United Nations

Review of the management of implementing partners in United Nations system organizations

Report of the Joint Inspection Unit

Prepared by Gopinathan Achamkulangare

Please recycle

Review of the management of implementing partners in United Nations system organizations

Report of the Joint Inspection Unit

Prepared by Gopinathan Achamkulangare

United Nations • Geneva, 2021

Executive summary

Review of the management of implementing partners in United Nations system organizations JIU/REP/2021/4

In its follow-up review of the management of implementing partners by organizations of the United Nations system, the Joint Inspection Unit (JIU) examines the dynamic interplay among the four principal actors – organizations of the United Nations system, major contributors, implementing partners and the host Government – each with its specific interests, motivations, challenges and concerns. In the review, JIU assesses the progress achieved since its 2013 review and, based on recent trends and developments, looks ahead as to how implementing partner management and that modality could evolve in the coming years. It suggests improvements needed in implementing partner management, while cognizant of the progress achieved in the area.

In supporting the efforts of Member States to achieve the Sustainable Development Goals and targets adopted under the 2030 Agenda for Sustainable Development, organizations of the United Nations system rely increasingly on implementing partners to deliver results, including in highly volatile and high-risk environments, underscoring not only the pressing need for strengthened managerial oversight and accountability, but also intensifying financial scrutiny, legal constraints and repercussions for losses, credibility and reputational risks. Sustainable Development Goal 17 recognizes the revitalization of global partnerships for sustainable development, including through multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, as being critical in this effort, thereby imparting a greater momentum to the role played traditionally by implementing partners. If opportunities are judiciously identified and attendant risks are carefully assessed and managed, all while taking into consideration their specificities, implementing partners can serve as a useful instrument in helping United Nations entities deliver on their mandate and in supporting Member States in their efforts to achieve the Goals.

The definition of implementing partners used for the 2013 review was also used for the present review: national government entities, including agencies or institutions; non-governmental organizations (NGOs) and civil society organizations (CSOs); United Nations system entities acting as implementing partners; non-United Nations multilateral and intergovernmental entities; and other entities, such as research and academic institutions, with which United Nations system organizations enter into agreements and to which they allocate resources to execute or implement programmes, projects and activities for the organization's beneficiaries.

Irrespective of the understanding or definitions of implementing partners among United Nations entities, the indisputable reality is that, for any donor, the United Nations organization will always be the principal implementing actor and the only one responsible for achieving the intended results. For the donor, "the buck stops" with the entity, and all the legal and fiduciary obligations rest with it, including accountability, performance monitoring and reporting. No amount of sophistry or dissimulation can obfuscate the reality that third parties engaged by the United Nations organizations as implementing partners constitute their subcontractors or "outsourcees". An understanding of this reality will help appreciate better the interplay among the four principal stakeholders.

In the review, JIU looked at relevant changes in the global landscape over the past decade and how they have affected the ways in which entities engage and manage implementing partners. The three main illustrative areas chosen for this purpose were: the significant increase in the proportion of earmarked contributions; the rapid advances in technology and how entities have utilized them in improving their procedures and processes; and how entities have adapted to the situation created by the coronavirus disease (COVID-19) pandemic.

The study included reviews of the policies, practices and procedures of organizations of the United Nations system in managing implementing partners, to suggest improvements and strengthen their governance, accountability and oversight. Specific areas are identified to strengthen the due diligence efforts and standard operating procedures in a cost-effective manner. The review underscores the need to differentiate among types of implementing partners.

Main findings and conclusions

Ensuring coherence in the implementation of policies and procedures is a challenge for most United Nations organizations, in particular for those that employ implementing partners on a large scale and use this modality for a significant percentage of their activities. While action is predominantly at the field level – country offices and regional offices – the responsibility for developing and updating policy, promulgating guidelines and ensuring effective implementation through monitoring rests with headquarters, dispersed across departments, divisions, units and sections, adding to the complexity.

United Nations entities differ in resource endowments, sizes, field presences, skills, capacity, ability to attract financial resources (in-kind contributions in some cases) and, more significantly, in the attitude and patronage of major donors to them on account of their historical experiences and political priorities. United Nations entities often have to adapt to rapidly changing circumstances, be responsive to "value for money" considerations and deal with the pressures imposed by national legislatures, media and public opinion, as well as from the donors' auditors.

One important area lacking clarity relates to how an entity chooses the implementing partner modality over other available modalities: who makes the decision, the factors underlying the decision, the alternative modalities considered and why this particular modality was chosen over the others owing to identified benefits.

The above-mentioned aspects acquire additional salience when considered in conjunction with the fact that some entities chose not to participate in the present review on the grounds that they did not have or use the implementing partners modality. Some did not acknowledge or respond to the organizational questionnaire, while others, including three that had participated in the 2013 review, averred that they did not resort to the implementing partner modality.

Conceptualization

As currently conceived, the term "implementing partner" implies three or four broad categories of partners, depending on resource-endowments, or lack thereof. These include government agencies, such as ministries, departments, agencies, institutions, etc.; non-profit organizations, e.g., international, national, provincial or local NGOs or CSOs, as well as research and academic institutions; or another United Nations entity. Implementing partners possess different attributes and characteristics, resource endowments, diverse skill sets and other distinctive features. Hence, it is questionable whether organizations should continue to employ a "one-size-fits-all" implementing partner approach or adopt a more nuanced approach towards the different subcategories, while taking care to ensure that this does not result in heavy bureaucratic overload. For instance, those situations where one United Nations entity engages another United Nations entity as an implementing partner require a simpler set of procedures and processes, as these would reduce the need for due diligence and capacity assessment.

The situation is complicated further by the diversity of programmes and projects, ranging from the holding of a seminar to the drilling of a bore-well or large projects. Despite this range and diversity of services and capacity required from implementing partners, many United Nations entities seem to adopt a "one-size-fits-all" approach, in which they make no distinction but instead adopt the same procedure, without due regard for risks and capacity of the implementing partner involved.

Selection

The capacity of implementing partners is arguably the most important consideration for their selection in entering into agreements with United Nations entities. While there is a transparent and well-documented procedure in many entities for the selection, the present review looks at the situations where that selection is considerably influenced by donors or host Governments, with the United Nations entity having little negotiating power or choice but to accept the implementing partner selected by them. There may be only a limited number of implementing partners available with the requisite knowledge of the local language and conditions, notably in emergency and humanitarian settings. This has an impact on the selection and finding the best-fit partner. It also leads to situations of multiple United Nations agencies competing to engage the same partners.

Some entities averred that they did not face any pressure from donors on the selection of implementing partners for programmes and projects funded by them. Some said that they received "suggestions" from the recipient Government on which partner to engage, notably in respect of self-financed programmes. In such cases, the recipient Government may insist on involving itself in the selection, including a possible right to "veto" the selection. Several organizations, on the other hand, mentioned that, in practice, donors would sign the partnership agreement only after the partner was identified and its name and particulars entered in the project agreement. The practices and influences vary widely, with no uniform standard or practice to which all entities subscribe. Entities should develop, through appropriate inter-agency mechanisms, a common standard of conduct that all entities can accept, embrace and adapt to their specific circumstances.

The capacity assessment of a potential partner is a challenging area even when there is no specific pressure from donors, as it collides with the stated policy objective emanating from the legislative organs and governing bodies for building and strengthening the capacity of national and local partners, although many donors reportedly insist that the United Nations entity should select only partners with the adequate capacity.

Many entities have been engaging the same implementing partner for many years, thus creating a virtual dependence on a particular partner in that setting. This may be appropriate in exceptional cases, such as for partners with unique technical expertise or special know-how required for a highly technical and specialized programme, or in the context of capacity-building of partners. Yet by selecting and using different partners and by enhancing their efforts to reach out to new partners and broaden as much as possible the partner base, including by making available all necessary information on their public websites, entities would help to stimulate competition, innovation and greater efficiency in the provision of services entrusted to the partners, while also fulfilling the objective of strengthening capacity and localization.

Risk-based approach

Adopting a risk-based approach to inform policies and practices of organizations is imperative, as the engagement of implementing partners exposes the organization to many types of risks. Entities should ensure that the activities under their purview and entrusted to implementing partners are subject to the conduct of periodic risk assessments and that the relevant functions in each organization have developed and follow appropriate guidelines to that end, which could also empower the implementing partners and create in them a greater sense of ownership of accountability for results. In this context, the review identifies several useful measures in place in organizations to assess and mitigate risks.

In the review, JIU recognizes the evolution of the risk management discipline and the need to move away from an exclusive focus on compliance towards more focus on effective and flexible risk management approaches adapted to various types of partners.

Risks are delegated down the chain of implementation agencies, from the donors to the United Nations entity, to the recipient government entity or international NGO partner, to the national and local NGOs, other entities or subcontractors and all the way to the weakest partner. Discussions on the acceptable risk levels and risk appetite negotiations on the levels

of overheads and programme support cost to mitigate risks would seem less than optimal. Without such measures, the current model of zero risk tolerance and risk-bearing, rather than risk-sharing, in relation to implementing partner engagement will continue to prevail.

Capacity-building

It would be important to document the accomplishments of the United Nations system, emerging good practices, continued challenges and the possible options to address the central issue of capacity-building of implementing partners. Most donors or funding mechanisms that advocate for the use of the implementing partner modality do not seem to pay much attention to this aspect or be willing to allow the allocation of dedicated resources for the purpose.

Transparency and accountability emerge as major concerns of donors while dealing with implementing partners with limited resource endowments, skill sets, experience and technical expertise, whereas those demands do not seem to be applied equally on consultancies and other modalities, despite the spending of taxpayers' money being common to all cases of donor funding.

Organizations averred that they complied strictly with the sanctions approved by the Security Council and adhered to mechanisms developed by the system, such as entities debarred or delisted by the United Nations Global Marketplace and Global Compact, for example, those dealing with tobacco, alcoholic beverages, narcotic drugs, arms manufacturers and exporters. However, many admitted that, given their dependence on voluntary and often earmarked contributions, they were forced to comply with unilateral sanctions imposed by a Member State or a group of Member States, as distinct from United Nations sanctions authorized and mandated by the Security Council. This invariably raises the question of the impact of unilateral sanctions imposed by a Member State or a group of Member States on the perceived neutrality, independence and impartiality of United Nations entities while engaging and managing implementing partners.

The earmarking of contributions poses specific challenges to the engagement and management of implementing partners, notably in being asked to use different sanctions lists from those approved by the Security Council and "negative earmarking". Such donor practices can impose additional challenges and have an impact on the perceived neutrality of the United Nations organizations concerned.

Increasingly, there has been a tendency among some traditional and emerging donors to stipulate "negative earmarking" while making their contributions: while the donor does not stipulate any conditionality on whom the beneficiaries can be, it does stipulate that the contribution should not be used to benefit persons residing in a particular geographical area, or aligned to a particular political movement or organization – considered by the donor to be a "terrorist organization", although with no such designation by the Security Council – or an NGO or CSO aligned to either the host Government or a "rebel organization". This phenomenon too invariably also gives rise to the question of the impact of such negative earmarking imposed by a Member State or a group of Member States on the perceived neutrality, independence and impartiality of United Nations entities while engaging and managing implementing partners.

The country offices of United Nations organizations hold regular consultations with their implementing partners to ascertain their perspectives. However, more needs to be done. Entities should put in place procedures for there to be regular interactions aimed at improving two-way communications and provide them with a platform for sensitizing entities about their common concerns and specific problems that need attention for speedy resolution.

The most commonly expressed concerns from the implementing partners were found to be cumbersome procedures and excessive requirements, delays in processing and releasing payments, lack of capacity and trained staff, and the "one-size-fits-all" approach irrespective of project scale, by which the same requirements are demanded for very small projects as for very large ones.

Modalities, monitoring and measuring performance

The key performance indicators should be chosen meaningfully and with care, be limited to a manageable number that can measure and capture all critical areas and be designed to capture actual performance on the ground, rather than merely serve as a mechanical box-ticking exercise.

Two main concerns persist with regard to key performance indicators. First, many contract managers needlessly make the list of indicators excessively long in an effort to "play it safe". Second, a large number of indicators do not really help in determining the fulfilment of the stipulated tasks, in particular quality aspects, and the expected outcomes. Too many indicators are often developed and utilized to inflate costs and charged to the project budget to increase the bottom line for the United Nations entity concerned.

Organizational learning

The review showed that the United Nations does not make optimal use of its experiences with implementing partners to promote organizational learning in areas such as quality assurance and enhancement processes, good practices and lessons learned. Thought could be given to the setting-up of a peer learning network or a community of practice.

Focal points

The review includes an analysis of the differences in programme contexts, business and operating models, the size of agencies, their field presence and the capacities of the field offices. While the responsibilities of the existing implementing partner units or equivalent functions differ, they have contributed to and supported coherent and effective partner management in many respects, from developing and updating policies, guidance and standard operating procedures, to fostering inter-organization coordination, collecting key partner data and serving as an office for ad hoc guidance, as needed. They have furthermore served as a point of contact for other United Nations system organizations and hence supported the exchange of lessons learned and good practices.

Status of acceptance and implementation of the recommendations of the 2013 report

Almost 10 years after the issuance of the JIU review of the management of implementing partners in United Nations system organizations (JIU/REP/2013/4), according to information provided by the participating organizations in the JIU web-based tracking system, as of September 2021, 78 per cent of the recommendations in that review had been accepted and 95 per cent of the accepted recommendations had been implemented. Participating organizations considered most of the recommendations contained in the 2013 review still to have continued relevance, building on the progress made in implementing them.

Impact of developments since the 2013 report

The past decade has witnessed the continuing trend of significant increases in the proportion of earmarked or voluntary, extrabudgetary and non-core contributions by major contributors to the system. The consequences and implications of such trends have been studied in several JIU reports; these are recalled in the present report and recommendations contained therein are reiterated.

Rapid evolutions in modern technologies over the past decade have helped improve the business processes of United Nations entities for engaging implementing partners. Examples abound in the use of information and communications technology (ICT) services and drones and the adoption of paper-smart options, among other areas, but there is potential to improve their management by integrating them into policies, guidelines and budgetary mechanisms and sharing information and experiences among organizations, especially at the field level.

The global COVID-19 pandemic has had an impact on the functioning of the organizations in diverse ways. A telling illustration has been the virtual absence of official mission travel. Restrictions on physical presence in the offices has forced most personnel to work remotely, to telecommute and to hold most meetings virtually. This has by no means been an unmixed blessing, as it has deprived participants of many non-verbal messages and indications during on-site and in-person interactions.

Work of oversight offices and bodies

The review explored if and how the United Nations organizations had been utilizing the evaluation function for promoting organizational learning to improve implementing partner management. Most donors had requirements stipulating mid-term and end-of-term evaluations of programmes or projects funded by them, including performance of the respective implementing partners. However, many entities could not confirm that this was being undertaken seriously. Clearly, the donors had not been keenly following if the evaluations done at their instance had been assessing implementing partner performance. Worse, several United Nations organizations did not appear to pay adequate attention to how they could improve implementing partner management from these evaluations by proactively promoting organizational learning. There is a need to adapt the practices and tools in implementing partner management that exist outside the United Nations system, including robust cross-functional monitoring and evaluation frameworks and teams for monitoring and assessing implementing partner performance, thereby contributing to the effective and efficient delivery of programmes and projects.

The absence of systematic organizational learning from project- and programme-level evaluations in relation to implementing partner performance is a serious shortcoming and calls for urgent and concrete steps to be taken towards its remediation. Evaluation responsibilities and coverage should be defined clearly and unambiguously in the agreements for engaging implementing partners, with specific criteria and indicators, thereby making it possible to measure effectiveness and impact. Lack of training and understanding of evaluation methodologies and approaches should not be allowed to become obstacles to the effectiveness and usefulness of the exercise. Concerted efforts at the organizational level and inter-agency levels are imperative to improve the current situation.

Although the progress made since the 2013 review in respect of investigating implementing partner conduct deserves recognition, the United Nations system organizations face significant challenges in extending effective investigation capacity to activities by their implementing partners, on account of legal and jurisdictional restraints, capacity constraints and other factors. The importance of this critical area and the need to strengthen collaborative approaches among entities to the maximum feasible extent are underscored, including through the existing inter-agency mechanisms and forums, by sharing information among oversight and investigation offices, as appropriate, and by conducting joint, coordinated or parallel investigations.

The scenario has become somewhat more complicated than before owing to rapid technological advances, especially in communications, as reports about any alleged fraud or misconduct by an implementing partner become circulated in the media much more quickly, affording the United Nations entity concerned little or no time to establish the credibility of the allegation, undertake a preliminary assessment and launch an investigation, as necessary. Furthermore, the donor insists on being provided with all the available details without holding anything back and not wishing to have any surprises. This often presents the United Nations entity concerned with several challenges: privacy, human rights, reputation, defamation and legal questions, aside from the existing challenges of internal capacity, human and financial resources, and lack of adequate training.

The prevention of sexual exploitation and abuse has acquired much higher salience and visibility in the past decade. The Inspector welcomes the progress made, as well as the inter-agency initiatives and collaborative approach to addressing this serious issue.

Continued attention should also be paid to financial wrongdoing, fraud, corruption, partner collusion, misconduct and other offences and malpractices.

Harmonized approach to cash transfers

Progress has been made in strengthening and enhancing inter-agency cooperation and coordination related to implementing partners. The harmonized approach to cash transfers (HACT) and the United Nations Partner Portal, among others, are commendable initiatives that exemplify the advantages and benefits that the organizations can derive from strengthening collective efforts in this critical area of activity. Efforts are needed to iron out the remaining wrinkles in respect of both initiatives and to secure the buy-in of more entities into them. The relatively big players that have adopted them should undertake the heavy lifting needed to attract the outliers into their fold by demonstrating the requisite generosity and flexibility, without compromising the main features of both.

While many entities find HACT to be a useful tool, some are not yet ready to join it, owing to concerns about transaction costs in terms of human resources and training. It would be useful for entities to meet and address through the relevant inter-agency coordination mechanisms the outstanding problems, so as to secure buy-in from the remaining entities.

United Nations Partner Portal

The United Nations Partner Portal is an important tool for helping to align the engagement of United Nations entities with implementing partners that aims at eventually having a single-window interface ("one United Nations") with implementing partners. The Portal represents the efforts of the United Nations Population Fund, the Office of the United Nations High Commissioner for Refugees, the United Nations Children's Fund and the World Food Programme to implement the Grand Bargain commitments on humanitarian financing announced at the World Humanitarian Summit in 2016, to reduce duplication and management costs and enhance partnerships with local and national actors. The United Nations Secretariat recently joined the Portal, with the United Nations Development Programme and the International Office for Migration set to join soon. However, apprehensions persist with some entities about joining the Portal on account of the extra burdens it places on human resource and training costs. Here, too, it would be useful for the promoters to meet and iron out any outstanding issues through the relevant inter-agency coordination mechanisms to persuade other entities to join and make optimal use of this facility.

Repositioning of the development system

Many interviewees assessed as positive the initiatives undertaken as part of the repositioning of the United Nations development system, in particular at the field level, regarding them as auguring well for improving implementing partner management through enhanced cooperation, both formally and informally. The strengthening of the resident coordinator office (RCO) was welcomed by all, as this would imply devoting much-needed attention to field-level coordination of United Nations country teams. Many considered that exchange of information, experience and even intelligence would be strengthened as a result.

Entities with large field presences and sizeable implementing partner engagement and portfolios should take the lead in these efforts. A cluster approach would be desirable, whereby the three or four agencies that deal with the same implementing partner, or with the same geographical area or subregion, area or topic, meet to resolve issues, rather than having around 20 agencies meet frequently to engage more in talking than in doing. It would be important to encourage and incentivize coordination through this mechanism by demonstrating its effectiveness.

The existence of structures, mechanisms, standard operating procedures, etc., does not automatically guarantee action or results: this would warrant determined, purposeful follow-up action and managerial oversight, to ensure that monitoring does not reduce itself to mechanical box-ticking paper exercises. Equally, it would be essential to avoid too heavy a bureaucratic footprint in such an effort.

Recommendations

Recommendation 1

The executive heads of United Nations system organizations should, by the end of 2024, develop, through consultations in the appropriate inter-agency mechanisms, a common system-wide definition and a set of agreed guiding principles and standards for implementing partners that is informed by a risk-based and strategic approach to partnerships and results-based management methodology.

Recommendation 2

The executive heads of organizations of the United Nations system should, by the end of 2023, include in their annual reports on the work of the organization a section on the engagement and management of their implementing partners, including important details useful to the legislative organs and governing bodies.

Recommendation 3

The legislative organs and governing bodies of organizations of the United Nations system should, starting in 2024 and on the basis of reports submitted to them annually by their respective executive heads, provide overall strategic guidance and legislative oversight to the management of their implementing partners, including in the framework of the quadrennial comprehensive policy review, especially with regard to capacity-building, inter-agency coordination and information-sharing.

Recommendation 4

The executive heads of United Nations system organizations should, by the end of 2023, update as necessary and implement their implementing partner policies and related guidance, including standard operating procedures for the selection, engagement, management, oversight and evaluation of implementing partners, to sustain a strategic and risk-based approach to implementing partner management, aligned to the entity's strategic framework.

Recommendation 5

The executive heads of United Nations system organizations that have not yet done so should, on the basis of a cost-benefit analysis, establish an implementing partner unit or designate, by the end of 2024, a focal point for the management of implementing partners to support the coordination of implementing partner policies and activities within the organization, including by providing policy guidance and backstopping and by facilitating liaison and information-sharing, under terms of reference that clearly define its role and responsibilities.

Recommendation 6

The executive heads of the United Nations system should incorporate implementing partner risks into their organization's risk management frameworks by the end of 2023.

Recommendation 7

The executive heads of United Nations system organizations should develop, by the end of 2024, key performance indicators for the management of implementing partners and establish systems to collect, monitor and report the performance data.

Recommendation 8

The executive heads of United Nations system organizations should, by the end of 2023, share among themselves, through existing inter-agency mechanisms/forums, their specialized training materials and modules for the management of implementing partners, including due diligence, risk and capacity assessments of partners, results-based and risk-based performance monitoring, fraud prevention, prevention of sexual exploitation and abuse, capacity-building, working with local non-governmental organizations and civil society organizations, the harmonized approach to cash transfers and the United Nations Partner Portal.

Recommendation 9

The legislative organs and governing bodies of United Nations system organizations should, beginning in 2023, assess their approaches to capacity-building of implementing partners and strengthening national capacities and ownership, in the framework of the quadrennial comprehensive policy review, including the effectiveness of such efforts since 2013, progress made and lessons learned, based on reports prepared by their respective secretariats, and adopt specific measures to strengthen national capacities and ownership and build the capacities of their implementing partners.

Recommendation 10

The executive heads of the United Nations system organizations should, by the end of 2024 and with the support of the Development Coordination Office, resident coordinator offices and the United Nations country team mechanisms, agree upon specific measures to further strengthen inter-agency coordination for improving implementing partner management at the country level and report on the implementation to their respective legislative organs and governing bodies from 2025.

The formal recommendations are complemented by 17 informal or "soft" recommendations, indicated in bold text, as additional suggestions, typically in the form of good practices, to the executive heads for effecting further improvements (see paras. 120, 149, 166, 189, 194, 196, 223, 232, 236, 269, 271, 307, 319, 343, 345, 368 and 375). Annex VIII contains a list of all informal recommendations.

Contents

Abbreviations and acronyms

CBO	Community-based organization
CBPF	Country-based pooled fund
CEB	United Nations System Chief Executives Board for Coordination
CSO	Civil society organization
DESA	Department of Economic and Social Affairs
DMSPC	Department of Management Strategy, Policy and Compliance
DPO	Department of Peace Operations
DPPA	Department of Political and Peacebuilding Affairs
ERM	Enterprise risk management
ERP	Enterprise resource planning
FACE	Funding Authorization and Certificate of Expenditure
FAO	Food and Agriculture Organization of the United Nations
GPS	Global Programming System
HACT	Harmonized approach to cash transfers
IAEA	International Atomic Energy Agency
IASC	Inter-Agency Standing Committee
ICAO	International Civil Aviation Organization
ICVA	International Council of Voluntary Agencies
ILO	International Labour Organization
IMO	International Maritime Organization
IOM	International Office for Migration
IPA	Implementation partnership agreement
IPAS	Implementation partnership agreement system
ITC	International Trade Centre
ITU	International Telecommunication Union
JIU	Joint Inspection Unit
KPI	Key performance indicator
MSRP	Managing Systems, Resources and People
NGO	Non-governmental organization
OCHA	Office for the Coordination of Humanitarian Affairs
OIOS	Office of Internal Oversight Services
OPIM	Operational Partners Implementation Modality
PIMS	Partner Information Management System
PSEA	Protection from sexual exploitation and abuse
RCO	Resident coordinator office
RBM	Results-based management
SEA	Sexual exploitation and abuse
UNAIDS	Joint United Nations Programme on HIV/AIDS

UNCTAD	United Nations Conference on Trade and Development
UNDEF	United Nations Democracy Fund
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNEP	United Nations Environment Programme
UNFPA	United Nations Population Fund
UN-Habitat	United Nations Human Settlements Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNODC	United Nations Office on Drugs and Crime
UNOPS	United Nations Office for Project Services
UNOV	United Nations Office at Vienna
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNWTO	World Tourism Organization
UN-Women	United Nations Entity for Gender Equality and the Empowerment of Women
UPU	Universal Postal Union
VISION	Virtual Integrated System of Information-One Enterprise Resource Planning
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization

I. Introduction

A. Context

1.   In response to suggestions from two United Nations entities, the Joint Inspection Unit (JIU) included in its programme of work for 2021 a review and update of the review of the management of implementing partners in United Nations system organizations (JIU/REP/2013/4).

2.   In that 2013 report, JIU had studied in detail how United Nations entities had been engaging and managing implementing partners to execute programmes and projects to fulfil their mandates. It had come up with 12 formal recommendations, including 2 to the legislative organs and governing bodies and 10 to the executive heads, as well as several informal recommendations to improve policies, procedures and practices.

3.   JIU sought to assess the major developments, evolving landscape and changes in the practices of United Nations system organizations since the 2013 report in managing implementing partners. It explored how major changes in the past decade, including the adoption of the 2030 Agenda for Sustainable Development, the principles of partnership from the global humanitarian platform, the Grand Bargain commitments and the repositioning of the development system, had affected entities' relationships with the different types of implementing partners and the modalities of engaging them. Consistent with its Statute, JIU studied the ways to strengthen governance, accountability and oversight of the regulatory frameworks, policies and practices of the entities in managing their implementing partners.

4.   In supporting the implementation of the 2030 Agenda for Sustainable Development, the United Nations entities increasingly rely on implementing partners for delivering results in highly volatile and high-risk environments, underscoring a pressing need for strengthened supervision and accountability, intensifying financial scrutiny, legal constraints and repercussions for losses, credibility and reputational risks. Sustainable Development Goal 17 recognizes that revitalizing global partnerships for sustainable development, including through multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, is critical in this effort. If opportunities are judiciously assessed and attendant risks carefully assessed and managed, while taking into consideration their specificities, engaging implementing partners can be useful in supporting the work of United Nations entities to deliver on their mandate and in supporting efforts of Member States to implement the 2030 Agenda and achieve the Sustainable Development Goals.

