activities, monitoring, and procedures for information sharing.
- c. The control framework has defined roles and responsibilities pertaining to accountability within the control framework for fiscal agents and fiduciary trustees.
- d. At the institutional level, risk-assessment processes are in place to identify, assess, analyze and provide a basis for proactive risk responses. Risks are assessed at multiple levels, and plans of action are in place for addressing risks that are deemed significant or frequent.
- e. The control framework guides the financial management framework.
- f. Procedures are in place for identifying internal controls and assessing controls details annually in the following financial management areas:
- Budgeting;
 - Accounting;
 - Internal control;
 - Funds flow (including disbursements, cash management, unused fund close-out);
 - Financial reporting; and
 - Auditing arrangements.
- g. Duties are segregated where incompatible. Related duties are subject to a regular review by management; response is required when discrepancies and exceptions are noted; and segregation of duties is maintained between: settlement processing; procurement processing; risk management/reconciliations; and accounting.

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>The following statements are correct in relation to the UN Secretariat and apply to UNON and to UNEP as a UN fund and programme.</p> <p>a. A control framework has been adopted that is documented and includes clearly defined roles for management, internal auditors, the Advisory Committee on Administrative and Budgetary Questions (ACABQ), the Fifth Committee, and other personnel.</p> <p>b. The control framework covers the control environment (“tone at the top”), risk assessment, internal control activities, monitoring, and procedures for information sharing.</p> <p>c. The control framework has defined roles and responsibilities pertaining to accountability within the control framework for fiscal agents and fiduciary trustees. The UNFRR clearly define and separate the roles of authorizing, certifying, and approving. The role of bank signatories is also defined and separate.</p> <p>d. On risk assessment at the institution level, the UN General Assembly adopted resolution A/RES/61/245 “Comprehensive review of governance and oversight within the United Nations and its funds, programmes and specialized agencies”, in which it requests the UN Secretary General to submit no later than to the sixty-first session reports on the following:</p> <ul style="list-style-type: none"> (a) Enterprise risk management and internal control framework; (b) Results-based management; (c) Accountability framework <p>In this context the UN Department of Management has undertaken an exercise to develop and implement a policy and framework of enterprise-wide risk management, and a comprehensive internal control framework focused on performance and improvement. UNEP, as a UN Fund and Programme is part of this exercise and has undertaken the following with respect to (a)-(c) above:</p> <ul style="list-style-type: none"> (a) <i>Enterprise risk management and internal control framework:</i> <ul style="list-style-type: none"> - Participated in the Introduction to OIOS Risk Assessment Exercise; 	<p>a) to g): UNFRR; ST/SGBs; ST/AIs; Procurement Manual; Integrated Monitoring and Documentation Information System (IMDIS); UNEP Accountability Framework, 1st December 2007</p> <p>A/RES/61/245</p>

Inventory of Current Organizational Environment	Documentation References
<ul style="list-style-type: none"> - Developed draft organizational risk assessment matrix to share with OIOS - Business processes and internal control mechanisms developed/ enhanced: <ul style="list-style-type: none"> o Management Information Report o Standardized legal instruments o Project Review Process o Project database (b) <i>Results-based management:</i> <ul style="list-style-type: none"> - Results based approach adopted in the: <ul style="list-style-type: none"> o Medium Term Strategy (2010-2013), Strategic Framework, UNEP's Programme of Work and Costed WorkPlan o new format for half yearly Programme Performance Report based on RBM framework - Staff Training: 120 staff trained on RBM - Received donor support in strengthening RBM in UNEP (c) <i>Accountability framework:</i> <ul style="list-style-type: none"> - Accountability Framework developed - Compact between Secretary General and UNEP's Executive Director is regularly reviewed/monitored. <p>e. The control framework guides the financial management framework.</p> <p>f. Procedures are in place for identifying internal controls and assessing controls details in the following financial management areas:</p> <ul style="list-style-type: none"> • Budgeting; • Accounting; • Internal control; • Funds flow (including disbursements, cash management, unused fund close-out); • Financial reporting, done on a biennium basis, with financial statements as at the end of the first and second year of the biennium • Audit arrangements: annual audit but the audit of the financial statement of the first year of the biennium being a "systems" audit and audit opinion 	

Inventory of Current Organizational Environment	Documentation References
<p>only at the end of the biennium. Annual reports from the auditors to UNEP management on areas of concern identified during the course of the audit.</p> <p>g. Duties are segregated where incompatible. Related duties are subject to a regular review by management; response is required when discrepancies and exceptions are noted; and segregation of duties is maintained between: settlement processing; procurement processing; risk management/reconciliations; and accounting.</p>	

II. Description of area(s) in which agency does not meet this standard, and description of agency's monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
a) Financial reporting and auditing arrangements to become annual with IPSAS implementation	Implementation of IPSAS.

