

**REVIEW OF MANAGEMENT AND ADMINISTRATION IN
THE INTERNATIONAL ATOMIC ENERGY AGENCY
(IAEA)**

Prepared by

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Joint Inspection Unit

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EXECUTIVE SUMMARY

Review of Management and Administration in the International Atomic Energy Agency (IAEA) JIU/REP/2012/13/Rev.1

The review is aimed at identifying areas for improvement in the management and administration practices in the International Atomic Energy Agency (IAEA) within the framework of ongoing reform processes. It focuses on governance, strategic planning, programming and budgeting, financial and executive management, human resources management and oversight. Recommendations 2 to 8 are addressed to the Director General for action; recommendations for consideration by the IAEA Board of Governors are listed below.

Main findings and conclusions

The Inspectors recommend that the Director General develop terms of reference (TOR) for IAEA executive managers and establish a formal performance assessment mechanism applicable to them, so as to strengthen accountability at the executive level (recommendations 2 and 3).

In view of the zero or near-zero real growth budget practice in IAEA in past years and the continuously growing mandates and requests for services by Member States, the Director General should reinforce his efforts to attract extrabudgetary resources by developing an agency-wide fundraising strategy and strengthening fundraising coordination and support at the corporate level (recommendation 4).

Recommendations to enhance the organization's human resources management include the development of a comprehensive action plan for the implementation of the Agency's gender policy (recommendation 5), measures to further improve transparency in granting long-term (LT) fixed-term appointments for professional staff (recommendation 6), and the allocation of adequate resources for staff training and development.

Recommendation 8 proposes that the Director General review IAEA's current ethics function arrangements and consider establishing a separate ethics office, and report thereon to the Board of Governors before the end of 2014.

The report also highlights various other issues for consideration by management, including those related to technical cooperation and joint programming; enterprise risk management (ERM); information and communication technology (ICT) governance and management; corporate knowledge management; adoption of a corporate accountability framework; emergency preparedness and cooperation with other international organizations and staff-management relations.

Recommendations for consideration by IAEA legislative organs

Recommendation 1

The IAEA Board of Governors should recommend that the General Conference adopt provisions to limit the term of the Director General to a maximum of two successive terms.

Recommendation 9

The Board of Governors and/or its Committees should have relevant JIU reports made available to Member States as official documentation under an agenda item or sub-item, as appropriate, and discuss them.

Recommendation 10

The Board of Governors should recommend that the General Conference establish an independent audit/oversight committee, whose members should be elected by Member States to represent the governing bodies' collective interests.

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ABBREVIATIONS

| | |
|---------|---|
| AIPS | Agency-Wide System for Programme Support |
| AISO | Agency Information Security Officer |
| CGIAR | Consultative Group on International Agricultural Research |
| CIO | Chief Information Officer |
| CKM | Corporate Knowledge Management |
| CPF | Country Programme Framework |
| CRM | Corporate Risk Management |
| CSC | Central Security Coordinator |
| CTBTO | Comprehensive Nuclear-Test-Ban Treaty Organization |
| DGM | Director General's Meeting |
| DGO | Office of the Director General |
| DGOP | Director General's Office for Policy |
| EC | European Commission |
| ECOSOC | United Nations Economic and Social Council |
| ERM | Enterprise Risk Management |
| EXPO | Office of External Relations and Policy Coordination |
| FAO | Food and Agriculture Organization of the United Nations |
| HRM | Human resources management |
| IACRNE | Inter-Agency Committee on Radiological and Nuclear Emergencies |
| IAEA | International Atomic Energy Agency |
| IASC | Inter-Agency Standing Committee |
| ICAO | International Civil Aviation Organization |
| IFAD | International Fund for Agricultural Development |
| IIA | Institute of Internal Auditors |
| ILO | International Labour Organization |
| IMO | International Maritime Organization |
| IPSAS | International Public Sector Accounting Standards |
| ISG/CKM | Interdepartmental Steering Group on Corporate Knowledge Management |
| ITU | International Telecommunication Union |
| JIU | Joint Inspection Unit |
| JPO | Junior Professional Officer |
| MTBF | Division of Budget and Finance, Department of Management |
| MTHR | Department of Management, Division of Human Resources |
| MTIT | Department of Management, Division of Information Technology |
| MTS | Medium Term Strategy |
| NPT | Treaty on the Non-Proliferation of Nuclear Weapons |
| OCHA | Office for the Coordination of Humanitarian Affairs |
| OHCHR | Office of the United Nations High Commissioner for Human Rights |
| OIOS | Office of Internal Oversight Services |
| OLA | Office of Legal Affairs |
| OOSA | Office for Outer Space Affairs |
| OPCW | Organization for the Prohibition of Chemical Weapons |
| OSCE | Organization for Security and Co-operation in Europe |
| PBC | Programme and Budget Committee |
| PBI | Programme budget implications |
| PCMF | Programme Cycle Management Framework |
| PRR | Performance review report |
| PUI | Peaceful Uses Initiative |
| RBM | Results-based management |
| RIAS | Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions and Associated International Organizations |

| | |
|---------|--|
| SEC-PMO | Secretariat of the Policy-making Organs |
| SGIM | Department of Safeguards, Division of Information Management |
| SMART | Specific, measurable, achievable, relevant and time-bound performance indicators |
| TACC | Technical Assistance and Cooperation Committee |
| TC | Department of Technical Cooperation |
| TCEU | Technical Cooperation Division for Europe |
| TCPC | Division of Programme Support and Coordination |
| TCSPS | Strategy and Partnership Section |
| TOR | Terms of Reference |
| UNCCD | United Nations Convention to Combat Desertification |
| UNCTAD | United Nations Conference on Trade and Development |
| UNDAF | United Nations Development Assistance Framework |
| UNDP | United Nations Development Programme |
| UNDRO | United Nations Disaster Relief Organization |
| UNECE | United Nations Economic Commission for Europe |
| UNEP | United Nations Environment Programme |
| UNESCO | United Nations Educational, Scientific and Cultural Organization |
| UNFCCC | United Nations Framework Convention on Climate Change |
| UNFPA | United Nations Population Fund |
| UNHCR | Office of the United Nations High Commissioner for Refugees |
| UNICC | United Nations International Computing Centre |
| UNICEF | United Nations Children's Fund |
| UNIDO | United Nations Industrial Development Organization |
| UNODC | United Nations Office on Drugs and Crime |
| UNRWA | United Nations Relief and Works Agency for Palestine Refugees in the Near East |
| UNWTO | United Nations World Tourism Organization |
| UPU | Universal Postal Union |
| WFP | World Food Programme |
| WHO | World Health Organization |
| WIPO | World Intellectual Property Organization |
| WMO | World Meteorological Organization |
| ZRG | Zero real growth |

I. INTRODUCTION

A. Objectives, scope and methodology

1. As part of its programme of work for 2012, the Joint Inspection Unit (JIU) conducted a review of management and administration in the International Atomic Energy Agency (IAEA). This report is one of a series of reviews of participating organizations undertaken in recent years. It is the first time that the JIU is conducting a management and administration review of IAEA.
2. The objective of the review is to identify areas for improvement in the management and administration practices of IAEA. It focuses on governance, strategic planning, programming and budgeting, financial and executive management, human resources management and oversight.
3. In accordance with JIU internal standards, guidelines and working procedures, the methodology used to prepare this report included a preliminary review, staff survey, questionnaire, interviews and in-depth analysis. Interviews were conducted with IAEA officials at all levels, including senior and executive managers. The Inspectors also met with human resources management officials of the Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO) to discuss its staff rotation policy, which is similar to IAEA's policy. Meetings were held with the IAEA Director General and five of the six Deputy Directors General. Twenty-two IAEA Member States representing all regional groups were approached for meetings or telephone conferences with the JIU report team; only a limited number of Member States were available for meetings or telephone conference, including China, Egypt, India, Republic of Korea and South Africa. The review team also met with the President of the IAEA Staff Council and separately with eight of its members. A visit to the IAEA's Seibersdorff Laboratories was undertaken combined with meetings of the respective Unit Heads.
4. An online staff survey was conducted with the aim of obtaining feedback and the views of IAEA staff at large on a number of issues related to their work and the daily functioning of the organization. The survey included 62 closed questions (with multiple-choice option) and one open question for qualitative assessments, comments and/or suggestions. The survey reached a response rate of 37.2 per cent.
5. In accordance with article 11.2 of the JIU Statute, this report was finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit.
6. To facilitate the handling of the report and the implementation of its recommendations and the monitoring thereof, the table in annex I indicates those recommendations that require a decision by IAEA governing bodies and those addressed to the Director General of IAEA.
7. The Inspectors express their appreciation to all who assisted them in the preparation of this report, particularly those who participated in the interviews and so willingly shared their knowledge and expertise.

B. Background

8. Within the United Nations system, IAEA has been recognized “as an autonomous international organization in the working relationship with the United Nations”¹ and as the organization “established for the specific purpose of dealing with the peaceful uses of atomic energy” having “a leading position in this field”.² Its mandate and work revolves around three pillars: promoting safeguards and verification; promoting safety and security; and promoting science and technology. However, when referring to nuclear issues, the attention of media and people tends to converge on the non-proliferation of nuclear weapons and, from time to time, nuclear accidents like at Chernobyl and Fukushima. IAEA’s third pillar, promoting the peaceful use of nuclear technology, is not as visible, although, in reality, the Agency devotes a significant part of its financial and human resources to promoting nuclear technology and cooperation in the nuclear field in order to combat global challenges such as climate change, clean energy, human health, food security, poverty reduction and water resources management.

9. IAEA was established in 1957 in the context of a special environment. On the one hand, the world was beset by fears of the proliferation of nuclear weapons; on the other, emerging nuclear science and techniques were raising hopes of benefits in many spheres of human life. Ever since, the Agency has been pursuing its statutory objective of seeking “to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world.”³

10. In the subsequent decades, the role of the Agency grew, evolving in response to Member States’ needs. Early expansion in civilian nuclear power was accompanied by the development of nuclear applications in health, agriculture, hydrology and industry. The Agency’s “safeguards” (verification) programme expanded, following the adoption of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and its Protocols. Nuclear accidents (Chernobyl and Fukushima) required and led to the expansion of the Agency’s nuclear safety programme and its activities in the area of emergency preparedness and response. Growing threats of nuclear terrorism and the proliferation or misuse of nuclear material led to the development of international treaties, conventions and other instruments for nuclear safety and security.⁴

11. At the same time, the transfer of nuclear technology to the developing world has evolved from the supply of equipment or the sending of expert missions to a focus on cooperation for sustainable development, building on the skills and infrastructure of Member States, which act as full partners in the process (evolution from technical assistance to technical cooperation).⁵

12. IAEA has been subject to zero or near-zero real growth budget practice for more than a decade. As a result, the Agency is increasingly dependent on extrabudgetary contributions which are unpredictable, often earmarked with restrictive conditions, and thus posing some risk for the programme.⁶ This situation has, to some extent, also prevented the Agency from

¹ Agreement Governing the Relationship between the United Nations and the International Atomic Energy Agency, Article I(2). See INFCIRC/11 (30 October 1959).

² Protocol concerning the Entry into Force of the Agreement concerning the Relationship between the United Nations and the IAEA concluded on 19 June–10 August 1959. See INFCIRC/11 (30 October 1959), page 9.

³ 20/20 Vision for the Future, Background Report by the Director General for the Commission of Eminent Persons, February 2008, page 3.

⁴ Ibid., page 3.

⁵ Ibid., page 3.

⁶ The Agency’s Programme and Budget 2012–2013 (GC(55)/5), page 3.

making appropriate investments in infrastructure, state-of-the-art systems and technologies. It has also had an impact on the level of human resources available to the organization.

13. At the same time, this situation provided a stimulus towards striving for efficiency gains and continuous reform. In this context, the Agency, under the previous and current Director General, has undertaken various reform efforts, many of which are still ongoing and works-in-progress, such as the implementation of results-based management (RBM) structures; improvements in strategic planning and budgeting, including through the establishment of a corporate Medium-Term Strategy (MTS) 2011-2017; the implementation of an organization-wide enterprise risk management (CRM) framework; improvements in knowledge management; the implementation of International Public Sector Accounting Standards (IPSAS); and the Agency-Wide System for Programme Support (AIPS).

14. IAEA's relationship with the United Nations is regulated by an agreement between the Agency and the United Nations signed in 1959.⁷ IAEA reports to the United Nations Economic and Social Council (ECOSOC) and other organs of the United Nations on matters within the competence of said organs. It also submits reports on its activities annually to the United Nations General Assembly, from which it may receive recommendations. Most importantly, the Agency reports to the United Nations Security Council, as appropriate, when questions relating to its activities and within the competence of the Security Council arise, in particular cases of non-compliance with safeguards agreements.⁸

15. Representatives of Member States, whom the team met, expressed overall satisfaction with the performance of the organization, considering it professionally run and one of the well performing among the United Nations system organizations, effectively delivering on its mandates.

16. IAEA and its former Director General, Mohamed ElBaradei, were jointly awarded the Nobel Peace Prize in 2005.

⁷ In the relationship agreement between the United Nations and the IAEA concluded in 1959, the United Nations recognizes the IAEA as an "agency, under the aegis of the United Nations." The relationship between the United Nations and IAEA and details thereon are set out in the IAEA Statute and rules of procedures of its governing bodies and the relationship agreement.