5.   The review took account of the increase in the proportion of earmarked funding provided to entities by major contributors[1] and other phenomena. It analysed implications of repositioning of the development system, including role of the United Nations Sustainable Development Cooperation Framework and any guidance by the Development Coordination Office on the management of implementing partners. The review also took into account the global coronavirus disease (COVID-19) pandemic and the impact it has had on the engagement and management by United Nations entities of their implementing partners.

B. Objectives and scope

6.   The scope of the review was system-wide, covering the participating organizations engaged in the management of implementing partners in the period 2012–2019 and considered, as appropriate, the impact of the COVID-19 pandemic on engaging them.

7.   The review examined the methods and practices used by United Nations organizations system-wide to select and manage implementing partners for programme and project delivery, to identify issues, strengths and weaknesses in current practices and to explore areas for further improvement for an effective and efficient management of implementing partners.

---

[1] See JIU/REP/2017/7.

8. As with the 2013 report, the review focused on the adequacy of, and compliance with, the organizations' accountability, internal control and risk management frameworks in managing implementing partners, their capacity to monitor and evaluate programme delivery by the organizations, and the audit and other oversight arrangements in place. It aimed at reporting on the various approaches taken by organizations and make recommendations.

9. The system-wide review sought to focus on the implementing partner modalities used by the United Nations, the United Nations funds and programmes, specialized agencies and the International Atomic Energy Agency (IAEA) to execute and implement programmes and projects at the national, regional or global levels.

10. The review sought to draw upon JIU reviews on related topics undertaken during the intervening years. It analysed reports, observations and recommendations from oversight offices, including internal audits, external audits, oversight advisory committees and evaluations, as they relate to implementing partner management. It explored ways of strengthening inter-agency coordination. It looked at the existing mechanisms for exchanging information and experiences, as well as good practices, among the entities.

11. The focus was on the practices of the United Nations development and humanitarian assistance entities, as well as the variety of programmes executed and implemented through implementing partners by entities throughout the United Nations system.

12. As partnerships with non-governmental organizations (NGOs) and public and private entities have become essential for most United Nations entities in pursuing their mandates and programme delivery, implementing partners engaged by the entities vary widely in terms of scale and reach and operate under different organizational structures and settings. They include international NGOs, as well as national, subnational, provincial and local-level NGOs and civil society organizations (CSOs) operating at the community level, or institutions in academia and research, faith-based organizations, cooperatives of farmers, planters and fisherfolk, multilateral government organizations and host government entities.

13. As in the previous review, the following definition for implementing partners was also used in the present review: national government entities (including agencies or institutions); NGOs and CSOs; United Nations system agencies, organizations and entities acting as implementing partners; non-United Nations multilateral and intergovernmental entities; and other entities (research and academic institutions) with which United Nations system organizations enter into agreements and allocate United Nations resources to execute or implement programmes, projects and activities for the organization's beneficiaries.

14. The status of acceptance and implementation by the United Nations entities of the recommendations contained in the 2013 report was examined, while taking into account pertinent major developments, evolving landscapes and changes in practices, such as the increase in the proportion of earmarked funding, in-kind transfers, localization, funding flexibility, the increased participation of implementing partners in decision-making, the increased resort to outsourcing of services to commercial service providers and the ongoing repositioning of the development system, as well as measures to strengthen the organizations' internal control systems and accountability frameworks. The Inspector sought to build on the previous JIU report (JIU/REP/2013/4) on the topic or related topics, provide updates and identify any information gaps requiring further data collection and analysis, while considering the work done by other oversight offices, as appropriate.

15. The review aimed at the following:

- Enhancing accountability, by determining the governance and accountability frameworks for the management of implementing partners, to enable Member States to ensure reliability and credibility of United Nations entities in delivering services to host countries in the fields concerned and explore the mechanisms in place that provide assurance that resources allocated to third parties have been used for the intended purposes;

- Identifying and supporting the dissemination of good practices, by identifying effective methods and modalities in selecting and managing implementing partners, as well as successful implementation practices of the work delivered by implementing partners;

- Encouraging inter-agency cooperation and coordination among the various actors involved in delivering programmes through implementing partners (Member States/donors, host Governments, United Nations entities, NGOs and United Nations country teams) and sharing information among United Nations system organizations in respect of implementing partner-related activities at the country, regional or global and headquarters levels;

- Addressing issues of efficiency and effectiveness, by examining the objectives and goals set out for the work delivered by implementing partners, the systems of effective monitoring and evaluation of the work and the systems in place for accurate and reliable financial transactions involving implementing partners.

C. Methodology

16.   The Inspector employed a mixed-methods research approach for data collection, research and analysis, consisting of the following:

(a)   A desk review of legislative mandates, policies, guidelines and oversight reports related to the management of implementing partners by the United Nations system organizations, as well as reports of the Secretary-General and executive heads of other entities and oversight offices, among others, on the subject matter;

(b)   A desk review of documentation related to the management of implementing partners by the United Nations system organizations, obtained through online searches from other international organizations, public and private sector entities, non-governmental organizations and academic institutions, to identify the following elements related to the topic: policies, guidelines, definitions, objectives, principles, criteria, cost-benefit analysis procedures, performance monitoring and assessment criteria, good practices and risks;

(c)   A data collection phase, starting with an organizational questionnaire circulated to all participating organizations covering the following: the conceptualization of the management of implementing partners by the United Nations system organizations; legislation, policies and procedures governing such management; procedures for decision-making and management; the evolution of the topic, including trends, constraints, opportunities and risks; internal capacity and coordination; and governance and oversight;

(d)   Follow-up interviews, based on the analysis of responses to the organizational questionnaire, held with participating organizations remotely (via telephone and videoconferencing tools, mainly Microsoft Teams);

(e)   Interviews with other identified international organizations to learn about good practices and lessons learned with regard to the management of implementing partners by the United Nations system organizations.

17.   In total, 19 of the 28 participating organizations provided responses to the organizational questionnaire, albeit to varying levels of detail. Apart from the United Nations Conference on Trade and Development (UNCTAD) and the International Trade Centre (ITC), which are part of the United Nations Secretariat, the International Telecommunication Union (ITU), the Universal Postal Union (UPU) and the World Intellectual Property Organization (WIPO) also did not participate, stating that they did not use the implementing partner modality. The International Civil Aviation Organization (ICAO) also opted out, although it responded partially to the questionnaire. The United Nations Human Settlements Programme (UN-Habitat) and the United Nations Office for Project Services (UNOPS) did not respond to the questionnaire, although they had participated in the 2013 review. The Inspector regrets that they opted out on their own, notably in the case of UN-Habitat, which has implementing partner activity,[2] and UNOPS, which not only serves as a key partner for many United Nations system entities in implementing projects, but also where implementing projects constitutes the second largest group of partner project expenditure. While UNOPS may not use the term "implementing partner" in the same way as other United Nations entities, "implementing partner" applies in cases where a United Nations entity allocates funds in the

---

[2] See JIU/REP/2013/4.

non-procurement context to any third party (e.g., a grantee, a Government or a United Nations entity) to implement a part of a project.[3] Therefore, the report's recommendations are relevant and apply to both these entities.

18.   In total, 120 interviews were conducted with approximately 500 staff members and officials from the entities referred to above. All information and views gathered through the questionnaire responses and interviews have been treated in accordance with the usual respect for confidentiality observed by JIU.

19.   The limitations of the present review should be acknowledged – all interviews had to be conducted remotely owing to the COVID-19 situation, thereby depriving the project of insights and perspectives gained only through on-site, in-person interviews with headquarters and field offices of organizations, country teams and the resident coordinators' offices in field locations. Several entities provided only limited responses to the JIU questionnaire. Follow-up interviews did not always yield a considerable amount of additional value, as some of the interviewees identified by the organizations had at times only limited experience in and knowledge of the subject matter, given the decentralized and cross-cutting nature of implementing partner management. Many good practices and lessons learned highlighted in the present report emanate from a limited number of organizations.

20.   It would doubtless have been desirable to ascertain directly the perspectives of the implementing partners. However, the task proved to be too demanding to be accomplished within the available time. Therefore, information available in the public domain and provided by organizations on the outcomes of annual consultations held by major entities with their implementing partners and similar consultation mechanisms was extracted and used.

21.   The present report contains 10 formal recommendations, of which 2 are addressed to the legislative organs and governing bodies and 8 to the executive heads of all participating organizations. The timely and effective implementation of the recommendations addressed to the executive heads will be greatly facilitated by the explicit support of the legislative organs and governing bodies for the recommendations and their follow-up with the executive heads to verify implementation. The formal recommendations are complemented by 17 informal recommendations classified by theme, indicated in bold text and contained in annex VIII, as additional suggestions, typically in the form of good practices, to the executive heads and business process owners, for effecting further improvements.

22.   A draft report was prepared on the basis of the information gathered through the desk review, questionnaire responses and interviews. In accordance with article 11.2 of the JIU Statute, the report was finalized after consultation among the Inspectors so as to test its conclusions and recommendations against the collective wisdom of the Unit, and the revised report was circulated to the organizations reviewed to correct any factual errors and make substantive comments on the findings, conclusions and recommendations. The report was finalized taking into consideration the external comments received.

23.   To facilitate the handling of the present report and the implementation of its recommendations and monitoring thereof, annex IX contains a table indicating whether the report was submitted to the relevant organizations for action or for information. The table specifies whether the recommendations require action by the organizations' legislative organs and governing bodies or by the executive heads.

24.   The Inspector wishes to express his appreciation and gratitude to all the officials of the United Nations system organizations and representatives of other organizations who assisted in the preparation of the present report, particularly those who participated in the interviews and so willingly shared their knowledge and expertise.

---

[3] Ibid., annex I.

II. Conceptualization: definition, mandates, policies, guidelines, quantitative data

25.   Engaging and managing implementing partners in one form or another has existed in reality, even if not in name, ever since United Nations organizations came into existence.

26.   Implementing partner activity varies significantly in volume and importance across organizations. Some entities allocate more than one third of their total expenditures to implementing partners, with more than a thousand and up to several thousands of partners, while other entities have non-existent or insignificant implementing partner activities.

27.   Despite significant implementing partner exposure, shortcomings were noticed in a few organizations in not having a definition, policy, guidelines or procedures or in monitoring implementing partner-related activities. Data relating to implementing partners were not collected and reported upon systematically. Neither senior managers nor legislative organs seemed engaged in policymaking and providing strategic guidance to the operational levels. Oversight offices did not seem to pay sufficient attention to the topic. Intra-organization or inter-agency coordination on managing implementing partners also appeared inadequate.

28.   Furthermore, little could be discerned on the conceptualization of engaging and managing implementing partners and the related mandates, strategic guidance, direction and oversight of such activities by the organizations' legislative organs and governing bodies.

A. The challenge of typology and commonly accepted definition of implementing partners

29.   A few terminological challenges were encountered on how United Nations entities perceive implementing partners. Some refer to "cooperating partners", others to "strategic partners", "operating partners" or "responsible partners" and yet others to "implementation partners", or "principal recipients".

30.   In all cases, references were also made to those third parties, generally described as "non-profit", that the entity engages – ministries, departments or agencies of the host country's Government, large international NGOs, national NGOs, provincial NGOs, local CSOs or grass-roots organizations, such as research and academic institutions, national refugee organizations, faith-based organizations or cooperatives of farmers, planters or fisherfolk, or another United Nations organization – in order to deliver programmes or projects using funds (or in-kind contributions) provided to it by donors. The absence of differentiation among the broad types of implementing partners in some organizations, or taking into account their specificities, adds to the complexity of the task of managing them.

31.   The typology and taxonomy of implementing partners have also posed challenges. While many United Nations entities use the term "implementing partners" for all third parties, the reality is more complex.

32.   Implementing partners possess varying characteristics, attributes, diverse skill sets, resource endowments and other distinctive features. Hence, it is debatable if United Nations organizations should continue to employ a "one-size-fits-all" approach to these subcategories or adopt a more nuanced approach towards different subcategories, taking care at the same to ensure that this does not give rise to a new layer of bureaucratic overload.

33.   In addition, there are situations where one United Nations entity engages another United Nations entity as an implementing partner, which would require a different set of procedures and processes, by reducing the need for due diligence and capacity assessment and instead by applying the principles and modalities of mutual recognition to enhance effective United Nations system cooperation and coherence and to reduce transaction costs.

34.   The present review revisited the level of implementation of recommendation 1 of the 2013 report, by which JIU had recommended that organizations should develop clear definitions for implementing partners so that they can be distinguished from other types of partnerships not receiving United Nations funding, as well as from commercial contracts, in order to make sure that appropriate rules and regulations apply in the different cases.

35.   The great majority of organizations with implementing partner activity seem to have in place a definition for implementing partners that contains the main elements or traits of such an entity and makes it clearly distinguishable from other types of engagement of third parties, such as procurement, commercial services and consultants and individual contractors. Compared with 2013, the situation has improved, and the majority of organizations that engage implementing partners have adopted definitions and policies that provide the necessary detailed guidance for various types of implementing partners, taking into account their specificities. Entities with significant implementing partner activity have updated their policies and guidance, as further assessed in section II. E below.

36.   Furthermore, organizations have listed the different types of entities that are eligible as implementing partners. The main categories are already outlined above (see para. 13). Organizations have adopted definitions and guidance on various other types of partnership arrangements, such as responsible parties, grant agreements and operational partnerships. Annex I to the present document contains an overview by organizations and provides further details, and lists some other partnership arrangements. The policies and guidance define the various partnership arrangements, allow a distinction between implementing partners and other types of partnership arrangements and provide necessary further guidance. Examples provided throughout the report are only illustrative and by no means comprehensive.

37.   One special case is that of the United Nations Secretariat, where a definition as an amendment to the United Nations Financial Regulations and Rules was submitted but not endorsed by the General Assembly. Several entities of the United Nations Secretariat, such as the Office for the Coordination of Humanitarian Affairs (OCHA), the United Nations Environment Programme (UNEP) and the United Nations Office on Drugs and Crime (UNODC) have developed implementing partner definitions in their partner policies and other guidance, for use in the types of partner arrangements they engage in. The Secretariat has not yet developed a partner policy that would be applicable to all entities of the Secretariat, although it is updating guidelines on the subject, including the issuance of a template. Reference is made to the section II. E below.

38.   The Food and Agriculture Organization of the United Nations (FAO) in its manual section 701, defines "operational partner" as a legally registered non-profit entity (e.g., national government entity, NGO, international NGO, non-United Nations multilateral and intergovernmental entity, or academic and research institution) with which it enters into an agreement and to which it transfers funds for the implementation of parts of, or an entire, project entrusted to FAO. It has in place definitions for other types of partnership arrangements, such as letters of agreement. The manual section 501 clearly defines what a letter of agreement is, as compared with the operational partner, governed by manual section 701, and also specifies when it can be used, for what types of activities, which entities are eligible and the process of how they are selected and engaged. A letter of agreement is used to contract with an eligible entity to obtain services that are not available in the private sector commercial market, or available in the private sector commercial market but more appropriately obtained from an eligible entity to support one of the following additional objectives:

• Capacity development of service provider, where the capacity of the service provider located in the beneficiary country or region is to be developed in the process of delivering/providing the services

• Capacity development of beneficiary group(s), where the activities include the provision of on-the-job training, skills transfer, learning-by-doing and/or other capacity development efforts

• Partnership arrangements, where the activities are undertaken in support of a partnership established under a formal agreement with FAO that is relevant to and specifically addresses the services required. In these cases, the service provider may be referred to in the letter of agreement as the implementing partner. Furthermore, in support of the principles set forth in manual section 507.1.1, the selection of the service provider must be transparent, impartial and well-documented. Unless justified, the service provider will be located in the country where the services are to be delivered, or in the region if the letter of agreement is regional in scope

39. Similarly, definitions and specific guidance on other types of partner arrangements used by organizations are in place, such as responsible parties at the United Nations Development Programme (UNDP), grants at the United Nations Population Fund (UNFPA), and operational partnerships at the Office of the United Nations High Commissioner for Refugees (UNHCR).

40. It is important to ensure compliance with the relevant policies and guidance, including the selection criteria, due diligence and partner assessments requirements, when opting for one type of partnership against another type of partner arrangement, while also duly documenting these decisions, especially the underlying rationale and details of the process. Reference in this regard is made to sections III and IV below, which cover the challenges in operationalizing the implementing partner policies and other guidance.

41. The various partner arrangements available can be adapted by organizations to the specific needs of the programme concerned, the situation on the ground and other circumstances. The programme staff and other officials involved should comply with the relevant policies, make the right choices and adhere to the prescribed processes. Reference is made to sections III and IV below, concerning the practical challenges in operationalizing the implementing partner policies, the need to adopt strategic and risk-based approaches and ensuring that the most suitable and right partnership arrangement is chosen for effective and efficient programme delivery.

42. The typology of implementing partners and the significant differences inherent among the various types of implementing partner categories require a nuanced approach, and implementing partner policies need to allow for these variations. Similarly, implementing partner-specific challenges arise when operationalizing and implementing policies on the ground. Reference is made in this respect to the specific challenges affiliated with certain categories of implementing partners, including government entities, local, community-based and grass-roots entities, and United Nations system organizations, in the respective contexts.

43. At the system-wide level, additional factors complicate efforts to arrive at a common conceptualization of the "implementing partners" modality and distinguish it from other modalities, namely, grants (for smaller amounts and with a "lighter touch" in procedures) and "service provider" (one entity claimed that it did not utilize the implementing partner modality as it was a "service provider"). Some consider engaging implementing partners as a "procurement action", while another claimed that it used the "trust fund" modality.

44. The situation is compounded when entities claim that they undertake "direct execution" or "direct implementation", as it is almost inconceivable that the country office of any United Nations organization would have sufficient internal capacity to implement a project without engaging any third party (contractors, consultants, etc.). In other words, it may be useful if organizations could engage in the appropriate inter-agency mechanism to develop greater conceptual clarity in this regard and work together so as to arrive at a common understanding.

45. A clear definition for implementing partners would help distinguish it from procurement, outsourcing and other types of partnerships. It would also provide clarity on the applicable rules, policies and guidance, and improve internal control and compliance. A system-wide definition would foster coherence and harmonization. Organizations would also benefit from a risk-based policy framework for implementing partners, including results-based management principles and an outline of the key elements for a strategic approach to partnerships. Given their diverse mandates, business models and practices, entities would benefit from agreeing upon the key principles, standards and processes, such as due diligence, risk and capacity assessments, risk-based monitoring, assurance and oversight of implementing partners and their performance assessment, in line with a results-based methodology. This could be done through existing inter-agency platforms, such as the United Nations High-Level Committee on Management and by taking advantage of already-agreed common approaches, such as HACT. A common set of guiding principles, ideally a policy framework, would provide guidance, benchmarks and good practices that organizations would be encouraged to follow, as possible.

46. The implementation of the following recommendation is expected to enhance transparency and accountability and to strengthen coherence and harmonization.

> **Recommendation 1**
>
> **The executive heads of United Nations system organizations should, by the end of 2024, develop, through consultations in the appropriate inter-agency mechanisms, a common system-wide definition and a set of agreed guiding principles and standards for implementing partners that is informed by a risk-based and strategic approach to partnerships and results-based management methodology.**

B. Quantitative data reveal significant implementing partner activities in United Nations system organizations

47. The review sought to collect data on and map out implementing partner activity in the United Nations system organizations. It solicited information on the volume of resources allocated to implementing partners, including as a percentage of an entity's total expenditure and the overall number of implementing partners engaged, from 2013 to 2019.

48. Annex II contains an overview of the organizations that have implementing partner activities. Several organizations have significant implementing partner activity, allocating more than 30 per cent (including UNHCR, UNDP, UNFPA and the United Nations Children's Fund (UNICEF)) and even more than 40 per cent (including UNEP and the Joint United Nations Programme on HIV/AIDS (UNAIDS)) of their total expenditure to implementing partners in 2019. At two entities (UNODC and the World Health Organization (WHO)), more than 10 per cent was transferred to implementing partners, while three (the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Food Programme (WFP)[4]) allocated more than 5 per cent.

49. In terms of actual expenditure, three organizations allocated more than $1 billion to implementing partners in 2019: UNICEF ($2.2 billion); UNDP ($1.8 billion): and UNHCR ($1.3 billion).

50. Figures I and II below show the organizations by total implementing partner expenditure and as percentage of their total expenditures in 2019.

Figure I
Resources allocated to implementing partners in 2019
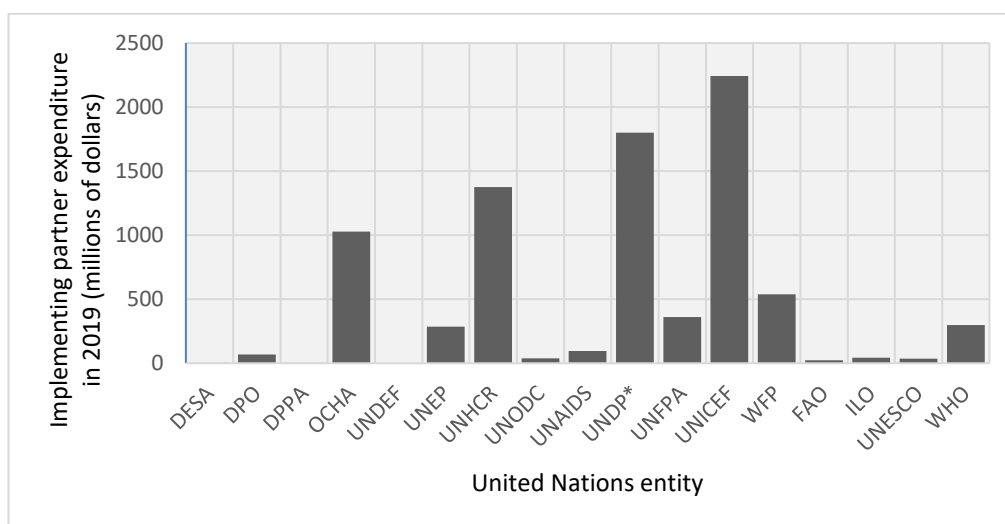
Source: Responses to JIU questionnaire.

* In the case of UNDP, responsible parties have been included.

---

[4] In the case of WFP, it should be noted that the percentage includes direct expenditures to implementing partners, but not the value of food commodities and/or cash transfers delivered to programme beneficiaries through implementing partners. For the latest Grand Bargain annual report exercise, WFP reported that 30 per cent of its funding had been transferred to local partners in 2019 and 26 per cent in 2020.

Figure II
Percentage of implementing partner expenditures to total organization expenditures in 2019 (excluding OCHA)

Source: Responses to JIU questionnaire.
* In the case of UNDP, responsible parties have been included.

51. The number of implementing partners engaged by organizations ranges from 8 at FAO up to 9,310 in UNICEF in 2019. Five entities (UNICEF, UNDP, UNHCR, UNEP and UNFPA) each engaged more than 1,000 implementing partners in 2019, while seven others worked with several hundred partners. In terms of the category of implementing partners engaged across the United Nations system in 2019, local NGOs ranked first (28 per cent), followed by government entities (23 per cent), other United Nations system organizations (13 per cent) and international NGOs (11 per cent). Figures III and IV below provide an overview and further details on the number of implementing partners engaged in 2019.

Figure III
Number of implementing partners by organization in 2019

Source: Responses to JIU questionnaire.
* In the case of UNDP, responsible parties have been included.

Figure IV
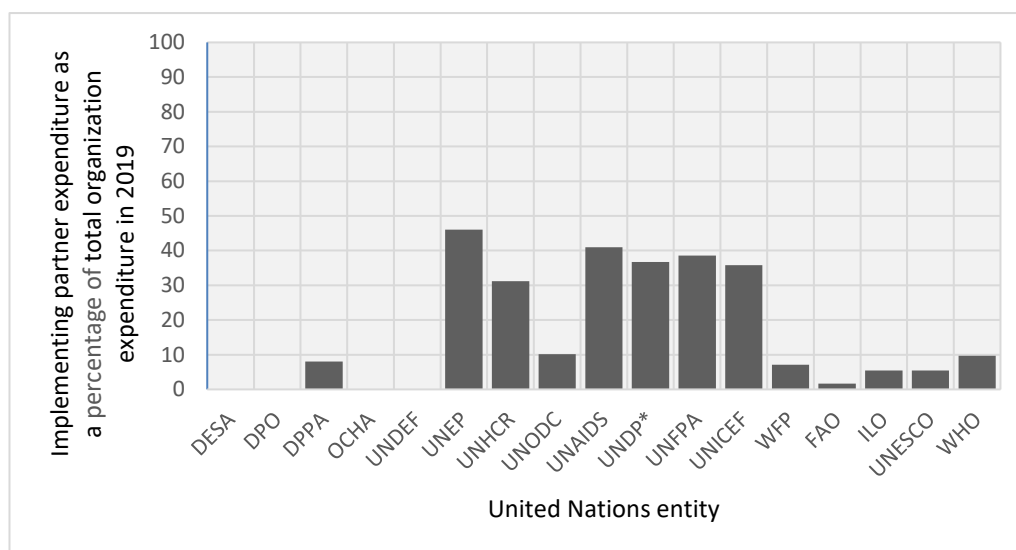**Percentage of implementing partner by organization and by type in 2019**

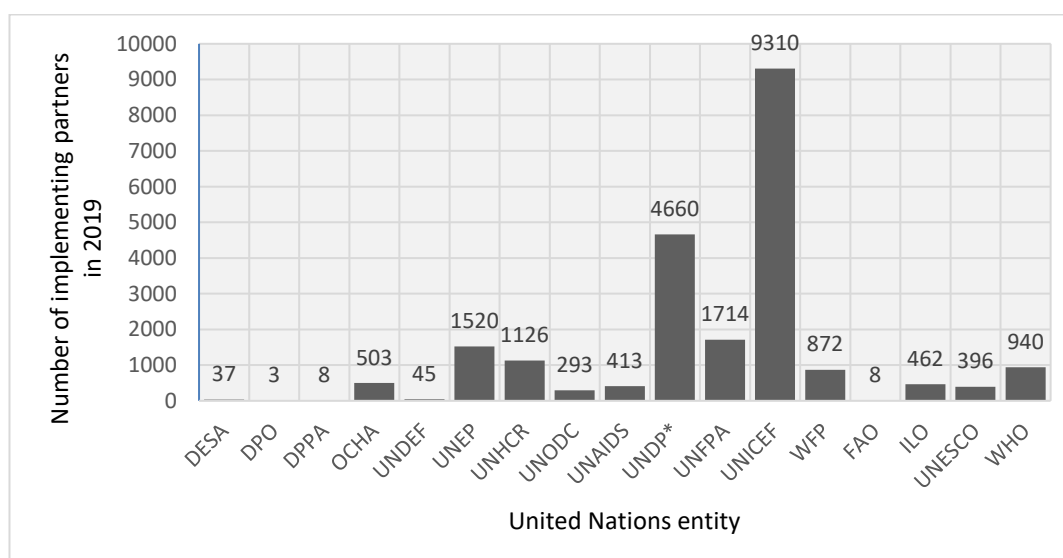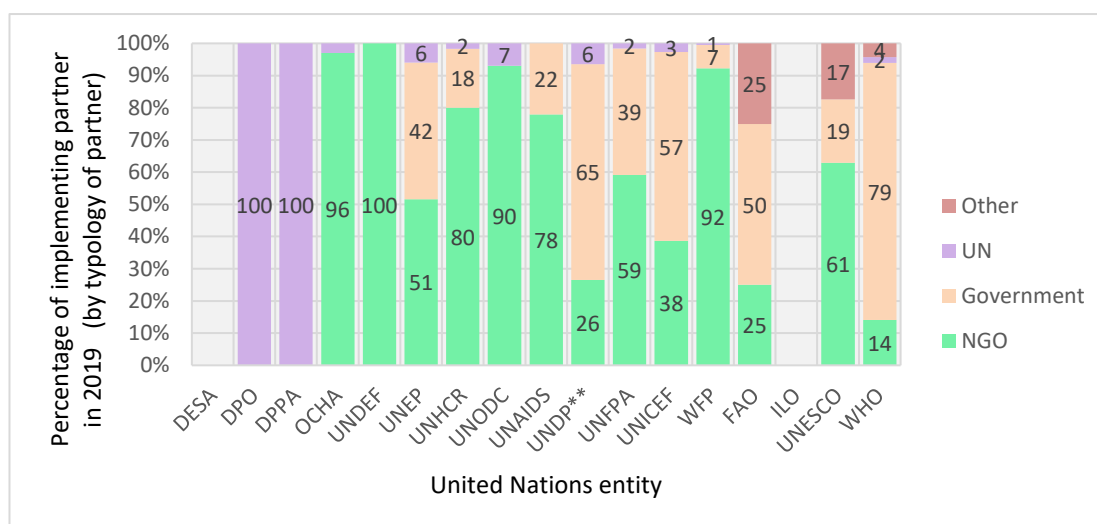*Source*: Responses to JIU questionnaire.
* In the case of UNDP, responsible parties have been included.