(3) Financial Disclosure

The financial disclosure policy establishes and/or strengthens the process surrounding mandatory financial disclosures of possible or apparent conflicts of interest by identified parties.

- a. A documented financial disclosure policy covering identified parties defines conflicts of interest arising from personal financial interests that require disclosure, including actual, perceived and potential conflicts.
- b. The policy specifies who is required to adhere to the standards, including employees, employee family members, consultants, or independent experts at a management decision making level with the following responsibilities:
 - Contracting or procurement;
 - Developing, administering, managing, or monitoring loans, grants, programs, projects, subsidies, or other financial or operational benefits provided by the bank; and
 - Evaluating or auditing any project, program or entity.
- c. The policy specifies prohibited personal financial interests.
- d. The policy describes the principles under which conflicts of interests are reviewed and resolved by the agency. It describes sanction measures for parties that do not self disclose where a conflict of interest is identified. The policy contains references to other related internal policies, such as outside employment policies.
- e. Parties covered by the policy are provided a way to disclose personal financial interests annually to an administrative function within the agency.
- f. The policy establishes processes for the administration and review of financial disclosure interests of the defined parties defined as well as resolution of identified conflicts of interests, under an independent monitoring/administration function.

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>The following statements are true for the UN Secretariat and apply to UNEP as a UN Fund and Programme:</p> <p>a. A documented financial disclosure policy covering identified parties defines conflicts of interest arising from personal financial interests that require disclosure, including actual, perceived and potential conflicts.</p> <p>b. The policy specifies who is required to adhere to the standards, including employees, employee family members, consultants, or independent experts at a management decision making level with the following responsibilities:</p> <ul style="list-style-type: none"> • Contracting or procurement; • Developing, administering, managing, or monitoring loans, grants, programs, projects, subsidies, or other financial or operational benefits provided by the bank; and • Evaluating or auditing any project, program or entity. <p>c. The policy specifies prohibited personal financial interests.</p> <p>d. The policy describes the principles under which conflicts of interests are reviewed and resolved by the agency. It describes sanction measures for parties that do not self disclose where a conflict of interest is identified. The policy contains references to other related internal policies, such as outside employment policies.</p> <p>e. Parties covered by the policy are provided a way to disclose personal financial interests annually to an independent agency.</p> <p>f. The policy establishes processes for the administration and review of financial disclosure interests of the defined parties defined as well as resolution of identified conflicts of interests, under an independent monitoring/administration function.</p>	<p>ST/SGB/2006/6 Financial disclosure and declaration of interest statements.</p> <p>Guidelines on Financial Disclosure and Declaration of Interest Statements</p>

II. Description of area(s) in which agency does not meet this standard, and description of agency’s monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
None	

4) Code of Ethics

A code of ethics for agency staff promotes responsible governance and ethical behavior.

- a. A documented code of ethics defines ethical standards to be upheld, including protecting agency and trust fund assets. The code lists parties required to adhere to the standards including employees, consultants, and independent experts. It describes disciplinary and enforcement actions for violations, and provides for appropriate flexibility in application and implementation in local environments.
- b. An ethics or related function provides administrative support for the code, including distributing the code, monitoring compliance, and authority to refer to the agency's investigation function for alleged violations.
- c. Multiple avenues for reporting compliance and/or other business conduct concerns such as a hotline and contact information for functional/department options (e.g. human resources and internal audit) are readily available (e.g. by posting them to the agency's intranet and external websites).