⁸ See Article III.B.4 and 5 of the Statute of the IAEA.

II. GOVERNANCE

A. Governance framework

17. IAEA is headquartered in Vienna, Austria, at the Vienna International Centre. IAEA has two liaison offices (in New York, United States of America, and in Geneva, Switzerland); two safeguards regional offices (in Tokyo, Japan, and in Toronto, Canada); and two international laboratories (in Seibersdorf, Austria, and in Monte Carlo, Monaco). The IAEA Secretariat comprises a team of about 2,500 multidisciplinary professional and support staff from over 100 countries (as at 31 December 2010).

18. The IAEA governance structure comprises the General Conference, the Board of Governors and the Secretariat, which is headed by the Director General. The General Conference, composed of all 158 Member States (as of November 2012), is the highest policymaking body of IAEA and it meets in regular annual sessions, and in such special sessions as convened by the Director General, at the request of the Board of Governors or of a majority of Members States. The General Conference meets annually in September to consider and approve the Agency's programme and budget, and to decide on other matters brought before it by the Board of Governors, the Director General or Member States.

19. The Board of Governors is an executive body composed of 35 members, among which 13 are "designated" members appointed by the Board and 22 elected members elected on a regional basis by the General Conference for a two-year term. The Board of Governors generally meets five times per year – in March, June, twice in September (before and after the General Conference) and in December.

20. The Board examines and makes recommendations to the General Conference on the IAEA's financial statements, programme and budget and considers applications for membership. It also approves safeguard agreements and the publication of IAEA's safety standards and is responsible for appointing the Director General of IAEA, with the approval of the General Conference.

21. To assist its work, the Board of Governors has established two standing committees: the Programme and Budget Committee (PBC), which makes recommendations to the Board on administrative and financial matters, and the Technical Assistance and Cooperation Committee (TACC), which submits recommendations to the Board on matters relating to the provision of technical cooperation by IAEA.

22. Due to the increase in membership and the expansion of nuclear activities, the General Conference proposed in 1999 to amend the statute and expand membership of the Board of Governors to 40 members, including 18 "designated" members. However, the proposal has not yet been ratified by the required two-thirds of the General Conference membership. There were discussions among Member States on convening the General Conference bi-annually rather than annually, but no final decision has yet been taken on this suggestion.

B. Executive management

23. Under the current Director General, who started his first term of office on 1 December 2009, several changes to the organizational structure, as well as the administrative and management processes and practices have been undertaken with a view to further strengthening the administration and management of the Agency and seeking efficiency gains. While achievements have been made, strengthening administration and management is work-in-progress and further efforts are needed.

24. Measures have been undertaken to improve coordination and cooperation among the six departments, so as to avoid fragmentation and competition among departments, often referred to by staff as "stove-piping," and to move towards a "one-house" approach. To this end,

organizational and institutional changes were made, such as re-structuring the Director General's Office for Policy (DGOP) and establishing the practice of periodical Director General's Meetings (DGM). Further, performance monitoring and accountability at the departmental level was facilitated through the establishment of the Medium-Term Strategy (MTS) 2012-2017 and alignment of all major IAEA programmes to it, and progress has been made in implementing results-based management (RBM).

Executive and senior management committees

25. IAEA's principal senior management committee is the Director General's Meeting (DGM), chaired by the Director General and composed of all Deputy Directors General, the Assistant Director General (Policy and Chef de Cabinet), directors of the Office of Internal Oversight Services (OIOS), the Secretariat of the Policy-Making Organs (SEC-PMO), the Office of Legal Affairs (OLA) and the Division of Public Information. The three Special Assistants to the Director General, the Senior Strategy Officer and Director of MTPI also attend as observers. The Meeting is usually convened weekly and its standard agenda includes the Director General's guidance on specific issues, progress reports from Deputy Directors General on their respective activities, salient issues that need to be followed-up after the Board of Governors meetings and the General Conference, and any other important matter requiring the attention of the senior managers. No formal terms of reference (TOR) exist for the DGM despite its long-standing practice. While it serves principally as a forum for information-sharing and discussion among the Director General, executive and senior management, it is also, to some extent, a decision-making body, since decisions are taken and directions provided on certain issues. The minutes of the Director General's Meetings are distributed to all DGM members, divisions and offices. The Director General meets with his cabinet on a daily basis.

26. The Director General usually also convenes a weekly meeting with key DGOP staff and the heads of OIOS, OLA and SEC-PMO to discuss salient issues in a more informal way. The Director General is also available for bilateral meetings with his key staff and Deputy Directors General, as appropriate. At the departmental and division levels, senior management committees have been established and meet regularly to discuss pertinent issues and decide on direction at those levels.

Enhanced cross-departmental communication, coordination and information sharing

27. Various mechanisms, structures and processes have been put in place to support and facilitate effective coordination, communication and information-sharing among IAEA departments.

28. Besides the DGM, which is the principal and highest coordination mechanism among departments, the DGOP and its staff play a significant role in furthering and ensuring close coordination and information-sharing both within the Office and across departments. In line with the Director General's decision to strengthen policy planning and strategy formulation and improve policy coordination and implementation, the functions performed by the former Office of the Director General (DGO) and the Office of External Relations and Policy Coordination (EXPO) were consolidated into a new office, the DGOP.

29. The Assistant Director General for Policy (Chef de Cabinet), in addition to his other functions, is assigned to coordinate with relevant departments on substantive policy-related matters. For day-to-day programmatic activities, the three Special Assistants for Policy Coordination and Implementation, each covering different IAEA departments, are assigned to coordinate internal IAEA policies with the relevant departments and ensure the timely and appropriate implementation of agreed policies. They act as the Director General's focal point for IAEA Advisory Groups and the Steering Committees; coordinate IAEA programmes and produce various performance assessment reports in line with RBM. The Senior Strategy

Officer is the focal point for strategy and is tasked with coordinating with department focal points in the areas of adherence, implementation and reporting with regard to MTS implementation, corporate knowledge management (CKM), quality assurance and risk management.

30. The MTS 2012-2017 provides an overarching framework to support DGOP's coordination activities undertaken in cooperation and consultation with the respective departments. Improved strategic planning, progress in closely aligning the Agency's annual programme budget to MTS, as well as enhanced programme performance assessments in line with RBM also contribute to strengthened inter-departmental coordination.

31. The Inspectors were informed that management and staff generally feel adequately informed and in a timely manner about the main issues relevant to their work as discussed in the DGM and the respective senior management committees. It was noted that, although the management committees are working as expected, it would be useful if, in addition to these formal meetings, more informal fora existed, where executive and senior managers could exchange views, discuss and be briefed about ongoing activities. It was indicated that the Agency would benefit from a change in culture towards more and open communication and information-sharing, not so much vertically, but in particular across the different departments. In this context, it was noted that the practice of organizing annual management conferences involving senior managers, was a good opportunity to discuss issues that are common and relevant to all departments, including policy, programme and coordination issues, topics of particular interest to managers, such as management and human resources practices and processes, managers' training opportunities, among others.

32. Although current mechanisms are working and progress has been made, in the Inspectors' view, still more needs to be done to further strengthen communication and information-sharing across the six departments, so as to avoid "stove-piping" and "siloeing." **They concur with the opinion expressed that an overall culture change among executive and senior management towards more open and effective communication and information-sharing – be it through existing formal mechanisms or more informal channels – would benefit both the Agency as a whole and the departments, and constitute an important step towards a "one-house" approach.** They support the practice of annual retreats for managers, since they are an excellent forum for raising, discussing and addressing concerns and issues relevant to all departments in a more informal setting, and allow for exchange of ideas and views, and interaction among managers from different departments.

C. Limitation of term of the Director General

33. The Director General, the chief administrative officer of IAEA, is appointed by the Board of Governors, with the approval of the General Conference, for a term of four years (IAEA Statute, art. VII). The IAEA Statute does not contain any limitations as to the number of terms a Director General can be re-appointed. In the past, IAEA Directors General served from three up to five terms, that is, for 12 up to 20 years. The current Director General started his first term of office on 1 December 2009.

34. The length of the term of the executive heads of United Nations system organizations varies, from three years (ICAO) to five years, with the majority of the organizations having either four-year (e.g. FAO, IAEA, IMO, ITU, UNESCO, UNIDO and WIPO) or five-year terms (ILO, United Nations, UPU, WHO).⁹

⁹ JIU/REP/2009/8, para. 72.

35. IAEA is one of the few organizations within the United Nations system that does not have provisions on term limits of its executive head. The majority of United Nations system organizations have a term limit of two successive terms. In recent years, there has been a trend towards shorting the tenures of executive heads in the United Nations system. For instance, at FAO and ILO, the maximum number of successive terms an executive head could hold was reduced to two by the legislative/governing bodies of FAO¹⁰ and ILO¹¹ in 2009.

36. In line with recommendation 6 of JIU/REP/2009/8, **the Inspectors are of the view that the benefits of limiting the term of the Director General to a maximum of two successive terms would outweigh the disadvantages.** It would allow for adequate regional rotation and gender balance and, more importantly, for the periodic injection of new visions in the management and leadership of the organization. It would also be in line with the practices of other United Nations system organizations and resolution 51/241 on Strengthening of the United Nations system, adopted by the United Nations General Assembly on 22 August 1997, which states: “Affirming the role of the General Assembly in approving appointments and extension of terms, uniform terms of office of four years, renewable once, should be introduced for the executive heads of programmes, funds and other bodies of the Assembly and the Economic and Social Council. The specialized agencies are also encouraged to consider uniform terms and term limits for their executive heads.”¹²

37. Any decisions and/or changes as to the term limit of the Director General should be effective for future elections. Reference is made in this respect to the recent discussions and decisions at FAO and ILO.

38. The implementation of the following recommendation is expected to enhance governance and allow for adequate periodic regional rotation and gender balance for the function of IAEA Director General.

Recommendation 1

The IAEA Board of Governors should recommend that the General Conference adopt provisions to limit the terms of the Director General to a maximum of two successive terms.

D. Strengthened accountability at the executive management level

39. Accountability represents the obligation of an organization and its staff members to be answerable for delivering specific results that have been determined through a clear and transparent assignment of responsibility, subject to the availability of resources and the constraints posed by external factors.¹³ Accountability is also the cornerstone of RBM. It requires clear objectives and clear responsibilities defined at all levels, from top and senior management down to individual staff work plans.¹⁴

40. In an RBM approach, accountability is a cross-cutting element, which should be built into all areas and different levels of the organization, from programmes and projects to human resources management. The accountability system should ensure commitment at all levels of

¹⁰ See Art. VII, para. 1 of the FAO Constitution, and document C 2009/LIM/8, pp. 3 and 4.

¹¹ See document GB.306/PFA/17, paras. 1 and 2.

¹² General Assembly resolution 51/241, Annex, paras. 68 and 69.

¹³ Towards an accountability system in the United Nations Secretariat, Report of the Secretary-General (A/64/640), Executive Summary.

¹⁴ JIU/REP/2006/6, para.104.

the hierarchy, and in particular, at the top of the organization. The executive head and heads of major organizational units are therefore the first to be held accountable for the results that they are expected to deliver. Clear objectives and associated targets at different organizational levels are essential.¹⁵

41. The critical linkage between institutional and individual accountability is established through the work plans contained in the senior managers' annual performance compacts and the performance appraisal system for staff at all levels. Responsibility for results consistent with the approved organizational goals and objectives will thus cascade down through these work plans of successive levels of managers and staff. It is a basic tenet of accountability that each manager or staff member must have relevant resources at his or her disposal, and must have adequate authority and control over those resources to achieve the mandated results. As stated in a previous report on accountability, "accountability will be in direct proportion to the responsibility assigned and the authority delegated" (A/C.5/49/1).¹⁶

Appointment of executive managers

42. At IAEA, all staff up to and including D-2 level are appointed through a standardized recruitment and selection process. However, the Inspectors were informed that this does not apply to the Deputy Directors General and to some senior staff of DGOP, who are appointed directly by the Director General. No job descriptions or TORs have been developed, outlining the main functions, responsibilities and programmatic objectives for those posts.

43. The Deputy Directors General go through the Board process before they are appointed, and the Director General holds informal consultations with the Board of Governors for each of their appointment. The responsibilities of the Deputy Directors General as Heads of Departments are defined by the mandates, responsibilities and programmes of the respective department. On the occasion of the restructuring of the then Director General's Office and the Office of External Relations and Policy Coordination in April 2011, TORs were prepared for most of the DGOP staff.

44. The Inspectors are of the view that, notwithstanding the discretionary authority of the Director General, as the chief technical and administrative officer, to appoint the senior managers of the Agency, does not mean that he or she is given a "carte blanche." **The appointment of Deputy Directors General and other executive managers of the DGOP should follow a certain established process, so as to be as transparent as possible, as stated in JIU/REP/2011/2 on "Transparency in the selection and appointment of senior managers in the United Nations Secretariat". To this end, job descriptions or terms of reference should be developed for those positions, and should also serve as the criteria guiding the selection and appointment process.** The Inspectors consider that the selection and appointment of senior managers at IAEA should follow the recommendations made in the aforementioned report.

45. The following recommendation is expected to enhance transparency and accountability at the executive management level.

Recommendation 2

¹⁵ JIU/REP/2006/6, para.97.

