Item 2. Recommendations of the Board of Auditors

2024/1

Reports of UNDP, UNCDF, UNFPA and UNOPS on the implementation of the recommendations of the Board of Auditors, 2022

The Executive Board

1. Notes the unqualified audit opinions on UNDP, UNCDF, UNFPA and UNOPS issued by the United Nations Board of Auditors for 2022;

2. Acknowledges the progress made and supports the ongoing efforts of UNDP, UNCDF, UNFPA and UNOPS to implement the recommendations of the Board of Auditors;

3. Encourages UNDP, UNCDF, UNFPA and UNOPS to enhance their efforts to implement all open recommendations;

4. Encourages UNDP, UNCDF, UNFPA and UNOPS to include a statement of internal controls in their financial reports;

5. Acknowledges the observations and recommendations on risk management and decides to include at its first regular session a recurring joint agenda item for decision on risk management, to provide updates on the continuous work to improve the system of enterprise risk management and to inform the Board of critical risks of strategic importance;

6. Requests that for future presentations of reports from the Board of Auditors to the Executive Board, a representative from the Board of Auditors be available for questions from the Executive Board, and further requests that adequate time be allotted for remarks from the representative of the Board of Auditors and for questions from the Executive Board following the presentation of the Board of Auditors report for each agency;

7. Requests UNDP, UNFPA and UNOPS to provide a joint update to the Executive Board, as a recurring item for decision at the first regular session, on how the organizations are continually strengthening organizational culture, including their actions to prevent and respond to all forms of discrimination, including racism and racial discrimination, to ensure diversity, equity and inclusion, and to improve geographical representation and gender balance;

8. Requests that the annual address by the Chair of the Staff Council be included formally under the new agenda item on organizational culture, to allow integration of the perspective of staff into discussions on organizational culture;

With regard to UNDP:

9. Notes the progress made by UNDP in closing open audit recommendations and acknowledges that all recommendations issued prior to 2021 have been implemented;

With regard to UNCDF:

10. Commends UNCDF for closing all recommendations issued prior to 2022;

With regard to UNFPA:

11. Commends the sustained high rate of recommendation implementation by UNFPA in recent years;

12. Urges UNFPA to take appropriate measures to strengthen supply chain management and address associated risks, in response to the recommendations of the Board of Auditors,
and requests UNFPA to provide ahead of the second regular session 2024 a written update on actions taken, followed by a presentation;

With regard to UNOPS:

13. Notes the progress made by UNOPS in closing open recommendations;

14. Notes with concern the observations and recommendations in relation to the implementation of the comprehensive response plan;

15. Appreciates the ongoing efforts of UNOPS to strengthen the approval process of pre-selection requests in procurement, and requests an update on the actions taken as part of the consultation process on the ongoing review of the UNOPS financial regulations and rules;

16. Underlines the need to enhance risk management and risk awareness to improve governance and internal controls in UNOPS.

2 February 2024

Diego Cimino, Facilitator

Horst Rutsch, Editor
Item 7. UNDP evaluation

2024/2
UNDP evaluation

The Executive Board

1. Takes note of the evaluation of UNDP support to the digitalization of public services (DP/2024/6), and the management response (DP/2024/7);

2. Acknowledges the results achieved by UNDP and its crucial role supporting countries in the digital transformation of public services;

3. Encourages UNDP to build on its work on digitalization of public services, including on digital public goods and digital public infrastructure, by strengthening support to programme countries, upon their request, focusing greater attention in the areas of digital legal identity, digital financial services, and data interoperability; bridging the digital divide, including the gender digital divide; and securing data privacy and personal data protection and legal identity management;

4. Further encourages UNDP to adopt a targeted approach to support least developed countries in their efforts to strengthen digital public infrastructure and regulatory frameworks for improving public services and economic development;

5. Encourages UNDP to strengthen its efforts to mobilize, and create an enabling environment for, development financing for sectoral digitalization approaches and digital transformation at the country level;

6. Also encourages UNDP to facilitate South-South and triangular cooperation for digital transformation and strategically engage in enabling South-South cooperation to accelerate the development of additional capacities and learning lessons on digital transformation;

7. Requests that UNDP management address the issues raised by the evaluation, taking the conclusions and recommendations into consideration in its future programming.