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>As a UN Fund and Programme, UNEP is covered by the UN Ethics Office which was established in 2006 with the purpose of securing the highest standards of integrity of staff members. The main responsibilities of the Ethics Officer are:</p> <ul style="list-style-type: none"> • Administering the organization's financial disclosure programme; • Undertaking the responsibilities assigned to it under the organization's policy for the protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits or investigations; • Providing confidential advice and guidance to staff on ethical issues, including administering an ethics helpline; and • Developing standards, training and education on ethics issues, in coordination with Office of Human Resources Management and other offices as appropriate. 	<p>ST/SGB/2005/22 - Ethics Office - Establishment and Terms of Reference http://www.un.org/reform/ethics/index.shtml ST/SGB/2002/13 Status, Basic Rights and Duties of UN Staff Members International Civil Service Commission Standards of Conduct of January 2002.</p>

II. Description of area(s) in which agency does not meet this standard, and description of agency’s monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
None	

(5) Internal Audit

Internal auditing is an independent, objective activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

- a. Internal audit activity is carried out in accordance with internationally recognized standards such as those prescribed by the Institute of Internal Auditors (IIA).
- b. Auditors and entities that provide internal auditing services adhere to ethical principles of integrity, objectivity, confidentiality and competency.
- c. The internal audit function is independent and objective in the execution of its respective duties. There is an officer designated to head the internal audit function. The chief audit officer reports to a level within the organization that allows the internal audit activity to fulfill its responsibilities objectively.
- c. The internal audit function has documented a terms of reference/charter that outlines its purpose, authorized functions, and accountability.
- d. The internal audit function has a documented description of the annual audit planning process, including a risk-based methodology for preparing an audit plan. The audit plan outlines the priorities of the function and is consistent with the agency's goals.
- e. The chief audit officer shares information and coordinates activities with relevant internal and external parties (including external financial statement auditors) to ensure proper coverage and minimize duplication of efforts.
- f. The internal audit function disseminates its findings to the corresponding senior and business management units, who are responsible for acting on and/or responding to recommendations.
- g. The internal audit function has a process in place to monitor the response to its recommendations.
- h. A process is in place to monitor and assess the overall effectiveness of the internal audit functions including periodic internal and external quality assessments.

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>According to United Nations Financial Regulation 5.15, Office of Internal Oversight Services (OIOS) is responsible for conducting independent internal audits in the UN, including for UNEP. These audits are carried out in accordance with the International Standards for the Professional Practice of Internal Auditing.</p> <p>OIOS indicated that they fully conform to the requirements mentioned above and refers you to their website for the supporting documentation.</p>	<p>www.un.org/depts/oios.</p>

II. Description of area(s) in which agency does not meet this standard, and description of agency's monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
None	

B. Project/Activity Processes and Oversight

(1) Project Appraisal Standards, including safeguards measures, as appropriate

Project appraisal functions include the establishment of standards and appropriate safeguards that are used to determine whether projects and activities will meet their development goals before funds are dispersed.

- a. An independent project and/or activity appraisal process is in place with the purpose of examining whether proposed projects and/or activities meet appropriate technical, economic, financial, fiduciary, environmental, social, institutional and/or other relevant criteria, including GEF-mandated criteria, and whether they are reasonably likely to meet stated objectives and outcomes. The process ensures an appropriate degree of institutional checks and balances at the stage of project design.
- b. Project and/or activity development objectives and outcomes are clearly stated and key performance indicators with baseline and targets are incorporated into the project/activity design.
- c. Risk-assessment procedures are in place specifying the criteria and circumstances under which environmental, social, institutional and/or fiduciary assessments must be conducted.
- d. Adequate oversight procedures are in place to guide the appraisal process and ensure its quality and monitoring of follow-up actions during implementation.

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>The UNEP Project Approval Group (PAG) is responsible for project review and approval.</p> <p>The UNEP Project Manual and the Revised Project Review and Approval Process, establish the standards and criteria for project development, approval, monitoring and evaluation.</p> <p>The Quality Assurance Section (QAS) is responsible for UNEP's strategic planning, setting of programme and management quality standards and business processes, performance monitoring, production of management information, and the maintenance of corporate donor relationships.</p>	<p>-UNEP Project Manual: formulation, approval, monitoring and evaluation 2005</p> <p>-UNEP Revised Project Review and Approval Process, (Effective 1 January 2008)</p>

Inventory of Current Organizational Environment	Documentation References
Additional checks and balances exist with respect to GEF projects, including procedures and guidance for review, appraisal, monitoring, supervision and evaluation. These conform to the GEF criteria.	-DGEF Assessment of Quality of Project Supervision Guidelines, 2007 -DGEF Guidelines for Project Implementation Review -Terms of Reference for the Divisional (DGEF) Review and Oversight Committee -Standard Terms of Reference for GEF Project Evaluations - Quality Assessment Matrix of GEF Project Evaluation Reports