¹⁶ A/64/640, paragraphs 33, 34.

The Director General should develop job descriptions or terms of reference for executive managers above the D-2 level, where they do not exist, and inform the Board of Governors about measures taken to further enhance the transparency of their selection and appointment process.

Performance assessment mechanism for executive managers

46. At IAEA, all staff up to and including the D-2 level complete an annual Performance Review Report (PRR); in addition, staff with supervisory responsibilities for four or more employees are also reviewed by those employees through the Reverse Appraisal system. However, no such formalized and documented individual performance assessment system is in place for executive managers above the D-2 level. Similarly, no job descriptions or TORs have been developed, outlining the main functions, responsibilities, specific programmatic objectives and managerial targets for executive managers.

47. IAEA executive managers, including the Deputy Directors General, are first and foremost accountable to Member States in delivering and implementing their programmes, projects and activities as included in the MTS, IAEA annual programme budgets and the work plans of the respective departments. In addition, they are also subject to continuous day-to-day performance assessments by the Director General.

48. The Inspectors support the above views that accountability is an essential component of any organization, for ensuring delivery to Member States and other stakeholders and promoting effectiveness and efficiency in line with the RBM approach. They believe that accountability starts from the top. While the current accountability systems and performance assessment mechanisms for executive managers do not raise particular concern, the Agency and its stakeholders would benefit from strengthened accountability at the top level. It would further increase the trust vested in the organization and provide an opportunity for results-driven management. It would also allow for enhanced coordination and support to a “one-house” approach, if a function such as “inter-departmental communication, coordination and information-sharing” were included in the TORs or annual compacts of executive managers, subject to continuous assessment.

49. Finally, strengthened accountability could also have a positive impact on staff morale and motivation of staff at large. According to the staff survey conducted by the JIU for this review, only 27 per cent responded positively to the question, “In your opinion, do the managers comply with the standards of accountability corresponding to their level of delegated authority and responsibility?”; 37 per cent indicated “somewhat,” 22 per cent “no” and 14 per cent “no opinion”. If staff are aware that executive management is also subject to a formalized and documented performance assessment, it could increase buy-in of management decisions and have a positive impact on trust in and support towards executive management.

50. The Inspectors are of the opinion that the Director General should explore the possibility of introducing a more formalized and documented annual performance mechanism, similar to that of the annual compacts for senior managers, introduced in the United Nations Secretariat in 2009 for senior managers at and above the Assistant Secretary-General level. Those senior managers’ compacts are annual agreements that the Secretary-General signs with his senior-most officials. The compacts set specific programmatic objectives and managerial targets for a given year, and they include key objectives related to the specific mandate of each department and cross-reference the objectives included in relevant budget documents. At an organizational level, the compacts identify strategic goals that are shared by all departments,

such as the efficient management of financial resources and the implementation of oversight body recommendations.¹⁷ Such compacts would complement the day-to-day performance assessments by the Director General.

51. The implementation of the following recommendation would strengthen accountability at the executive management level and enhance effectiveness and efficiency in line with RBM principles.

Recommendation 3

The Director General should introduce a formalized annual performance mechanism for executive managers above the D-2 level, similar to the annual compacts for senior managers in the United Nations.

Formal accountability framework

52. IAEA is currently in the process of drafting an accountability framework. The Agency has various components for accountability in place, including policies on delegation of authority, financial disclosure, performance management mechanisms, standards for integrity and ethical conduct, RBM, administration of justice and oversight. However, a number of elements of a comprehensive accountability framework are still missing, such as clarity and standards of personal accountability, and a procurement challenge mechanism or beneficiary/public complaint system. **The Inspectors therefore recommend that the Director General speed up the drafting of the Agency's accountability framework to include all components of a comprehensive accountability framework in line with the JIU report, "Accountability frameworks in the United Nations system" (JIU/REP/2011/5).**¹⁸

¹⁷ Further information on the senior compacts can be found on United Nations Intranet (http://iseek.un.org/webpgdept1940_12.asp#); see also the Secretary-General's bulletin on the Management Performance Board (ST/SGB/2010/4).

¹⁸ See JIU/REP/2011/5, chapters II and III.

III. RESOURCES, STRATEGIC PLANNING AND BUDGETING

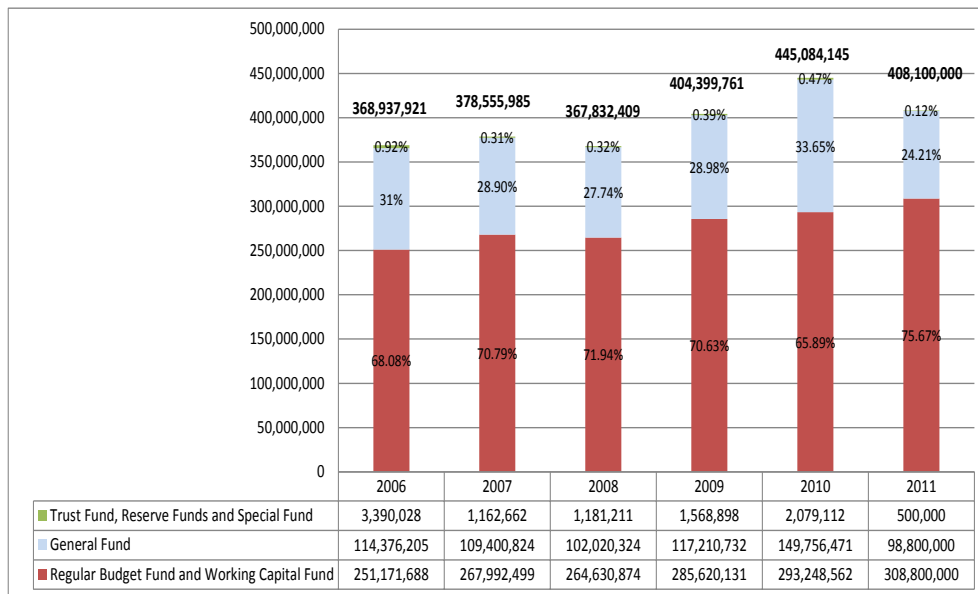
A. Resources and fundraising

53. Due to the zero or near-zero real growth pressure on the Agency's regular budget and continuously growing responsibilities and requests for services by Member States, IAEA is underfunded to perform its normative functions and continues to rely on extrabudgetary funds to carry out some of its activities. Extrabudgetary contributions are unpredictable and often have restrictive earmarking conditions, thus posing some risks to the programme.¹⁹

54. Traditionally, the level and portion of extrabudgetary resources is high for technical cooperation activities, but other areas also attract and receive extrabudgetary resources, including the Nuclear Security Fund; Nuclear Fuel Bank Initiative; Peaceful Uses Initiative (PUI); refurbishment of the IAEA Seibersdorf laboratories and the IAEA Action Plan on Nuclear Safety, launched in the aftermath of the Fukushima Daiichi Nuclear Power Plant incident.

55. The chart and table below show the level and evolution of IAEA's budget and the expenditure of voluntary contributions from 2006 to 2011.

Chart 1: Evolution and distribution of the Agency's budget (based on expenditures), 2006-2011, in Euros



Source: GC(56)/10; GC(55)/4; GC(54)/3; GC(53)/4; GC(52)/11; GC(51)/13²⁰.

¹⁹ The Agency's Programme Budget 2012-2013 (GC(55)/5), para. 1.

²⁰ The General Fund includes Technical Cooperation Fund; Extrabudgetary Programme Fund and Technical Cooperation Extrabudgetary Fund. Fund Group II (General Fund – Technical Cooperation Fund) is the main financing mechanism for the Agency's technical cooperation activities by Member States. Fund Group II is based on General Conference approved one year allocations which are financed primarily from voluntary contributions where Member States are asked to pledge

Table 1: Expenditure of voluntary contributions 2006-2010, in Euros

| | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Technical Cooperation Fund | 66,061,986 | 60,973,083 | 53,202,892 | 62,365,729 | 63,337,243 |
| EB Programme Fund | 31,351,337 | 37,063,809 | 41,375,483 | 43,462,460 | 49,336,236 |
| Technical Cooperation EB Fund | 16,962,882 | 11,363,934 | 7,441,949 | 11,382,543 | 37,082,992 |
| Trust Funds Reserve Funds and Special Funds | 3,390,029 | 1,162,662 | 1,181,211 | 1,568,898 | 2,079,112 |
| Total | 117,766,234 | 110,563,488 | 103,201,535 | 118,779,630 | 151,835,583 |

Source: GC(56)/10; GC(55)/4; GC(54)/3; GC(53)/4; GC(52)/11; GC(51)/13.

Adequate resources for fulfilling IAEA's unique mandate and manifold activities

56. The issue of adequate funding of the organization has been subject to continuous discussion among Member States and has also been highlighted in some internal and external reports, such as the review conducted by an external consultant (Mannet) in 2002,²¹ the Report of the Commission of Eminent Persons on the Future of the Agency, issued in 2008,²² and the background document²³ prepared by the Secretariat in the same year.

57. The Commission of Eminent Persons notes in its report that it “unanimously believes that to enable the IAEA to properly accomplish its duties, it should be allocated considerably larger resources by its members.”²⁴

58. The Board of Governors discussed this report at its meeting in September 2008. While the Board members expressed their appreciation to the Commission for preparing the report, various differing views were expressed on the items contained in the report. Several members of the Board expressed the view that “any decision inspired by the report should require the involvement and participation of all Member States and be made by consensus.” The Chairman of the Board summed up the deliberations, stating that “the Board looked forward to continuing discussing the report in a constructive and structured manner.”²⁵

59. Since the issuance of those reports, the Agency has benefited from additional extrabudgetary funding, as outlined above in paragraph 54 which has helped to address some of the funding shortfalls identified in the aforementioned reports. However, the Agency is still, as other United Nations system organizations, under the pressure of zero or near-zero real growth budget practice, while demands for the Agency's services are growing at a rate beyond what can realistically be funded through the regular budget.

60. In order to address this issue, the Inspectors recommend that the Director General consistently prepare, in addition to the programme budget, statements of programme budget implications (PBI) to identify and review additional requests or demands by Member States and their budgetary implications in accordance with regulation 4.12 of the Agency's Financial Regulations, for submission to the Board of Governors for

contributions against their indicative share of the allocation, along with national participation costs and miscellaneous income. Data for 2011 is taken from GC(56)/10, table 1, which uses the term expenses.

²¹ “At What Cost, Success?” Final Report of the External Review on the Management Processes of the International Atomic Energy Agency, MANNET, Switzerland, 14 October 2002.

²² GOV/2008/22-GC(52)/INF/4.

²³ 20/20 Vision for the Future, Background Report by the Director General for the Commission of Eminent Persons, February 2008.

²⁴ GOV/2008/22-GC(52)/INF/4, page ix.

²⁵ Information provided in response to JIU questionnaire, question 9.1.1.

consideration. This would help to identify funding gaps, facilitate prioritization and stimulate efficiency gains. It would also further a strategic planning approach for the mid-term, beyond the biennial programme and budget cycles in line with RBM and would ensure that Member States' needs and priorities are reflected.

61. Finally, the Inspectors are of the view that more could be done in strengthening fundraising and exploring partnerships with other organizations.

Corporate fundraising and partnership strategy

62. IAEA's regulative framework for fundraising activities and partnerships are laid out in the Agency's Partnership and Resource Mobilization Policy and Guidelines and the Terms of Reference for the Partnership and Resource Mobilization Advisory Committee (PRAC).²⁶ However, the Agency does not have a corporate fundraising and partnership strategy. While the Partnership and Resource Mobilization Coordinator, who reports to the Deputy Director General, Department of Management, is responsible for coordinating and supporting all Agency's resource mobilization activities, in practice, each department pursues its own resource mobilization activities according to its special mandate and interests.

63. For instance, resource mobilization initiatives within the Department of Technical Cooperation (TC) are advanced by the regional divisions, with the support of the Strategy and Partnership Section (TCSPS), which has an advisory role and can support individual initiatives, when feasible. As for partnerships, IAEA cooperates with the European Commission (EC) in the area of nuclear safety, both under the Instrument for Pre-Accession Assistance, negotiated directly by the TC Division for Europe (TCEU) and having regional focus, as well as the Instrument for Nuclear Safety CoordinationCooperation, which is coordinated by the TC Division of Programme Support and Coordination (TCPC). TCPC prepared, following a "one-house" approach, IAEA's proposed programme to the EC for financing under the Annual Action Programme 2012 of the EU Instrument for Nuclear Safety CoordinationCooperation. TCPC has been tasked with exploring partnership potential with the EU under other financing instruments.

64. Given the growing resource demands, the Inspectors believe that the Agency would benefit from a more coherent and coordinated approach to fundraising and partnerships. While each department is primarily responsible and best positioned for attracting extrabudgetary funds, it would be useful and would strengthen fundraising overall, if the fundraising activities undertaken by the different departments were supported by an Agency-wide fundraising strategy and reinforced fundraising coordination and support at the corporate level.

65. The Inspectors therefore suggest that the Agency develop and adopt a corporate and more strategic approach to fundraising. To this end, the Director General should, in consultation with the different departments and divisions, and taking into account their fundraising activities, elaborate and adopt a corporate fundraising and partnership strategy. The Director General should also consider strengthening the coordinating and supporting role of the Partnership and Resource Mobilization Coordinator, so as to achieve a consolidated and coordinated "one house" approach to fundraising and partnerships. In the context of developing a fundraising strategy, the possibility of expanding and broadening the donor base to include emerging economies and private donors should be explored.