2 February 2024

Shahanara Monica, Facilitator

Gretchen Luchsinger, Editor
Item 8. UNFPA evaluation

2024/3
UNFPA evaluation

The Executive Board

With regard to the UNFPA evaluation policy (DP/FPA/2024/1)

1. Welcomes the enhancements introduced in the 2024 evaluation policy and the fact that the policy has been informed by the conclusions and recommendations of the 2023 independent peer review;

2. Reaffirms the importance of the evaluation function at UNFPA and underscores the value of high-quality independent evaluation evidence in supporting the UNFPA strategic plan, 2022-2025, in accelerating the implementation of the 2030 Agenda for Sustainable Development;

3. Acknowledges the transparent and participatory process undertaken in developing the 2024 evaluation policy;

4. Encourages the continued engagement of UNFPA in joint, inter-agency and system-wide evaluations, including with the system-wide evaluation office, as well as in United Nations Sustainable Development Cooperation Framework evaluation exercises at country level;

5. Requests UNFPA to continue reporting to the Executive Board, as part of the annual report on the evaluation function, on the implementation of the evaluation policy, including on achieving the funding targets and related funding mechanisms;

6. Approves the 2024 evaluation policy;

With regard to the multi-year costed evaluation plan, 2024-2027 (DP/FPA/2024/2)

7. Welcomes the relevance and utility of the multi-year costed evaluation plan for 2024-2027;

8. Acknowledges the transparent and participatory process undertaken in developing the multi-year costed evaluation plan for 2024-2027;


2 February 2024

Manuela Rios, Facilitator

Horst Rutsch, Editor
Item 10A. United Nations Office for Project Services

2024/4

Comprehensive response plan in response to the recommendations of the two independent third-party reviews on UNOPS

The Executive Board

1. Acknowledges the progress in implementing the comprehensive response plan, and encourages the ongoing transformation of UNOPS;

2. Decides that the progress in implementing the outstanding recommendations will be reported to the Executive Board through continued monthly briefings, to be conducted by UNOPS senior management, until the first regular session 2025;

3. Takes note of the findings of the interim third-party review of the status of implementation of the recommendations;

4. Takes note of the still ongoing review of the whistleblowing process and encourages UNOPS management to accelerate progress in this regard;

5. Underlines the need for UNOPS to continue efforts on implementing the strategic plan and budget, to enhance governance, risk management, internal controls, and to increase efforts on timely, efficient and cost-effective information technology-transformation, as identified in the interim third-party review;

6. Requests UNOPS to develop and present to the Executive Board, no later than the second regular session 2024, an implementation strategy for the Process Innovation and Digitalization Programme, including risk analysis, budget and framework, with targets and timelines for monitoring, and further requests that UNOPS includes updates on this in monthly briefings and formal sessions;

7. Recalls its decisions 2022/13, 2023/18 and 2023/22 to freeze all transfers out of the operational reserve for any purpose other than daily operations;

8. Recalls its decision 2023/22 that approved the carry forward of the balance of $23.6 million of the allocated sum of $35.4 million for use to implement the comprehensive response plan within the current Strategic Plan cycle, 2022-2025;

9. Further recalls its decision 2023/22 to release the second tranche of $11.8 million, for implementation of the comprehensive response plan;

10. Requests detailed information by 31 March 2024 on utilization of the first tranche and a justification for the resulting carry-over amount;

11. Approves the carrying forward of the balance of the first tranche of $11.8 million into the UNOPS biennium budget, 2024-2025, for implementation of the comprehensive response plan;

12. Reaffirms it will release further tranches at the request of UNOPS at a future formal session in line with decision 2023/4 paragraph 19;

With regard to the requests for additional information on the project portfolio of UNOPS and alignment with its original mandate in resolution 65/176 and its restated Strategic Plan, 2022-2025, within paragraph 4 of decision 2023/22 and paragraph 7 of decision 2023/23:

13. Expresses appreciation for the information provided on the alignment of the past and future UNOPS portfolio with its original mandate in resolution 65/176 and its restated Strategic Plan, 2022-2025;
14. **Encourages** UNOPS to proceed to implement the envisaged portfolio insights gateway making detailed portfolio information publicly available in real-time;

15. **Strongly encourages** UNOPS to continue to critically assess new demands for services to determine their alignment with the original mandate and to engage partners, in particular from the United Nations, if their mandates are more suitable to meet the demand, and furthermore, to continuously review the current portfolio to ensure alignment with the original mandate;