52.   The aforementioned data, notably the volume of resources allocated to implementing partners, show that several organizations have extensive implementing partner activities and, overall, for the United Nations system, it is also significant.

53.   The sections below cover the challenges that organizations face to systematically collect implementing partner-related data, and the adequacy of the organizations' regulatory frameworks and the improvements made in comparison to the situation in 2013. Sections III and IV cover the risk-based approach to implementing partner management, the suitability of the entities' management processes and systems and capacity issues.

C.   Challenges to providing implementing partner data

54.   Some entities had difficulties in producing data, but the situation overall has improved considerably compared with the period 2012-2013. Information is still fragmented: financial and programmatic data are kept in separate systems and often are not corroborated or aligned, making monitoring, performance monitoring and partner performance assessments difficult. Not all organizations have databases that capture such data. Responsibilities for implementing partner management are scattered across various offices and functions.

55.   These challenges and shortcomings, as well as the considerable volume and extent of implementing partner activities and their associated risks, reinforce the need to have suitable management systems and administrative tools to support implementing partner management and operations, including at the headquarters, regional and country levels, notably for those organizations that have significant implementing partner activity.

56.   Some entities have developed new tools, established partner databases and made them searchable through automated screening and artificial intelligence. Some have added dashboard and report functionalities in their enterprise resource planning (ERP) and other management systems to better produce and analyse implementing partner data and operations.

57.   UNESCO keeps key information on all high-value and high-risk implementation partnership agreements (IPAs) readily available in files of the Contracts Committee. Its contract management system provides a search function of key information on IPAs issued, including selection criteria, agreement issued, activities/instalments, evaluation and other relevant information. All implementation partners are recorded in its vendor database; information is readily available on-line to all staff. UNHCR maintains segregated data on expenditures per category of partners (government, United Nations entity, NGO, etc.). All implementation partners are recorded in its ERP system (Managing Systems, Resources and

People (MSRP)) in the vendor database, and information related to budgets and expenditures is available to all offices globally and accessible through MSRP. It is also reported in the annual financial statements, as well as in the organization's annual global report. At UNICEF, key information related to implementing partners is readily available. Most data are accessible to all staff on a real-time basis via its results-based management tools. UNFPA makes partner information available in its financial statements. In addition, all implementing partner-related information, including progress reports, is available to all UNFPA personnel.

58.   Section III below provides further details on management and ERP systems and implementing partner databases.

D.   Limited organizational and legislative mandates and limited strategic guidance and oversight by them

59.   A review of the resolutions and decisions of the legislative organs and governing bodies of United Nations organizations showed that they have provided only limited legislative mandates and guidance in the area of implementing partner management.

60.   In a limited number of organizations, such as OCHA, UNAIDS, UNODC, WFP and WHO, legislative organs and governing bodies have specifically adopted mandates for engaging in partnerships. Typically, these provide general mandates without specific guidance, except in respect of very few entities, such as WFP and WHO.

61.   In the case of OCHA, General Assembly resolution 46/182 provides the framework for emergency relief within the United Nations system, stating in paragraph 28 that "the United Nations should continue to make appropriate arrangements with interested Governments and intergovernmental and non-governmental organizations to enable it to have more expeditious access, when necessary, to their emergency relief capacities". Resolutions of the Commission on Narcotic Drugs and of the Commission on Crime Prevention and Criminal Justice pertaining to UNODC mandates generally welcome the work with implementing partners but do not specifically address the mechanisms per se. In its resolution A.1128(30), on financing and partnership arrangements for an effective and sustainable integrated technical cooperation programme, the International Maritime Organization (IMO) provided some guidance.

62.   In the case of WFP, general rule III.1 of its General Regulations and General Rules provides that "WFP shall, whenever possible, associate its assistance with material, financial and technical assistance provided through other multilateral programmes and shall seek similar coordination with bilateral programmes and non-governmental operational partners", and that "WFP shall, wherever possible, collaborate and cooperate, as appropriate, with non-governmental organizations."

63.   WHO engages with its implementing partners pursuant to its Global Programme of Work and priorities, as approved by its governing bodies. The mandate of WHO is set out in its Constitution, and its rules, regulations and administrative policies are set out in the WHO manual and Financial Rules and Regulations. In addition, certain types of activities are governed by distinct policies, including the following: the Framework of Engagement with Non-State Actors, adopted in May 2016 by its resolution WHA69.10; the Guidelines for Collaboration with Commercial Enterprises, noted by the World Health Assembly in 2002; and the Regulations for Study and Scientific Groups, Collaborating Institutions and other Mechanisms of Collaboration, adopted by the Executive Board in its resolution EB69.R21.

64.   In the absence of specific legislative mandates and guidance, most entities follow the general guidance and mandates as adopted by the General Assembly, including its resolutions related to the repositioning of the development system, to deliver on the 2030 Agenda (A/72/684–E/2018/7) and its pertinent resolutions on the quadrennial comprehensive policy review (resolutions 67/226 of 21 December 2012, 71/243 of 21 December 2016 and 75/233 of 21 December 2020) and the triennial comprehensive policy review, the latter dating back to 2004 (A/59/250), requesting the United Nations system to implement their mandate through partners, earlier referred to as "national execution".

65.   Other relevant General Assembly resolutions include 70/224 of 22 December 2015 and 73/254 of 20 December 2018, entitled "Towards global partnerships: a principle-based approach to enhanced cooperation between the United Nations and all relevant partners", in combination with the call for partnerships to achieve transformation embedded in Sustainable Development Goal 17.

66.   Many entities refer to partnerships, including implementing partners, in their partnership strategies, strategic plans, financial rules and regulations, administrative manuals, implementing partner policies and other guidance. See section II. E below for details.

67.   Many of the documents and policies have been endorsed by their legislative organs and governing bodies. In some entities, periodic reports on implementation are provided to the legislative organs and governing bodies. The comprehensive partnership strategy at UNESCO (Executive Board document 207 EX/11 on the Comprehensive Partnership Strategy) is regularly reviewed by the member States. At WHO, the pertinent documents have been endorsed by the World Health Assembly and the Executive Board. At UNICEF, key information related to implementing partners is provided in documents tabled before the Executive Board; beyond that, the Executive Board has not requested any further data, while it can request additional information at any time.

68.   For the United Nations system, the overall volume, expenditures and wide variety of implementing partner engagement indicate its prevalence and significance. The absence of systematic monitoring, data collection and regular reporting to the legislative organs and governing bodies has an adverse impact on any entity, as senior management does not have access to this useful management tool to study and appreciate the challenges of implementing partner management. The non-availability of periodic reporting on implementing partner activities prevents the legislative organs and governing bodies from providing overall strategic direction, guidance and oversight. It also prevents the entity from having a strategic approach for engaging and managing implementing partners aligned to the organization's overall strategic priorities. To address this gap, the organizations should put in place policies and procedures providing for the monitoring and reporting of data relating to their engagement of implementing partners annually.

69.   Collecting and reporting data systematically for activities and expenditures related to implementing partner engagement and reporting those data to the executive heads and the legislative organs and governing bodies will help organizations to identify gaps in policies and procedures and improve implementing partner management. This will enhance transparency and aid legislative organs and executive heads in providing strategic guidance and in exercising their legislative and managerial oversight responsibilities related to implementing partners. As appropriate, existing modalities should be used, such as the 2021-2024 quadrennial comprehensive policy review monitoring framework, which has dedicated indicators to track United Nations system engagement with national and international partners at the country level.

70.   The implementation of the following recommendations is expected to enhance transparency and accountability and the dissemination of good practices.

Recommendation 2

The executive heads of organizations of the United Nations system should, by the end of 2023, include in their annual reports on the work of the organization a section on the engagement and management of their implementing partners, including important details useful to the legislative organs and governing bodies.

Recommendation 3

The legislative organs and governing bodies of organizations of the United Nations system should, starting in 2024 and on the basis of reports submitted to them annually by their respective executive heads, provide overall strategic guidance and legislative oversight to the management of their implementing partners, including in the framework of the quadrennial comprehensive policy review, especially with regard to capacity-building, inter-agency coordination and information-sharing.

E. Regulatory frameworks, partnership strategy, policy, guidelines, standards and benchmarks

71. The review examined contemporary policies, practices and procedures related to engaging and managing implementing partners by organizations of the United Nations system, in order to suggest improvements in them and thereby strengthen their governance, accountability and oversight, consistent with the Statute of JIU. It identifies specific areas of the activity cycle that call for a review, so as to strengthen the due diligence efforts and standard operating procedures towards these objectives in a cost-effective manner.

72. The review encountered a few methodological challenges, as engaging and managing implementing partners is not conceptualized in many entities as a separate discipline. Consequently, there is no systematic collection of data and reporting on the topic, nor any activism in resolutions of the General Assembly, reports of the Secretary-General and work of the oversight bodies, specifically on the topic of implementing partners, although it is covered partially in resolutions and reports that address broader topics. As such, there is scant information available in the public domain on the topic in respect of the Secretariat and associated offices, funds and programmes, and specialized agencies.

73. The review looked at the progress made in developing and adopting implementing partner policies, guidelines, guidance and standard operating procedures. The situation had improved compared with 2013, and most organizations with significant implementing partner activities had developed such measures.

74. The UNODC Framework for Engaging with External Partners, promulgated in April 2014 and reviewed in 2017, resulted in the simplification of certain procedures. The objectives in developing the Framework were to clarify the engagement modalities, ensure transparency and accountability in decision-making regarding awards, clarify roles and responsibilities and strengthen controls for the management of external partners. However, there was a need to review the framework following guidance and policies issued by the Secretariat and the oversight bodies and the lessons learned over the implementation period. Hence, the Framework was revised and renamed the United Nations Office at Vienna (UNOV)/UNODC Partnership Policy and approved and promulgated by the Executive Director with effect from 1 October 2020. The revised policy would be reviewed initially every three months, then every six months and thereafter every two years. The new UNOV/UNODC Partnership policy was referenced in the UNODC 2021–2025 Strategy as an example of improving the delivery of projects and programmes through a more streamlined process of working with a more diverse range of implementing partners.

75. The WFP Corporate Partnership Strategy for the period 2014-2017 sought to promote excellence in its partnerships by building on its known strengths and addressing areas needing improvements. The approach has been incorporated into the overall engagement of WFP with partners, as reflected in the Strategic Plan and the private-sector partnerships and fundraising strategy for the period 2020-2025. The WFP NGO partnership guidance provides the operational framework for managing implementing partners. The commitment of WFP to partnerships and its central role in contributing to the achievement of the 2030 Agenda are further articulated in the WFP Strategic Plan for the period 2017–2021.

76. FAO has four policies governing its partnerships with various types of partners: the organization-wide policy on partnerships; the Strategy for Partnerships with Civil Society Organizations; the Strategy for Engagements with the Private Sector for the period 2021-

2025; and the policy on indigenous and tribal peoples. Strategies are reviewed and endorsed by governing bodies, including the FAO Council. For implementing partners, manual section 701 establishes the framework, accountability and rules that govern the indirect implementation of projects and programmes, referred to as the Operational Partners Implementation Modality (OPIM). It provides a framework for informed decision-making on the engagement of FAO in partnership arrangements involving the transfer of FAO-managed funds to operational partners to implement parts of or entire projects on its behalf. It defines arrangements for indirect implementation of projects or programmes, including measures to provide assurances that the use of funds by operational partners leads to the intended results, that funds are disbursed for the intended purposes and in accordance with financial and administrative procedures, and that systems comply with international standards.

77.   Some organizations have no implementation partner-specific policies in place. For example, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) does not have a partnership policy dealing specifically with implementation partners. However, in 2015, the Agency developed a partnerships strategic framework, although that framework did not include a specific reference to implementing partners. In 2017, UNRWA initiated a review of the partnerships' strategic framework with a view, inter alia, to including a reference to implementing partners. Owing to a 2018 financial crisis whereby the largest Agency donor withdrew its support, coupled with capacity deficits, the update of the partnerships strategic framework was put on hold.

78.   The United Nations Secretariat is currently finalizing a harmonized key policy framework. Several of the partner and implementing partner key principles and processes have already been embedded in the Umoja (SAP) tool, the grantor management module, which is used to transact with partners through the life cycle of the project implementation. The grantor module streamlines interaction between the Secretariat and implementing partners, including United Nations agencies, funds and programmes and non-governmental organizations, and end-beneficiaries by providing a portal and tools for interaction with the Secretariat before and during their partnership, including to record the progress of implementation and other performance details, payments and financial information.

79.   Some entities have been updating their partner policies. The UNEP partnership policy and procedures, adopted initially in 2011 by the Executive Director, was reviewed in 2017, but the exercise remained unfinished. It was again reviewed, and the revised draft was put under a six-month pilot implementation phase that started in October 2020.

80.   Annex III to the present document provides an overview on the partnership policies, including implementing partners, as well as further details, including on related guidance, standard operating procedures and legal instruments.

81.   A review shows that progress has been made since the issuance of the 2013 JIU report. Most organizations, notably those with significant implementing partner activities, have developed and adopted partnership policies covering implementing partners, as well as additional guidance and standard operating procedures. Several have added references to partnerships, including implementing partners, in their organizations' strategic frameworks.

82.   Not all organizations have adopted policies for all categories of implementing partners. There has been some ambiguity as to how the different policies align with each other, as they are contained in different documents and are not always cross-referenced. Furthermore, the various policies are owned by different offices or functions, which can dilute responsibilities and accountability and negatively impact intra-organizational coordination and coherence. The partnership policies are not in all cases submitted to and endorsed by the entities' legislative organs and governing bodies. Such endorsement would allow the latter to provide overall strategic guidance, direction and oversight on the key aspects of implementing partner management. While practices related to the endorsement of policies by their legislative organs and governing bodies differ among organizations, such endorsement would benefit entities with significant implementing partner activities, in view of their strategic importance.

83.   References or cross-references between the partner and implementing partner policies and the organizations' strategic frameworks are not always made, which would ensure a coherent regulatory framework for implementing partners and a strategic approach to engaging and management of implementing partners. Those partnership strategies that are

upstream (resource mobilization partnerships) and downstream (implementing partners and partners engaged in the context of programme delivery) should be interlinked, as the instances of the impact of earmarked funding on partner selection and the practice of negative earmarking show. The magnitude of implementing partner activities in some organizations provides a compelling case for mainstreaming their engagement and management into their policy frameworks and business processes, to ensure their management and administrative systems, including ERP and information and communications technology (ICT) systems, have the necessary functionalities to effectively and efficiently manage implementing partners, ensuring that the resources allocated to them are used for the intended purposes and that partners meet the agreed performance expectations.

84.   Furthermore, the supervision of implementing partner activities should be integrated into the organizations' internal system of control. Adequate capacity – financial, human and technical – both at the headquarters and the field levels, needs to be in place to effectively provide the necessary managerial oversight of implementing partners.

85.   Organizations should apply a strategic and risk-based approach to engaging and managing implementing partners. Implementing partner management should be aligned with the entity's overall strategic priorities; the legislative organs and governing bodies should provide strategic direction, guidance and oversight regarding its implementing partner activities; and executive management should have the information needed to take informed decisions concerning implementing partner management, taking into account any changing landscape and evolving circumstances.

86.   Building on the progress made, organizations should update their implementing partner policies and related guidance to sustain a strategic and risk-based approach to implementing partner management, aligned with the entity's strategic framework. Compliance and assurance requirements should be balanced with the need to have sufficient flexibility and agility to allow effective programme delivery, taking into consideration the realities on the ground, including challenges from COVID-19. Key information on implementing partner activities should be submitted periodically to the organization's legislative organs and governing bodies, so as to enable them to provide strategic guidance and overall direction. In view of the cross-cutting nature of implementing partner management, policies and regulatory frameworks should provide clarity on the distribution of responsibilities across functions, both at headquarters and in field offices, to ensure adequate accountability and effective partner management. Reference is made to section III below, which covers the operational challenges.

87.   The implementation of the following recommendations is expected to enhance transparency and accountability and dissemination of good practices.

Recommendation 4

The executive heads of United Nations system organizations should, by the end of 2023, update as necessary and implement their implementing partner policies and related guidance, including standard operating procedures for the selection, engagement, management, oversight and evaluation of implementing partners, to sustain a strategic and risk-based approach to implementing partner management, aligned to the entity's strategic framework.

III. Management: executive direction, accountability and internal coordination

A. Dispersed responsibilities create challenges for accountability, internal coordination and coherence

88.   Implementing partner management is a cross-cutting activity involving different offices and functions, with responsibility dispersed within the organization, not only horizontally across different functions at headquarters, but also vertically between headquarters, regional and field offices, thereby creating challenges of clear division of responsibilities, accountability and reporting lines, intraorganizational coordination and ensuring a coherent approach and compliance across the entity.

89.   While action relating to implementing partner management takes place predominantly in field locations, such as country and regional offices, and to a much lesser extent at headquarters, the tasks of developing and updating policy, promulgating guidelines, providing guidance and clarifications and ensuring effective implementation through monitoring, managerial oversight and compliance take place at headquarters, with responsibility dispersed across different departments, divisions, units and sections.

90.   Some offices and functions are primarily entrusted with developing policies, policy advice, guidance, related training and some, limited, supervision of their implementation. The responsibility for operationalizing and implementing policies on the ground lies with the programme or project managers and technical sections, while programme, management and administrative support functions, such as finance, accounting and internal management control, as well as compliance functions play their role in ensuring adherence to and compliance with the rules, guidelines and policies. The oversight offices and functions, namely, internal and external audit, investigation and evaluation, have oversight mandates concerning implementing partners and related issues. The following cases illustrate the cross-cutting nature of implementing partner management and the concomitant dispersal of responsibilities.

91.   At UNHCR, partnership responsibilities are embedded within its accountability frameworks, job descriptions, policies and procedures. The Implementation Management and Assurance Service within the Division of Strategic Planning and Results is responsible for maintaining the framework for implementing programmes and projects with partners, consisting of two units: Operational and Partnership Management (Partnership Management) and Quality Assurance and Systems Coordination (Programme Management). Other key divisions and services at headquarters include the Department of Finance, the Inspector-General's Office, the Partnership Coordination Service in the Department of External Relations and Legal Affairs Service. At the regional level, partnership responsibilities feature within the Programme, Project Control, Monitoring, Controller and Risk management functions. At the country office level, responsibilities are vested in the Programme and Project Control functions and in persons involved in multifunctional teams.

92.   At UNDP, policies, procedures, tools and guidance are developed by policy owners at headquarters. Leaderships of programming at regional bureaux are responsible for ensuring that all programming units (country offices) are aware of the requirements and are capacitated to execute their functions. Programming units select, engage and manage implementing partners for the projects in their units. Independent offices, such as the Office of Audit and Investigations and the Independent Evaluation Office, play critical assurance roles. At headquarters, the following bureaux and independent offices are involved in related activities: (a) the Bureau for Policy and Programme Support/Effectiveness Group, for project management activities and the partner capacity assessment tool; (b) the Bureau for Management Services/Office of Financial Resources Management, for financial management, fraud and HACT; (c) the Bureau for Policy and Programme Support /Effectiveness Group, for social and environmental standards activities; (d) the Bureau for Management Services/Legal Office for legal issues; (e) the Office of Audit and Investigations, for audit and investigation; and (f) the Independent Evaluation Office, for evaluation. In addition, the programme staff and support and administrative staff at country offices play their respective

roles in selecting, managing and monitoring implementing partners, with additional responsibilities entrusted to regional offices.

93.   At UNFPA, several units at headquarters own parts of the end-to-end partnership process and related policies. These include: (a) the Policy, Strategic Information and Planning Branch in the Policy and Strategy Division, which develops programme policy in terms of partnership modalities, registration, selection and the protocol on protection from sexual exploitation and abuse (PSEA) for implementing partners, workplans and monitoring; (b) the Quality Management Unit in the Division for Management Services, responsible for the assessment, assurance planning, HACT spot-checks and audits, follow-up to HACT assurance activities and implementing partner fraud; (c) the Finance Branch in the Division for Management Services, which deals with cash transfers, "last-mile" assurance (supply chain mapping, spot-checks and audits); (d) the PSEA Coordinator, supporting implementing partner PSEA assessments; and (e) the Office of Audit and Investigation Services, which audits the implementing partners management process and investigates implementing partners' wrongdoing. At the regional offices, the following officials and functions have responsibilities related to implementing partner management: international operations managers; programme coordinators; programme specialists; programme and finance assistants; logistics personnel; monitoring and evaluation advisers; and directors and deputy directors. At the country offices, various officials and functions are entrusted with responsibilities related to implementing partners, including: international and national operations managers; programme managers; programme specialists; programme and finance assistants; logistics personnel; monitoring and evaluation advisers; specialists; field monitoring personnel; assurance and quality assurance specialists; and representatives, deputy representatives and assistant representatives.

94.   Annex IV to the present document provides an overview and further details on the responsibilities of various headquarters, regional and country offices' functions concerning implementing partner management.

95.   These examples show the cross-cutting nature of implementing partner management and how responsibilities are dispersed within entities, giving rise to internal coordination challenges, as well as accountability, compliance and coherence issues, as indicated in many interviews and highlighted in a number of oversight reports.[5] Challenges posed by the dispersed responsibilities were also highlighted in sections III and VII of the 2013 JIU report (JIU/REP/2013/4).

96.   Clarity on the roles, responsibilities and concomitant accountability of the various offices and functions is essential to ensure a coherent, effective and efficient process. Foremost, a clear, comprehensive and concise regulatory framework for implementing partners is imperative. Reference is made to section II above in this respect. A dedicated implementing partner unit will help to strengthen coordination, coherent approaches and management of implementing partners and information-sharing. Several organizations, including FAO, UNHCR, WFP and UNODC, have implementing partner (or partner) units or equivalent, specifically mandated to manage implementing partners, while others, despite significant implementing partner activity (such as UNDP, UNICEF and UNFPA), do not have a dedicated unit but responsibilities are divided across various functions and offices. Annex IV below provides further details in this regard for all organizations.

97.   The benefits of having a dedicated implementing partner management support unit were discussed in the 2013 JIU review. Such a unit may collect and consolidate all key data related to partnerships throughout the organization, including administering an implementing partner database, partner portal or other implementing partner information tool; provide guidance on implementing partner issues, including on the applicable policies, guidelines and procedures in consultation with other relevant offices; liaise among the different offices and functions dealing with implementing partners at the headquarters, regional and country levels; assist in developing and conducting training on implementing partner issues, both in-house

---

[5] See, for example, WFP Office of Internal Audit, "Advisory assignment on NGO risk and oversight", internal document No. AA-18-04, dated September 2018; FAO, "Evaluation of the FAO Strategy for Partnerships with Civil Society Organizations", document No. PC 129/INF/7.

to staff as well as to implementing partners; and serve as a forum for sharing information and lessons learned at the corporate level.[6]

98.   The 2013 JIU report also suggested the establishment of a function on a pilot basis entrusted with these functions, while taking into account the entity's business models and subject to a cost-benefit assessment.[7] The Inspector believes that there is a case for setting up such a unit for organizations that have significant implementing partner activities. This will help the entity to address the challenges stemming from dispersed responsibilities and the cross-cutting nature of implementing partner management, and foster a strategic, coherent, effective and efficient approach, as demonstrated by the examples of those organizations that have set up such units and functions dedicated to implementing partners.

99.   With a view to reducing costs, and for entities with less significant implementing partner activity, instead of creating a new unit or office, an existing function already entrusted with certain implementing partner-related responsibilities may be designated and tasked with additional responsibilities, to serve as the focal point. That function could be a central point for coordinating implementing partner activities across the organization and for facilitating liaison, collaboration and information-sharing among the various functions, including those dealing with policy issues, operational aspects and assurance and management control activities. It should be tasked with collecting and consolidating all relevant implementing partner-related data and having a backstopping, guidance and advisory function, including for facilitating training, and with the systematic identification and sharing of lessons learned and good practices. The unit, function or designated focal point should be at an appropriately senior level to ensure access to senior management, which would facilitate the fostering of an organization-wide strategic, risk-based and coherent approach to implementing partners aligned to the organization's strategic priorities and mandates.

100.   The designation of a focal point should take account of differences in the programme context, business and operating models, the size of the entity, implementing partner activity and the entity's field presence and capacities of the field offices. A quick analysis of the location and structure of implementing partner management units in the headquarters of United Nations entities showed that a unit's location influences the definition of priorities and approach in implementing partner management, as well as the emphasis, either on the programmatic side, or on the financial management and compliance side.

101.   While the responsibilities of the existing implementing partner units or equivalent functions differ, they have supported and contributed to coherent and effective partner management in many respects, from developing and updating policies, guidance and standard operating procedures, to fostering coordination within the organization, collecting key partner data and acting as an office for ad hoc guidance and backstopping. They also serve as a point of contact for other United Nations system entities and hence support the exchange of lessons learned and good practices. The establishment of an implementing partner unit or equivalent or the designation of a focal point should be made on the basis of a cost-benefit analysis. A dedicated unit may be most relevant for entities with significant implementing partner activities, while the designation of a focal point, even as a dual-function post, appears more appropriate for entities with less significant implementing partner activities.

102.   The implementation of the following recommendation is expected to enhance transparency and accountability and dissemination of good practices.

---

[6] See JIU/REP/2013/4, para. 181.
[7] Ibid., para. 183.

> **Recommendation 5**
>
> **The executive heads of United Nations system organizations that have not yet done so should, on the basis of a cost-benefit analysis, establish an implementing partner unit or designate, by the end of 2024, a focal point for the management of implementing partners to support the coordination of implementing partner policies and activities within the organization, including by providing policy guidance and backstopping and by facilitating liaison and information-sharing, under terms of reference that clearly define its role and responsibilities.**

B.   Benefits of an implementing partner database

103.   As indicated previously, some entities had difficulties in providing key data related to their implementing partners, such as the resources allocated and the number and breakdown per categories of their partners. While such information is available, it is spread across various systems and applications, including ERP systems, specific management systems or portals for their partners, financial reporting and monitoring tools and project management systems. To provide even basic data, manual interventions were often needed.