II. Description of area(s) in which agency does not meet this standard, and description of agency's monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
<p>a) Environmental and Social Safeguard procedures and guidelines for UNEP projects are being developed. This includes:</p> <ul style="list-style-type: none"> i) Environmental safeguards to be integrated into the project legal instrument for project executing partners, as well as a check list to assess and monitor potential negative environmental effects of projects at the appraisal, monitoring and evaluation stages. ii) Tools for assessing and mitigating potential social negative impacts of projects on vulnerable groups, with emphasis on gender and indigenous peoples issues <p>Note: The UN Environmental Management Group (EMG) chaired by UNEP is exploring the possibility to coordinate and support efforts across UN Agencies to develop minimum standards for environmental safeguards.</p> <p>A revised UNEP Evaluation Manual under development integrates complete guidance on evaluation of UNEP GEF projects and programmes in accordance with relevant GEF Policies and Criteria</p>	<p>By September 2008</p> <p>N/A</p>

(2) Procurement Processes

Agency procurement processes covering both internal/administrative procurement and procurement by recipients include written standards based on widely recognized processes and an internal control framework to protect against fraud, corruption and waste.

- a. Specific directives at the agency promote economy and efficiency in procurement through written standards and procedures that specify procurement requirements, accountability and authority to take procurement actions.
- b. Specific procurement guidelines are in place with respect to different types of procurement managed by the agency, such as consultants, contractors and service providers.
- c. Specific procedures, guidelines and methodologies of assessing the procurement procedures of beneficiary institutions are in place.
- d. Procurement performance in implemented projects is monitored at periodic intervals, and there are processes in place requiring a response when issues are uncovered.
- e. Procurement records are easily accessible to staff, and procurement policies and awards are publicly disclosed.

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>Procurement services to UNEP are provided by the United Nations Office at Nairobi, which is part of the UN Secretariat. The following statements are true in relation to the UN Secretariat</p> <p>a. Specific directives at the agency promote economy and efficiency in procurement through written standards and procedures that specify procurement requirements, accountability and authority to take procurement actions.</p> <p>b. Specific procurement guidelines are in place with respect to different types of procurement managed by the agency, such as consultants, contractors and service providers. (Institutional consulting services are covered in the Procurement Manual under Corporate Agreements while consultants and individual contractors are covered under Administrative Instruction ST/AI/1999/7)</p>	<p>UN Procurement Manual</p> <p>See: http://www.un.org/depts/ptd/ for procurement policies and contract awards</p> <p>ST/AI/1999/7 (Admin Instruction on Consultants and individual contractors)</p>

Inventory of Current Organizational Environment	Documentation References
e. Procurement records are accessible to staff on request, and procurement policies and awards are publicly disclosed.	

II. Description of area(s) in which agency does not meet this standard, and description of agency's monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
c) Specific procedures, guidelines and methodologies for assessing the procurement procedures of beneficiary institutions will be set in place for GEF financed activities.	September 2008
d) Although procurement activities are monitored twice a year and inventories of equipment purchased are required at periodic intervals and at completion of activities, an enhanced procurement performance monitoring tool for GEF implemented projects will be established.	September 2008

(3) Monitoring and Project-At-Risk-Systems

The GEF monitoring and evaluation policy, adopted by Council in February 2006, establishes minimum requirements based on widely recognized, best practice norms and standards for monitoring in the GEF. From a fiduciary perspective, the monitoring function detects, assesses, and provides management information about risks related to projects and/or activities, particularly those deemed to be at risk.

- a. Monitoring functions, policies and procedures consistent with the requirements of the GEF monitoring and evaluation policy have been established.
- b. The roles and responsibilities of the monitoring function are clearly articulated at both the project/activity and entity/portfolio levels. The monitoring function at the entity/portfolio level is separated from the project and/or activity origination and supervision functions.
- c. Monitoring reports at the project/activity level are provided to project/activity manager as well as to an appropriately higher level of oversight within the organization so that mid-course corrections can be made, if necessary. Monitoring reports at the

entity/portfolio level are provided to both project/activity managers and to an appropriately higher level of oversight within the organization so that broader portfolio trends are identified, and corresponding policy changes can be considered.

d. A process or system, such as a project-at-risk system, is in place to flag when a project has developed problems that may interfere with the achievement of its objectives, and to respond accordingly to redress the problems.

e. Adequate oversight procedures are in place to guide the project risk assessment process and to ensure its quality and monitoring of follow-up actions during implementation.

