



JOINT INSPECTION UNIT
of the United Nations System

CORPS COMMUN d'INSPECTION
du Système des Nations Unies

Tuesday, 14 October 2014

Agenda item No. 130
Fifth Committee, Sixty-ninth Session

Opening statement to the Fifth Committee on the JIU Report

**Review of the Management of Implementing Partners
in United Nations System Organizations
JIU/REP/2013/4**

George A. Bartsiotas
Inspector

Mr Chairman, distinguished delegates,

I have the honour to introduce to you today the JIU report 'Review of the Management of Implementing Partners in United Nations system Organizations'.

The report provides a system wide review of the methods and processes used by the United Nations, its funds and programmes and specialized agencies, to select and manage Implementing Partners. It identifies common challenges, explores areas for improvement, and makes recommendations to legislative bodies, to heads of organizations, and to the CEB.

Implementing Partners are third parties with which organizations enter into agreements and allocate resources to implement their programmes and activities. They include host government entities, NGOs, and civil society.

In some organizations more than half of annual budgets are expended through Implementing Partners. This is a sizeable amount requiring commensurate levels of accountability and oversight. In working with partners, organizations are expected to put in place appropriate governance structures to ensure effective delivery of programs, with minimum risk of fraud, corruption and mismanagement.

Main findings of the report

The review found that despite the large volume of funds expended through implementing partners, and the important role they play in delivering UN programs, very few organizations have robust strategies, policies, and procedures in selecting and managing partners. When policies and procedures exist compliance is not always consistent. However, there are positive trends in recent years with organizations making concerted efforts to improve the management of implementing partners by strengthening due diligence mechanisms and updating their policies and procedures.

Mr Chair, allow me to highlight some of the relevant issues:

Need for a strategic approach

A number of organizations have a fragmented and often ad hoc approach in engaging with partners. The report recommends that these organizations develop implementing partner strategies which use their respective corporate strategic objectives as the basis for deciding partner requirements and selection. This will provide in each organization a common vision, maximizing effective use of partners in programme delivery, and ensuring that field offices do not enter into partner agreements that diverge from corporate goals and priorities.

The importance of assessments

An important element to the success of program implementation is the in-depth assessment of the implementing partner. If they are done correctly and against rigorous selection criteria, assessments help to identify risks and capacity gaps of the partner. This should lead to risk-mitigation and capacity development measures to ensure successful program delivery. Organizations use different assessment methodologies, some better than others, but the review found that assessments of partners are often done ad hoc and they do not always provide the required assurance.

Legal agreements

Agreements with partners provide the legal foundation for managing implementation and safeguarding UN interests. The review found that often they do not include important provisions such as: anti-fraud clauses, the right to investigate partners and their subcontractors, and requirements for mandatory disclosure of funds received by multiple donors. The report notes that a number of organizations are updating and strengthening the standard clauses of their agreements to address these gaps.

Need for robust and effective monitoring

The review found that often there is too much reliance on progress reports submitted by partners with little verification by UN staff to ensure funds are being spent as intended and results are being achieved. This is partly due to weak monitoring plans, limited UN staff on the ground, and the lack of expertise. Given these limitations, the report recommends that organizations with a large volume of partners develop a risk-based monitoring framework that will focus on projects that have the highest risk exposure.

Low levels of reported fraud

The decentralized environment in which most UN system organizations operate is prone to fraud. The BOA and other oversight bodies have indicated that the fraud reported by UN agencies is unusually low. Considering the high risk environment surrounding the work of partners throughout the system, this is an area that needs attention by all parties. During this review, we noticed the lack of fraud awareness among staff on the ground, and the lack of anti-fraud training. This is an area of concern because usually the majority of fraud cases are exposed through reports by knowledgeable and alert staff.

Fragmentation of data

Management of implementing partners is mostly decentralized. Information is dispersed among many offices and automation systems. Some agencies have devised dedicated information portals to keep track of data and performance of partners. Most organizations, however, have no access to key information on partners in an aggregated and user-friendly manner despite the abundance of information that already exists. As a result management is deprived of having readily available data on the parties that deliver the programs on the ground. This may hinder accountability and informed decision making.

Partner information sharing among organizations

The review found that at the country office level, there is insufficient information sharing on implementing partners among organizations. No consultation precedes the signing of partner agreements, and there are reported cases of no information sharing among organizations even on partners with poor performance record. This lack of information among UN peers is a major barrier to fraud detection. The report recommends that organizations establish operational procedures for sharing partner information on the ground.

Likewise, this review found there is limited or no sharing of information on implementing partners among agencies at the headquarters level. Headquarters management can draw from the experience of other organizations on issues such as selection modalities, capacity building, pre-assessments and due diligence measures. The report recommends that policy and management issues on implementing partners become a regular agenda item of the CEB.

Mr Chairman, you may note that in response to the JIU recommendation-- to include the topic of Implementing Partners in the CEB agenda—CEB members stated they do not see the need for regular discussion on this topic, but only on an occasional basis and as required. The evidence, however, and our report findings argue that the time for the CEB to address implementing partner issues is now. Following the JIU report on this subject, the BOA in recent reports in this area has also drawn attention to the impact of the lack of information sharing among organizations.

Partnering with Government entities

National government entities are important implementing partners throughout the UN system. In response to internationally agreed initiatives and General Assembly resolutions, organizations have put in place various modalities to deliver programmes through national government entities in an effort to support national ownership and capacity building. The review found that while there are successful UN system interventions through these modalities, measuring actual progress on a system-wide basis has been elusive. The report recommends that a system-wide study be conducted to take stock of the effectiveness of implementing partner modalities in strengthening national capacities and promoting national ownership.

Mr Chairman, I thank you for your attention. I welcome comments of delegations and questions you might have.