104.   This was the case for implementing partner information at the headquarters level, and similar difficulties were also faced by some field offices. Key data pertaining to the management of implementing partners were kept and are generally available; however, they were scattered across various systems, which were often managed and owned by different functions and offices. Hence, extracting key data required manual interventions and efforts.

105.   In the 2013 review, JIU had also identified the fragmentation of implementing partner information as an issue and had recommended that organizations review their ERP and other management systems in order to enhance them and make them better suited to the business operations involving implementing partners on the basis of a cost-benefit analysis.[8] It had highlighted the advantages of having in place an implementing partner database or portal.

106.   In following-up on recommendation 10 and assessing the level of its implementation, the present review found that the situation had improved since 2013 and many organizations had improved their systems, making them better tailored to and adding the necessary functionalities to effectively support the management of implementing partners.

107.   The examples below illustrate the situation. An overview and further details by organization are available in annex IV.

108.   UNFPA has several corporate databases for implementing partners that are being integrated in the current development of its new ERP, as well as with the United Nations Partner Portal. These include the Partner Information Management System (PIMS) for registration; its Global Programming System (GPS), for workplans and the Funding Authorization and Certificate of Expenditure (FACE); and the implementing partner assurance system (IPAS) for HACT micro-assessments, assurance planning, spot-checks, audits and follow-up. Information is accessible, available at the country office level and used and inputted by country offices. Updates for PIMS and GPS are instantaneous, and IPAS updates are usually daily.

109.   UNICEF has developed an implementing partnership system, eTools, which contains detailed information on all aspects of implementing partnerships, including selection, agreements, assessments, cash transfers, monitoring and assurance activities and reporting. The system is linked to other corporate systems to provide a holistic view of the implementing partners. Key linkages with other systems include the United Nations Partner Portal for partner selection and due diligence, the Virtual Integrated System of Information-One Enterprise Resource Planning (VISION) for cash transfers and RAM for results framework. The system is supplemented by analytical dashboards and reports to support the management and decision-making on implementing partnerships.

---

[8]   Ibid., recommendation 10.

110. While data on cooperating partners at WFP are stored and managed independently across different information systems related to finance (WINGS), programme (COMET), commodity management (LESS) and partnership process, WFP is in the process of integrating different datasets into a common interface, known as DOTS, in a phased manner, enabling data extraction from different databases for multiple management purposes. This was to be made available to country offices and any other internal party in the course of 2021 and would widen its access to additional data sets through the digitization of end-to-end partnership processes.

111. Compared with the situation in 2013, organizations have made progress in enhancing and tailoring their internal management and ERP systems to better support implementing partner management. Yet, in many organizations, relevant information is scattered across various different systems that do not always have interfaces to efficiently communicate with each other. Some, like WFP, have also made progress in this respect.

112. The various systems are managed by different functions or offices and, given the different ownership and responsibilities of the systems, each office or function would maintain, review and analyse information pertaining to its responsibilities. No strategic analysis of all available information contained in the various systems is made in a systematic way, notably in those entities that do not have a dedicated implementing partner unit. Such a systematic review of all relevant information is further impeded in those organizations that do not have a dedicated and integrated implementing partner database or portal.

113. In some cases where organizations have such partner databases, these portals contain information only on certain categories of partners, for example NGOs and CSOs, but not government entities, and do not include all relevant key information. For instance, they may not have performance information related to partners. Some organizations do use the United Nations Partner Portal (see section VIII below in this context).

C. Digital transformation and the use of technology to support implementing partner management

114. The progress made in using modern technologies and tools – such as dashboards, the real-time availability of data made accessible to all relevant officials and useful functionalities such as automated controls, automated checks, analytical tools and search functions – has been uneven in the United Nations system. Some organizations, such as UNDP, have made progress in adding such features to their management systems, which are able to produce dashboards and detailed reports in accordance with the International Aid Transparency Initiative standards available in the public domain.

115. Some organizations are in the process of updating their ERP systems, which will also have additional functionalities for the management of implementing partners.

116. UNHCR noted that systems are in place, are improved continuously and are strengthened through its cloud ERP and business transformation project, which includes several ERP and information technology system innovations, as well as the online project reporting, oversight and monitoring solution, to be implemented in 2022. The updated systems are expected to overcome the shortcomings of reporting and timeliness of data. The new system will have more direct data entry by implementing partners themselves, so they can enter information into a portal that feeds directly into the ERP system. Conversations are also ongoing about inserting into the system information of inventory held by partners, so as to have better visibility, in order to visualize what has been distributed and what is still being held by partners, which may include vehicles and fuel but also humanitarian goods.

117. UNDP is updating its ERP system as part of its digital and management transformation process. One envisaged improvement is to have more electronic interfaces and correspondence with implementing partners, with external access to the UNDP ERP system. It is planned to integrate processes that are still being performed outside the system and require manual interventions, such as cash transfers using the FACE form process.

118. UNFPA is developing a new ERP system that will integrate all implementing partner data and systems, digitalize and automate processes, including integration with the United Nations Partner Portal, greatly enhancing its ability to manage partners.

119. WFP will enable its different information technology systems concerned with partnership management to be equipped with a DOTS integrated data interface and capture relevant data in a phased manner through ongoing data clearing and alignment processes.

120. While most entities have made significant progress in improving their management and ERP systems to support implementing partner management, more needs to be done. **Organizations with significant implementing partner activities should, on the basis of a cost-benefit analysis, include state-of-the-art functionalities and features in their ERP and other systems to support effective implementing partner management, such as real-time access to data, automated monitoring, due diligence, performance assessment functions, dashboards and integrated data interfaces with partners.**

D. Need for a risk-based approach to implementing partners

121. While partnerships come with opportunities, they also expose the entities to risks, including operational, reputational, legal, country/field, strategic, exit-strategy, counterparty, systemic, concentration, compliance, cyber, contractual and financial risks.

122. The Inspector underscores the need for a risk-based approach to inform the policies and practices of organizations, as engaging implementing partners can expose the organization to many types of risks, as listed above. Therefore, it becomes important for entities to ensure that activities under their purview are entrusted to implementing partners that are subject to periodic risk assessments, and that appropriate risk assessment guidelines are developed by the relevant functions in each organization. In this context, the review identifies several useful measures in place in organizations to assess and mitigate risks.

123. A systematic and robust risk-based approach to making critical choices about engaging an implementing partner for programme or project implementation and delivery is essential. Implementing partners are a high-risk activity, and the associated risks need to be identified and managed adequately. Building on the progress made, more needs to be done to put in place a holistic and systematic risk management process, notably for organizations with significant implementing partner activity, and to incorporate it into the organization's enterprise risk management (ERM) process. This will help to gain a better appreciation of the entity's risk exposure and the required costs and resource needs for appropriate mitigating measures, and to define levels of risk acceptance and risk appetite. Key information on the implementing partner risks should be periodically reported to legislative organs or governing bodies, allowing them to take informed decisions and provide the related overall guidance and strategic direction.

124. Foremost, risks associated with implementing partners should be included and covered in the organizations' enterprise risk management frameworks and processes.

125. Most organizations with significant implementing partner activities have identified implementing partner risks as a relevant risk for their organization and operations and include them in their risk registers, frameworks or scorecards, which are periodically updated together with the implementation of the risk mitigation measures.

126. The recently updated United Nations Secretariat-wide risk register identifies risks for implementing partners, including risk definition and key risk drivers. A working group of experts has been tasked to develop a risk treatment plan. Implementing partner risks emerged in 2017 in the context of issuing an anti-fraud handbook, where the misconduct of implementing partners and third parties was identified as a relevant risk. The ERM committee included implementing partner risks as one of the 15 major risks facing the Organization. The risk owner of the implementing partner risk is the controller. The ERM committee and a task force on ERM consider progress of risk mitigation measures through score cards, facilitating implementation of the risk response plan and allowing continuous monitoring of the risks and mitigation measures. The Umoja extension two (grant module) supports ERM across every Secretariat entity, enabling the use of these tools to identify, monitor and

respond to risks according to common guidance. More functionalities are planned to be launched, such as tools to track partners' monitoring and reporting obligations.

127.   Implementing partner risk management mechanisms are fully integrated in the UNFPA ERM system and will be integrated in the future ERM framework and policy that are being developed. The ERM system includes implementing partners under various risk categories, including delivery and reputational risks, as well as fraud and PSEA risks.

128.   The ERM system at UNHCR captures strategic risks and operational risks; partnership-related risks feature in both layers of the system.

129.   At UNICEF, implementing partnership management is integrated in the ERM system, specifically under institutional risk, which refers to the range of potential consequences of intervention for the implementing organization and its staff. These include management failures and fiduciary losses, exposure of staff to security risks and reputational and political damage to UNICEF. Strategic and programmatic risk refers to those risks that have an impact on or that threaten to disrupt the achievement of the UNICEF Strategic Plan. Programmatic risks are those where there is a risk of not achieving the programme's objectives or that can cause inadvertent harm, and include weaknesses in programme design and implementation, failures in donor coordination and dysfunctional relationships between development agencies and their implementing partners.

130.   Many entities are in the process of integrating implementing partner risks in their ERM, such as UNEP, which will do so once its first full ERM cycle has been established.

131.   Many others have included risk assessments and mitigation measures in their project management systems and implementing partner assessments.

132.   The risk-based project performance monitoring and control toolkit developed at UNHCR provides a straightforward approach to the monitoring aspects of project control, report verification and project risk management and the roles and benefits in improving project management and delivering the best quality results for persons of concern. UNHCR determines the controls at the project design stage after referring to the risk and capacity of partners and of the particular project or context. The risk and capacity of partners is determined on the basis of internal control questionnaires completed by UNHCR-contracted audit firms and/or micro-assessments conducted by HACT agencies (or the assessment conducted by the OCHA country-based pooled fund (CBPF)). A project control function was introduced to enhance efficiency in the reporting (programmatic and financial) and monitoring of programme delivery by the implementing partners. This allows the local UNHCR country office to consider additional risk information in the local contexts and adapt the risk rating of projects or partners accordingly.

133.   The UNODC ERP system includes risk assessment for implementing partners. The capacity assessment undertaken during the identification and selection of partners includes a risk assessment. At UNAIDS, risk assessments are included in the justification memo for all implementing partner agreements over $25,000 in line with the applicable policies and procedures. One novel approach used by WHO in managing specific risks associated with implementing partners is the Member State-approved Framework of Engagement with Non-State Actors, employed to conduct due diligence and risk assessments for all non-State actors, including evaluations and analyses of the risks that may arise from a specific proposed engagement with that non-State actor, balancing them against the expected benefits while protecting and preserving the integrity, reputation and public health mandate of WHO.

134.   UNDP, UNFPA and UNICEF use the HACT process, aimed at strengthening accountability and introducing a risk management approach to cash transfers. This represents a shift from assurances for cash transfers derived from project-level controls and audits towards a method of assurance derived from risk and system-based assessments, assurance activities and audits.

135.   UNFPA uses HACT as the main mechanism to manage the risk of working through all its implementing partners. HACT is fully applied within UNFPA by all offices. Furthermore, UNFPA undertakes an annual workplan review to monitor system and policy compliance, as well as the quality of partner workplans and progress reports.

136.	In addition to using the HACT framework, UNDP has put in place several risk-based mechanisms in the monitoring of projects and advances (funds) assigned to implementing partners. It continues to fine-tune these instruments and related policies based on lessons learned. Advances to implementing partners are closely monitored by country offices and headquarters through the ERP system and the financial dashboard. The ageing of advances is closely monitored to ensure that no new advances are provided until long-pending advances are cleared, in accordance with the existing policy established by the Chief Finance Officer. UNDP has a policy of identifying key risks during the project design stage (including environmental, financial, operational, organizational, political, regulatory, strategic and other risks), as well as monitoring and managing them using the risk log in its Atlas system.

137.	A project quality assurance system was rolled out to assess adherence to the social and environmental standards, which were incorporated into the implementing partner capacity assessment tool to ensure that national partner capacities for screening and managing social and environmental risks are assessed thoroughly. Moreover, the new corporate planning and results reporting system is intended to facilitate the monitoring and management of risks in an integrated manner. The partner capacity assessment tool was updated as a risk-identification tool aimed at identifying capacity risks so they can be mitigated or addressed through the project activities. The scope of assessment of the tool extends to reviewing the implementing partner's internal policy and a training programme for personnel on the prevention of and response to sexual harassment and sexual exploitation and abuse (SEA); screening implementing partner's personnel, and/or partners they engage with, for any previous involvement or alleged involvement in sexual harassment or SEA; and providing internal capacity to investigate allegations of sexual harassment and SEA.

138.	In addition, standard clauses in implementing partner agreements now require implementing partners to adhere to UNDP social and environmental standards, as well as other standards on fraud, SEA and others. New and innovative approaches, such as real-time monitoring and quick feedback loops, will be integrated into the programming cycle to allow for the immediate identification of and response to unforeseen risks.

139.	Organizations have made progress in applying a risk-based approach to implementing partners through the various measures outlined above. A review of the status of implementation of recommendation 7 of the 2013 JIU report indicated that most organizations considered the recommendation implemented. However, they admitted that further work needed to be done in this area and that the implementation of the risk management assessments and mitigation measures could be further improved.

## E.	Strengthening risk-based monitoring of implementing partners

140.	Many interviewees from management and oversight and assurance functions indicated that implementing partners were a high-risk activity. This was underlined by the significant volume of resources allocated to implementing partners and the high number of partners engaged by many organizations and the United Nations system overall. The oversight reports, notably by the internal and external auditors, as well as the investigation function, highlighted that engaging and managing implementing partners came with significant risks to the organizations.

141.	The significant financial resources allocated to implementing partners and the high number of partners engaged by United Nations entities at any given time show that it is neither possible nor effective and efficient to treat all implementing partner engagements equally. A risk-based approach should, therefore, be applied. Key aspects of such an approach would include identifying and dealing with risk exposure to the organizations when engaging implementing partners, calling for due diligence and risk assessments upfront, and determining the necessary risk mitigation and monitoring measures.

142.	Most entities have risk-based monitoring practices and processes in place. Based on the initial risk assessment, monitoring measures and modalities are put in place. These vary depending on the level of risks and risk exposure. The higher the risk, the more stringent the monitoring measures need to be. They usually include a performance monitoring plan, periodic financial and programmatic reporting, and verifications such as site visits, spot

checks and review of invoices and third-party monitoring. Implementing partner audits are conducted and project mid-term and final evaluations are used to assess partner performance.

143.   UNHCR applies a risk-based approach that defines the frequency and details of the monitoring activities for each partnership agreement; each agreement should have a risk assessment, a project performance monitoring plan and mid-year and end-year monitoring reports, both for financial and performance progress. Project monitoring and verification reports/results are placed in the organization's monitoring system, called e-Safe. The sharing with relevant partners of the outcome and findings of the monitoring and verifications, as well as the formal joint mid-year and/or end-year reviews of partnership agreements, are mandatory requirements for all offices. UNHCR introduced the Project Control function to enhance efficiency on reporting (programmatic and financial) and monitoring of programme delivery. Other tools include the risk-based project performance monitoring and control toolkit and iGuard.

144.   UNDP has two risk and capacity assessment methods for implementing partners: HACT and its partner capacity assessment tool. Risk mitigation strategies are developed and managed as part of the project or programme risk log/framework. Quality assurance and monitoring plans are in place to include results and performance tracking, spot checks, field visits, audits and capacity development initiatives.

145.   The United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) has a system of quarterly reporting by implementing partners (both narrative and financial), providing an opportunity to assess the quarterly performance. In addition, programme personnel carry out regular monitoring by way of visits, participation in events, direct outreach to beneficiaries, regular meetings and feedback to the partner on any critical performance issues. UN-Women undertakes assurance through annual partner audits.

146.   JIU assessed the state of acceptance and implementation of recommendation 4 of its 2013 report. While most entities (85 per cent) indicated that they had implemented the recommendation, many interviewees noted that, despite the progress made, further improvements were needed. They highlighted the following areas for further improvement: more systematic and frequent spot checks; strengthening policies on blacklisting and discontinuing agreements; the establishment of United Nations system-wide process and procedures for offsetting unreported cash advances; the establishment of a system for monitoring reports by type, due dates and reporting compliance, to set deadlines for reporting and similar project management and performance management tools; a policy on the engagement of independent auditors for United Nations-funded projects in specific locations; the joint monitoring and auditing of implementing partners by United Nations agencies that finance the same implementing partner; and improvements to and expansion of the use of remote monitoring, the use of standard indicators more focused on the planned impact/results, and the greater use of beneficiary satisfaction surveys.

147.   It would be useful to develop a digitalized, end-to-end, implementing partner management process that is integrated into the entity's ERP system, allowing for the real-time "live" and cumulative monitoring of partner performance, including on-system reporting by partners, progress in achieving results and follow-up status of assurance activities.

148.   Several organizations stressed the importance of ensuring sufficient internal resources and capacities for monitoring, measuring and assessing the performance of implementing partners, and systematic sharing of information, including on partner performance.

149.   **The Inspector suggests that, building on the progress made, organizations should continue their efforts to strengthen performance monitoring of partners in line with a risk-based approach and results-based management (RBM) methodologies. Adequate resources should be allocated to that end, taking into account the risk exposure and level of acceptable risks. Those efforts should be supported through ongoing digitalization initiatives, including updating the ERP and other management systems.**

150.   Dealing with implementing partners poses risks, but it also presents opportunities to empower implementing partners and create in them a greater sense of ownership of accountability for results. Risk-sharing, including by the major donors, which often ask

United Nations entities to work with local partners, while maintaining a zero-risk tolerance approach to the partnerships established by them, is imperative. The Inspector suggests engaging in discussions on acceptable risk levels and risk appetite negotiations on levels of overheads and programme support cost in order to mitigate risks.

151.   The implementation of the following recommendation is expected to enhance transparency and accountability and risk management related to implementing partners.

Recommendation 6

The executive heads of the United Nations system should incorporate implementing partner risks into their organization's risk management frameworks by the end of 2023.

F.   Measuring partner performance in line with results-based management principles

152.   The key to effectively managing implementing partners is the development of easily measurable, practical and meaningful key performance indicators (KPIs). This helps the contract manager to ensure that the partner has been performing according to contractual terms and stipulated quality requirements, meets the key performance indicators and fulfils all obligations in this regard.

153.   Entities have made marked progress since issuance of the 2013 JIU report. Most have added in their partnership agreement or annexes a log frame and results framework with KPIs. Yet challenges persist in measuring implementing partner performance in practice.

154.   At UNODC, performance is monitored against the logical framework and workplan of each agreement. Implementing partners implement an outcome, specific outputs or activities within a project or programme. The outcome is structured as per the RBM methodology, with related outputs, activities, indicators, means of verification and risks. UNODC uses KPIs to incorporate the results obtained by implementing partners, as provided in specific reports and using the RBM methodology linked to the main programme log frame.

155.   At WFP, KPIs are established at the initial stage of the partnering process and form an integral part of the operational plan jointly developed between WFP and the cooperating partner. While such KPIs are context- and operation-specific and discussed at the field level, they also constitute the basis for the programme results chain, thereby contributing to the achievement of WFP strategic objectives and goals within the result-based management framework. UNDP measures performance against key results indicators for the project concerned. They are monitored in its ERP system for ongoing oversight and accountability. In the case of UNFPA, GPS integrates programmatic and financial monitoring and the connection between FACE forms and workplan progress reports.

156.   Two main concerns were raised with regard to key performance indicators: first, that many contract managers needlessly make the list of indicators excessively long in an effort to "play it safe"; and second, that a large number of indicators do not really help in determining the fulfilment of the stipulated tasks, particularly quality aspects, and the expected outcomes. A few interviewees admitted that too many KPIs were often developed, and the higher the number of KPIs, the greater the project costs charged to the project budget.

157.   Many interviewees emphasized that key performance indicators should be chosen carefully and meaningfully, be limited to a manageable number that can measure and capture all critical areas, and be designed to capture actual performance on the ground and not merely serve as a mechanical box-ticking paper exercise. There is often a disconnect between programmatic data and financial data, as the programmatic and financial reports submitted by implementing partners are reviewed by different functions within an organization, and a systematic corroboration of data does not take place consistently, thereby impeding performance assessments in line with RBM principles. Performance indicators for capacity-building are at times phrased in too general a fashion, which does not allow a meaningful

performance measurement. The problem of timeliness and quality of implementing partner reports in several instances makes performance assessments difficult.

158. KPIs are critical for ensuring accountability and assessing the effectiveness and efficiency of implementing partner management, and whether the key objectives of the programme delivery through implementing partners are achieved, such as capacity-building, national ownership and knowledge transfer. Notably for organizations with significant implementing partner activities, a lack of KPIs for partner management creates accountability gaps and hampers effective managerial oversight of partners as well as performance monitoring, both in-house and of partners. KPIs should be aligned to the organization's strategic plan and results framework, including the quadrennial comprehensive policy review monitoring framework for 2021-2024, and guided by commonly accepted indicators of key areas or activities, including capacity-building, to foster system-wide coherence and harmonization. The collection, monitoring and reporting of the data should be done through and integrated into the existing ERP system, managements systems and reporting tools.

159. The implementation of the following recommendation is expected to enhance effectiveness and performance management of implementing partners, in line with RBM methodology.

Recommendation 7

The executive heads of United Nations system organizations should develop, by the end of 2024, key performance indicators for the management of implementing partners and establish systems to collect, monitor and report the performance data.

G. Specific challenges posed on implementing partner management by the earmarking of contributions

160. The earmarking of contributions may pose specific additional challenges to the engagement and management of implementing partners, notably in the case of using sanctions lists that differ from those approved by the Security Council and "negative earmarking". Such donor practices can impose additional challenges on the organizations concerned and have an impact on the perceived neutrality of the United Nations entities.

161. One interviewee observed that donors seemed to be comfortable with signing off on million-dollar consultancies, while transparency and accountability emerged as serious concerns while dealing with implementing partners with limited resources, skill sets, experience and technical expertise. Furthermore, those responsible for financial and budgetary matters in the legislative organs and governing bodies became parsimonious while dealing with assessed or core contributions and turned a blind eye to activities financed out of voluntary, earmarked or non-core contributions. The colleague wondered why demands of transparency and accountability made on implementing partners were not applied equally to consultancies and other modalities, and why similar questions were not asked, similar worries and concerns not articulated, or similar demands not made, despite the spending of taxpayers' money being common to all cases of donor funding.

162. Put differently, transparency in the selection and engagement processes is important in itself; the need to avert risks arising from political aspects by adhering to agreed and accepted principles is also critical. The need for a regime that recognizes the inherent limitations of small NGOs and CSOs, with their capacity constraints, relatively weaker administrative and financial structures, rules and regulatory frameworks and human and financial resources, should be underscored.

163. Another challenge brought up was the differences in fiduciary standards and requirements among the various funding partners. The associated higher transactions costs incurred by United Nations system entities to ensure compliance with these at times opposing requirements are substantial and greatly affect efficiency and effectiveness. Two major funding partners of a United Nations agency offer an illustration of the differences in fiduciary requirements: one accepts engagements with implementing partners only on the

condition that such implementing partners use the procurement rules of United Nations agency; whereas the other funding partner accepts a risk-based capacity assessment to the effect that the procurement rules of the implementing partner can be used, provided they are considered sufficiently robust. The operational consequences of such opposing requirements are that the resulting implementing partner agreements must be specific to the funding partner, which raises issues of impartiality, neutrality and independence.

Use of sanctions lists other than the sanctions approved by the Security Council

164. Organizations averred that they complied strictly with the sanctions approved by the Security Council; they also adhered to mechanisms developed by the system for entities debarred or delisted by the United Nations Global Marketplace and the Global Compact (i.e., those involved with tobacco, alcoholic beverages, narcotic drugs, arms manufacture and export, for example). However, many admitted that, given their dependence on voluntary and earmarked contributions, they were forced to comply with unilateral sanctions imposed by a Member State or a group of Member States, as distinct from United Nations sanctions authorized and mandated by the Security Council. This invariably raises the question of the impact of unilateral sanctions imposed by a Member State or a group of Member States on the perceived neutrality, independence and impartiality of United Nations entities while engaging and managing implementing partners.

"Negative earmarking" of contributions

165. There has been an increasing tendency among some traditional and emerging donors to stipulate "negative earmarking" while making their contributions. While the donor does not stipulate any conditionality on the organization as to whom the beneficiaries can be, it does stipulate that the contribution should not be used to benefit persons residing in a particular geographical area or aligned to a particular political movement or organization (for example, those considered by the donor to be a "terrorist organization", although with no such designation by the Security Council), or an NGO or CSO aligned to either the host Government or a "rebel organization". This phenomenon too invariably gives rise to the question of the impact of such negative earmarking imposed by a Member State or a group of Member States on the perceived neutrality, independence and impartiality of United Nations entities while engaging and managing implementing partners.

166. **In the view of the Inspector, organizations should ensure that any funding accepted by them is in line with the applicable fundraising policies and other pertinent rules and regulations, which equally apply to any funding received by organizations that is allocated to implementing partners if this implementation modality is chosen. Organizations should pay due attention to avoid any perception that could be seen as deviating from the principle of impartiality, independence and neutrality associated with the status of United Nations system organizations. Any issues should be discussed as early as possible during the donor negotiation process to prevent and avoid any possible problems later at the stage of implementation. Ideally, organizations should be guided by commonly accepted fundraising principles and standards as agreed by the United Nations system. Entities should develop through appropriate inter-agency mechanisms a common standard of conduct that all entities can accept, embrace and adapt to their specific circumstances.**

IV. Implementing partner selection, due diligence, risk-based monitoring and measuring partner performance in line with results-based management principles

167. The present section looks at common key challenges that organizations face in operationalizing their implementing partner policies and processes and the obstacles faced in rolling them out on the ground. The focus is on important issues related to the selection of implementing partners, due diligence, risk and capacity assessments, extension of agreements and performance monitoring in line with RBM methodologies.

168. In this context, the status of implementation of recommendations 4 and 7 of the 2013 JIU report was assessed. The differences among the main categories of implementing partners, given their specific characteristics, were considered, as appropriate. Specific challenges occurring in particular operational environments, such as emergencies, post-conflict and humanitarian settings, were also covered.

169. The focus of the assessment was centred around the need for a risk-based approach for engaging and managing implementing partners, and for it to be institutionalized and embedded into different phases of the implementing partner process, notably the selection phase and the performance monitoring and reporting phase.[9]

A. Implementing partner selection responsibilities are dispersed across many offices and functions

170. As stated previously, implementing partner management is a cross-cutting activity with responsibilities spread across various offices and functions, both horizontally and vertically. Selection usually takes place at the country office level, where the great majority of programmes are implemented, except for a few in regional or global programmes. Yet many other offices and functions at the country, regional and headquarters levels are also involved in the selection, depending on the type and size of implementing partner agreements and other factors.

171. Depending on the organization's structures, business processes and practices, the situation and processes vary among the different United Nations system entities, as do the number and type of offices and functions with responsibilities for implementing partner selection and the associated processes. Furthermore, within the same organization, different selection processes apply depending on the type of implementing partner, the volume of the agreement and other factors. Despite these variations, many different offices and functions are involved in the selection. The complexity, cross-cutting nature and diversity of actors involved in the selection process are illustrated in figure V below, from UNESCO.

---

[9] The report adapted the implementing partner management process as depicted in the 2013 JIU report (see JIU/REP/2013/4, para. 36).