²⁶ Partnership and Resource Mobilization Policy (AM. V/8); Partnership and Resource Mobilization Guidelines (AM. V/8, I); Terms of Reference for the Partnership and Resource Mobilization Advisory Committee (PRAC) (AM. V/8, V).

66. The implementation of the following recommendation is expected to strengthen the Agency's fundraising activities.

Recommendation 4

The Director General should develop a corporate fundraising strategy, including exploring possibilities to broaden the donor base to include emerging economies and private sources.

B. Implementation of IAEA Medium-Term Strategy (MTS)

67. The Agency's Medium-Term Strategy (MTS) for 2012–2017 provides overarching guidance and serves as a roadmap for IAEA activities during the six-year period, by identifying priorities among and within programmes based on such considerations as recent technological trends, emerging needs and political, economic and social background. The MTS sets out six strategic objectives to be pursued during the time period and provides the basis for the preparation of the biennial programme and budget.

68. IAEA MTS 2012-2017 was prepared with the active participation of Member States. An informal open-ended working group comprising Member States, facilitated by the Secretariat, developed the MTS in 2010. The working group held a series of meetings with the Secretariat to prepare and finalize the MTS 2012-2017, and the Board of Governors took note of the MTS 2012-2017 in December 2010.

69. Following the accident at Fukushima Daiichi nuclear power station, the IAEA, in a timely fashion, mobilized all its resources and organized a Ministerial Conference on Nuclear Safety, which led to the unanimous adoption by the IAEA General Conference of a Nuclear Safety Action Plan to strengthen nuclear safety worldwide. Implementation of the Action Plan started immediately after its adoption, with a great number of activities.

70. The MTS represents the first stage of the programme and budget formulation process. The six strategic objectives and the activities of the MTS 2012-2017 should be reflected in the programme objectives and the activities of the three programmes and budgets over the reference period. For the preparation of Programme and Budget 2014-2015, it is envisaged to link each project to one or more objective(s) of MTS 2012-2017, thus ensuring its close linkage and alignment to the MTS 2012-2017. Although extrabudgetary resources are not directly addressed by the MTS, their allocation and the approved plans are prepared with due consideration of the MTS.

71. The Secretariat's Policy Planning and Strategy Formulation Function, established in 2011 as part of DGOP, is, among others, tasked with continuously reviewing IAEA's activities to ensure that they are in line with Member States guidance, including the MTS 2012-2017. A Senior Strategy Officer position was created in DGOP to assist the Director General in ensuring that the MTS is implemented effectively and efficiently.

Performance indicators

72. The Agency had made much progress in developing and establishing performance indicators for its programmes and projects.

73. It was noted in the programme and budget guidelines for 2012–2013 that current performance indicators are often textual, and do not lend themselves to tracking progress towards meeting stated results. It has been recognized that there is room for a general improvement of the Agency's RBM approach. An Agency-wide project involving DGOP, the

Division of Budget and Finance, Department of Management (MTBF) and Programme Coordinators was conducted in 2011–2012 to establish a register of improved performance indicators for Programme and Budget 2014–2015. The project leveraged on Plateau 2 of AIPS to establish an Agency-wide “dashboard” comprising measurable performance indicators, their baseline and target values. In line with best practices in the United Nations system, DGOP issued Guidelines on Programme Performance, stipulating that all performance indicators must be specific, measurable, achievable, relevant and time-bound (SMART).²⁷

74. It was also suggested that, wherever possible and supported by AIPS, quantitative baseline (e.g. present) and target fields for 2014–2015 must be filled in as numerical values in order to enable reporting on programmatic advancements towards planned goals.²⁸

75. The Inspectors believe that developing and establishing performance indicators are essential for performance assessment of programmes and projects, as a key element of RBM and for ensuring accountability. **While acknowledging the progress made by the Agency in recent years, the Inspectors are of the view that more needs to be done to refine existing performance indicators so as to be SMART. Refined SMART performance indicators should form the basis for the Programme Performance Report submitted to Member States at the end of the respective biennium on outcomes achieved and efficiency aspects in relation to lessons learned, which will strengthen performance assessment and evaluation and the efficient use of resources.** Reference in this context is also made to a 2012 JIU report²⁹ which provides useful information on strategic planning, including the use of performance indicators within the United Nations system organizations.

C. Results-based Management (RBM)

76. IAEA introduced the results-based management (RBM) approach to programme development in 2000, which involves formulating biennial programmes that are driven by a number of desired results articulated at the outset of the process, and against which actual performance is measured at the end of the biennium. The programme management cycle consists of three consecutive and interrelated stages: (i) planning and development; (ii) implementation and monitoring; (iii) performance assessment and evaluation.³⁰ The implementation of RBM has been accompanied by special training for managers and staff, in particular those directly involved in the programme and budget preparation process. IAEA began implementing RBM in the 2002–2003 programme budget cycle.

77. Since the launch of the RBM approach to programming and budgeting, various lessons learned have been identified and progress has been made in addressing them. A systematic approach to risk management was put in place in 2011 with the objective of adding value to decision-making and providing assurance to stakeholders that critical risks to the Agency are appropriately managed, in line with RBM methodology (see also paras. 124–127 below). Improved performance indicators for the Agency’s Programme and Budget 2014–2015 were developed and performance management tools were improved, both at the divisional and departmental levels. The implementation of Plateau 2 of AIPS envisaged for early 2013 will provide the technical tools and applications to support a strengthened RBM approach to programming and budgeting.

²⁷ Guidelines for the Preparation of the Programme and Budget 2014–2015, July 2012, paras. 56 and 57.

²⁸ Ibid.

²⁹ JIU/REP/2012/12, entitled “Strategic planning in the United Nations system”.

³⁰ See The Agency’s New Approach to Programme Development (GOV/2000/13); and Initial Planning for the Programme and Budget for 2002–2003 (GOV/2000/10).

D. International Public Sector Accounting Standards (IPSAS)

78. IAEA prepared its first International Public Sector Accounting Standards (IPSAS) financial statements on time for 2011 and received an unqualified opinion by the Agency's external auditor. IPSAS implementation throughout the United Nations system was a high priority and, in a letter to the United Nations Secretary-General, the Chair of the Panel of External Auditors referred to the introduction of IPSAS as "the single most important aspect of the United Nations Management reform". The new financial statements have resulted in greater transparency and accountability, more judicious stewardship of IAEA resources and increased availability of information to support results-based management. With IPSAS, significant items such as property, plant and equipment (PPE), inventories, employee benefit liabilities and intangible assets are now shown in IAEA's financial statements, which bring with it the highest level of accountability and required changes to business processes and systems throughout IAEA. The IPSAS project was completed in mid-2012 with the production of an IPSAS sustainability report which has formed the basis for numerous activities in which IAEA is currently engaged to ensure that IPSAS will be sustained and that maximum benefits will be realized.

IV. HUMAN RESOURCES MANAGEMENT

79. IAEA has a comprehensive Human Resources Management (HRM) Strategy for 2012–2016, which is updated periodically in the light of developments and changes in priorities. In the past three years, the Agency has undergone a comprehensive human resources (HR) post-management reform, which was fully implemented during the programme and budget process for 2012–2013. The Secretariat has also undertaken various efforts to enhance gender balance and achieve more equal geographical distribution among Agency staff. The recruitment process was reviewed and streamlined within the past three years.

A. Improved gender balance

80. Promoting gender balance is a fundamental component of the human resources management policy and goals pursued by all United Nations system organizations. Among the organizations, IAEA has the lowest representation of women in the professional and higher staff category.

Table 2: Gender distribution at the professional level and above (FT and LT in established posts)

| | 2006 | | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | |
|-------------------------------|------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|
| Professional and above | | | | | | | | | | | | |
| Female | 169 | 21% | 186 | 23% | 179 | 23% | 178 | 22% | 218 | 23% | 226 | 24% |
| Male | 641 | 79% | 630 | 77% | 614 | 77% | 614 | 78% | 718 | 77% | 731 | 76% |
| Subtotal | 810 | | 816 | | 793 | | 792 | | 936 | | 957 | |
| P-5 and above | | | | | | | | | | | | |
| Female | 28 | 12% | 34 | 14% | 37 | 15% | 36 | 15% | 44 | 16% | 37 | 13% |
| Male | 200 | 88% | 208 | 86% | 209 | 85% | 211 | 85% | 231 | 84% | 238 | 87% |
| Subtotal | 228 | | 242 | | 246 | | 247 | | 275 | | 275 | |

FT: fixed term; LT: long term

Source: Information provided by IAEA in response to JIU questionnaire

81. The General Conference³¹ adopted consecutive resolutions requesting the Director General, “pursuant to Article VII of the Statute, to secure employees of the highest standards of efficiency, technical competence, and integrity, particularly drawing upon developing countries and upon those Member States which are unrepresented or underrepresented, and to pursue a target of equal representation of women across all occupational groups and categories in the Agency, especially in senior policy-level and decision-making posts.”

82. Since 2007, the Secretariat has implemented a comprehensive gender policy, which covers gender equality in staffing as well as mainstreaming gender considerations in the Secretariat’s programmes and operation.

83. Among others, efforts have been undertaken in the area of recruitment to increase the number of female candidates, such as recruitment missions, Agency representation at conferences and meetings where women in sciences can be reached, establishing and maintaining close relationships with relevant associations promoting and encouraging women in areas related to IAEA’s work and UN Women, and promoting the Junior Professional Officer (JPO), internship and fellowship programmes, with the aim of giving young women professionals practical work experience. Particular attention continues to be paid to the assessment of female candidates in both the pre-screening and the selection processes for

³¹ GC(55)/RES/15; GC(53)RES/18.B; GC(51)/RES/18.B.

vacant posts. In 2009, IAEA also set up a Focal Point for Gender Concerns in the Agency, as well as gender focal points at the departmental level.³²

84. In 2005, the Secretariat invited Member States to designate a point of contact to actively support its efforts in recruiting women, and by 1 June 2011, 68 Member States had joined the initiative. The Secretariat meets regularly with points of contact to brief them on recent developments, as well as to discuss ways of encouraging well-qualified women from both governmental and nongovernmental sources to apply for Agency vacancies.³³

85. As a result of the efforts made, as at 1 June 2011, the number of women in the professional and higher categories had grown by 1.5 per cent since June 2009, and by 2.3 per cent since June 2007. However, the overall number of women recruited during this period represented only 23.2 per cent of external professional appointments and the percentage actually dropped compared with 28 per cent for the previous two years' reporting period.³⁴

86. As can be seen from the table below, the gender distribution of new recruitment in both the professional and the P-5 and above categories is still far from achieving the goal of gender equality. In 2011, the ratio of female to male professionals recruited was 1:9 in the P-5 and above category.

Table 3: Gender distribution of new recruitment at the professional level and above (in established posts)³⁵

| | 2006 | | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | |
|-------------------------------|------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|
| Professional and above | | | | | | | | | | | | |
| Female | 20 | 27% | 22 | 14% | 13 | 20% | 16 | 21% | 27 | 27% | 21 | 23% |
| Male | 53 | 73% | 32 | 59% | 51 | 80% | 62 | 79% | 72 | 73% | 70 | 77% |
| Subtotal | 73 | | 54 | | 64 | | 78 | | 99 | | 91 | |
| P-5 and above | | | | | | | | | | | | |
| Female | 4 | 15% | 6 | 33% | 2 | 11% | 2 | 9% | 5 | 14% | 3 | 10% |
| Male | 22 | 85% | 12 | 67% | 16 | 89% | 21 | 91% | 31 | 86% | 27 | 90% |
| Subtotal | 26 | | 18 | | 18 | | 23 | | 36 | | 30 | |

Source: Information provided by IAEA in response to JIU questionnaire

87. **The Inspectors are of the view that, despite efforts made and progress achieved towards more equal gender balance in the Agency, much more needs to be done.** While acknowledging the fact that the participation of women in certain branches of the natural sciences, engineering and technology, especially in the nuclear field is also low in the private sector and academia and, consequently, the resource pool of women in the nuclear field remains limited, in their opinion, the Agency needs to undertake increased measures to attract well-qualified women candidates for its work.

88. The Inspectors suggest that the Director General continue his efforts, on a priority basis, towards achieving a more equal gender balance of IAEA's work force. The implementation of the Agency's gender policy needs to be expedited and more efforts are needed to achieve

³² GOV/2011/50-GC(55)/20, para. 13; the Agency also joined the United Nations System-wide Action Plan (UN SWAP) on gender equality and women's empowerment as adopted by the United Nations Chief Executives Board for Coordination in April 2012.

³³ GOV/2011/50-GC(55)/20, para. 13.

³⁴ Ibid., paras. 29 and 30.

³⁵ JIU questionnaire, page 46.

more tangible results. To this end, the Director General should review the implementation of the gender policy over the past six years with a view to identifying the progress made, challenges faced and putting forward recommendations and concrete steps to further strengthen the implementation of the policy. Based on the review, an action plan should be established for enhancing the implementation of IAEA's gender policy with adequate resources attributed to it.