This process or system is subject to independent oversight

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>a) UNEP monitoring functions, policies and procedures are established in the UNEP Project Manual. Guidelines and templates for GEF Project Implementation Reviews (PIR) are available and continuously updated to reflect evolving GEF guidance.</p> <p>b) Roles and responsibilities of the monitoring function are articulated at both the project level and portfolio levels. The monitoring function at the portfolio level is separated from that of the project level.</p> <p>c) Monitoring reports at the project/activity level are provided to project/activity manager (Fund Management Officers and Task Managers) as well as to an appropriately higher level of oversight within the organization (SPMO, Focal Area Senior Programme Officers) so that mid-course corrections can be made, if necessary. Monitoring reports at the entity/portfolio level are provided to both project/activity managers and to an appropriately higher level of oversight (Portfolio Manager) within the organization so that broader portfolio trends are identified, and corresponding policy changes can be considered.</p> <p>d) A pilot DGEF project-at-risk system established in 2005 and in operation since then. E-based implementation of the project-at-risk system will begin upon completion of the DGEF project information management system</p> <p>e) Guidelines for independent assessment of quality of project supervision were</p>	<p>UNEP Project Manual</p> <p>UNEP-GEF PIR template and guidance</p> <p>DGEF Project Supervision Guidelines</p> <p>-DGEF Assessment of Quality of Project</p>

Inventory of Current Organizational Environment	Documentation References
established in 2007 for DGEF. Implementation of the first Quality of Project Supervision Review will take place in 2008.	Supervision Guidelines, 2007

II. Description of area(s) in which agency does not meet this standard, and description of agency's monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
None	

(4) Evaluation Function

The evaluation function assesses the extent to which projects, programs, strategies, policies, sectors, focal areas, or other activities achieve their objectives. The goals of evaluation are to provide an objective basis for assessing results, to provide accountability in the achievement of agency objectives, and to learn from experience. The GEF monitoring and evaluation policy, adopted by Council in February 2006, establishes minimum requirements based on widely recognized, best practice norms and standards for monitoring in the GEF, including impartiality, professionalism, and a high degree of independence.

- a. Independent evaluations are undertaken by an established body or function as part of a systematic program of assessing results, consistent with the requirements of the GEF monitoring and evaluation policy.
- b. The evaluation function follows impartial, widely recognized, documented and professional standards and methods.
- c. The evaluations body or function is structured to have the maximum independence possible from the organization's operations, consistent with the structure of the agency, ideally reporting directly to the governing board. If its structural independence is limited, the evaluations body or function has transparent reporting to management and /or the governing board.
- d. An evaluation disclosure policy is in place. Evaluation reports are disseminated as widely as possible, and at a minimum to all parties directly or indirectly involved with the project. To enhance transparency, to the extent possible, reports are available to the public.

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>The mandate for conducting evaluations in UNEP derives from several General Assembly decisions, summarized in the "Regulations and Rules Governing Programme Planning, the programme aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation" (ST/SGB/20008), requiring all UN programme activities to be evaluated. In addition, a number of UNEP Governing Council decisions 75(iv), 83, 6/6/136. 13/1 and 14/1 also authorize and regulate evaluations in UNEP. In accordance with the UNEP's organigram adopted by the Governing Council of UNEP in 1998, the Evaluation and Oversight Unit is located with the Office of the Executive Director of UNEP with management responsibilities delegated to the Deputy Executive Director of UNEP. The Evaluation and Oversight Unit is charged with the responsibilities of</p>	<ul style="list-style-type: none"> - Governing Council decisions 75 IV, 6/13, 13/1 and 14/1 - Self Assessment of independence of the evaluation function in accordance with UNEG for 2004 and 2006; - Secretary General's bulletin on programme planning, monitoring and implementation (ST/SGB/2000/8 - UNEG Standards