Figure V
Process flows
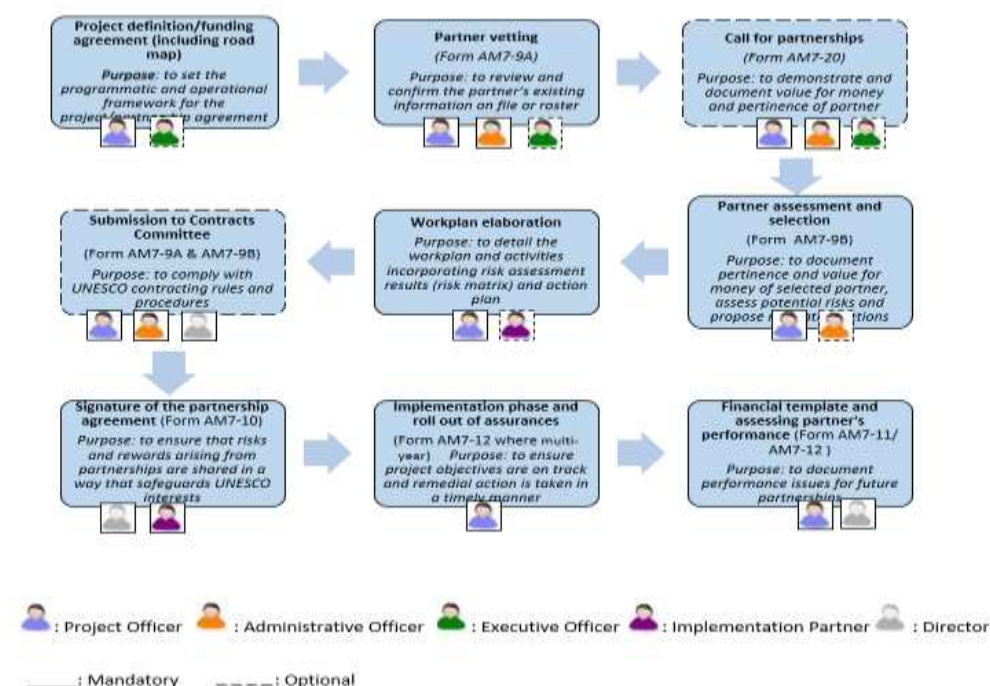
Source: UNESCO, Administrative Manual.

172.   Responsibility for selecting implementing partners is spread across functions, including the involvement of the contract committee. UNESCO is no exception, as complex processes with many actors across the organization are involved in other entities.

B.   Updating implementing partner selection policies, guidelines and standard operating procedures and institutionalizing a risk-based approach

173.   In view of the complex processes and many actors, the implementing partner policies, guidance and standard operating procedures governing their selection should be clear, concise, well-documented and clarify the roles and responsibilities allocated to the various functions and offices, to ensure accountability and transparency of the selection and the decisions made. Equally important are the existence of clear criteria upon which the decision is based, documentation of the decision-making and to ensure that key implementing partner information is available and accessible to all relevant officials involved.

174.   The review of policies, guidance and standard operating procedures showed that many entities had improved their selection policies and processes since the 2013 report, setting out selection criteria and introducing criteria for the different categories of implementing partners and variations to the process depending on the risks, such as the volume of agreement, type of partner and operational circumstances. Entities had instituted competitive selection processes and started to digitalize the registration process through the establishment of partner portals, such as the United Nations Partner Portal. Another improvement was the incorporation and its enhancement of a risk-based selection based on an upfront due diligence, risk and capacity assessment of the potential partner.

175.   The following examples demonstrate the progress made and show how organizations have strengthened their due diligence and risk assessment methodologies and processes, making them an integral part of the selection, including expanding their scope to include PSEA assessments and screening against sanction lists, using digital platforms for registration and screening (the United Nations Partner Portal is shared among several entities). Annex V contains an overview of main phases of the selection process and details.

176.   WFP uses a combination of minimum standards for due diligence and assessments. The call for proposal process for general food distribution follows the following steps for partner selection:

- United Nations Partner Portal profile completion and verification of the partner

- Capacity assessment and risk categorization with documented mitigation actions, to use within the proposal review and final selection committee

- Proposal review to be done by assigned units and suboffices, to include technical and financial evaluation matrix (done by technical units and the finance team) for final presentation at the Cooperating Partner Committee

- Cooperating Partner Committee meetings for final assurance and selection

- Mandatory induction training to take place for partner organizations, including on important aspects of all policies, such as anti-fraud and anti-corruption and PSEA

177.   WFP indicated that the ongoing harmonized roll-out of the United Nations Partner Portal digitalized key selection processes among the participating agencies would facilitate effective partner selection at the country office level. While context- and operation-specific criteria on the selection process are developed by the country offices, the Cooperating Partner Committee established at each office ensures fair and transparent partnering decisions and is supported by the second line of defence at both the regional bureaux and headquarters levels. WFP started a due diligence assessment of NGOs at the headquarters level, which contributes to establishing an organization-wide knowledge base of cooperating partners, along with the digitalization of end-to-end partnership processes, which is in progress.

178.   The principal elements of the UNFPA due diligence framework (policy for selection, registration and assessment) include standards against which all NGOs are vetted prior to registration: registration in the country; adequate governance; comparative advantage and alignment with the mandate of UNFPA; absence of conflict of interest, past history of fraud, complaints and implementation issues; PSEA assessment; and check against the consolidated Security Council sanctions lists. UNFPA is transitioning implementing partner due diligence, registration and selection into the United Nations Partner Portal, which requires NGOs to complete an extensive profile that is reviewed and verified by United Nations staff members. UNDP has adopted a new policy on selecting implementing partners, which gives clear, concise and well-documented standards, roles and responsibilities.

179.   UNICEF, UNHCR and WFP co-developed the Partner Portal to harmonize the selection and due diligence processes of CSO implementing partners. In addition to the increased transparency and opportunities, those agencies that have adopted the Portal mutually recognize the due diligence processes and provide automatic sanction screening of the organization against the Security Council sanctions list. The existing HACT micro-assessment and PSEA assessment are a harmonized inter-agency tool, mutually recognized by adopting agencies. HACT agencies, including UNICEF, use similar terms of reference for spot checks and financial audits, as well as uniform forms for requesting funds and reporting on expenditures. Internal policies and procedures, including on partnership management, are reviewed every two years. UNICEF, UNHCR and WFP participate in the continuing endeavour to achieve further harmonization and streamlining. Initiatives are ongoing to strengthen information-sharing on performance, monitoring and assurance through the Portal and revision and alignment of the PSEA assessment and the HACT micro-assessments.

180.   The Inspector welcomes the progress made. A robust selection process is a prerequisite for a successful implementing partner engagement, to ensure that the right partner is selected in accordance with the applicable selection criteria and in line with the required due diligence, risk and capacity assessment, and in-built checks and balances. Yet some challenges persist, and further improvements are needed.

C. Enhancing implementing partner selection to address persisting challenges

181.   Interviewees brought up a number of challenges that have a negative impact on the implementing partner selection; these were also identified in pertinent oversight reports.

In-house capacity constraints

182.   In-house capacity challenges, mainly at the country level, inhibit due diligence and risk and capacity assessment processes. Programme managers, as well as staff involved in the selection, are confronted with a high number of implementing partners and many due diligence tasks to complete in accordance with the policies, guidance, standard operating procedures and checklists. Adequate human resources are needed to ensure that the due diligence and risk assessment do not become mere paper and box-ticking exercises. Information provided by the partners needs to be verified and checked on the ground through meetings, spot-checks and site visits during the selection process. The need for robust due diligence and risk assessment measures was acknowledged. However, the need to strike an appropriate balance between the due diligence and assessment activities, while ensuring some flexibility so as to allow swift and effective programme delivery, was also noted.

Need to strike an appropriate balance between due diligence and agility

183.   While recognizing the need to strengthen due diligence, partner assessment and assurance measures, these requirements should not lead to situations where programme staff are mostly preoccupied with them instead of focusing on programme delivery and implementation. Room for some flexibility in implementing the policies should be found, to take into consideration the realities on the ground and other operational circumstances. Overly cumbersome and detailed policies and requirements result in additional bureaucratic layers and an increase in transaction and overhead costs. Requirements resulting from COVID-19 and the attendant restrictions can be used for granting some flexibility.

184.   Many entities have worked to simplify, streamline and integrate processes and reduce box-ticking exercises that have not proven to add value; they consider due diligence measures critical for high-risk areas, such as implementing partner selection and management, but have modified them by making compliance easy without eliminating critical steps.

Delegating risks down to the weakest link in the chain

185.   Several interviewees indicated that, in many cases, risks are delegated down the chain of implementation agencies, from the donors to the United Nations entity, to the recipient government entity or international NGO partner, which, in turn, may then engage national or local NGOs, other entities or subcontractors and delegate the risks further down to them. This phenomenon should be looked at critically, and discussions on acceptable risk levels and risk appetite negotiations on levels of overhead and programme support costs to mitigate risks would be useful. Without such measures, the current model of zero risk-tolerance and risk-bearing rather than risk-sharing will continue to prevail.

Limited choice of partners and competition among agencies

186.   Some interviewees indicated that only a limited number of implementing partners possessed the requisite knowledge of the local language and conditions available in certain countries of operations, notably in emergency and humanitarian settings. This had an impact on the selection and finding the best-fit partner, and led to situations where multiple United Nations agencies and other actors would compete to engage the same partners.

Role of the donors in the selection

187.   Many entities averred that they did not face any pressure from donors on the selection of implementing partners for programmes funded by them. Some agreed that they received suggestions from the recipient Government on which partner to engage, notably in cases of self-financed programmes. In such cases, the recipient Government may insist on involving itself in the selection, including a possible right to exercise a veto on the selection.

188.   According to several others, in practice, donors sign the partnership agreement only after the partner is identified and its particulars entered in the project agreement. No uniform standard or practice exists among entities; practices and influences vary widely.

189.   **A common practice or standard for partner selection should be developed, through appropriate inter-agency mechanisms, that is in conformity with regulations, rules and policies and that all entities can accept and adapt to their circumstances.**

Limited capacity of local and grass-roots NGOs and CSOs

190.   The capacity assessment of a potential partner is a challenging area, as it collides with directives emanating from legislative organs and governing bodies of United Nations entities to build and strengthen capacity of national and local partners, and the localization objective of the Grand Bargain commitments. Many donors insist that the entity should select only those partners possessing adequate capacity; this militates against the stated policy objective of building and strengthening capacity.

Reliance on a limited pool of partners

191.   Many entities engage the same implementing partner for many years, thus creating dependence on a particular partner, notwithstanding that procedures with regard to selection are strictly observed. While this may be appropriate for partners that need specific technical expertise or special know-how required for a highly specialized programme, it is clearly not a desirable practice in other cases. One way out of this could be to stipulate that the same partner cannot be used for the same or similar project or activity beyond two renewals. However, this would not work for projects meant to build national capacity, which necessitate longer-term engagements, as well as for projects and programmes that require partners with a specific technical expertise, function or mandate, for example, governmental institutions. At the same time, selecting and using a different partner would fulfil the objective of strengthening capacity and localization, albeit partly. Where possible, organizations should increase their outreach to new prospective partners by making all necessary information available on their public websites and/or partner portals and accessible to such entities. In some organizations, such as UNFPA, country offices often look for potential implementing partners during the development of the country programme document. At the United Nations Industrial Development Organization (UNIDO), the identification, selection and risk assessment of implementing partners is carried out simultaneously with the formulation and appraisal stages of a project, which leads to a more efficient project implementation.

Challenges encountered in capacity-building and knowledge transfer

192.   Even before the adoption of localization as part of the Grand Bargain commitments, organizations of the United Nations system had committed themselves to developing and strengthening the capacity of implementing partners selected from among potential partners in the recipient or host countries at the national, provincial and local levels through various resolutions and decisions of their respective legislative organs and governing bodies. Localization only gave a further impetus to this objective.

193.   Depending on the mandate of the organization concerned, priority is given to different categories of implementing partners. UNFPA gives priority to Governments and national NGOs, as per its Financial Regulations and Rules. For UNDP, building capacity of government partners, as well as ensuring ownership and sustainability of results, is a core objective of its programming. Engaging government institutions as implementing partners provides the ability to build capacity, ownership and sustainability through the partner's implementation of the project. UNDP primarily engages NGOs as responsible parties, rather than implementing partners. Responsible parties deliver a portion of the project's agreed workplan that has been delegated to the implementing partner. UNESCO has a special category of strategic partner that defines an entity whose work is closely related to its mandate and which is in a unique position to influence issues that promote its mandate while leveraging political support, skills or resources to achieve results. The strategic partner has the unique capacity to reach a targeted or hard-to-reach audience. Strategic partner status is conferred on a limited number of partners, as defined in the relevant governing bodies' decisions that are institutionally affiliated to UNESCO.

194. **United Nations entities could engage international NGOs as implementing partners and incorporate appropriate provisions to the effect that the latter, in turn, would undertake, and be obliged, to engage local NGOs and develop their capacity in specific, identified areas. Some are doing so already; others should be encouraged to follow their example.** Joint and aligned capacity-building approaches between the United Nations organizations and large international NGOs could be considered, including leveraging programmatic coordination platforms or networks, such as the Inter-Agency Standing Committee and the International Council of Voluntary Agencies, and coordination within respective thematic clusters. Such localization efforts, however, involve many issues that would need to be addressed, including accountability, clarification of United Nations entities' roles and responsibilities and the cost of capacity-building.

Use of the United Nations to United Nations transfer agreement[10] and application of the "mutual recognition" principle

195. Several interviewees referred to the challenges encountered in engaging another United Nations entity as a partner, in spite of the statement on mutual recognition and the associated standard template. Two instances were mentioned specifically: in one, one entity took a full year to conclude a United Nations to United Nations transfer agreement with another entity for a project that it wished to fund; in another, a different entity took two years for a similar task. While there could be valid reasons why the process took so long, for instance, if the terms of the agreement were not equally favourable to the parties, the examples indicate that more needs to be done to facilitate engaging another United Nations system organization as an implementing partner.

196. **United Nations entities should review the effective implementation of the mutual recognition statement and the challenges encountered. Through appropriate coordination mechanisms, such as the United Nations System Chief Executives Board for Coordination (CEB), a protocol or guidance should be developed and agreed upon to iron out any recurrent disagreements and differences in areas such as intellectual property rights, data protection, rates for agency support costs or reporting requirements. The protocol or guidance should stipulate that the process should not take more than a reasonable time, for example, 12 weeks or 3 months. Any remaining problems should be escalated if not resolved within 2 months or 8 weeks, and senior officials should meet to resolve the outstanding differences expeditiously and to the mutual satisfaction of both parties. This would also help to prevent personality-related factors from playing a disproportionate role in the process. Serious impediments should be resolved through the relevant inter-agency mechanism rather than through a special carve-out being granted only to one entity.**

D. Remote monitoring of partner activities

197. One significant way in which the COVID-19 pandemic has affected the traditional ways of working of the United Nations organizations has been by severely restricting, official mission travel for almost two years. This has adversely affected on-site, in-person performance monitoring and assessment of implementing partners. This, in turn, has generated greater demand for "remote" or "virtual" monitoring, that is, monitoring without travelling to the work site and doing spot-checks, and instead using modern technological tools ranging from smart phones, teleconferencing, artificial intelligence, internet of things, blockchain applications and drones, not without legal complications in some cases.

198. Remote monitoring did exist before the pandemic, but the severe restrictions on official mission travel has made the demand for it much stronger, requiring entities to explore the use of newer technological tools and seek the most cost-effective solutions.

---

[10] See https://unsdg.un.org/sites/default/files/2021-06/UN2UN-Transfer-Agreement-Template-FINAL-3-June-2021.pdf.

V.   Legal instruments, procedures, partner fraud and other misconduct prevention and detection

Robust legal instruments needed to safeguard organizations' interests

199.   The review assessed whether the legal instruments for implementing partner management, notably the implementing partner agreements, their annexes and general clauses and conditions, were adequate and included all the necessary key provisions to ensure that the organizations' interests were appropriately safeguarded, both in relation to fiduciary requirements and the existing code of conduct and values, standards and principles. In this context, JIU revisited recommendation 6 of its 2013 report and looked at how organizations had progressed in implementing it.

Updating implementing partner agreements, templates and related guidance

200.   The review found that progress had been made and that the majority of organizations had updated their agreements, templates, annexes and related general conditions since 2013, often in conjunction with revisions of the implementing partner policies. Many had developed and issued related guidance and template agreements, including checklists, which facilitated the use of the legal instruments.

201.   Improvements pertained to including clauses on fraud prevention, sanctions, reporting obligations, code of conduct, PSEA-related provisions, access to relevant documentation, data and project sites, performance measures including KPIs, the use of the entity's emblems and symbols, intellectual property rights and investigation clauses, among others.

202.   At UNHCR, partnership agreements contain contractual provisions protecting its rights, its staff, its auditors (including contracted audit firms), and the ability of the Office of Internal Oversight Services (OIOS) and the United Nations Board of Auditors to gain access to premises, records and documentation of partners. Given partner types (NGOs, Governments, the United Nations) as well as different formations (bipartite or tripartite, multi-year), partnership agreements have been so designed that they stipulate the rights and obligations of the parties. The agreement types have been continuously fine-tuned in the period from 2013.

203.   The UNFPA implementing partner agreement has been strengthened several times since 2013 and contains extensive clauses on implementing partner obligations. More recently, obligations with regard to programme supplies and PSEA have been added.

204.   UNICEF has developed standard cooperation agreements and standard terms and conditions. These have been reviewed in consultation with all stakeholders during their development, including implementing partners, and cannot be changed without the Legal Department's approval. The agreements are system-generated. Recently, they were revised to include clauses on child protection and PSEA.

205.   WHO revised all its agreement templates, which are now up to date with all WHO requirements. At the United Nations Secretariat, a process led by the Controller's Office has been initiated to develop common legal agreements to engage with implementing partners.

206.   The Inspector welcomes the progress made. Strengthening the implementing partner agreements is a critical measure for adequately safeguarding an organization's interests, including adherence to fiduciary requirements and standards of good conduct and values, as well as for fostering coherence by applying the same conditions across the entity and reducing transaction costs, and for enhancing efficiency and managing legal, financial and operational risks efficiently, if the existing template agreements are used consistently in the organization.

207.   The present review does not undertake an in-depth legal review of the clauses and provisions of all participating organizations. However, the following table provides a list of the most relevant key clauses and provisions.

Relevant key clauses and provisions in implementing partner agreements (selection)

- Clear performance expectations, including KPIs, outputs, outcomes and results
- Investigative rights, including subcontractors of the implementing partner
- Reporting obligations for any misconduct, fraud and other, including PSEA
- Access to relevant documentation, data and project sites
- Acknowledgement and adherence to the United Nations values and code of conduct
- Anti-terrorism and anti-corruption clauses
- Procurement, subcontracting and hiring of personnel by the implementing partner
- Governing-of-law clauses
- Intellectual property provisions
- Use of the United Nations emblem
- Limitations of legal liabilities resulting from the activities of the implementing partner
- Property rights for in-kind contributions and equipment provided to implementing partners
- Provision on disclosure of funding received from other donors related to the project

Source: Responses to JIU questionnaire.

208.   Some interviewees indicated that deviations from the agreement template and its general clauses were often warranted, mostly owing to demands from donors but also at the request of the partners. Academic institutions from developed countries and large international NGOs often requested changes in clauses relating to intellectual property rights, liability and dispute resolution. Governmental entities often requested changes to responsibility, liability and dispute resolution clauses. Agreements needed to be reviewed and cleared by the legal services, which could slow down implementation and raise capacity challenges to the legal services, if many such requests were received. Deviations had a negative impact on the coherent application of in-house implementing partner standards and processes, and could lead to additional costs, as the existing ERP and management systems might not possess the functionalities to collect and track the required data and produce the specific reporting formats, necessitating manual interventions.

209.   Another challenge was that some implementing partners, notably national and local NGOs and community and grass-roots entities, did not have the capacity to accommodate and adhere to the stringent requirements in practices, which might be too burdensome, given the realities on the ground and the operational environments. Some flexibility should be granted in these cases, taking into consideration the circumstances and ensuring that other appropriate risk mitigation measures are put in place. Training and guidance of implementing partners and their personnel are other important measures in this respect.

210.   Building on the progress made, organizations should update their legal instruments and related guidance and templates, on the basis of good practices and lessons learned. In doing so, they should take into consideration the emerging trends (COVID-19, increased earmarking and donor demands) and be informed by common approaches discussed and developed in the relevant inter-agency forums, including CEB and its committees, networks and working groups, the Inter-Agency Standing Committee (IASC), Representatives of Internal Audit Services, the Conference of International Investigators, and ad hoc groups, such as the task force on SEA. The guiding principle should be a risk-based approach ensuring robust and comprehensive legal instruments, while allowing some flexibility with accompanying mitigation measures, where appropriate, and allowance for the limited capacities in-house and on the part of some implementing partners.

211.   Furthermore, many organizations have different types of agreements at their disposal for use in specific operational contexts and situations, such as small-scale agreements, fast-track procedures, bipartite, tripartite and multi-year agreements, as well as arrangements for privileged or priority partners. It was indicated that, from a legal perspective, this is acceptable provided that guidelines or instructions for using less stringent agreements stipulate how risks would be mitigated.

Small-scale agreements

212. Several organizations have small-scale agreements for engaging implementing partners for relatively small-sized projects. These have less stringent requirements attached to them and allow for swift implementation, with lower transaction costs and administrative burden for the organizations and partners.

213. UNEP uses small-scale funding agreements to transfer funds for less than $200,000. This is the most widely used type of agreement with implementing partners. UN-Women has a small grants policy and procedure, including a small grants agreement, for programme partners. This is used for capacity-building of CSO partners. UNICEF uses small-scale funding agreements for partnership with a value of less than $50,000 in a calendar year or to transfer up to 3 months of supplies for immediate distribution during humanitarian response. Those agreements are simple tools to allow offices to enter into partnerships where the risks are not high or to operationalize partnership very quickly (in emergencies).

214. In contrast, at UNHCR, small-scale agreements were considered redundant and have been discontinued from 2021, because of broader reforms to simplify procedures and requirements and to provide greater flexibility to create project-specific controls that reflect the risks of individual projects and partners. UNHCR has also developed a partnership modality for very small sums to be provided to refugee-led organizations at the local level. The modality is being rolled out gradually and, if it proves to be successful, will be expanded in scope and use.

215. UNFPA has the grant modality, which is used to give small contributions to a community-based organization (CBO) solely to build its own capacity. UNFPA does not currently have small-scale agreements for implementing partners. However, it is in the process of developing a policy to allow it.

216. Small-scale agreements and equivalent modalities, such as grants, seem to be a useful tool that an organization can use depending on the circumstances and in line with delegated authority arrangements, with the potential to reduce transaction costs, accelerate implementation and bring decision-making and action closer to the point of delivery, while having adequate safeguards still in place in view of thresholds and appropriate risk mitigation measures. The risk-based approach ensures an appropriate balance between granting some flexibility while ensuring adequate risk mitigation measures and controls.

Fast-track agreements and procedures

217. Several organizations have specific procedures in place to allow quick action and responses in the context of emergencies. Besides the need to act swiftly, other factors also play a role, such as limited availability of suitable partners, limited access to operation sites, and security considerations. Fast track procedures can be used to engage partners in such operational environments and can include exceptions to non-competitive bidding requirements and other waivers to certain steps of the selection process.

218. UNHCR has adopted a set of special measures for the management of partnerships in emergencies that are useful in the context of level-2 and level-3 institutional declared emergencies. They provide special procedures for selection, verification and procurement, among others. During emergencies, the waiver from selection process is granted to the operation representative. Good practices include the creation of a standby roster of selected partners by sector. UNIDO has similar practices in place. UNICEF utilizes humanitarian programme documents and contingency programme documents that have simplified the results framework, budgeting and approval processes, to allow for the rapid response and activation of partnerships at the onset of an emergency.

219. At UNODC, the non-competitive modality is a fast-track procedure that allows the following organizations to be identified upfront as implementing partners: United Nations system organizations; intergovernmental organizations; international financial institutions; regional organizations and government entities.

220. At UNDP, the Programme and Operations Policies and Procedures includes a chapter on crisis response that contains standard operating procedures for immediate crises and for the financial resources for response. In addition, the forthcoming framework for development

solutions in crises and fragile contexts will frame the rationale and the geographical and programmatic priorities of UNDP in fragile and crisis contexts, and reflections on how the UNDP business model must adapt to ensure that the organization is fit for purpose in these difficult operating environments. UNDP will review its approach to partnerships, which will remain one of the most critical aspects to support collective progress towards achieving the 2030 Agenda, as well as the need to step up delivery as a key humanitarian-development-peace nexus actor on the ground.

221.   UNFPA has fast-track procedures, including provisions on the management of cash transfers and programme supplies. Prior to January 2021, these also included provisions to engage an implementing partner without undertaking a competitive process. UNFPA has invested in building additional risk-based flexibility in the guiding policy documents for the selection, registration and assessment of implementing partners. Even without a separate process (e.g., activation of fast-track procedures), country offices have the delegated authority to take advantage of this flexibility when working with implementation partners in humanitarian situations. Country offices can work with NGOs through a non-competitive selection process, ensuring an expeditious response to acute emergencies. This modality is for a discrete period of time.

222.   Interviewees noted the benefits of having fast-track procedures in place, notably for entities with mandates for humanitarian and emergency relief, or those that participated in and supported them. They have proven to be useful in enabling the organization to respond quickly to a situation. Challenging situations, such as acute emergencies where life-saving interventions depend on a speedy response, do not allow for the usual selection process. Also, preparedness actions prior to an acute emergency, as well as good emergency forecasting, are key factors for a successful humanitarian response. Preselecting implementing partners in situations where acute emergencies are predictable, including the signing of implementing agreements, and the pre-positioning of humanitarian supplies with implementing partners, are examples of good practices. Expanding workplans with existing implementing partners, where an option, allows for a quicker response.

223.   **The Inspector suggests that, in view of their benefits, entities that have not yet developed fast-track procedures and have activities in emergency settings and humanitarian and similar operational environments should develop and adopt them. It is helpful to have processes in place for the preregistering or rostering of eligible and suitable partners, as discussed in the paragraphs below.**

Priority partners, preregistering and rostering of suitable partners

224.   Some organizations have a specific category of "priority partner", in line with decisions or resolutions of their governing body or other guidelines, such as the financial rules and regulations. They are the first entity of choice, for which exceptions to the standard selection process, such as a waiver to the competitive selection requirement, are made. Similar provisions exist for partners that have been previously engaged.

225.   While the UNOV/UNODC partnership policy does not include the pre-qualification of implementing partners per se, it recognizes that certain entities can be selected without competition, including United Nations system organizations, intergovernmental organizations, international financial institutions and non-United Nations regional organizations. This has made the process of engaging these entities faster and more efficient. Where a partner had been engaged previously, the following provisions enhance the efficiency of the process: (a) entities are administratively cleared for a period of five years, after which a review is undertaken to check that administrative capacity of the organization remains unchanged, if not strengthened; and (b) a review by the selection committee is not required in instances where a full capacity assessment of the proposed partner has been endorsed and approved within the five-year period. A similar set-up is in place at UNIDO.