89. The implementation of the following recommendation would strengthen IAEA's efforts towards achieving more equal representation of women in the Agency at the professional and above levels.

Recommendation 5

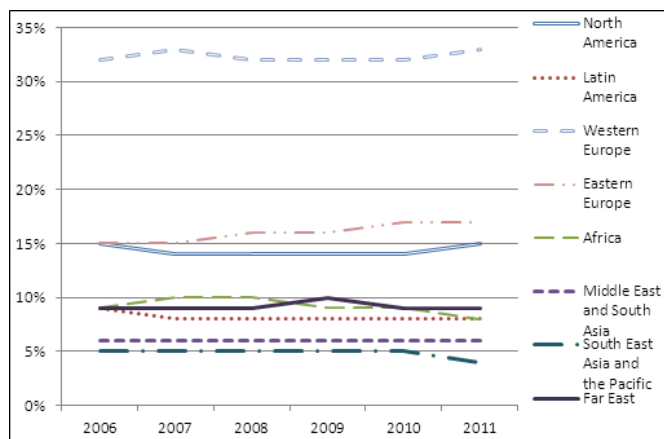
The Director General should develop a comprehensive action plan for enhancing the implementation of IAEA's gender policy with adequate resources attributed to it.

B. Equitable geographical distribution

90. The guiding principles for recruitment are laid down in article VII.D of the Agency's Statute which states that the paramount consideration in recruitment and employment is to secure employees of the highest standards of efficiency, technical competence and integrity. Subject to this consideration, due regard is paid to the contributions of Member States to the Agency and the importance of recruiting staff on as wide a geographical basis as possible.³⁶

91. The following table shows the distribution of regular professional staff in established posts by geographical region.

Chart 2: Geographical distribution of all professional staff and above (FT and LT in established posts)



Source: Information provided by IAEA in response to JIU questionnaire

³⁶ See also GOV/2011/49-GC(55)/19, para. 5.

92. As of 1 June 2011, nationals of 105 out of the 151 IAEA Member States were represented in the regular professional staff category.³⁷

93. The General Conference has repeatedly requested the Director General to, inter alia, “continue to secure employees of the highest standards of efficiency, technical competence, and integrity and to intensify his efforts to increase accordingly, particularly at the senior and policy-making levels and for Professional posts requiring specific skills, the number of staff members from developing countries and from those other Member States which are unrepresented or under-represented in the Agency’s Secretariat.”³⁸

94. In line with those requests, the Director General has undertaken various efforts and measures to address those concerns. Any individual appointments are monitored by senior management to ensure that they are in line with the current policy of giving special attention to applicants from developing Member States and other unrepresented or underrepresented Member States. Outreach activities have been enforced and the Secretariat has institutionalized formal talent-acquisition and skill-testing programmes. Interaction with Member States in search of well-qualified candidates, in particular from unrepresented, underrepresented and developing countries, have been intensified. Other measures include recruitment missions, strengthened JPO, fellowship and internship programmes and presentations and the presence of the Secretariat at relevant conference and meetings.³⁹

95. In accordance with General Conference resolution GC(53)/RES/18.A on Personnel, the Secretariat has analysed the geographic regions that are under-represented and the shortfall in the number of posts by each region compared with the regional share of contributions to the regular budget. As of June 2011, the North American region is underrepresented by 27 staff members and the Far East region by 12 staff members.⁴⁰

96. Progress has been achieved due to these efforts. During the period June 2009 to June 2011, the percentage of senior staff from developing Member States increased considerably to 39 per cent as compared to 30 per cent in 2009. The number of staff members drawn from developing Member States marginally decreased over this reporting period, resulting in an overall representation of 32 per cent, compared to 33.6 per cent in the previous reporting period.⁴¹

97. The Secretariat also noted that the high turnover of staff forecast until 2018 (550 of the 950 regular professional staff in 2011 will be leaving within the next seven years) will provide Member States with a unique opportunity to identify suitable candidates for posts that will become available. The Inspectors were also informed that recruitment in the scientific and technical areas is becoming increasingly difficult, in particular as regards recruitment from unrepresented, underrepresented and developing countries.

98. The Inspectors are of the view that more efforts are required to further improve the geographical representation of staff, in particular from unrepresented, underrepresented and developing countries, in line with the pertinent provisions of IAEA’s Statute and the reiterated requests of the General Conference. This issue should be included in the Agency’s comprehensive human resources policy and, based on a review of the efforts and measures undertaken within the past six years, including its

³⁷ GOV/2011/49-GC(55)/19, para. 18.

³⁸ GC(55)/RES/15.A; GC(53)RES/18.A; GC(51)/RES/18.A.

³⁹ See GOV/2011/49-GC(55)/19, paras. 7-12.

⁴⁰ Ibid., para. 21.

⁴¹ Ibid., para. 20 and 22.

achievements and major challenges, an action plan with clear objectives and targets should be formulated and implemented.

C. Mandatory staff rotation policy

99. The definition of rotation in IAEA is somewhat different from other United Nations organizations. It does not refer to internal mobility, but rather separation of service after a certain period of service (five or seven years). While organizations like OSCE, CTBTO and OPCW have similar rotation policies, IAEA's is somewhat different. At those organizations, all staff subject to rotation must, without exception, leave the organization after a certain number of years of service. However, at IAEA, some staff members are required to separate from the agency, while others may continue to serve if they have been granted long-term appointments.

100. IAEA's staff rotation policy is derived from the Agency's Statute which states that "the Agency shall be guided by the principle that its permanent staff shall be kept to a minimum" (article VII). The Agency's Staff Regulations and Staff Rules limit the tenure of fixed-term appointments in the professional category to a normal tour of service of five years, which may, exceptionally, be extended for up to another two years, usually without any further possibility of extension. Notwithstanding these limits on tenure, extensions beyond the normal five-year tour of service may be granted for periods of five years (long-term fixed-term (LT) appointments) and subject to further extensions until retirement age, under certain circumstances, at the discretion of the Director General.

101. As a result of IAEA's mandatory staff rotation policy, the Agency's workforce at the professional level is composed of regular staff members of which some have fixed-term (FT) contracts (up to a maximum of seven years) and others on LT appointments, in which case their FT contracts are extended beyond the usual maximum seven years of service.

102. There is no written policy as to what percentage of staff may hold an LT appointment. Successive Directors General have observed an informal guideline of limiting such appointments to not more than 40 per cent of staff on LFT appointments. The percentage of FT staff holding LT appointments has varied over time between 35 per cent and 40 per cent, depending on the needs of the Agency. As of October 2011, the percentage of professional staff on LT contracts was 39.5 per cent.⁴² The percentage of LT appointments also varies significantly among the six IAEA departments. In the Department of Safeguards, 54 per cent of the 419 professional staff hold LT appointments, in the Department of Management, DGOP and the offices reporting to the Director General, 29 per cent of the 349 professional staff have LT appointments, and in the Departments of Nuclear Energy, Nuclear Sciences and Applications, Nuclear Safety and Security, and Technical Cooperation, 18 per cent of the 145 professional staff have LT appointments as of November 2011.⁴³

103. The authority for granting LT appointments lies with the Director General, who decides upon recommendation and discussion of each case by the Joint Advisory Panel on Professional Staff, which meets on this issue twice a year. Staff Rule 3.03.1(C)(4) stipulates that LT appointments may be granted "if there is a need for continuity in essential functions or for other compelling reasons in the interest of the Agency," and the following technical considerations should be addressed when considering submission for LT appointments: "(a) the need to provide continuity in the specific function assigned to the staff member's post; (b) the conduct and performance of the staff member, which must be of the highest degree of excellence; and (c) the usefulness of the staff member's technical qualifications and expertise

⁴² GC(56)/10, para. 180.

⁴³ See GOV/INF/2012/7, paras. 6-8.

for the total duration of his/her expected service with the Agency.” The Director General approves LT appointments for about 20–25 staff members following each meeting of the panel, in accordance with Staff Rule 3.03.1(C)(4).

104. The staff rotation policy has some impact on the turnover of professional staff, as well as financial and other non-financial implications. In 2011, 9 per cent of professional staff with FT contracts separated from the Agency, for the following reasons: retirement (5.1 per cent), expiry of contract (2.1 per cent) and resignation (1.5 per cent). That is, less than 3.6 per cent of staff (fewer than 34 staff members) left because of rotation.⁴⁴

105. The major implications and benefits of the staff rotation policy could be summed up as follows:⁴⁵

106. Major implications:

- Lack of job security may discourage qualified individuals from joining the organization, in particular staff in certain age categories;
- Staff members may face hardship if they are unable to find suitable employment upon leaving the Agency;
- The continuous turnover of staff could disrupt work and knowledge-management needs, and may have a negative impact on institutional memory;
- Additional replacement efforts and costs;
- Additional resources and expenses for training may be needed and time spent by staff member for training and on-the-job learning;
- Staff members who know that they will spend only a limited period of time at the Agency may not experience the same feeling of belonging or loyalty as those who spend their entire career at the Agency;
- Negative effects on career development for staff.
- Overall negative impact on staff morale, due to some of the reasons already mentioned, as well as limited career development possibilities.

107. Major benefits:

- It provides a continuous influx of fresh talent with direct experience in research institutes, laboratories, nuclear installations and other institutions to supplement the Agency’s knowledge of developments in the field and the specific needs of Member States. Moreover, it helps to ensure that staff members are at all times as technically qualified as their national counterparts, thereby retaining the requisite level of respect in their profession;
- It allows former staff members, on their return home, to offer their national institutions the knowledge and experience they acquired at the Agency;

⁴⁴ GOV/INF/2012/7, para. 11.

⁴⁵ See also GOV/INF/2012/7, paras. 13 and 14.

- It facilitates changes in the staffing of the Agency to respond more quickly and easily to changes in programme requirements and demands for different types of expertise;
- It provides opportunities for the Agency to appoint more women and candidates from developing, underrepresented and unrepresented Member States and acquire younger talent;
- It may help to address underperformance of staff.

108. As to the cost implications of the staff rotation policy, according to an analysis done by the Secretariat, the staff rotation policy results in cost savings for the Agency. The analysis was based on indicative costs or savings that would result from recruiting two staff members consecutively, each for seven years, compared with recruiting and keeping one staff member for 14 years. In this scenario, the additional costs of the staff rotation for the Agency would be EUR 74,000, in total, compared to savings amounting to EUR 150,000; hence, the staff rotation policy would overall result in savings for the Agency of EUR 76,000 in the reviewed case.⁴⁶

109. Within IAEA, rotation poses a significant issue among the staff; it divides staff into two categories: long-term and on rotation. There are pros and cons of this policy. Based on the responses to the JIU survey, the majority of the staff is not in favour of the rotation policy or have asked for a reform thereof. At the same time, the Inspectors were informed that overall, the majority of Members States' representatives met and the IAEA officials interviewed were, in principle, in favour of keeping the current staff rotation policy, bearing in mind the various benefits it offers, however, indicating that there is room for improvement in the way the policy is implemented. **In particular, it was mentioned that the process for granting LT appointments needs to be as transparent and fair as possible.** To this end, it would be beneficial to have more detailed and clear criteria for granting LT appointments and ensuring that such criteria are applied consistently and in a fair manner. This would ensure that staff eligible for LT appointments have a fair and equal opportunity of being recommended for and granted LT contracts, which would raise staff morale and motivation overall as well as enhance buy-in and acceptance of the staff rotation policy. It was considered important that the implementation of the staff rotation policy should allow for striking a balance between its advantages and disadvantages.

110. The Inspectors are not questioning the rotation policy; they are concerned more about how the policy is being implemented. During the interviews, the following example was presented: two equally competent staff members were recommended for LT contracts; both were needed by the Agency. However, since the percentage for LT appointments is fixed, the result was that one staff member was given an LT appointment and the other had to leave, with no convincing reasons for the decision.

111. In the opinion of the Inspectors, further efforts should be undertaken to ensure that the process for granting LT appointments is fully fair and transparent. The Director General should ensure that the criteria contained in the Staff Rule 3.03.1(C)(4) are consistently and strictly applied and that all decisions are fully based on the consideration outlined in this provision. Since the process of granting LT appointments is in effect similar to that of the recruitment process for an initial appointment, similar requirements and standards, in terms of transparency, fairness and due process, should be fulfilled, including the exigencies of adequate documentation of the decision and the decision-making process.

⁴⁶ See GOV/INF/2012/7, Annex 12.

112. The implementation of the following recommendation would strengthen the implementation of IAEA's mandatory staff rotation policy.

Recommendation 6

The Director General should ensure that the criteria for granting long-term appointments under the Agency's mandatory staff rotation policy, as contained in the Staff Rule 3.03.1(C)(4), are consistently and strictly applied and that decisions are taken in a fair and transparent manner, with the decision-making process duly documented.

D. Streamlined recruitment process

113. IAEA's recruitment process has been reviewed, streamlined and enhanced within the past three years, resulting in a reduction from 36 to 22 recruitment steps and an overall reduction in recruitment time (from vacancy advertisement to appointment approval) from more than 50 weeks on average in 2009 to about 23 weeks in 2011. Prior to advertising a vacancy, time is also spent on drafting the vacancy notice and job description. The following table indicates the average duration of the recruitment process for 2008-2011.