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<p>enabling management to enhance programmatic planning, implementation, monitoring and reporting and ensuring substantive accountability to UNEP's Governing Council, donors and the general public through the preparation of objective and independent evaluations and studies.</p> <p>The Evaluation and Oversight Unit operates on a policy framework which is consistent not only with the Norms and Standards for Evaluations in the United Nations System but also with international best practice in evaluation.</p> <p>EOU is structured to have the maximum independence possible from the organization's operations, consistent with the structure of the agency. As a result, the unit is fully independent vis-à-vis UNEP divisions (this includes the Division of Global Environment Facility Coordination) and outposted offices, including regional offices. The unit is independent on issues related to:</p> <ul style="list-style-type: none"> - developing its work program in collaboration with various divisions - recruitment of consultants within the guidelines of the organization - conduct of evaluations without interference from management - reporting of evaluation findings, and - follow-up on the implementation of evaluation recommendations. <p>Full disclosure of evaluations is a policy and has been practiced in UNEP for over 30 years. All evaluations prepared during the year are synthesized in the form of an Annual evaluation report for submission to the UNEP governing body as an inter-sessional document. The report is also submitted to the OIOS as part of UNEP's input into the preparation of the Secretary General's report to the General Assembly. It is widely distributed in UNEP and circulated to members of UNEG, the GEF Secretariat and placed on the Evaluation Web Page. All evaluations are distributed to project stakeholders and placed on the UNEP Evaluation Web page (http://www.unep.org/eou/Annual_evals/index.asp). Through evaluations and disclosure, the unit provides substantive support to decision making bodies and promotes accountability of activities of the organization through assessment of performance.</p> <p>EOU manages the evaluations of all UNEP GEF-funded projects These are conducted in line with the GEF Evaluation Policy.</p>	

II. Description of area(s) in which agency does not meet this standard, and description of agency’s monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
None	

C. Investigations

(1) Investigation Function

The investigation function provides for independent, objective investigation of allegations of fraud and corruption in agency operations, and of allegations of possible agency staff misconduct.

- a. The investigations function has publicly available terms of reference that outline the purpose, authority, and accountability of the function.
- b. To ensure independence, the investigations function is headed by an officer who reports to the head of the agency and/or an oversight body, such as a committee of the board of directors or a comparable body.
- c. The investigations function has published guidelines for processing cases, including standardized procedures for handling complaints received by the function and managing cases before, during and after the investigation process.
- d. The investigations function has a defined process for periodically reporting case trends. To enhance accountability and transparency, to the extent possible, case trend reports and other information are made available to senior management and respective functional business areas.

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
Investigative Services are provided by the Investigation Division of the Office of Internal Oversight Services, which is an entity which operates independently of UNEP. OIOS, Investigation Division, indicated that they fully conform to the requirements mentioned above and refers you to their website for the supporting documentation: www.un.org/depts/oios .	www.un.org/depts/oios .

II. Description of area(s) in which agency does not meet this standard, and description of agency's monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
None	

(2) Hotline & Whistleblower Protection

Agency policies provide avenues for reporting suspected ethics violations and protections for individuals reporting such violations.

- a. A hotline or comparable mechanism is in place to ensure the capacity to take in reports of suspected unethical, corrupt, fraudulent or similar activity.
- b. An intake function coordinates the reporting of hotline information, compliance and/or other business concerns from internal and external sources. The intake function maintains a certain level of autonomy from the investigations function.
- c. A whistleblower protection policy covering who is protected and defining protected disclosures (such as violations of law, rule or regulation, abuse of authority, gross waste of funds, gross mismanagement or a substantial and specific danger to public health and safety). The policy defines the standard of protection from retaliation (such as placing the burden on the agency to provide evidence that the involved official would have taken the same action absent the protected disclosure).
- d. Policies are in place to ensure confidentiality and/or anonymity, as requested, of whistleblowers or others making reports (such as by using appropriate hotline technology, and preserving anonymity in reporting processes).
- e. Procedures are in place for the periodic review of the handling of hotline, whistleblower and other reporting information to determine whether the process to protect these parties is in place and is effective.

I. Description of how agency meets this standard:

Inventory of Current Organizational Environment	Documentation References
<p>The terms of reference of the UN Ethics Office includes among other responsibilities “Undertaking the responsibilities assigned to it under the Organization’s policy for protection of staff against retaliation for reporting misconduct and for cooperating with duly authorized audits and investigations”.</p> <p>The UN Secretary General’s Bulletin ST/SGB/2005/21 reflects the policy, guidance and procedures concerning “Protection against retaliation for reporting misconduct and for cooperating with duly authorized audits and investigations”.</p> <p>UNEP and its staff are covered by the above policy.</p>	<p>ST/SGB/2005/21 and ST/1C/200519 http://www.un.org/reform/ethics/index.shtml</p>

Inventory of Current Organizational Environment	Documentation References
Information circular ST/1C/2005/19 about “Reporting of suspected misconduct” informs staff about processes and procedures for reporting suspected misconduct.	

II. Description of area(s) in which agency does not meet this standard, and description of agency’s monitorable program to remedy any such shortfall, including specific target dates for implementation.

Area(s) of Shortfall	Description of Monitorable Program to Remedy Shortfall
None	