226.   UNFPA gives priority to Governments and national NGOs, as per its Financial Regulations and Rules. At UNDP, the implementing partner for a project is selected on the basis of careful consideration of a set of programmatic criteria. At the same time, since the criteria place a heavy emphasis on national ownership and the sustainability of results, governmental institutions of the programme country are typically well placed to serve as

implementing partners. For example, if the objective of the project is to build the planning ministry's capacity, then the ministry is preferred to serve as the implementing partner for it.

227.   Furthermore, some entities have rosters of partners or modalities in place that serve similar purposes, by stipulating that, once they have passed the pre-assessment, due diligence processes and other selection criteria, partners are eligible for a number of years.

228.   At UNESCO, one category in the partner policy is "rostered partner", that is, a partner accredited and rostered for a three-year period with an established track record of good performance in delivering on implementation partner agreements. This also applies where another United Nations entity has already assessed and vetted the proposed partner in the past three-year period. No specific form for pre-qualification exists. A standard request for expression of interest may be used for a given purpose, or the call for partnerships form, as adapted.

229.   At UNICEF, there is no specific pre-qualification system per se; however, there are multiple elements in partnership management that simplify the selection process for partners with which UNICEF has partnered before, including: (a) due diligence verification, once completed, is valid for 5 years (typically one country programme cycle); (b) the implementing partner capacity assessment (HACT micro assessment) is valid for 5 years, unless major changes at the implementing partner have occurred; (c) a SEA assessment is valid for 5 years, once the implementing partner is assessed to be a low risk; and (d) once the vendor master record is created, there is no need to change or update it, if still valid. This allows offices to quickly develop or amend existing programme documents to address programme needs without going through the full partnership cycle requirements.

230.   The United Nations Partner Portal can also be used for rostering purposes. The Portal allows potential partners to register and, after clearance, to be on the system for future engagements, as the need arises. Furthermore, the system is shared by several agencies (UNICEF, UNHCR, WFP and UNFPA), fostering inter-agency cooperation and information-sharing. As an online platform, it is an example of a step towards digitalizing parts of the processes of implementing partner management.

231.   Some organizations have privileged or priority partners, in line with the mandates, resolutions and guidance of their legislative organs and governing bodies. Their specific case comes with exceptions to the selection process, notably competitive bidding.

232.   **The practice among some organizations to have rosters of implementing partners allows for better planning, the faster engagement of partners when the need arises, and the reduction of transaction costs, as certain selection steps, such as due diligence and assessments, are valid for several years. The United Nations Partner Portal can also serve as a roster of implementing partners available for more than one agency, fostering inter-agency cooperation. The Inspector supports such inter-agency initiatives, and reference is made to section VIII below in this regard.**

Vendor sanction mechanisms for implementing partners

233.   Only UNFPA and WFP have an implementing partner sanction framework in place. In 2021, UNFPA separated implementing partners from the vendor sanction system that it had (that it had, or that had been?) in place for many years previously. At WFP, the vendor sanctions framework, established in 2015 and updated in 2020, outlines the steps to be taken by WFP when handling allegations of sanctionable actions, including fraud and corruption.

234.   Organizations indicated that, while they did not have a formal debarring or sanction system in place, overall partner performance was recorded in the management systems, and non-performing partners or fraudulent partners were flagged in the system. The Department of Management Strategy, Policy and Compliance (DMSPC) of the United Nations Secretariat noted that it had no corporate debarring mechanism in place; partners' overall performance was recorded in the Umoja grantor module and shared across Secretariat entities, flagging non-performing partners. The Portal could be strengthened and its functionalities expanded to share information on sanctioned partners.

235.   Some interviewees indicated that a sanction and debarment process would come with significant legal risks, as partners could sue the United Nations organizations in case of

sanctions or debarment. Organizations did not possess the necessary technical and legal capacity to handle such cases. In view of the immunities enjoyed by United Nations entities, the partners would not be in a position to sue the United Nations before national courts and would have to follow the dispute resolution mechanisms set out in their agreements with the United Nations entities concerned, typically arbitration. This in itself limits the legal risks concerned. Some other interviewees noted that, for an informal process whereby a partner is internally flagged, and the information is not publicly shared, no such risks existed to the same degree. Even in this case, the implementing partner would need to be given a fair opportunity to respond and address any performance issues before being "flagged" internally and "informally" in the United Nations system. Any such processes raise a number of legal issues, which need to be carefully addressed, and such procedures would need to be complemented by a due process. A starting point would be to keep lists of partners with a bad performance record or that have been subject to allegations of fraud or other misconduct and share this information within the respective organizations and across the system informally, including through tools such as the United Nations Partner Portal.

236. **The Inspector reiterates the related suggestion in the JIU report on fraud prevention, detection and response in United Nations system organizations (JIU/REP/2016/4) and recommends that the executive heads of those United Nations system organizations that have not yet done so update by the end of 2023 their implementing partner policies, procedures and related legal instruments to allow for the "blacklisting" of implementing partners, including referrals of related fraud cases to national authorities and asset recovery. The particularities and sensitivities related to government entities should be taken into account, as appropriate.**

VI. Training, capacity-building of implementing partners and other issues

A. Training on implementing partner management

237.   In its 2013 report, JIU proposed that organizations should strengthen their staff training on implementing partner management and ensure that the necessary training instruments are in place to support effective and efficient implementation of projects and activities. Costs associated with such training should be identified up front as part of the budget and programming process.[11]

238.   Organizations have made progress in developing and providing training on implementing partner management to their staff. The great majority of entities provide such training and have developed training courses covering both general aspects, such as project management and contracting, and more specific aspects, such as training on HACT and working with CSOs or NGOs. Training includes both in-person training and online courses. In view of the COVID-19 epidemic, the focus has been on online training in the past year. Some of the training courses are mandatory for staff managing partners. Several entities also have training courses on PSEA and fraud prevention. Some examples are outlined in paragraphs below.

239.   At FAO, numerous specialized training courses and training or guidance materials on how to manage or monitor operational partnerships are available online in multiple languages and accessible to all employees. Several rounds of face-to-face and virtual courses have been delivered as part of an OPIM capacity-building programme and on specific demand for some field offices. The target audience for these training initiatives is the personnel directly involved in the administration and management of operational partnerships.

240.   UNICEF has mandatory training courses for the staff engaged with implementing partnership management, including RBM, working with CSOs, HACT, PSEA and anti-fraud training. The training was conducted in person prior to the COVID-19 pandemic and is also available online.

241.   UNFPA undertakes a number of training events every year for all employees who manage implementing partners and on all stages of the implementing partner management cycle. These include numerous in-person training workshops, online training courses and webinars/knowledge-sharing events, including on HACT, assurance planning, the conduct and use of micro-assessments, the conduct of spot-checks, the management of implementing partner audits and follow-up on findings. Training is also on the following: the use of IPAS, with specialized training for pandemic-related remote procedures for spot-checks and audits, and remote programme monitoring; implementing partner fraud, a joint e-course for staff and a joint e-course for implementing partners; workplans and FACE form management; online certification on workplan management; the Global Programming System (GPS), which includes both system and policy training; implementing partner financial management, including expense reviews, advances and outstanding advances management; "last-mile" assurance, including risk assessment, spot checks and audits; operationalization of the implementing partner protocol on PSEA; and use of the United Nations Partner Portal.

242.   The Inspector welcomes the progress made and appreciates the broad coverage of the staff benefiting from the training at the headquarters, regional and country levels, as well as the scope of the issues covered, including issues such as PSEA, fraud prevention and HACT. He encourages entities that have not established training courses for their staff who manage implementing partners to do so and to update training in line with good practices and lessons learned, and to institute a feedback mechanism or satisfaction survey following certain training courses. He also suggests that organizations share their training courses and material, as feasible, through the available inter-agency mechanisms, such as the United Nations Partner Portal, to foster information-sharing and system-wide cooperation.

---

[11] JIU/REP/2013/4, para. 199.

243.   Building on the progress made, more needs to be done to develop and update training materials and conduct training at the headquarters, regional and field levels on implementing partner management. Given the cross-functional and decentralized nature of implementing partner management, this will help to strengthen accountability, the effectiveness of implementing partner management, intraorganizational cooperation and coherence. As possible, training material should be shared with other organizations through the existing channels and inter-agency mechanisms and forums, such as the United Nations Partner Portal, HACT and CEB machinery. Furthermore, organizations are encouraged to develop training materials and conduct training in inter-agency settings in areas such as PSEA, fraud prevention, due diligence, risks and capacity assessments, results-based monitoring and the evaluation of partners. This will offer opportunities to share lessons learned and good practices, and foster inter-agency cooperation, thereby reducing duplication of efforts and improving system-wide coherence and standardization. It will also support efforts in developing a commonly agreed set of guiding principles for implementing partner management, as in recommendation 1.

244.   The implementation of the following recommendation is expected to enhance coordination and cooperation and dissemination of good practices.

Recommendation 8

The executive heads of United Nations system organizations should, by the end of 2023, share among themselves, through existing inter-agency mechanisms/forums, their specialized training materials and modules for the management of implementing partners, including due diligence, risk and capacity assessments of partners, results-based and risk-based performance monitoring, fraud prevention, prevention of sexual exploitation and abuse, capacity-building, working with local non-governmental organizations and civil society organizations, the harmonized approach to cash transfers and the United Nations Partner Portal.

B.   Capacity-building of implementing partners

245.   Interviewees indicated that a key challenge for effective programme delivery through implementing partners was their lack of adequate capacity in terms of the robustness of their internal management systems, systems of internal control and financial management, accounting and human resources or procurement policies and processes. This concerned all categories of implementing partners and government entities, as well as NGOs, in particular small, local, community-based or grass-roots entities that often do not have a strong set-up and structure. Partners are faced with the rather complex, highly demanding and comprehensive regulatory frameworks and demands when partnering with United Nations systems entities.

246.   Organizations have been addressing these challenges through various capacity-building efforts, including conducting capacity assessments, formal training courses, workshops and training sessions and providing informal, ad hoc and continuous guidance throughout the project implementation cycle.

247.   Capacity-building efforts are closely linked to the mandates of United Nations organizations and guided by the pertinent decisions or resolutions of their legislative organs or governing bodies. The focus of capacity-building thus varies across entities, as does the importance attached to it and the intensity with which it is implemented. Capacity-building activities are also influenced by system-wide mandates and decisions, such as the quadrennial comprehensive policy review, the Sustainable Development Goals and the 2030 Agenda. They emphasize, among others, national ownership, alignment to national priorities, knowledge transfer, partnership principles and the notion of real partnership. Such efforts are also tied to the available choices and decisions regarding the suitable implementation modality, such as direct implementation, national execution (or national implementation) and programme delivery through implementing partners.

248.   Compared with 2013, significant progress has been made in undertaking capacity-building measures, through the instituting of upfront risk and capacity assessments of partners, the issuance of specific guidance and the overall expansion of such activities.

249.   Capacity-building of implementing partners is core to UNDP programming, both to mitigate issues related to project delivery that may affect the ability of the project to achieve its results efficiently and effectively with accountability, and as a principal objective of the project results. Capacity is assessed through HACT and the partner capacity assessment tool. These tools help identify areas where capacity needs improvement, such as financial management, procurement, personnel management, project management, adherence to standards, etc. Once areas are flagged where the partner does not meet capacity requirements, UNDP decides if it accepts the risks, mitigates the risks or decides not to work with the partner.

250.   At WHO, direct financial cooperation grants to government counterparts are agreements in which capacity-building is an important part of the arrangement, as these are its main partners. The grants provide catalytic funds and capacity-building through training and the sharing of technical expertise and best international practices. Counterparts are provided with training on the delivery of results and effective reporting, technical and financial, to ensure that implementation of technical cooperation is of the highest quality and financial reporting meets the accountability standards.

251.   Capacity development is one of the six core functions of FAO to help deliver on its strategic objectives. As such, it stretches beyond the scope of capacity-building in the framework of specific partnerships only. Building on its corporate mandate, the Global Environment Facility-funded portfolio aims to integrate systemic capacity development to achieve more country-driven, transformational results at scale. As part of this effort, emphasis is given to enhancing the capacities of implementing partners during the project design and implementation stages by enabling and empowering national and local partners to drive delivery and implementation. This includes a rigorous capacity needs analysis and the design and implementation of a targeted capacity development strategy.

252.   WFP is one of the few United Nations organizations to have a mandate and specific guidance on partnerships, as mentioned above (see paras. 60 and 62). In accordance with its NGO partnership guidance, WFP urges international NGOs to build the capacities of local NGOs in certain areas (emergency response and preparedness, cash transfers, etc.). It has set up a new Country Capacity Strengthening Unit specifically dedicated to strengthening country capacity, focusing on national development of a range of State and non-State actors as part of a whole-of-society approach. The Unit is developing all the necessary corporate guidance, including a strategy and toolkits, and has a dedicated team focused on programme support, evidence gathering and knowledge management. The Unit is also working on integrating capacity-building implementation and performance into the corporate results framework, so that reporting on it is further reflected in annual country reports.

253.   UNHCR has issued various documents, such as the guidance note on complementary capacity strengthening for UNHCR and its partners, and the UNHCR learning policy. In consultation with other United Nations agencies and with inter-agency organizations, such as InterAction and the International Council of Voluntary Agencies (ICVA), it is examining ways to analyse common weaknesses among partners and identify where opportunity exists to develop solutions to address those weaknesses. UNFPA has a manual for working with UNFPA as a partner and undertakes training of its implementing partners in a decentralized manner (at the country office level).

254.   At UNICEF, capacity-building takes place using multiple platforms depending on the type of partnership and programme intervention. Its online training platform, Agora, provides programme and operational courses to staff, partners and other third parties, as well as specific training and support materials to facilitate partnership management. UNICEF provides partners with the necessary technical materials and supplies to successfully implement the programmes, and programme officers provide direct technical support during programme design and monitoring and at the annual partnership review, where both UNICEF and implementing partners discuss success factors and needs. Reports from programmatic monitoring visits, capacity assessments, spot check and audits contain direct

recommendations for the implementing partner to strengthen programmatic and operational management and are discussed with the partner. Multiple training sessions are held in-person (now virtually) on programmatic and operational components.

255. Capacity assessment of the potential partner is a challenging area, as it collides with the stated policy objective emanating from the legislative organs or governing bodies to build and strengthen the capacity of the small partner, consistent with the localization objective of the Grand Bargain commitments. Many donors reportedly insist that the United Nations entity select only those partners that have adequate capacity; this militates against the stated policy objective at the legislative level of building and strengthening capacity. It remains a challenge to resolve the conundrum of strengthening the capacity of implementing partners while at the same time accommodating donor demands for partners to have robust capacity as a key selection criterion. Hence, living up to the Grand Bargain commitments, capacity strengthening and achieving localization remains challenging.

256. Many entities have been engaging the same implementing partners for many years, thus effectively creating a dependence on a particular partner, notwithstanding that procedures for the selection may have been strictly observed. Clearly, this is not a desirable practice. One potential way out of this could be to stipulate that the same partner cannot be used for the same or similar project or activity beyond two or a certain limited number of renewals. Selecting and using a different partner would also fulfil the objective of strengthening capacity and localization, albeit partly. It was noted, however, that adding constraints (such as changing NGO partners every two years) may not always be beneficial to the participating organizations considering other operational realities (notably in contexts where there is limited capacity). Furthermore, changing NGO partners in short intervals would have financial implications, as building up the capacity of NGOs would take up time and investment. Attention should be also paid that such a practice does not impede delivering on mandates and efforts on capacity-building and the strengthening of national capacity. Additional due diligence steps for inter-agency coordination could be done to ensure that the same partner or small group of partners does not end up executing multiple projects for different entities at the same time, thereby creating situations of monopoly or oligopoly.

257. Even before the adoption of localization in the Grand Bargain commitments, organizations of the United Nations system had committed themselves to developing and strengthening the capacity of implementing partners selected from among potential partners in the recipient/host countries at the national, provincial and local levels through various resolutions or decisions of their respective legislative organs or governing bodies. The commitments only gave further impetus to this objective. One way would be for entities to engage international NGOs as implementing partners and incorporate appropriate provisions to the effect that they, in turn, would engage local NGOs and develop their capacity. Some entities are doing so already; others should be encouraged to follow their example.

258. Limited in-house capacity in human and financial resources provides additional challenges to the capacity-building of partners. In line with the suggestion in the 2013 JIU report, to the degree feasible, training and capacity-building elements should be included in the implementing partner agreement with corresponding funding allocated accordingly. To assess the effectiveness of such capacity-building efforts, relevant KPIs should be established and continuously assessed.

259. Some organizations, such as UNHCR and HACT agencies, pursue inter-agency approaches. Other initiatives, including the Grand Bargain commitments, offer opportunities for enhanced inter-agency efforts to build capacity. The Inspector encourages other organizations to engage in similar endeavours and use the available mechanisms and tools to share capacity assessments and the related guidance and training material across the United Nations system, including through the United Nations Partner Portal, resident coordinator offices (RCOs) and other forums.

260. An essential prerequisite for effective and efficient capacity-building is the risk and capacity assessment of the partner, which forms the basis for determining the necessary capacity-building measures and for deciding on the acceptable risk exposure. Reference is made to section III above in this regard.

261. Capacity-building efforts are undertaken in accordance with the organizations' mandates and guided by the relevant decisions and resolutions of their legislative organs or governing bodies. Those provide the overall guidance and framework on which implementation modality should be pursued (e.g., direct implementation, national implementation (or equivalent) or a combination thereof), which partner to choose, the underlying selection criteria, the level of capacity-building assessed and the acceptable risk tolerance. Reference is made to sections II and III above, which advocate for a strategic and risk-based approach to implementing partners, aligned with the overall priorities and strategy of the organization.

262. Capacity-building of implementing partners, strengthening national capacities and promoting national ownership are key objectives and guiding criteria in delivery of programmes through implementing partners. Capacity-building activities are supported by system-wide mandates from the quadrennial comprehensive policy review, the repositioning of the development system and the 2030 Agenda for sustainable development. Yet limited information is available on whether expected results in respect of capacity-building, national ownership and knowledge transfer are being achieved, either fully or partially. Therefore, organizations should assess the progress made since 2013, including lessons learned and areas for further improvement.

263. Implementation of the following recommendation is expected to enhance the effectiveness of implementing partner management and strengthen capacity-building of partners, national capacities and ownership.

Recommendation 9

The legislative organs and governing bodies of United Nations system organizations should, beginning in 2023, assess their approaches to capacity-building of implementing partners and strengthening national capacities and ownership, in the framework of the quadrennial comprehensive policy review, including the effectiveness of such efforts since 2013, progress made and lessons learned, based on reports prepared by their respective secretariats, and adopt specific measures to strengthen national capacities and ownership and build the capacities of their implementing partners.

C. Ascertaining feedback from and perspectives of the implementing partners

264. Different mechanisms are in place to solicit the feedback, input and perspectives of implementing partners on the entities' implementing partner policies, notably in respect of any updates or revisions, as well as on performance and operational issues. These range from ad hoc consultations, periodic or annual meetings, workshops, surveys and informal feedback channels during implementation, at the headquarters, regional and country levels. Most organizations have introduced such consultation mechanisms, which vary in shape and form across agencies.

265. At WFP, it is standard practice to organize consultative meetings with key NGO partners to develop and update policy documents on cooperating partnerships. Their views and comments are duly taken into consideration. At the country office level, country strategic plan development processes start with a strategic review of the food security situation, with the participation of key stakeholders, including representatives of cooperating partners and other relevant CSOs. The perspectives of civil society and those of cooperating partners are duly considered in the development of country strategic plans through strategic review processes. Feedback from cooperating partners is discussed at the country level throughout the partnership cycle within WFP and with its partners, starting with the development of a joint plan of action, implementation monitoring and performance evaluation. At the global level, strategic dialogues with NGO partners are conducted bilaterally at larger meetings (e.g., the WFP annual partnership consultation), as well as multilaterally through the existing coordination forums, including those of IASC and the Grand Bargain.

266.   At WHO, a series of consultations were conducted to support the development of the Framework of Engagement with Non-State Actors. The Framework was negotiated by Member States and adopted in 2016. The policy on engagement with global health partnerships and hosting arrangements was developed through a consultative process that included different stakeholders, such as non-State actors, and multi-stakeholder initiatives.

267.   At UNHCR, consultations with stakeholders include in-person workshops, webinars, meetings and one-to-one discussions. An NGO survey provides feedback and views on the different aspects of policies and procedures. The message emerging from these consultations was the need for UNHCR and other United Nations agencies to simplify their framework for implementing partners. Different forums have been established for consultations with partners, including NGO network organization meetings, annual consultations of the High Commissioner with NGOs, ad-hoc working groups on specific topics (PSEA, protection of personal data, etc.), annual surveys, monthly consultations and in-depth workshops.

268.   OCHA consulted relevant stakeholders, especially implementing partners, in developing and updating its partnership policy, relevant rules, regulations and guidance to further improve the management of implementing partners. The global guidelines for CBPFs were the outcome of extensive consultations conducted with stakeholders at the headquarters and country levels. At headquarters, the consultations included dedicated discussions with United Nations agencies, NGOs and donors over four meetings of the pooled fund working group and regular updates during the meetings of the Inter-Agency Standing Committee Humanitarian Financing Task Team. The annual global pooled fund management workshops (with the participation of UNDP) and Multi-Partner Trust Fund Office stakeholders involved in the management of CBPFs are also used to gain further inputs from the field. The NGO dialogue platform, consisting of NGOs, meets twice a year to discuss operational challenges for NGOs and develops joint advocacy with NGOs. At the local level, NGOs are represented in the CBPF Advisory Boards and as such are fully integrated in the governance of the CBPFs.

269.   **The Inspector welcomes the progress made in setting up and strengthening feedback, consultation mechanisms and modalities for soliciting the input, views, concerns and perspectives of implementing partners and other stakeholders. Such structured consultations on a regular basis by the country offices of United Nations organizations with their implementing partners are useful, as they allow entities to discuss pertinent issues, improve communications with their partners and provide them with a platform for sensitizing entities about their common concerns and specific problems that need attention at an appropriately senior level for speedy resolution. He encourages those entities that have not yet put in place such consultation and feedback mechanisms to follow the good practice of organizations that already have them.**

270.   Many interviewees acknowledged that feedback and consultation practices supported organizational learning, improved business practices and identified lessons learned. While mid- and final evaluations were key for institutional learning, these exercises complemented them, if the results are compiled and disseminated within the organization.

271.   **The Inspector encourages the sharing of the results and key outcomes of such consultations, not only within the respective entity but also across organizations through the appropriate inter-agency forums and using the tools available, such as the United Nations Partner Portal, CEB and its networks and RCOs. Reference is also made to section VII and the role of evaluation and other oversight functions for continuous learning.**

272.   It would have been desirable to ascertain broadly the perspectives of the implementing partners on these elements. However, the task proved to be too demanding to be accomplished within the time available. The principal challenge was in identifying a representative sample of all the different types of implementing partners – namely: government agencies; international, national-level, provincial and local NGOs; United Nations entities; and, above all, grassroots-level CSOs – based on clearly-established criteria and treat them on an equal footing. Therefore, the information available in the public domain on the outcomes of annual consultations held by major entities with their implementing partners was extracted and used as a proxy. The most commonly expressed concerns were, predictably enough, cumbersome procedures and excessive requirements, delays in

processing and releasing payments, lack of capacity and trained staff and the "one-size-fits-all" approach that, irrespective of the amounts involved, demands the same requirements for projects ranging from the very small to the very large.

D.   Status of implementation of recommendations of the 2013 report

273.   The status of acceptance and implementation by the United Nations entities of the recommendations contained in the 2013 report was examined. According to information provided by organizations participating in the JIU web-based tracking system, as of September 2021, 78 per cent of recommendations had been accepted and 95 per cent of the accepted recommendations had been implemented. The acceptance rate of 78 per cent is above the average for JIU recommendations, which is about 65 per cent. JIU participating organizations considered most of the recommendations of the 2013 review to have continued relevance. The current review provides an assessment of the level of implementation of the recommendations contained in the 2013 report, in the pertinent sections and in the appropriate context. Annex VI provides a matrix on the status of acceptance and implementation of all 12 recommendations as well as a brief JIU assessment and cross-reference to the relevant sections and recommendations of the present report.

E.   Impact of developments since the 2013 report

Adoption of the 2030 Agenda for Sustainable Development

274.   The adoption in 2015 of the 2030 Agenda for Sustainable Development provided fresh impetus for strengthening system-wide approaches to the efforts of the United Nations organizations in supporting Member States' efforts in achieving the Sustainable Development Goals within the time frame. Reference is made to section II above.

Ongoing management reform and repositioning of the development system

275.   The repositioning of the United Nations development system at the field level presents an opportunity for organizations to intensify inter-agency coordination and collaboration. Many interviewees felt that the transition from the United Nations Development Group to the Development Coordination Office and the strengthening of RCOs at the country level represent welcome steps and augur well for enhancing such efforts. These could strengthen informal and formal mechanisms for the exchange of information about and experiences with implementing partners at the field level. Reference is made to section VIII below.

Significant increase in earmarked contributions from the major donors

276.   The past decade has witnessed the continuing trend of significant increases in the proportion of earmarked contributions by major donors to the United Nations system. The consequences and implications of such trends have been studied in several JIU reports: these are recalled here, and the recommendations contained in those reports are reiterated. Reference is made to section III above.

Increase in external outsourcing of services to commercial service providers

277.   The external outsourcing of services by United Nations entities to commercial service providers has grown significantly over the past decade, as several services that had been "in-sourced" became outsourced; in addition, many new service areas evolved, especially those in the domain of information, communications and public relations. The growth and rapid expansion of social media also contributed to this growth. These too had an indirect impact on the way the United Nations entities engage and manage implementing partners.

Impact of the global COVID-19 pandemic

278.   The global COVID-19 pandemic has had an adverse impact on the functioning of the organizations of the United Nations system over the past year and a half in diverse ways. One of the most telling aspects has been the virtual absence of official mission travel.

Restrictions on attendance and physical presence in the offices has forced most personnel to work remotely from home, to telecommute and to hold most meetings virtually using smartphones or over platforms such as Skype and Skype for Business, Zoom, WebEx and Microsoft Teams. This has by no means been an unmixed blessing, as it has deprived participants of many non-verbal messages and indications during on-site and in-person interactions. Please refer to section IV above, which provides further details in this regard.

F.   Other operational issues

279.   Some organizations pointed to the phenomenon of repeated contract extensions with implementing partners, despite non-compliance or non-performance regarding factors within the control of the implementing partners. In some cases, there may be legitimate reasons for doing so, especially where circumstances change significantly owing to reasons or factors beyond their control; there may also be cases where new, additional funding becomes available or is secured by the organization, warranting a legitimate extension of the contract on the existing terms and conditions. However, there appears to be no justification for contract extensions despite non-compliance or non-performance regarding factors within the control of implementing partners. In many instances, this owes its origin to the lack of vigilance on the part of the responsible professionals in the field offices and the absence of strict performance monitoring, with benchmarks, milestones and red-flagging in the standard operating procedures of the organization. Reference is made to section IV above in this context.

VII. Oversight

280. The Inspector examined the adequacy of the oversight frameworks with regard to implementing partner activities, the way in which oversight functions (internal audit, external audit, evaluation, investigation, the independent oversight advisory committee and JIU) fulfil their mandates, and the attention paid to implementing partner management in their work. In addition, he explored the actual or potential role that the oversight offices had been playing, or could play, in engaging and managing implementing partners.

281. Independent oversight offices, as part of the third line of defence, serve as an important accountability tool for helping Member States and executive heads of organizations by providing assurance, oversight and an independent assessment of compliance with agreed actions, as well as mandates to enhance implementing partner management.