Table 4: Average duration of recruitment periods

| Recruitment action | 2008 | 2009 | 2010 | 2011 |
|---|--------------------------------|----------------------------------|----------------------------------|--------------------------------|
| Drafting of vacancy notice | 18 weeks (87 working days) | 16.5 weeks (80 working days) | 13.5 weeks (65 working days) | 15 weeks (72 working days) |
| Vacancy advertisement to appointment approval | 45 weeks (216 working days) | 38.5 weeks (185 working days) | 25.5 weeks (123 working days) | 23 weeks (111 working days) |

Source: GC(54)/3, page 27; and GC(56)/10, page 142⁴⁷

114. In November 2010, the Secretariat issued new recruitment guidelines outlining the different recruitments steps and their duration. According to the guidelines, the targets for drafting the vacancy notice/job description should be five weeks, and the advertisement/appointment period, 18 weeks.⁴⁸ New tools and features have been developed and implemented, such as an interview guide for managers, a set of psychometric and leadership assessments, standardized reference check questionnaires, among others.

115. In 2011, the Secretariat finalized the electronic processes to streamline recruitment, including a fully automated electronic scheduling of each specific selection process and automatically generated electronic reminders and follow-ups. The support of these new IT tools should assist the Secretariat considerably in streamlining and enhancing the recruitment process and meeting its objectives and shortening the overall recruitment period. In addition,

⁴⁷ Status as of 20 October 2011; one week corresponds to 4.8 working days.

⁴⁸ IAEA Interoffice Memorandum "Recruitment Guidelines" of 11 November 2010.

contract types have been reviewed and streamlined; in particular, temporary assistance appointments have been harmonized with procedures applied to fixed-term appointments.

116. While significant progress had been made in enhancing and streamlining the recruitment process, the envisaged targets – as can be seen from table 4 above – have not yet been achieved. **In the Inspectors' view, the Secretariat should continue its efforts towards streamlining and shortening the recruitment process. The Director General should review the implementation of and compliance with the new recruitment guidelines, including the target time for the duration/completion of recruitment and report thereon to the Board of Governors in 2014.** This is of particular importance given the significant number of vacancies to be filled in the coming years up to 2018, according to the Agency's forecast of anticipated separations.

E. Enhanced staff training and development

117. IAEA is in the process of developing a formal strategy for staff development and training. The Secretariat currently provides a full set of standard skills enhancement training courses. In addition, IAEA runs two management training programmes: one on management development and the other on executive leadership. Specialized training programmes are also provided, such as those for safeguards inspectors.

118. The organization also has an internal mobility policy which allows staff to go on short-term career development reassignments to other work locations at the same grade or a grade above (CDR Programme). Long-term reassignments are also supported. Finally, IAEA is a party to the Interagency Mobility Agreement.

119. The following table presents training expenditures from 2006 to 2010.

Table 5: Staff Development and Training 2006-2010

| | 2006-2007 | 2008-2009 | 2010 |
|--|---|---|---|
| | EUR | | |
| Training funds approved in the regular budget | 1,880,000 | 2,070,000 | 1,180,000 |
| Regular budget training expenditure | 1,900,000 | 2,800,000 | 1,310,000 |
| Main breakdown of regular budget training expenditure | 270,000 SEC 110,000 SMR 1,520,000 Other | 30,000 SEC 80,000 SMR 2,420,000 Other | 12,000 SEC 10,000 SMR 1,180,000 Other |
| Extrabudgetary training expenditure | 140,000 | 20,000 | 50,000 |
| Main breakdown of extrabudgetary training | 50,000 ELP 90,000 SEC | 30,000 ELP 180,000 SEC | 20,000 ELP 20,000 SEC |
| | Per cent | | |
| Training funds approved in the regular budget as a proportion of the approved regular budget | 0.35% | 0.36% | 0.38% |
| Training funds approved in the regular budget as a proportion of staff costs | 0.61% | 0.61% | 0.63% |

Source: Information provided by IAEA in response to JIU questionnaire.

Note: Data are not provided for 2011. As new IPSAS accounting standard was introduced, data in 2011 are not comparable to prior years; ELP: Executive Leadership Programme; SEC: Skill Enhancement Courses; SMR: Senior Management Retreat; the budgetary figures are approximate data.

120. The Agency's training programme is rather modest and falls below the levels of annual training provisions of many other United Nations system organizations which typically invest one per cent of their annual budgets in training and development.⁴⁹

121. While aware of financial constraints and the limited resources available to the Agency, the Inspectors are of the view that adequate training is important and vital for enhancing the productivity of staff and the efficiency and effectiveness of the organization as a whole. In particular for a technical organization such as IAEA and bearing in mind the significant number of new staff expected between now and 2018, according to the separations forecast, a robust and effective training and staff development programme is vital. Another area which requires extensive training needs is the implementation of the Agency's new ERP system, AIPS. Further, as indicated by staff in their responses to the JIU staff survey, there also appears to be a need for increased managerial training for managers. As such, the Director General should request the Board of Governors to allocate realistic financial resources for training, equivalent to about one per cent of the regular 2014-2015 budget. Emphasis should be placed on training needs as identified through the Agency's performance management system, technical training required for technical experts and staff and AIPS.

122. The Director General should ensure that a comprehensive strategy for staff development and training is finalized and approved not later than the end of 2013.

123. The implementation of the following recommendation is expected to enhance the Agency's staff training and development programme.

Recommendation 7

The Director General should allocate adequate financial resources for staff training and development, taking into account IAEA expenditure priorities and the resourcing practices of other United Nations system organizations, most of which spend about one per cent of their regular budget on staff development and training.

⁴⁹ Investing in the United Nations: for a stronger Organization worldwide, Report of the Secretary-General (A/60/692), para. 25 (j).

V. OTHER ISSUES

A. Corporate Risk Management (CRM)

124. IAEA has a risk management system in place and has established an official risk register which is periodically updated. Risk management is also integrated into the strategic planning, programming and budgeting process, so as to ensure consistent consideration of risks in decision-making and resource allocation.⁵⁰

125. In 2011, IAEA revised and updated its risk management policy and developed guidelines on risk management for implementing said policy, which was approved and incorporated in the Agency's Administrative Manual.

126. Risk management policies, processes and practices at IAEA are overseen by the policy-planning and strategy formulation function of DGOP; the Senior Strategy Officer is the focal point for all methodological and technical matters relating to risk management. He is supported and advised by a cross-departmental risk management group, which he chairs. In line with its updated risk management policy, IAEA is now using an organization-wide, structured approach to managing risks. Assessed risks are centrally recorded in the Agency's Risk Register, with high risks reported to the Director General.

127. The Inspectors welcome the important work accomplished in updating and improving IAEA's risk management framework. In particular, they consider that an organization-wide approach and the establishment of a cross-departmental risk register is the appropriate way to ensure effective risk management. However, more needs to be done. **The Inspectors reiterate the importance of effective risk management for the Agency, since the organization is dealing with particularly sensitive operational, financial and reputational risks, which, if not addressed and mitigated, can have a disproportional negative impact on the Agency's work. They are also of the view that DGOP should undertake further steps towards fully embedding CRM in the organizational culture.**

B. Corporate Knowledge Management (CKM)

128. The Agency has a formal organization-wide corporate knowledge management (CKM) framework and process in place. It developed and adopted the CKM Policy, Guidelines and Plan in May and August 2012.

129. According to IAEA's CKM policy, CKM is an integrated part of core Agency processes (i.e., strategic planning, programme development, budgeting and planning) and should ensure a consistent one-house approach to consideration and utilization of knowledge and information. The Agency uses an organization-wide, structured approach to manage knowledge in order to ensure that all processes and areas of the Agency's work are covered.⁵¹

130. The CKM process is guided by the Interdepartmental Steering Group on Corporate Knowledge Management (ISG/CKM) established in 2011.⁵² ISG/CKM developed and adopted the terms of reference for ISG/CKM, the CKM policy, guidelines and plan. These documents outline ISG/CKM's activities in the Agency and guide the establishment of the CKM system. ISG/CKM refines and furthers the progress of the CKM plan, coordinates its implementation, and monitors CKM-related activities at the departmental level. The Group is chaired by the Senior Strategy Officer within DGOP who, as focal point for CKM, oversees

⁵⁰ See Guidelines for the Preparation of the Programme and Budget 2015-2015, July 2012, page 14.

⁵¹ The Agency's Corporate Knowledge Management Policy, 2 May 2012, para. 8.

⁵² The Terms of Reference of the ISG/CKM were adopted on 2 May 2012 and support the work of the ISG/CKM.

the CKM system – policy, processes and practices – and follows up on its updates as necessary through ISG/CKM. The Chair submits to the Director General an annual progress report on ISG/CKM's work.

131. Under the guidance of ISG/CKM and the Senior Strategy Officer in DGOP, work has started on identifying and analysing Agency processes. All departments have provided input on their relevant core processes, which are being collectively reviewed and analysed in view of identifying areas and ways of improving CKM processes and practices within the Agency. Among others, focus has been on improving the existing practice of induction packages for staff and hand-over policies and procedures for outgoing staff, bearing in mind the rather high turnover of staff. ISG/CKM's work and activities for the establishment and implementation of an efficient and effective CKM system is a work-in-progress.

132. The Inspectors welcome the efforts and progress made in respect of CKM, in particular the development and adoption of the relevant policy instruments and the work done in implementing them. They understand that this is a work-in-progress. However, they were informed during their meetings that more needs to be done. It was noted that CKM and in particular hand-over procedures and their effective implementation is (still) an area which needs priority attention. For instance, it was noted that in some cases where key staff members have left the Agency, the work of the respective divisions and departments have been negatively affected, since the outgoing staff did not prepare and make available key information and documentation for new or remaining staff. In some cases, this has resulted in significant disruption of work, loss of institutional memory and has sometimes had a negative implication on the reputation of the Agency vis-à-vis its partners and stakeholders. The Agency should be more systematic in ensuring that departing officials brief remaining staff (or incoming appointees) on the key issues relating to the posts and on the location of necessary information.

133. The Inspectors suggest that the Director General review the implementation of the updated CKM Policy so as to avoid disruption of work, loss of institutional memory and possible reputational risks to the Agency.

C. Ethics function

134. IAEA has an Ethics Policy which was implemented in 2008. It outlines the responsibilities of staff and the respective framework and procedures so as to ensure the highest standard of integrity required by the Standards of Conduct for the International Civil Services and the Staff Rules and Regulations through fostering a culture of ethics, transparency and accountability.

135. As part of the ethics policy, all staff must complete an ethics and integrity awareness training course, and all staff at the D-1 level and above, as well as staff designated by the Director General and having finance, procurement, human resources, OIOS and legal functions must complete annually a Declaration of Interest Statement.

136. IAEA does not have a separate ethics office or function but the Agency's ethics policy is implemented through three staff members of the Department of Management, Division of Human Resources, (MTHR), who are designated to provide the function of Ethics Advisors and who carry out those functions in addition to their regular duties. Their role includes providing confidential advice and guidance to staff on ethical issues, administering the Agency's financial disclosure programme, providing comments on policies and training, as well as promoting and fostering awareness of ethical values and behaviour.

137. The Agency also has mechanisms in place for reporting and dealing with misconduct, such as procedures to be followed in the cases of alleged misconduct, a whistle-blower policy and investigation procedures. Grievances can be also dealt with by the Staff Counsellor and

mediators, who are staff members serving as mediators in a dual capacity in addition to their main function.

138. The Inspectors are of the view that a robust and effective ethics function is a key element of any organization for fostering and ensuring a culture and the highest level of integrity and accountability, thereby enhancing trust in and the credibility of the organization, both internally and externally. They acknowledge that the implementation of the Agency's Ethics Policy through the Ethics Advisors in a dual-function arrangement has benefits, such as possible cost-savings, expert knowledge on human resources issues, among others, however, such an arrangement also has significant drawbacks. In particular, it may run the risk of conflict of interest – real or perceived – which also has an impact on staff confidence in the ethics function. It also has an implication on the independence of the function and the reporting hierarchy.

139. The Inspectors are of the view that the current arrangement may lead to conflict of interest in situations where the ethics issues put forward by a staff member are related to human resources policies, rules and regulations, for instance performance appraisal issues, harassment, among others. In such cases, the person concerned may be reluctant to consult with and seek advice from an ethics advisor in the Division of Human Resources. Furthermore, while the Ethics Advisors may report to either the Director General or the Director of MTHR on their specific cases, no annual summary report on the activities of the ethics function is submitted to the Director General and the Board of Governors, as would be good practice.

140. For those reasons, the Inspectors recommend that the Director General review the current ethics function arrangements and the possibilities of establishing a separate ethics office instead of a dual-function arrangement or, alternatively, consider outsourcing the ethics function to another Vienna-based United Nations system organization in line with the recommendations and standards suggested in JIU report, "Ethics in the United Nations system" (JIU/REP/2010/3). The review report should be submitted to IAEA's Board of Governors for consideration and action before the end of 2014.

141. The implementation of the following recommendation is expected to enhance the effectiveness of the Agency's ethics function.

Recommendation 8

The Director General should review the current ethics function arrangements and consider establishing a separate ethics office, and report thereon to the Board of Governors before the end of 2014.

D. Information technology

142. Besides the Division of Information Technology in the Department of Management (MTIT), which services the whole organization and is responsible for setting standards and for the implementation of an enterprise-class information technology (IT) environment, some decentralized IT units and functions also exist in the different departments.