   *With regard to the terms of reference of the external third-party review, which was requested to be commissioned by UNOPS at the end of the implementation period of the comprehensive response plan, within paragraph 18 of decision 2022/24:*

16. **Recalls** its decisions 2022/24 and 2023/23 for UNOPS to commission a third-party review, which will be presented to the Executive Board at the end of the implementation period of the comprehensive response plan;

17. **Recalls** its decision 2023/23 for UNOPS to submit the terms of reference of the external third-party review to the Executive Board for input and validation and requests that UNOPS submits these at the second regular session 2024;

18. **Decides** that the third-party review on the recommendations that have been concluded by the end of 2024 will be conducted in early 2025, with the exception of one recommendation spanning until 2027 which concerns a multi-year programme on process innovation and digitalization;

19. **Requests** that UNOPS commissions a third-party review on the implementation of the last recommendation, which concerns a multi-year programme on process innovation and digitalisation, once implemented;

   *With regard to accountability following the sustainable investments in infrastructure and innovation (S3i) and associated management crisis:*

20. **Notes** that impunity, or the perception thereof, has a detrimental effect on staff morale and trust in accountability systems;

21. **Recalls** decision 2022/21 paragraph 3 and requests the Executive Director, liaising with the appropriate oversight bodies, to ensure that impunity, or the perception thereof, is prevented, and that all individuals implicated in the S3i crisis, including previous senior UNOPS leadership, are held accountable, and to keep the Executive Board informed.

*2 February 2024*
Item 10B. United Nations Office for Project Services

2024/5
UNOPS organizational culture

The Executive Board

With regard to UNOPS strategy for the implementation of organizational culture reform fully aligned with United Nations norms and values, as requested within paragraph 11 of decision 2023/23:

1. Welcomes UNOPS response to the third-party review of organizational culture commissioned in March 2023;

2. Takes note of the proposed approach to reshape and embed a cultural transformation at UNOPS, rooted in the values of the United Nations;

3. Welcomes the steps and actions already taken in driving strategic transformation and shifting the organizational culture;

4. Decides that UNOPS should present to the Board ahead of the annual session 2024, a detailed workplan with relevant milestones, to implement the recommendations contained in the third-party review of the organizational culture;

5. Decides that progress and challenges in implementing the workplan will be reported through the continued monthly briefings on the comprehensive response plan until the first regular session 2025;

   With regard to the complete and unredacted results and reports of all the Pulse surveys and of the organizational culture assessment of UNOPS conducted by KPMG, as requested within paragraph 12 of decision 2023/23:

6. Takes note of the results of the Pulse surveys, and encourages UNOPS management to respond promptly to staff concerns raised;

7. Requests UNOPS to increasingly engage with its workforce, including through regular Pulse surveys, and to report to the Executive Board the survey results and follow-up actions taken in response;

   With regard to UNOPS plan on the implementation of paragraph 11 of decision 2023/1 on limiting the use of individual contractor agreements and the update on the progress towards the January 2024 milestones, as requested within paragraph 16 of decision 2023/23:

8. Welcomes the update regarding identified positions that have been filled (or in the process of) in line with the original recommendation of the United Nations Board of Auditors;

9. Recognizes the importance of the findings of the United Nations Joint Inspection Unit on the review of the use of non-staff personnel and related contractual modalities in the United Nations system (Joint Inspection Unit project A.468), to guide future decisions regarding UNOPS application of individual contractor agreements across the organization.

2 February 2024

Andreea Mocanu, Facilitator

Gretchen Luchsinger, Editor
Item 10C. United Nations Office for Project Services

2024/6
UNOPS distribution of excess reserves to paying entities: UNOPS proposal on the alternative use of undisbursed funds

The Executive Board

1. Takes note of UNOPS good faith effort and progress to distribute all excess reserves, aligned with the Executive Board decisions, to paying entities;

2. Welcomes the third-party independent review of the distribution of excess reserves and takes notes of the validation of the UNOPS methodology used;

3. Decides to extend until 31 December 2024 the deadline for the distribution of the excess reserves accumulated as of 31 December 2021 and requests UNOPS to continue engagement with paying entities;

4. Takes note with appreciation of the options proposed by UNOPS for use of undisbursed funds, requests an update ahead of the second regular session on the approximate amount remaining, and agrees to decide on their use at the second regular session.

2 February 2024

Frans van der Straaten, Facilitator

Gretchen Luchsinger, Editor