282. Reports of internal and external auditors and evaluation reports are important sources of information and evidence for Member States in the legislative organs and governing bodies, complementing the project-specific, programme-specific, field office-specific or thematic reports. Robust and adequate oversight reports made available in a timely fashion have the potential to enhance confidence and reduce the need for assurance sought by Member States on a regular basis for activities and programmes or projects funded by their earmarked contributions.

283. Given the considerable volume, scope and diversity of implementing partner activities in United Nations system organizations, the risk remains high that the lack of adequate oversight can result in inefficiencies and opportunities going undetected.

284. Despite the progress made since 2013, the area of engaging and managing implementing partners does not appear to have received sufficient attention in the work of the oversight offices in many entities. Building on the improvements and work done, ways of encouraging oversight offices to do so were explored, with due regard for their mandate, charter and independence, and their support was enlisted to improve implementing partner management. The Inspector urges the oversight offices to review the topic periodically, with due regard for their mandates, independence and charters, and to report the findings to the executive heads, legislative organs and governing bodies.

A. Progress in updating implementing partner agreements to include robust oversight clauses

285. Significant progress has been made by organizations in strengthening their implementing partner agreements and incorporating oversight clauses that grant organizations adequate investigative, audit and evaluation rights and access to the information of their partners. Except for a few entities, organizations have reviewed and updated their agreements and other instruments since 2013. Some examples are provided below.

286. The partner agreement of UN-Women, revised in February 2020, includes audit, evaluation and investigation provisions and clauses to safeguard the organization's interests and rights. UN-Women seeks to align the partner agreement with those of other United Nations agencies. The UNFPA implementing partner agreement has been strengthened several times over the years to include clauses related to HACT (assessments, spot checks and audits), funding authorization and certificate of expenditure forms (requests, reporting, and eligible and ineligible costs) and, more recently, PSEA and last-mile assurance.

287. At FAO, with the release of its manual section 701 in November 2015, the standard operational partners agreement template is being strengthened on the basis of experience and emerging requirements. The legally binding agreement defines terms and conditions for collaboration and also conditions for fund transfer, reporting, monitoring and assurance. It also defines reporting formats and the deliverables expected from operating partners (results matrix, work plan, budget and procurement plan). In addition, the agreement contains robust and detailed clauses concerning areas such as audits, investigations, SEA, anti-terrorism and

fraud as part of its general terms and conditions. ILO has maintained full access for audit, evaluation and investigation in implementing agreements. These items are non-negotiable and fully meet its needs.

288. Updating and strengthening the implementing partner agreements have helped to safeguard the interests and rights of the organizations as well as those relevant to programme recipients and beneficiaries. A number of challenges and lessons learned have been brought to the attention of the report team.

289. WFP indicated that, while the field-level agreement had already included robust audit, evaluation and investigation provisions to safeguard its interests and rights, as in 2013, the complicated structure and the length of the document were not user-friendly and could potentially cause confusion at the application stage. To address this, WFP revised the document structure in 2021 and simplified its application for different programme modalities, with complementary consultation and training opportunities provided to both internal and external parties. The Office of the Inspector General of WFP activated the audit clause in the agreement a number of times in recent years.

290. Efforts to streamline and simplify the agreements are noted, with the acknowledgement of the need to strike an appropriate balance between the necessity to include all pertinent provisions and to ensure the user-friendliness of the agreements and their use in practice.

291. As the examples of UNFPA and UN-Women show, efforts have been made to align agreements with those of other United Nations system entities. Organizations should continue to pursue such endeavours through the existing inter-agency mechanisms such as HACT, the United Nations Partner Portal, the inter-agency working group on PSEA and others.

292. Some organizations have encountered additional challenges. One interviewee indicated that, while the organization had not encountered significant difficulties in obtaining monitoring, assurance and evaluations in line with the agreement provisions, there had been problems with access to information from some government partners, as a result of which the entity had to adapt the programme implementation approaches, including limiting the transfer of resources, adopting direct payment or reimbursement modalities, shifting to direct implementation and working with civil society organizations.

293. UNODC indicated that, while the legal agreement included audit requirements and other oversight clauses, the enforcement of those elements remained a challenge at times, as some donors did not want their resources spent on audits, and their resources were tightly earmarked for specific activities, with no budget made available for audits. It should be a mandatory requirement that each project establish a budget line for independent audits of the project. Resources and capacity constraints and challenges were not only reported in cases of earmarked-funded programmes, but were also common concerns raised by many organizations.

B. Oversight of implementing partner activities by independent internal and external auditors

294. The activities of implementing partners are subject to oversight by the internal and external auditors of the organizations, which provide assurance to the legislative bodies and executive management of the entities concerned in accordance with their oversight mandates.

295. In addition to the oversight provided by internal and external audits, which are part of the third line of defence, implementing partner activities are also covered by implementing partner audits managed by country offices, HACT or national implementation modality audit procedures, whereby audits are conducted by independent external auditors engaged for that purpose or by supreme audit institutions in the case of governmental entities. Audits by the latter are part of the second line of defence and could be categorized as managerial oversight; these are one of various assurance measures, complementing due diligence, risks assessments, and monitoring and reporting activities.

Internal audits

296. The mandates of internal audit functions extend to implementing partners, which are covered under the oversight charters and pertinent provisions in the partner agreements. Implementing partner activities are covered in programme, project or country office audits rather than in risk-based audit plans. Implementing partners may be subject to spot checks and site visits and required to provide supporting documentation, invoices and other types of verifications covering both financial and substantive aspects of their operations. Any observations, findings and recommendations will be included in the audit report of the programme, project or country office and also in a process audit covering holistic implementing partner management.

297. Practices vary across organizations, as does the depth of coverage of partners in such audits. However, in organizations with significant partner activities, reviewing implementing partners and a representative sample of their activities is usually part of such audits.

298. At UNFPA, each country office audit covers implementing partner management (financial transfers) and supply chain management (including in-kind transfers), and includes a report on those activities. Audit work routinely includes interactions with the most significant implementing partners in the country, including visiting their facilities, ascertaining their relationship with the country office and reviewing the way in which UNFPA management assesses, handles and oversees implementing partners, in order to determine the robustness of the controls in place and that reliance that can be placed on those controls. The work performed is risk-based, which is necessary for the audit function of the Office of Audit and Investigation Services to achieve its objectives. UNICEF internal audits are conducted on country and regional offices and always include partnership management. At WFP, internal audits routinely include implementing partner matters in country office audits and process audits. This approach contributes to oversight and learning.

299. In centralized agencies such as UNIDO, which have lower levels of implementing partner activity and an oversight function without field presences, the oversight framework is rather limited in covering oversight engagements with regard to implementing partner activities. In addition to the very limited operational resources for the oversight functions, the main vehicles with a degree of indirect oversight coverage of implementing partners are the project and country evaluations and the periodic country office audits. Nevertheless, through its internal audit synthesis report issued in 2019, the UNIDO oversight function recommended, and management agreed, that the organization should perform a comprehensive assessment of the potential risks associated with implementing partner arrangements (namely, project execution entity arrangements), taking into account factors including the organization's evolving business model, and should present the results to the Executive Board for a decision regarding its optimal application in the organization's technical cooperation activities.

300. In addition to country, programme and project audits, FAO, UNEP, UNFPA, UN-Women and UNESCO conducted thematic audits covering the engagement and management of implementing partners. In line with the practice of WFP of conducting advisory consultant assignments, the Office of the Inspector General has prepared an advisory on NGO risks and oversight for providing guidance on improving business practices and encouraging the improvement of the adequacy and effectiveness of the governance, risk management and control framework, in order to strengthen the oversight of NGOs and move to more proactive NGO risk management.

External audits

301. The mandates of external auditors also cover implementing partners. While their focus is on financial issues, they also look at implementing partner management issues. For instance, the reports of the Board of Auditors have included various findings and recommendations related to implementing partners. Among other aspects, the Board observed weaknesses related to the documentation of the implementation of the HACT framework with regard to micro-assessments and assurance activities. It further identified a lack of opportunities for spot checks on implementing partner payments and on purchase fractioning in implementation partnership management. In addition, the Board highlighted

shortfalls in terms of programmatic visits and spot checks in individual country offices. Deficiencies were noticed in funding authorization and certificate of expenditures forms and the documentation of the approval processes of partnership review committees in various country offices, indicating that critical aspects of programme approval and related due diligence processes were not being captured appropriately and reflecting weaknesses in the internal controls for the cash transfer process. The Board also noticed that oversight activities (such as spot checks) had served to flag significant weaknesses and risks related to the assurance environment, internal controls, inventory and asset management, procurement and project management.

Implementing partner audits and harmonized approach to cash transfers

302.   As indicated previously, in some organizations, implementing partners are subject to audits managed by country offices and programme staff in the context of the programme and project implementation. The audits are conducted by external auditors engaged for that purpose by the supreme national audit institutions in the case of government entities. A similar audit process is also foreseen under HACT.

Challenges

303.   The importance of continuously investing in and expanding the skills and expertise of auditors and other oversight personnel has been highlighted. As noted by UNFPA, the Office of Audit and Investigation Services has invested in expanding the skill sets of auditors and investigators in the area of implementing partner management. This is an ongoing process, given the changes introduced by management as well as staff movement. As a result of the complexity of the processes, the varied typology of implementing partners and the contexts in which they operate, building that knowledge takes significant time and effort.

304.   COVID-19 and the related containment measures have had an adverse impact on the audit and oversight activities of implementing partners. As indicated by UNDP, while the pandemic has curtailed travel, the conduct of audits (and evaluations) usually includes field missions and project site visits that enable the direct observation and consideration of the programmatic performance of UNDP and its implementing partners. Country offices face the challenge of ensuring continuous oversight of and support to their implementing partners, which are tied to the availability of resources for country-level monitoring missions and the accessibility or security of project sites in conflict-affected countries.

305.   The coordination of work and information-sharing among the country offices entrusted to manage implementing partner audits and audit or oversight functions is an area for further improvement. Since both are managed by different functions, such interaction and cooperation and the timely sharing of relevant information does not always take place. Furthermore, different follow-up systems and databases are used. This issue was highlighted in the aforementioned WFP advisory assessment.

306.   Some improvements have been observed. At UNFPA, progress has been made on the sharing of information on a need-to-know basis with regard to implementing partner fraud allegations and investigations between the oversight function and the relevant second-line unit in charge of implementing partner risk management. A dedicated implementing partner review committee has been established to formalize remedies related to implementing partner fraud, including sanction proceedings and new policies separate from vendor-related policies. However, more needs to be done.

307.   **The Inspector reiterates the suggestion contained in the 2013 report of the Joint Inspection Unit that the supportive role and guidance provided by internal audit offices or similar headquarters management oversight functions to country teams under the national execution modality/national implementation modality audit regime or similar audit regimes are a good practice that should be intensified subject to capacities and resource availability. This role also helps to address the risks of fragmentation of implementing partner audits, as it makes it possible to maintain the overall direction and oversight over the implementing partner audit process within the organization while outsourcing the required implementing partner-related field audit activity. This would support organizational learning, the continuous improvement of implementing**

partner processes and the fostering of in-house coherence with regard to implementing partners and compliance with the pertinent rules, guidelines and policies.

308.   The lack of adequate capacity and resources for audit and oversight has been mentioned as a challenge by several organizations. In view of the increasing number and volume of resources allocated to implementing partners, the fact that activities are managed and take place at the country level requires the adequate resourcing of the audit function to empower it to effectively implement its mandate and provide the expected assurance.

309.   As noted by UNIDO, considering the increase in implementing partner numbers, one area for improvement is budgeting for resources to ensure the compliance of the implementing partners. Oversight functions are under-resourced to adequately cover the key evidence gaps and high-risk areas with evaluation, audit and investigations.

310.   Donors have been increasingly emphasizing assurance and internal controls in general, but also specific conditions and assurance needs concerning anti-corruption, anti-fraud or antiterrorist and sanctions clauses, with regard to the use of the funds that they provide to the United Nations organizations. In recent years, the prevention of sexual exploitation and abuse has become an additional matter of significant concern for the donors.

311.   While external auditors provide general assurance to donors in line with their mandate, including by reviewing the general compliance of organizations with donor agreements, which may comprise spot checks to assess whether donor funds are being used in accordance with the terms and conditions agreed between the donor and the United Nations entity, donors have been demanding that the audit functions pay greater attention to compliance with donor agreements. In this context, JIU has been recommending that organizations regularly consult the donors on their needs and requirements and assess the extent to which the oversight offices can fulfil these, as appropriate and in accordance with their mandates and charters. This would also help to raise awareness among donors about the additional resources required to strengthen the capacity of oversight offices and to foster the recognition of this matter as a shared responsibility. Such interaction would also allow for the discussion and agreement with donors of their risk appetite and possible risk-sharing arrangements, including the coverage of additional assurance or oversight costs for donor-funded programmes and projects in difficult operational environments.[12]

C.   Coverage of implementing partner activities by the evaluation function

312.   In its 2013 review, JIU emphasized the importance of evaluating the performance of individual implementing partners and the role that evaluation should play in that regard. It pointed out that, in many organizations, the evaluation of programmes and projects did not focus systematically on implementing partners and their performance. Centralized or decentralized evaluations and thematic, programmatic or field office evaluations did not systematically or specifically assess the performance of implementing partners. Similarly, the evaluations conducted at the request of donors were tailored to donor needs rather than being part of the organization's overall evaluation strategy.

313.   The Inspector sought to assess whether and how the United Nations organizations had been utilizing the evaluation function to promote organizational learning to improve implementing partner management. Most donors had requirements stipulating mid-term and end-of-term evaluations of programmes or projects funded by them, including an evaluation of the performance of the respective implementing partners. Many entities could not confirm that such evaluations were being performed systematically. There is often no systematic feedback and follow-up on evaluation findings related to implementing partner management in many organizations, putting them at a disadvantage in terms of gaining from lessons learned and promoting knowledge-sharing within the organizations and with other organizations and partners.

---

[12] See JIU/REP/2006/2, para. 6; JIU/REP/2020/1, paras. 238−239; JIU/REP/2011/7, para. 50; JIU/REP/2016/4, paras. 111−116.

314. In the review, JIU called for the adaptation of practices and tools in implementing partner management outside the United Nations system, including robust cross-functional monitoring and evaluation frameworks and teams for monitoring and assessing implementing partner performance, which would contribute to the effective and efficient delivery of programmes and projects.

315. Despite the aforementioned concerns and challenges, some progress has been made, but it is uneven across organizations. As in 2013, the evaluations are focused on country programmes, thematic programmes or individual projects. They are undertaken in accordance with the recognized evaluation methodologies. While implementing partners and issues related to their engagement, management and performance monitoring may be examined peripherally, they are rarely a focus of programme evaluations.

316. As noted by WFP, evaluations apply six international evaluation criteria by default, two of which are effectiveness and efficiency. It is up to the commissioning entity (country office, regional bureau, headquarters division) to determine the focus (lines of inquiry) with regard to how the analysis of efficiency and effectiveness is approached. Some progress has been made since 2013 in covering issues related to partners, including through: (a) the introduction of decentralized evaluations and coverage norms for the overall evaluation function, entailing greater coverage and further operational details of partners; (b) the analysis of the quality of partnerships by default under the country strategic plan evaluations introduced in 2019, although this is dependent on how the country and evaluation team approaches partnership analyses, in that lines of inquiry may or may not include an assessment of partner performance in terms of programme delivery; and (c) the new risk and recommendation tracking tool system, which has started to enable the evaluation function to swiftly extract recommendations and follow-up actions on the basis of word tags such as "NGO" or "partners", facilitating communication with evaluation users with regard to evidence of partner performance.

317. In the past five years, UNICEF has conducted eight evaluations at the decentralized level that served to examine its partnership strategies. In the evaluations, UNICEF highlighted the gaps and recommendations that existed and made recommendations on how to address the findings. In addition, the Evidence Information Systems Integration platform has a tracking system to monitor how offices have addressed the targeted recommendations. The database assigns responsibilities to staff in UNICEF for reporting on the implementation of actions on a regular basis.

318. At UNDP, the agreement for engaging implementing partners is contained in the project document in which evaluation responsibility is defined in accordance with the modality of implementation (national implementation modality/direct implementation modality). This commitment to evaluation is detailed in the terms of reference that capture specific criteria (the sustainability of institutional processes and organizational capacities) for analysing effectiveness and impact. Implementing partners are part of the project implementation modalities of UNDP, and their performance and contribution are covered in the project mid-term and end-of-term evaluations, such as in Global Environment Facility programming in countries that are subject to the national implementation modality and systematic mid-term and final evaluations. At FAO and WHO, thematic evaluations or management evaluations of partnerships in terms of management.

319. **From an oversight perspective, the absence of systematic organizational learning from project- and programme-level evaluations of projects and programmes, including replicable good practices, in relation to implementing partner performance in many organizations is a serious shortcoming and calls for urgent and concrete steps towards its remediation. This is not limited to evaluations: holistically, the learning from all oversight units that have findings on implementing partner management needs to be strengthened in many organizations. Evaluation responsibilities and coverage should be defined clearly and unambiguously in the agreements for engaging implementing partners with specific criteria and indicators, thereby making it possible to measure the effectiveness and impact of projects and programmes. Concerted efforts at the organizational and inter-agency levels are imperative to improve the current situation.**

D. Investigating implementing partners and their personnel

320.   In its 2013 review, JIU pointed out that the audit and investigation offices did not have the right to conduct investigations into allegations of fraud and other financial wrongdoings and irregularities of implementing partners in all organizations owing to the lack of relevant clauses in the partner agreements and the provisions of the oversight and audit charters. It recommended ensuring that the United Nations entities had the right to investigate third parties involved in implementing United Nations-funded activities and revising the existing oversight function charters accordingly.

321.   Compared with the situation in 2013, the majority of organizations have updated their oversight and audit charters and strengthened their partner agreements by including investigative and similar clauses. Reference is made in this context to the JIU report on the review of the state of the investigation function (JIU/REP/2020/1) and its annex II, which provide further details for each organization.

322.   In the 2013 report, JIU further called for the strengthening of joint investigations though the sharing of methodologies, the development of common standards and procedures, the exchange of personnel and, in particular, the exchange of investigative information on implementing partners in the same country or region in which multiple United Nations agencies operated. These measures were handicapped by different legal frameworks under which each entity's investigation unit operates. In the review, JIU had also called for the strengthening of cooperation and coordination among investigative offices of the United nations system to address fraud prevention and detection when engaging with external parties such as implementing partners.

323.   Some progress has been made on this recommendation, as outlined in paras 340–348 of the above-mentioned report on the review of the state of the investigation function. However, more needs to be done. Notably, joint, coordinated and parallel investigations have merits in the case of implementing partners. The Inspector hence reiterates the suggestion, in paragraph 348 of the report, that "investigation offices should more systematically exchange information on specific investigations, as appropriate, and explore the possibility of joint or parallel investigations where feasible, notably with regard to implementing partners, vendors and other service providers with contractual relationships to more than one United Nations system organization".

324.   The United Nations system organizations face significant challenges in extending effective investigative capacity to activities of their implementing partners, on account of legal and jurisdictional aspects, capacity constraints and other factors. The Inspector underscores the importance of this critical area and the need for strengthening collaborative approaches among entities through inter-agency mechanisms to the maximum extent feasible.

325.   In the case of donor-funded programmes, some donors insist on being provided with all available details, as they wish to avoid any surprises. This often provides the United Nations organization with a number of challenges relating to privacy, confidentiality, data protection, human rights, reputation and other legal questions. Many aspects of managing and dealing with donor expectations and demands have been covered in the JIU review of the investigation function. There could be additional challenges in cases where the United Nations refers allegations to relevant national authorities that initiate their own investigations; they may request the United Nations not to make any disclosures about the matter with a view to protecting the covert nature of the investigations. In addition, there may be logistical impediments to informing donors in a time-sensitive manner. In view of the operational independence of oversight bodies, there may be instances in which the United Nations entities that enter into arrangements with donors may not be aware of investigations initiated by their own oversight bodies.

326.   As reported by several organizations, a major challenge for the investigation of implementing partners and their personnel is ensuring sufficient resources and the necessary skill set within the investigation service to investigate all types of implementing partner allegations, as well as the ability to assess internal investigative steps for those implementing partners (usually large NGOs) with more mature structures, in order to determine whether the matter has been dealt with satisfactorily. For government implementing partners, this

requires the ability to investigate where possible (agreements, even for governments, establish the right to audit or investigate) and to recommend that the executive head consider a referral to national authorities where needed (which is passed on to the Office of Legal Affairs of the Secretariat on the delegated authority of the Secretary-General). The determination regarding referral is made through consultations between the Office, the investigative body and the United Nations office, fund or programme concerned and reflects a policy decision rather than a legal one. Some United Nations entities engage third-party vendors to conduct audits or forensic audits. It is important to ensure that the terms of any arrangement with a third party do not preclude confidentiality clauses that would prevent the United Nations entity concerned from taking robust action, such as referring the allegations to national authorities.

327. Knowledge and understanding of implementing partners and the programmatic context in which they operate are necessary to deal with any allegation; the approach taken also depends on the type of offence as well as the presence and robustness of the internal investigation mechanism. Behavioural matters (such as SEA) require a good understanding of the context in which the implementing partner operates but not necessarily of the way in which its financial system operates. Conversely, dealing with implementing partner fraud or product diversion (for those receiving in-kind contributions) requires an understanding of the implementing partner's financial set-up and/or its supply chain management processes – and understanding these requires knowledge and time. UNHCR has developed a training package for partner organizations to use when conducting investigations of SEA allegations. The package is also available on the United Nations Partner Portal.

328. A prerequisite for an effective investigation mechanism for implementing partners is having reporting channels in place that can be used by persons outside the organization. A key concern with regard to allegations reported by external persons is that they cannot be equally protected by the entity's whistle-blower policy; hence, there is limited protection of whistle-blowers as well as witnesses and victims, as they are outside the remedies of the organization.

329. PSEA has acquired much higher salience and visibility in the past decade, perhaps partly as a result of increased expectations and demands of major donors. In the JIU review of the investigation function (JIU/REP/2020/1), issues related to PSEA investigation were examined, which are also relevant in the case of such misconduct committed by implementing partner personnel. Nevertheless, the Inspector feels strongly that concern about the prevention of sexual exploitation and abuse should not be allowed to overshadow the continuing concerns about financial wrongdoing, fraud, corruption, partner collusion, misconduct, and other offences and malpractices.

E. Prevention and detection of fraud and other types of misconduct committed by implementing partners and their personnel

330. Implementing partners are high-risk: fraudulent behaviour and other types of misconduct by them can seriously damage the reputation of and trust in the United Nations entities and negatively affect programme delivery.

331. Fraud prevention and detection in implementing partners were covered in the 2013 report, in which two recommendations on those measures were made (recommendations 8 and 9). In subsequent reports, notably on fraud prevention (JIU/REP/2016/4) and on the investigation function (JIU/REP/2020/1), JIU addressed additional aspects related to fraud prevention and investigation, including with regard to third parties.

Progress made in the prevention and detection of partner fraud

332. Compared to 2013, organizations have made progress on putting measures in place for the prevention and detection of fraud and other misconduct, including PSEA, by implementing partners and their personnel. The measures include adopting and updating anti-fraud policies; establishing standard operating procedures on PSEA and fraud by implementing partners; strengthening partner agreements by inserting good conduct and investigative clauses; introducing risk and capacity assessments and due diligence

procedures; strengthening the risk-based monitoring of partners, including spot checks and site visits; training proprietary and partner staff on fraud awareness and the prevention of PSEA; instituting reporting mechanisms for third parties; improving information-sharing within and across organizations; and developing partner sanctioning methods. HACT serves as a mechanism for assessing the implementing capacity for managing funds, preventing and responding to fraud and testing transactions extensively through spot checks and audits. Progress has also been made in the investigation services of some organizations by liaising and cooperating with management entities in charge of implementing partner management, as appropriate and in line with the oversight mandates and charters of the organizations.

333. Progress has been uneven across organizations. Despite the progress made, organizations highlighted some of the persisting challenges they faced in fighting fraud and other types of misconduct. Examples from individual organizations are provided below.

334. OCHA has standard operating procedures for responding to fraud involving implementing partners and works closely with OIOS on the cases of suspected fraud. Its standard operating procedures on suspected fraud and misuse of funds describe the successive steps that the Office will take in the event of an investigation into an implementing partner contracted under a CBPF.

335. At UNAIDS, ethical conduct, standards of integrity, anti-corruption and anti-fraud policies are addressed in the clauses of the partner agreements in place and are enforced. PSEA assessments are expected to be included in implementing partner assessments by the end of 2021. The review and clearance of financial reports are performed by staff other than the officer responsible for the agreement, which provides for additional controls.

336. WFP has made various efforts, the main achievements of which include: (a) the inclusion of anti-fraud and corruption clauses in the field-level agreement, which ensures that the partner is legally bound to establish reasonable fraud prevention measures and to report any instance of fraud and that the failure to abide by the clauses may lead to sanctions and the termination of the agreement; (b) the establishment of a fraud awareness training programme; (c) partner assessments; (d) updated guidance on the management of partners and on partner fraud and corruption risks; (e) the creation of the United Nations Partner Portal; and (f) the establishment of a vendor sanctions framework in 2015, which was updated in 2020.

337. The main challenges in fraud prevention and detection in partners and the main lessons learned, as experienced by WFP, are outlined in annex VII. Similar challenges and constraints were reported by interviewees from other organizations.

338. Other good practices with regard to preventing and detecting fraud and other misconduct, as indicated by organizations, include:

- Community feedback and complaint mechanisms
- Reporting mechanisms for allegations of impropriety by third parties
- Procedures for ensuring the appropriate recovery of funds
- Anti-fraud training for both United Nations and partner personnel
- The exchange, on a need-to-know basis, of information between the focal points of different agencies relating to fraud concerning implementing partners, and the taking of action thereon
- The establishment of a dedicated in-house implementing partner review committee to formalize responses to completed investigations in the form of remedies through formal sanctions (or HACT)
- Collaboration with the agencies participating in the United Nations Partner Portal to strengthen the sharing functionality for implementing partner sanctions

Progress made in preventing PSEA and other types of misconduct by implementing partner personnel

339. Progress has been also made in preventing and addressing other types of misconduct, notably PSEA, by implementing partner personnel.

340. At UNHCR, PSEA has been integrated into the eligibility and risk assessment in the selection and retention of partners by requiring a mandatory confirmation by a prospective partner of its commitment to zero tolerance of SEA in the partner declaration upon registration and, as of 2020, through assessments of the capacity of the partner to prevent and mitigate the risk of SEA and respond to allegations of SEA against its workforce or subcontractors prior to the conclusion of a partnership agreement. In 2020, the partnership agreement templates were further strengthened to ensure that the requirements of the United Nations protocol on allegations of SEA involving implementing partners were incorporated in the template and that UNHCR would have a legal basis on which to take punitive measures in case of non-compliance. Mandatory training courses such as the Learning Package on Protection from Sexual Misconduct for United Nations partner organizations of the Inter-Agency Standing Committee were made available to partners on the United Nations Partner Portal, and the online e-learning module entitled "Prevention of sexual exploitation and abuse" was provided on the UNHCR Learn and Connect platform. In 2020, UNHCR, in cooperation with the International Council of Voluntary Agencies, supported NGOs in enhancing their capacity to prevent and respond to SEA through grants from its PSEA Community Outreach and Communication Fund. The Office of the Inspector General regularly organizes training opportunities for partners to strengthen their capacity to investigate allegations of SEA, and country offices include partners in local complaint and feedback mechanisms, awareness-raising activities and training.