143. In terms of information and communication technology (ICT) governance, IAEA has an IT Committee which deals with policy issues, advises the Chief Information Officer (CIO) on technical issues, reviews and makes recommendation on the implementation of the Agency's

centralized IT services budget. The Committee also has two standing working groups which advise on specific IT issues.⁵³ The IT Committee is chaired by the CIO, who has a dual function as Director of MTIT and CIO. In early 2012, the Agency appointed a Central Security Coordinator (CSC), who is also the Agency's Information Security Officer (AISO). The Agency's IT operations and activities are guided by the Agency-wide Information Management/Technology Medium-term Strategy for 2007-2011 and the Agency's Information and Communication Technology Security Policy.

144. The Secretariat is also in the process of implementing a corporate ERP system, AIPS. Of the four plateaus expected to be fully implemented by 2015, Plateau 1 was implemented on time and in the budget for 2011, and implementation of Plateau 2 is expected to be finalized by the end of 2012.

145. Having a decentralized IT structure comprised of MTIT and other IT units and services, and the relatively operational independence of some IAEA departments puts at risk a harmonized and coordinated IT management, with the result that different standards, security policies and levels are applied within the organization. It also impedes (agency-wide) budgetary planning and monitoring of IT and may result in fragmentation, duplication and inefficiencies.

146. Those risks need to be addressed, and in the view of the Inspectors, would be best done through effective and robust ICT governance. **IAEA has all the essential elements for ICT governance in place. However, IAEA's IT strategy needs to be updated to reflect current business needs and priorities. In particular, a mechanism should be established to monitor and evaluate the implementation of the Agency's IT strategy on a periodical basis. Since the authority of the CIO is limited as regards other IT units, a "one-house" approach should be advocated through vesting more authority in the CIO or by requiring improved coordination and cooperation among the different IT units and services. Similarly, close cooperation and coordination should be ensured between the CSC, who is also the AISO, and the officer responsible for IT security at the Department of Safeguards, Division of Information Management (SGIM).** Reference is also made in this context to the recent JIU report on Information and communication technology (ICT) governance in the United Nations system organizations (JIU/REP/2011/9).

E. Technical cooperation and joint programming

147. IAEA's technical cooperation (TC) programme aims to support Member States in the peaceful and safe use of nuclear applications. The programme is managed and coordinated under Major Programme 6 (Management of Technical Cooperation for Development). The TC programme is designed to meet the changing needs of Member States in a flexible and responsive manner, primarily in the areas of development, energy and nuclear safety. The main thematic areas include human health; food and agriculture; water and environment; nuclear energy and safety and security.

148. The total new resources for the TC programme for 2011 amounted to EUR 81.8 million, and the programme implementation rate reached 73.9 per cent with 123 countries/territories receiving support.⁵⁴

⁵³ The Nucleus NUCLEUS interdepartmental advisory body/Steering Group set up by the ITC that is concerned with all policy issues related to Nucleus NUCLEUS. The Information Security Policy Steering Group (ISPSG) is a standing body in the Agency responsible for advising the ITC, through DIR-MTIT/CIO, about information security issues, procedures and practices.

⁵⁴ GC(56)/INF/4, page 24.

149. Technical cooperation support is provided through national, regional and interregional projects, developed at the country level with reference to the Country Programme Framework (CPF) where available, national development plans, and United Nations Development Assistance Framework (UNDAF).

150. In order to pursue continuous improvement in the TC programme, the Secretariat developed a two-step mechanism to assess the quality of projects submitted for the 2012–2013 TC cycle. The first step consisted of a self-review of all project designs submitted by the individual project teams themselves, supported by the Programme Cycle Management Framework (PCMF) IT platform. The second step was a quality review by the Secretariat of a 10 per cent sample of the projects submitted. Lessons from the 2009–2011 TC programme cycle were used to develop the review methodology, and projects were assessed for compliance with TC project criteria⁵⁵ and with the LFA. The review findings noted incomplete compliance in both areas.⁵⁶

151. Progress has also been made in concluding CPFs, fostering the Agency's participation in UNDAFs, and establishing a proactive approach to programme partnerships with organizations such as FAO, WHO, UNEP, IFAD, CGIAR, WMO, UNCCD and UNFCCC to maximize the IAEA contributions to development.⁵⁷ Examples include the WHO/IAEA Joint Programme on Cancer Control, the close collaboration of the Agency's Department of Technical Cooperation with FAO's Agriculture and Consumer Protection Department, and a Joint FAO/ IAEA Division to identify joint TC activities at the country level.

152. However, among the challenges faced by the Agency's TC programme is the fact that most of the development actors are not aware of IAEA's dual mandate and the Agency's added value in these realms continues to be underutilized. The Inspectors believe that the Agency should enhance its outreach efforts at every level to inform and remind partners and stakeholders that the Agency spends a significant portion of its budget on official development assistance, and that it should not, given its strong stake and mandate in developing assistance, be reduced to the perception of being the "nuclear watchdog."⁵⁸

153. Another prerequisite for more effective partnership and joint programming with other United Nations organizations and partners is the need to address the internal IAEA specific shortcomings so as to "deliver-as-one." In the view of the Inspectors, more needs to be done to achieve a "one-house" approach in the area of technical cooperation and development assistance (see also chapter II above).

154. As indicated to the Inspectors, "each thematic area is currently being addressed by several and often disjointed initiatives undertaken by a range of IAEA Units. So far the Agency has not been able to place emphasis on establishing thematic groups across departmental, sectoral sectional and multidisciplinary boundaries. It will need to take the realities of the Agency's organizational setup into account and bridge departmental borders and sectional mentalities. A comprehensive thematic programming approach is a prerequisite to joint programming with key development partners."⁵⁹ The Inspectors concur with these

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⁵⁵ TC quality criteria include project relevance, Member State ownership and commitment, sustainability, effectiveness and efficiency.

⁵⁶ Technical Cooperation Report for 2011, Report by the Director General (GC(56)/INF/4), pages 16 and 17.

⁵⁷ See also IAEA's Partnership and resource mobilization policy and guidelines (AM.V/8 and AM.V/8,I issued in 2010).

⁵⁸ Response to JIU questionnaire, question 8.1.1.

⁵⁹ Ibid.

concerns, and consider that more needs to be done to fully achieve a “one-house” approach through integrated support and enhanced cross-departmental project management.

155. Another area which needs further attention is the cooperation of the Agency with other United Nations system organizations and partners at the country level. While significant progress has been made within the past three years with regard to IAEA’s participation in the UNDAFs, including alignment of CPFs, more needs to be done. Since the Inspectors only met with staff at headquarters, they refer to the findings and recommendations contained in recent and ongoing audits (and evaluations) by OIOS and the Agency’s External Auditor.⁶⁰ They urge the Director General to implement the respective outstanding recommendations.

F. Emergency preparedness and cooperation with other international organizations

156. The Convention on Assistance in Case of a Nuclear Accident or Radiological Emergency and the Convention on Early Notification of a Nuclear Accident (Early Notification and Assistance Conventions) are the prime legal instruments that establish an international framework to facilitate the exchange of information and the prompt provision of assistance in the event of a nuclear accident or radiological emergency. They place specific obligations on the parties and the IAEA, with the aim of minimizing consequences for health, property and the environment.

157. In accordance with those conventions, IAEA serves as the focal point for such cooperation by channelling information, supporting efforts and providing its available services. IAEA also chairs the Inter-Agency Committee on Radiological and Nuclear Emergencies (IACRNE),⁶¹ which is the principal coordination mechanism among United Nations system organizations and other international organizations in the case of nuclear emergencies. The IACRNE also develops and maintains the Joint Radiation Emergency Management Plan of the International Organizations,⁶² which describes the inter-agency framework for preparedness and response to an actual, potential or perceived radiation incident or emergency, irrespective of its cause.

158. The two conventions are supplemented by a number of mechanisms and practical arrangements established by the Secretariat, the Agency’s policy-making organs and meetings of competent authorities under the Early Notification and Assistance Conventions. Together, these instruments establish the IAEA emergency preparedness and response framework for nuclear and radiological incidents and emergencies.⁶³

⁶⁰ See, for example: GOV/2011/62; GOV/2010/59; GOV/2012/14; GC(55)/4, paras. 121-149; and GC(56)/10, paras. 247-288.

⁶¹ Established following the Chernobyl accident and comprising 15 member organizations: UNEP, UN/OCHA, UN/OOSA, Scientific Committee on the Effects of Atomic Radiation, FAO, IAEA, ICAO, IMO, European Commission, European Police Office, International Criminal Police Organization-International Criminal Police Organization, OECD/Nuclear Energy Agency, Pan American Health Organization, WHO and WMO.

⁶² http://www-pub.iaea.org/MTCD/publications/PDF/EPR-JPLAN_2010_web.pdf.

⁶³ GOV/INF/2011/8, para. 3.

Figure 1: Elements of the IAEA Emergency Preparedness and Response Framework for nuclear and radiological incidents and emergencies



Fig. 1. The International Emergency Preparedness and Response framework

Source: GOV/INF/2011/8, Annex I.

159. In September 2011, the Board of Governors and the General Conference adopted the IAEA Action Plan on Nuclear Safety,⁶⁴ submitted to them by the Director General following a request by the IAEA Ministerial Conference on Nuclear Safety in June 2011, and also in response to the accident at the TEPCO's Fukushima Daiichi Nuclear Power Station (Fukushima NPP). The Action Plan contains 12 actions aimed at strengthening nuclear safety worldwide. Since its adoption, several activities have been undertaken to implement the action plan, including an IAEA international expert mission to Japan in January 2012; activities to strengthen IAEA peer review services; a systematic review of IAEA Safety Standards; launch of a web-based platform to strengthening communication; and a number of meetings and workshops relevant to the Action Plan have been held.⁶⁵

160. At the 22nd regular meeting of IACRNE in December 2011, the Committee discussed, among other issues, the lessons identified in the inter-agency response to the accident at Fukushima NPP that are relevant to the work of the Inter-Agency Committee. There was overall agreement that the IACRNE and its Joint Radiation Emergency Management Plan of the International Organizations (ERP-JPLAN) is an effective and comprehensive inter-agency mechanism for coordination of international response. Improvements were identified in the

⁶⁴ GOV/2011/59-GC(55)/14.

⁶⁵ See GOV/INF/2012/10, GOV/INF/2012/11-GC(56)/INF/5, GOV/INF/2012/2, and GOV/INF/2011/15.

areas of communication among organizations, communication with the public and specific technical communities, and emergency preparedness in general.⁶⁶

161. The United Nations Secretary-General convened the High-level Meeting on Nuclear Safety and Security on 22 September 2011 and presented his report entitled “United Nations system-wide study on the implications of the accident at the Fukushima Daiichi nuclear power plant.”⁶⁷ In his closing remarks, the Secretary-General highlighted the “need to strengthen the link between the international nuclear response system and the international humanitarian coordination system.”

162. In order to establish a closer link between the systems, the Emergency Relief Coordinator and Chair of the Inter-Agency Standing Committee (IASC) was entrusted with the task of studying ways to enhance the capacity of the organizations of the IASC with a view to establishing “an inclusive and consolidated response system” with “an appropriate governance framework for coordination” as addressed in his report.

163. The Inspectors welcome the comprehensive and extensive activities and efforts undertaken by the Agency in view of strengthening its work and role in the area of nuclear emergency preparedness and response and its cooperation with United Nations system and other international organizations. They wish to note that the Director General of IAEA should also update, as appropriate, its Memorandum of Understanding with the United Nations Disaster Relief Coordinator of 1977⁶⁸ and internal operational guidelines and procedures governing cooperation with respective United Nations system organizations and other international organizations, so that they are in line with the latest, revised version of the ERP-JPLAN, which is expected to be issued in 2013, and reflect the measures undertaken in the context of the IAEA Action Plan on Nuclear Safety. In view of facilitating the implementation of the Action Plan, the Director General should consider updating, in consultation with Member States, IAEA’s MTS 2012-2017 by including the related activities there-in, as well as re-allocate available and/or raise additional resources required for the implementation of the Action Plan (see also paragraph 67 above).

G. Staff – Management relations

164. IAEA has mechanisms in place for staff-management relations. It has a number of joint staff/management bodies (such as the Joint Advisory Committee, the Joint Appeals Board, the Joint Disciplinary Board) for the participation of staff representatives in discussions of HRM policies, appeals and disciplinary cases, and other relevant issues. The Staff Association of IAEA is composed of all staff holding contracts of at least three months or having at least four months of continuous service. The Staff Council is the executive organ of the Staff Association and elected by staff at large.

165. The President of the Staff Council meets with various administration representatives on a regular basis, including the Directors of MTHR, OIOS, MTGS and the Special Assistant to the Director General, to discuss management issues. He also meets with the Director General at least once a year. The Director General addresses the annual Staff Assembly. The President

⁶⁶ GOV/INF/2012/2, para. 12.

⁶⁷ SG/HLM/2011/1.

⁶⁸ It consists in enhancing cooperation and coordination between the IAEA and UNDRO, an Office of the United Nations Secretariat, predecessor to UN-OCHA, on disaster related activities as well as disaster relief in the in the affected countries to make the most effective use of the services available to the IAEA and the United Nations, and avoid overlapping and duplication (see Treaty Series, Volume 1039, 1984, pp. 378-391(1977)).

of the Staff Council addresses the Board of Governors annually through the Programme and Budget Committee (PBC).

166. The Inspectors were informed that both management and staff at large are overall satisfied with the staff-management relations. Members of the Staff Council noted that they were usually consulted on all relevant issues and given the opportunity to provide comments, though they wished their points of view and comments were taken into account more often. While the existing mechanisms are effective and working generally well, some staff expressed the view that they would welcome more efforts by the administration to use said mechanisms more effectively so as to have more frequent and closer consultation. The Director General emphasized that he attributes great importance to building and maintaining good relations with staff, as they are the major asset of the organization.

167. The Inspectors consider that IAEA has an effective and robust staff-management mechanism in place, which is generally well implemented. In particular, they consider the Staff Council President's direct access to Member States through his annual address to the Programme and Budget Committee good practice. However, they are of the view that the current staff-management relations instruments should be complemented by conducting periodic staff surveys. This would allow staff at large to comment, in a confidential setting, on relevant issues pertaining to their daily work, while at the same time provide administration and management with feedback and input on their work. It may also serve as an additional instrument for consultation and positively affect staff morale, enhance transparency and overall trust in the organization by staff.

168. In the context of this review, the Inspectors conducted a staff survey containing 62 thematic questions covering a broad range of work related issues, such as human resources management, executive management, organization structure, accountability, communication and information-sharing, business processes and other work related issues. The survey also contained one open-ended question, providing staff the opportunity to make qualitative assessments, comments and/or suggestions on any other work-related issue, as they saw fit.

169. The overall conclusion drawn from the responses received is that the great majority of staff value IAEA as a good place to work and they are motivated and dedicated. At the same time, according to staff on some issues further improvement could be made. Communication, both interdepartmental and vertical, needs to be improved, as well as more transparency of the internal processes would be useful. Transparency and fairness in the context of human resources management is another area that could benefit from further improvement. In this regard, the majority of staff also expressed some reservation as to the Agency's mandatory staff rotation policy, indicating that it may pose an impediment to career development and may have implications on the institutional memory of the organization.

170. While staff overall were satisfied with support and feedback provided by their supervisors, some were of the view that more attention should be attributed to managers having good managerial skills in addition to their technical expertise, for instance by providing opportunities for relevant training. Staff overall appreciated the good work-life balance arrangements at IAEA. They also feel that they are treated with respect at work and consider that cultural differences are well respected at IAEA.

171. The Inspectors suggest, in line with the rationale and reasons provided above, that the Director General conduct staff surveys at least every three years covering the major issues pertaining to staff at large, such as those relating to human resources, values and ethics, equal treatment, transparency, fairness, (executive) management, accountability, communication and information-sharing.

VI. OVERSIGHT

A. Oversight framework

172. Member States have the responsibility for oversight in IAEA and delegate some authority for oversight to the IAEA Secretariat and to the Agency's External Auditor.

173. The Office of Internal Oversight Services (OIOS), established in April 2001, consolidates the functions of internal oversight covering internal audit, programme evaluation, management services and investigations. The Head of OIOS reports directly to the Director General and, to ensure operational independence, has managerial responsibility and control over the human and financial resources of the Office while abiding by the Agency's rules and regulations. Its annual work plan shall be subject to approval of the Director General.⁶⁹

174. In 2012, as required by the internal audit standards,⁷⁰ the Director General gave his approval for OIOS to report directly to the Board of Governors on its internal audit activity on an annual basis. In practice the Head of OIOS reports to the Board through its Programme and Budget Committee on its audit and evaluation activities, providing summaries and main results of his work conducted during the respective year. This reporting arrangement is not reflected in the OIOS Charter. **Therefore, in the view of the Inspectors, the OIOS Charter should be updated accordingly so as to reflect internal auditing standards,⁷¹ and also in view of guaranteeing and outlining the modalities under which the Head of OIOS reports to the Board of Governors.**

175. IAEA is also subject to the oversight by JIU, which, as an independent external oversight body of the United Nations system organizations, is mandated to provide an independent view through inspection and evaluation aimed at improving management and achieving greater coordination between United Nations system organizations. The United Nations General Assembly has repeatedly requested the JIU to focus on system-wide issues. JIU reports originate for the most part from proposals submitted by JIU participating organizations including IAEA.

176. IAEA rates quite high among JIU participating organizations in terms of acceptance and implementation of JIU recommendations. Between 2004 and 2010, IAEA accepted 61.9 per cent of recommendations and 8.2 per cent were reported under consideration. 50.3 per cent of the accepted recommendations were implemented and 16.8 per cent reported as implementation in progress by the end of 2010.⁷²

177. In practice, IAEA Member States are informed about JIU reports in the Board of Governors, however, the reports are not discussed or dealt with by the Board.⁷³ In other JIU participating organizations, JIU reports are discussed by their legislative bodies under an agenda item and copies of the reports made available to Member States as official documents. The Inspectors consider that best practices as it allows for consideration of relevant JIU

⁶⁹ OIOS Charter, paras. 2, 5, 6 and 10.

⁷⁰ The Standards Glossary of the Institute of Internal Auditors (IIA), defines the term Board as "... an organization's governing body, such as a board of directors, supervisory board, head of an agency or legislative body, board of governors or trustees or a non-profit organization, or any other designated body of the organization, including the audit committee to whom the Chief Audit Executive may functionally report."

⁷¹ Ibid.

⁷² A/66/34, page 17, table 2.

⁷³ See GOV/INF/2012/14.

reports in the appropriate way, hence strengthening accountability and oversight and it allows for dissemination of best practices.

178. The implementation of the following recommendation is expected to strengthen oversight and facilitate sharing of best practices.

Recommendation 9

The Board of Governors and/or its Committees should have relevant JIU reports made available to Member States as official documentation under an agenda item or sub-item, as appropriate, and discuss them.

179. With regret, the Inspectors had to point out that before they started interviewing IAEA staff concerning the review, an internal communication had been circulated by the senior management. This communication reminded managers that “the format of meetings should be discussion/ Q&A on the basis of the questionnaire provided to the JIU earlier this year and any additional information should be limited to such already available in GOV or other official documents.” The communication also requested the managers to advise accordingly their staff who would meet with the Inspectors. The Inspectors wish to express their concern as to the compliance of IAEA’s obligations to extend full cooperation and provide access to particular information and documents relevant to their work in accordance with the provisions of Article 6, paragraph 2 of the JIU Statute.

B. Audit/Oversight Committee

180. The Agency does not have an independent audit/oversight committee. This issue had been reviewed in previous reports of the External Auditor of the Agency, who recommended the establishment of such a committee, for the first time in 2002.

181. On 3 April 2003, the former Director General already approved terms of reference for an Advisory Committee on Oversight prepared by OIOS and reviewed by the Office of Legal Affairs (OLA). According to a previous JIU report issued in 2006, at IAEA “the need for a Review and Oversight Committee [was] being considered and draft terms of reference of the Committee being prepared.”⁷⁴ However, the creation of the Committee did not materialize. The Secretariat expressed its view that the IAEA’s unique functions, compared with other international organizations, in such areas as nuclear safeguards and nuclear security, needs to be taken into consideration when this issue is addressed.⁷⁵ These concerns were reiterated to the Inspectors. It was noted that in organizations such as the IAEA which dealt with sensitive and confidential information and issues, an oversight committee would open the possibility and provide the risk that sensitive and confidential information collected during oversight activities could be disclosed.

182. It was suggested as an alternative to a creation of an oversight/audit committee that the existing governance body of the Agency, namely the Board of Governors, could be fully and appropriately used. The Programme and Budget Committee could be used as a good opportunity for the Secretariat to report on its internal audit activities to Member States in an appropriate way.⁷⁶ This option was followed, and since 2012 OIOS reports to the Board of Governors through its Programme and Budget Committee on its audit and evaluation

⁷⁴ JIU/REP/2006/2, Annex II.

⁷⁵ GC(56)/10, para. 150.

⁷⁶ GC(56)/10, para. 152.

activities on an annual basis. Since 2012, the work plan, the resource allocation and the results of the work of the OIOS are shared directly with the Member States. The Inspectors were informed that the compliance of this arrangement with International Standards of Internal Auditing has been confirmed by a validation of the Institute of Internal Auditors in 2012.

183. However, as also noted by the Agency's External Auditor in his latest report, the mandate, function and role of an audit/oversight committee would go far beyond the current established practice of informing the Board of Governors through its Programme and Budget Committee on the OIOS internal audit and evaluation activities annually. The audit/oversight committee, if established, would among others examine the work plans of OIOS, review the budget proposals for OIOS, and advise on the effectiveness, efficiency and impact of the audit activities and other oversight functions of OIOS and the External Auditor, including promoting and reviewing coordination among internal and external audit.⁷⁷ This would be in line with the model of an external oversight committee for United Nations organizations as proposed by the JIU, which also takes into account that developed by the Institute of Internal Auditors (IIA) and the respective comments thereon by the Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions and Associated International Organizations (RIAS).⁷⁸ As of 2011, 16 out of 21 United Nations system organizations have established an audit/oversight committee.⁷⁹

184. The establishment of an audit/oversight committee would also strengthen both internal and external oversight, since the oversight committee would review effectiveness of the oversight arrangements and work, the work plan and resource allocations and promote and support cooperation between both oversight activities. It would also strengthen independence of the internal oversight function in all its work areas. It finally would enhance the overall governance framework, allowing Member States to better and adequately fulfil their oversight role.

185. While the unique work of the Agency, for instance in the safeguards and nuclear security area, may provide the need for particular confidentiality requirements, this, in the view of the Inspectors, should not a priori prevent IAEA from reconsidering the issue of establishing an audit/oversight committee. Any possible confidentiality concerns related to the work of the oversight committee could be addressed in other ways, for instance when defining and deciding on the committee's mandate, composition and its working modalities.

186. Reference is made to the relevant JIU reports,⁸⁰ which contain further information, recommendations and details on oversight committees in the United Nations system including a model charter. In line with recommendation 1 of the JIU report "Oversight lacunae in the United Nations system" (JIU/REP/2006/2), which IAEA has accepted, "the independent external oversight board should be composed of five to seven members, all of whom shall be elected by Member States to represent the governing bodies' collective interests. They should have prior experience in areas of oversight. In carrying out their functions, they should be assisted by at least one external adviser with recognised expertise in oversight matters to be chosen by them."

⁷⁷ GC(56)/10, para. 153.

⁷⁸ See JIU/REP/2006/2, paras. 20-24, Recommendation 1; JIU/REP/2010/5, paras. 177-209, with further references.

⁷⁹ JIU/REP/2010/5, Annex I.

⁸⁰ JIU/REP/2010/5, The audit function in the United Nations system; and JIU/REP/2006/2, Oversight lacunae in the United Nations system.

187. The implementation of the following recommendations is expected to enhance oversight in the IAEA.

Recommendation 10

The Board of Governors should recommend that the General Conference establish an independent audit/oversight committee, whose members should be elected by Member States to represent the governing bodies' collective interests.

Annex I

Overview of actions to be taken by participating organizations on JIU recommendations JIU/REP/2012/13/Rev.1

| | | Intended impact | United Nations, its funds and programmes | | | | | | | | | | | | | Specialized agencies and IAEA | | | | | | | | | | | | | | | |
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| | | | CEB* | United Nations** | UNCTAD | UNDP | UNEP | UNFPA | UN-Habitat | UNHCR | UNICEF | UNODC | UNOPS | UNRWA | UN Women | WFP | FAO | ICAO | ILO | IMO | ITU | UNAIDS | UNESCO | UNIDO | UNWTO | UPU | WHO | WIPO | WMO | IAEA | |
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| Recommendation 5 | o | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | E |
| Recommendation 6 | d | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | E |
| Recommendation 7 | e | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | E |
| Recommendation 8 | 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 accountability **b:** dissemination of best practices **c:** enhanced coordination and cooperation **d:** enhanced controls and compliance
e: enhanced effectiveness **f:** significant financial savings **g:** enhanced efficiency **o:** other

* Action to be taken by the Chairman of the CEB.

** Covers all entities listed in ST/SGB/2002/11, other than UNCTAD, UNODC, UNEP, UN-HABITAT, UNHCR, UNRWA.

| | Intended impact | United Nations, its funds and programmes | | | | | | | | | | | | | | Specialized agencies and IAEA | | | | | | | | | | | | | | | |
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| | | CEB** | United Nations** | UNCTAD | UNDP | UNEP | UNFPA | UN-Habitat | UNHCR | UNICEF | UNODC | UNOPS | UNRWA | UN Women | WFP | FAO | ICAO | ILO | IMO | ITU | UNAIDS | UNESCO | UNIDO | WHO | WMO | UPU | UNWTO | WIPO | IAEA | | |
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| Recommendation 10 | | o | | | | | | | | | | | | | | | | | | | | | | | | | | | | | L |

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 accountability **b:** dissemination of best practices **c:** enhanced coordination and cooperation **d:** enhanced controls and compliance
e: enhanced effectiveness **f:** significant financial savings **g:** enhanced efficiency **o:** other

* Action to be taken by the Chairman of the CEB.

** Covers all entities listed in ST/SGB/2002/11, other than UNCTAD, UNODC, UNEP, UN-HABITAT, UNHCR, UNRWA.