341. WFP has been supporting cooperating partners in ensuring that adequate standards and mechanisms are in place to prevent and respond to sexual exploitation and abuse situations. The PSEA learning package for partners entitled "Saying no to sexual misconduct", prepared by WFP with UNHCR, the International Organization for Migration (IOM) and other members of the Inter-Agency Standing Committee, includes tools that equip partner organizations to define, detect and respond to SEA and mitigate related risks. Similarly, WFP led the inter-agency launch of the United Nations implementing partner PSEA capacity assessment – a harmonized screening tool for partners developed by WFP, UNFPA, UNICEF and UNHCR in coordination with the Committee and the system-wide working group on sexual exploitation and abuse. WFP has been working with inter-agency partners to pilot the tool jointly in selected countries in 2021 and to integrate it into the United Nations Partner Portal. The New York-based funds and programmes have also made progress in their work on the protocol on allegations of SEA involving implementing partners, which is being implemented with a high level of cooperation.

342. Guided by the Secretary-General's bulletin on special measures for protection from sexual exploitation and sexual abuse (ST/SGB/2003/13), the Secretary-General's strategy entitled "Special measures for protection from sexual exploitation and abuse: a new approach" (A/71/818) and the protocol on allegations of SEA involving implementing partners, OCHA strengthened its PSEA procedures in the selection, contracting, monitoring and response of its implementing partners with regard to PSEA in 2019. Moreover, in 2020, OCHA developed a compendium of standard operating procedures on sexual misconduct, in which key roles and responsibilities in preventing and responding to SEA and sexual harassment are outlined in the context of OCHA operations, with reference to both OCHA staff and its implementing partners.

343. **The Inspector welcomes the progress made in strengthening the prevention and detection of fraud and other types of misconduct, including SEA, by implementing partners and encourages organizations to continue such efforts, as implementing partners have been considered both by management and oversight offices to pose a high risk, and high-profile cases in the past have shown the devastating impact that such behaviour can have on the organizations, in terms of not only financial losses but also reputational risks and the loss of the trust of stakeholders and beneficiaries. He suggests that organizations should embark on joint actions and inter-agency initiatives and enhance system-wide cooperation and information-sharing in this regard.**[13]

---

[13] See section VIII for further information.

F.   Cooperation among the oversight functions

344.   Furthermore, in several reports, JIU underscored the need for improving and strengthening coordination and cooperation, including the sharing of information among the different oversight functions (audit, investigation, inspection and evaluation), as appropriate and in accordance with their mandates and charters, within the organization in a consistent, timely and structured manner to enhance their own effectiveness and efficiency.

345.   **The heads of oversight offices of United Nations system organizations should enhance internal coordination and collaboration among the oversight disciplines within the offices to achieve efficiency gains and promote lessons learned. They should consider including a section on the status of such coordination in their existing mechanisms for reporting to the legislative organs and governing bodies.**

VIII. Strengthening inter-agency cooperation and information-sharing

346. In the current review, JIU revisited the ways in which organizations have advanced in strengthening inter-agency cooperation, collaboration and information-sharing related to implementing partner management, including as measured against recommendations 11 and 12 of its 2013 report. Despite the progress made, including the launch of a number of new initiatives and the enhancement of existing mechanisms, more needs to be done to further strengthen inter-agency cooperation and information-sharing at the headquarters, regional and country levels.

347. While JIU identified a number of good practices relating to implementing partner management in participating organizations in the review, interviews revealed that the knowledge of such practices had not been optimally shared among the organizations. Offices dealing with aspects of implementing partner management were largely unaware of good practices in others.

348. Inter-agency mechanisms have served as platforms for experience-sharing and information exchange; however, in relative terms, little action has been taken, despite promising initiatives such as HACT, the United Nations Partner Portal, work on a common definition of implementing partners in the High-level Committee on Management, the informal group of organizations with significant implementing partner activities involving UNHCR, and some discussions in the CEB Task Force on Addressing Sexual Harassment within the Organizations of the United Nations System. Experiences are not shared systematically; consequently, few concrete, system-wide products such as guidelines and standards have been produced as a result of the efforts of inter-agency mechanisms. The gains from participation in the mechanisms have been unequal, and they vary depending on factors such as experience, seniority, domain knowledge and the commitment of the individual nominated. Despite the limitations, inter-agency collaboration mechanisms can be important for sharing good practices.

349. Almost all organizations rated the overall experience of collaborative action positively, noting that the advantages outweighed the disadvantages. Through the common platforms, organizations have benefited from information about innovations in the approaches of other organizations, common guidance on how to manage coordinated action, and the convenience of simply following the rules and procedures of the lead agency in joint action.

350. Nonetheless, interviewees highlighted a number of challenges and limitations relating to inter-agency coordination and collaboration on implementing partner activities, which include the following:

- Organizations not systematically sharing pertinent experiences and knowledge of lessons learned with others, resulting in the repetition of the same mistakes

- Overly bureaucratic processes that disincentivize participation in collaborative action (one United Nations entity took a whole year to assess the capacity of another United Nations entity in one case, with a second agency taking two years in another case)

- Inertia, internal resistance and the unwillingness of entities to compromise on "territorial rights" through collaboration

- Different organizational business practices, processes and policies, which impede collaborative approaches

- The diversity of the mandates of United Nations system organization and the differences in capacities in duty stations

- Limited staff capacity and budgetary constraints that disincentivize engagement in inter-agency efforts and collaborative approaches, as such tasks are in addition to the existing responsibilities and stretch the existing limited resources and capacities even further

- The different categories of implementing partners engaged and managed by different organizations, depending on the types of activities and programme delivery, and the

volume managed (cash, in-kind or other) by the implementing partners – a risk-based approach in terms of effort (instead of "one size fits all")

- Limited understanding and institutionalization of implementing partner engagement within different parts and functions of the organization owing to the cross-cutting and dispersed responsibilities for managing implementing partners

- Lack of competent internal leadership to discuss best practices on implementing partner selection and related initiatives within inter-agency forums

351.   Participants also regretted the general lack of concrete follow-up action in producing system-wide guidance such as guidelines and standards on implementing partner management. Other concerns and challenges on the functioning of inter-agency mechanisms and recommendations for remedial measures identified by interviewees include the following:

- There is a lack of interest in implementing partnership management in some organizations, resulting in uneven commitment to the topic across the system

- Organizations leading the way tend to benefit less from engagement in inter-agency mechanisms owing to the unidirectional nature of the flow of knowledge exchange

- Working groups and task forces are often too large to be functional, with considerable numbers of enthusiastic discussions but vague outputs; their usefulness could be improved by assigning a smaller group of three or four experts to study a specific topic and present recommendations to the larger group

- Some task forces have been inactive for several years and need to be revived with revised and refined terms of reference

352.   To enhance inter-agency coordination and collaboration on implementing partner selection and related initiatives, programme managers and other officials made several suggestions: (a) expand the mutual recognition of rules and procedures for partner selection and related initiatives as part of ongoing business innovation; (b) develop, through inter-agency platforms, joint standards and principles for implementing partner management procedures that all organizations can adopt or that can serve as useful guidance; (c) share implementing partner risk and capacity assessments and performance reports on a confidential basis, as needed; (d) discuss the monitoring of partner performance in inter-agency platforms; (e) develop a repository of partner agreements and related annexes such as reporting templates and formats, performance monitoring, evaluation and oversight requirements; (f) conduct monitoring indexed by, inter alia, country and type of implementing partner and activity; and (g) develop, through inter-agency platforms, a standardized methodology for establishing key selection criteria such as cost-benefit analysis and capacity-building and for determining risks levels (and ideally a risk rating).

353.   Inter-agency coordination mechanisms hold considerable potential for the sharing of knowledge of good practices at the working level and for developing concrete system-wide guidance on the topic. The Inspector calls upon the executive heads of United Nations system entities to instruct their representatives participating in such mechanisms to do the following:

- Establish clear terms of reference for all formal inter-agency mechanisms for addressing implementing partner management

- Periodically review and update the existing terms of reference to ensure their continued relevance

- Ensure that individuals nominated to serve in the mechanisms are technically competent and familiar with the substantive and operational aspects and have a level of delegated authority adequate for them to participate substantially in the debate, to endorse decisions or action points and to represent the views and perspectives of their organization

- Ensure that meetings are held regularly and that summary records are prepared and circulated in time, and that they identify in a timely manner the entities, functions and units responsible for implementing all action points, which report back to the mechanism

- Review the implementation regularly, identify any challenges that have arisen for effective implementation, decide collectively on measures and continue to monitor effective follow-up action by individual entities

354. The advantages of enhancing cooperation, coordination and collaboration among the United Nations system organizations with regard to implementing partner management are self-evident and hardly need renewed rationalization or justification. JIU calls for the strengthening of the existing system-wide networks and platforms for the purpose of exchanging experiences, information and intelligence, and agreement templates, and of sharing the lists of debarred and sanctioned implementing partners and other relevant documentation.

355. Data collected through interviews and questionnaire responses for the present review indicate that there are several inter-agency mechanisms in which organizations participate, at the headquarters, regional and country levels. Some, such as CEB and its high-level committees and networks, deal more with policy issues, while others, such as the RCO, the country team and their clusters, and working and management groups established under these bodies, focus on operational issues and the sharing of information on ongoing programmes and projects, although a clear distinction cannot always be made, as some groups may deal with programmatic or thematic issues as well as policy issues.

356. Most participating organizations currently participate in one or more inter-agency mechanisms. A few, such as HACT, the United Nations Partner Portal and the informal group involving UNHCR, are dedicated specifically to implementing partner management. Implementing partner issues are being addressed through several mechanisms related to broader themes, including CEB, the High-level Committee on Management and the High-level Committee on Programmes and their networks at the headquarters level, the Regional Coordination Mechanisms at the regional level and the RCO, the country team and their working groups and clusters at the country level. Participants described the mechanisms as useful platforms for exchanging information, sharing experiences and connecting responsible professionals at the working level, which also facilitated the development of solutions in a practical, though not always formal, manner.

357. In its 2013report, JIU recommended that implementing partner policy and management issues be made a regular agenda item of the three CEB pillars and considered in a special implementing partner-focused working group or as a standing item in the existing functional networks.

358. In the system-wide response to the recommendation in the note by the Secretary-General on the review of the management of implementing partners in United Nations system organizations (A/69/378/Add.1, paragraph 18), it is stated that, "while organizations agree that some issues related to implementing partner policy and management could benefit from occasional discussions within the CEB mechanism, they do not see strong justifications to include these issues as a regular agenda item of the three CEB pillars, but rather suggested these issues be discussed as and when required."

359. The Inspector did not find that this recommendation had been effectively implemented in the interim, which demonstrated the challenges in making system-wide recommendations to a coordinating mechanism that does not have a mandate for implementation, nor the mandate, authority or resources to monitor the implementation or assess the progress made by different entities.

360. In its update, the Secretariat stated, in response to the JIU questionnaire, that the exchange of information, best practices and policies within the United Nations system entities related to implementing partners could be beneficial and does take place when and as needed. For example, during 2017 in the context of an HLCM Task Force to harmonize system-wide approaches to fraud risk when engaging with implementing partners, the Task Force developed common definitions of vendor, implementing partner and grant recipient and discussed the possibility to establish a common platform where information on partners could be shared. Some United Nations agencies are collaborating through the United Nations Partner Portal (an online platform) in the area of due diligence and partner registration, with the aim to simplify and harmonize processes.

361.   The Inspector suggests leveraging the existing mechanisms for enhancing cooperation and coordination among the United Nations system organizations to address issues relating to implementing partner management in a comprehensive, system-wide manner. Areas for cooperation, coordination and collaboration include the sharing of information on implementing partners; joint campaigns; the preparation and sharing of training material; joint training programmes; joint or parallel investigations; and the harmonized sanctioning of staff and third parties. The Development Coordination Office, the High-level Committee on Management of the CEB and its networks, working groups and task forces, and networks such as the United Nations Representatives of Investigative Services and the Representatives of Internal Audit Services should provide the forums for sharing experiences on implementing partner management and should dedicate appropriate time in their agendas for considering the topic.

362.   In this context, the Inspector considered the United Nations Partner Portal, HACT and the protocol on allegations of SEA involving implementing partners to be commendable initiatives that exemplified the advantages and benefits that the organizations could derive from strengthening collective efforts. The repositioning of the development system offers further opportunities for enhanced inter-agency cooperation and information-sharing related to implementing partners.

United Nations Partner Portal

363.   Particularly noteworthy is the setting up of the United Nations Partner Portal, which is a common platform for implementing partner management and is aimed at enhancing inter-agency cooperation, streamlining implementing partner management, reducing transaction costs and enhancing the sharing of information on implementing partners across the system. Prospective partners can register in the Portal, and Portal staff conduct a joint vetting process for registered prospective partner organizations, including an automated screening against the United Nations Security Council Consolidated List.

364.   The Portal staff are currently discussing measures for sharing elements such as partner information, risk assessments (in which participating agencies have agreed to accept assessments of implementing partners by other agencies) and performance reports. The Portal offers the functionality to add and share observations on registered implementing partners at the country level; that information can then be read and used by all participating United Nations agencies as input for their selection decisions and ongoing monitoring activities. The conduct and sharing of partner capacity assessments for preventing and responding to SEA are also being rolled out through the Portal.

365.   The Portal is one example of the excellent results achieved by the United Nations organizations in terms of the alignment of and coherence in implementing partner management. It serves as an important tool for aligning the engagement of United Nations entities with implementing partners, and its eventual aim is to have a single-window interface with implementing partners (consistent with the concept of "One United Nations"). The Portal represents the efforts of UNFPA, UNHCR, UNICEF and WFP to implement the Grand Bargain commitments of the World Humanitarian Summit of 2016 to reduce duplication and management costs and enhance partnerships with local and national actors. The Secretariat joined the Portal recently, with UNDP and IOM set to join soon. However, apprehensions about joining the Portal persist in some entities on account of the additional human resource and training cost burdens. It would be useful for the promoters to meet and address any outstanding issues through the relevant inter-agency coordination mechanisms in order to encourage other entities to join and make optimal use of this facility.

366.   WFP considers the Portal to be a significant achievement that paves the way for enhanced collaboration, information-sharing and coherence across the system. Implementing partners would like the communication process to be streamlined and the administrative burden to be reduced through a "one-stop shop" where NGOs can obtain updates on calls for proposals across all United Nations agencies. Joint systems and initiatives are another way to reduce the administrative burdens and costs.

367.   The Portal appears to hold considerable potential and promise for strengthening inter-agency cooperation in implementing partner management in the coming years, which is all

the more reason for the lead agencies to make the additional efforts needed, secure the support of all of the outliers and induce them to join the Portal.

368. **The Inspector suggests that organizations continue their efforts to further strengthen and expand the functionalities of the Portal and encourages all entities that are not yet participating in the Portal to join it. He also recommends that the Portal staff explore ways to foster cooperation, interfaces and information-sharing with other inter-agency mechanisms and initiatives, such as through HACT, the United Nations Global Marketplace, relevant activities of the RCO and country team, the protocol on allegations of sexual exploitation and abuse involving implementing partners and the various groups of the Inter-Agency Standing Committee, with a view to further expanding the sharing of relevant information across the system and enhancing collaboration.**

Harmonized approach to cash transfers

369. In the report for the period 2013–2014, JIU identified the implementation challenges and concerns raised by internal and external auditors and suggested that they be addressed in revisions and improvements of HACT in order to make the framework a risk-based management instrument that also strengthened programmatic monitoring and capacity assessment. In the present review, JIU sought to assess the feedback from entities on the current state of HACT and the potential for further improvements, taking into consideration the revision of the framework conducted since 2013.

370. Following General Assembly resolution 56/201 on the triennial policy review of operational activities for development of the United Nations system, UNDP, UNICEF and UNFPA adopted HACT, a common operational framework in 2006 for transferring cash to government and non-government implementing partners. It was intended to reduce transaction costs and lessen the burden that the multiplicity of United Nations procedures and rules creates for its partners. It served to emphasize the strengthening of national capacities for management and accountability, with a view to gradually shifting to the use of national systems.

371. HACT has been subject to various reviews, including in 2008,[14] 2011 and 2013.[15] A revised HACT framework[16] of the United Nations Sustainable Development Group was rolled out in 2014, superseding the previous framework of 2005. In the revised framework, the focus was shifted from project-level controls to implementing partners, with the framework providing substantive guidance on partner-focused capacity assessments and assurance activities, including a revised micro-assessment tool that improved the questionnaire and rating methodology. The micro-assessment is the first implementing partner management tool to be consistently applied jointly – one for all three HACT agencies. It is currently being revised again. In addition, HACT agencies have issued specific internal guidance and requirements that take into consideration the business models of their organizations.[17]

372. In terms of the operational and institutional capacity development of implementing partners, the agencies have laid some groundwork over the past few years, and HACT is one of the first prominent initiatives aimed at enhancing inter-agency cooperation, collaboration and information-sharing related to implementing partner management. Notwithstanding

---

[14] See Harmonized Approach to Cash Transfers Advisory Committee of the United Nations Development Group, "Harmonized Approach to Cash Transfers (HACT): Responses to key Implementation Challenges" (New York, 2008).

[15] See Harmonized Approach to Cash Transfers Advisory Committee of the United Nations Development Group, "Global Assessment of the Harmonized Approach to Cash Transfer (HACT)" (New York, 2011).

[16] United Nations Development Group, "Harmonized Approach to Cash Transfer (HACT) Framework", February 2014.

[17] See e.g., the United Nations Children's Fund (UNICEF), "Guidelines for Implementing Partners: Harmonized Approach to Cash Transfers", guidance document, (Mbabane, 2018). The United Nations Development Programme has included detailed guidance in its programme and operations policies and procedures, which are being continuously updated.

these achievements, a number of challenges have been reported in the implementation of the revised HACT framework, including the following:

- Initial uptake has been slow owing to the implementation occurring mid-cycle in country programmes, but uptake has improved as offices have entered new cycles

- The framework has not been fully harmonized across different agencies because of differences in the approach adopted, with each agency taking its business model into consideration

- Difficulties in performing capacity assessments for some government implementing partners, especially where the programme Government is the donor

- Lack of country reports on public financial management has in some cases inhibited the ability to perform macro-assessments, which are required to assess the public financial management environment in which agencies provide cash transfers to partners

- The training of personnel and the roll-out of tools have been carried out with limited budgets owing to budgetary constraints across the organization

- There is no common understanding among the agencies of a clear mandate and the subsequent allocation of resources to the strengthening of the operational capacity of an implementing partner

373. Agencies have been incentivized to focus on assurance and short-term risk mitigation, despite initiatives to consider common measures in response to assessment (or assurance) findings for both immediate risk mitigation and more medium-term capacity development that agencies can reasonably support individually or jointly, and measures that are beyond the remit of the agencies' mandates (such as measures affecting the public financial management system).

374. Despite the persisting challenges, HACT has contributed to enhancing inter-agency cooperation, collaboration and information-sharing related to implementing partner management, with regard to not only the HACT members but also other United Nations entities. Although not participating in HACT, OCHA, UNHCR and FAO have been guided by HACT and engaging with members on the framework. UNHCR has not adopted HACT but has been working with members employing the framework to see how to align procedures and systems in areas where that would be in the best interests of the effectiveness of UNHCR and its partners. OCHA is not affiliated with the framework, but some of its funds draw on existing HACT assessments in determining the capacity of local and national NGOs, notably: (a) where UNDP was previously the managing agent for the fund responsible for the capacity assessment of NGO partners; and (b) in other countries where locally initiated collaboration has enabled the fund to benefit from HACT assessments.

375. Despite the progress made, continued and sustained efforts are required to resolve the remaining issues with regard to HACT addressing the existing challenges, including those outlined above, and to secure the support of more entities. The Inspector welcomes the related oversight reviews conducted in some organizations, such as UNDP, UNICEF and UNFPA, to further improve HACT within their organizations.[18] The Inspector calls upon the relatively big players that have already taken the initiative to introduce HACT to now show the generosity and flexibility needed to attract the outliers into their fold, without compromising the main features of both types of organization. **The Inspector suggests that organizations continue their efforts to further strengthen and improve HACT on the basis of the lessons learned and good practices and encourages other interested entities to join the framework. He also recommends that HACT agencies explore ways to foster**

---

[18] See Office of Internal Audit and Investigations, "Internal Audit of the Harmonized Approach to Cash Transfers (HACT) at UNICEF", 2020; the report of the Board of Auditors on the financial report and audited financial statements of the United Nations Development Programme for the year ended 31 December 2018 (A/74/5/Add.1) and the response of the Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services (DP/2020/3); and Office of Internal Audit and Investigations and Division for Oversight Services, "Joint Audit of the Governance Arrangements for the Harmonized Approach to Cash Transfers (HACT)", DOS report no. OED111/OAI report no. 1064, 2012.

cooperation, interfaces and information-sharing with other inter-agency mechanisms and initiatives, as feasible.

Repositioning of the development system

376. Many interviewees assessed in positive terms the initiatives undertaken as part of the "repositioning of the United Nations development system", particularly at the field level, considering them to augur well for the improvement of implementing partner management through enhanced cooperation, both formally and informally. The strengthening of the RCO was welcomed by all, as it would imply devoting much-needed attention to the field-level coordination of country teams. Many considered that the exchange of information, experience and even intelligence would be strengthened as a result. Much would undoubtedly depend on the extent to which country offices would be ready to make effective use of this mechanism.

377. Entities with large field presences and sizable implementing partner engagements and portfolios should take the lead in these efforts. A cluster approach would be desirable, whereby the three or four agencies that deal with the same implementing partner, or with the same geographical area or subregion, area or topic, meet to resolve issues, rather than having around 20 agencies meet frequently to engage more in talking than in doing. It would be important to encourage and incentivize coordination through this mechanism by demonstrating its effectiveness.

378. The existence of elements such as structures, mechanisms and standard operating procedures does not automatically guarantee action or results: that would require determined, purposeful follow-up action, effective supervision and managerial oversight, and monitoring that is not reduced to mechanical box-ticking exercises. Equally, it would be essential to avoid an excessive bureaucratic footprint in such an effort.

379. The Inspector calls for the best possible use of the measures carried out in recent years in repositioning the development system towards strengthening and enhancing inter-agency cooperation, coordination and collaboration in implementing partner management.

380. One common concern expressed by various interviewees was that, despite the various formal and informal mechanisms and practices for sharing implementing partner-related information at the country level, including through the RCO and its operational management group and the clusters, as well as informally in other country team meetings and settings, such information-sharing is often ad hoc rather than systematic. Organizations still often work and operate in silos; regular information-sharing and collaboration among United Nations organizations on the ground relating to their implementing partner activities are absent. The extent to which and vigour with which individuals engage in the sharing of relevant information and participate in inter-agency efforts depend to a large extent on the individuals, whether the head of office or country director, the programme manager or the staff of the support and oversight functions.

381. While activities such as consulting other agencies on their experiences and past performance records prior to engaging and signing agreements with new partners are considered good business practices and carried out in accordance with the applicable rules and policies, such activities are often not performed at all or are carried out without the required diligence or to the desired extent. The reasons cited for such gaps included a lack of personnel and financial capacity in country offices to engage in inter-agency efforts beyond their routine work, high staff turnover, and "competition" among agencies.

382. Many interviewees noted that, while the current mechanism for cash transfers or HACT seemed adequate, other existing inter-agency mechanisms were not sufficient to achieve harmonization and mutual recognition beyond that scope. The further downstream in the implementing partner management cycle (from selection to audit) that organizations attempt to harmonize, the larger the bottlenecks become; harmonizing downstream operational procedures and related systems has been unsuccessful so far. Most agencies are currently in the process of digitalizing their implementing partner procedures (or developing entire new ERP systems) separately, which indicates that there is currently no momentum to pursue harmonization seriously at the operational level of implementing partner management processes. The fact that most agencies are increasingly embarking on digitalization work

offers opportunities to explore further alignment and provide mutually recognized enhancements for partner use as well as processes that are more streamlined.

383.   One possible way to reduce duplication and increase alignment and collaboration is to enable mutual recognition. This is more likely to work if acceptable standards for various procedures (such as thresholds, approval levels and internal controls, including those that are automated in systems) are developed and endorsed in the United Nations system and applied consistently system-wide. The merit of further cooperation needs to be weighed against the resources necessary to achieve this, as engagements with implementing partners are subject to modalities that differ between the various United Nations agencies.

384.   The continuous and effective sharing of information on implementing partners across agencies at the country level will improve efficiencies and benefit not just the individual organization but also the United Nations system overall in reducing transaction costs and minimizing and mitigating the risks associated with partner activities. Ideally, building on initiatives such as HACT, joint risk and capacity assessments and due diligence, joint or coordinated monitoring and auditing and the evaluation of common implementing partners should be envisaged. This measure would lead to reduced administrative and transaction costs and support the harmonization of standards and practices and a coherent approach to implementing partners across the system, including for due diligence, risk mitigation, capacity-building and partner training.

385.   The implementation of the following recommendation is expected to strengthen inter-agency coordination and cooperation.

Recommendation 10

The executive heads of the United Nations system organizations should, by the end of 2024 and with the support of the Development Coordination Office, resident coordinator offices and the United Nations country team mechanisms, agree upon specific measures to further strengthen inter-agency coordination for improving implementing partner management at the country level and report on the implementation to their respective legislative organs and governing bodies from 2025.

IX. Concluding observations

386. The JIU follow-up review of the management of implementing partners by organizations of the United Nations system has shown that, while notable progress has been made, considerable scope exists for effecting meaningful and productive improvements in the policies, procedures and processes, at the entity-level and through strengthening inter-agency coordination and cooperation.

387. Clearly, the legislative organs and governing bodies of organizations of the United Nations system and their executive heads have not been paying sufficient attention to the management of implementing partners.

388. The findings and conclusions of the present review, drawn from the evidence and data presented, demonstrate how United Nations entities could have benefited considerably by paying greater attention to the formulation of policies, procedures and guidelines; systematic data collection, monitoring and reporting; internal and external coordination; and enhanced oversight.

389. The Inspector calls for enhancing cooperation and coordination within and among organizations to strengthen coherence in dealing with implementing partner management and improve organizational learning and the exchange of experiences, good practices and lessons learned, including by considering the establishment of a peer-learning network or community of practice, as appropriate.

390. Most of the measures suggested are relatively simple but warrant sound, crystallized common sense, and many can be undertaken as part of organizational management reform processes.

391. Member States represented in the legislative organs and governing bodies, in accordance with their oversight role, have a responsibility to demand compliance from the executive heads of the organizations with the recommendations and suggestions contained in the present review.

Annex I

Definitions of implementing partners

Organization	Definition and description	Categories of implementing partners	Other types of partnership
United Nations Secretariat and its departments and offices			
	Report of the Secretary-General on proposed amendments to the Financial Regulations of the United Nations (A/73/717) An "implementing partnership" is an arrangement through which the Organization has entrusted the implementation of programme activities to implementing partners. Implementing partners shall assist the Organization with the delivery of approved programmes and legislative mandates of the Organization. Implementing partners shall be responsible and accountable for the effective use of the Organization's resources and shall work with the Organization to achieve a common purpose or undertake a specific task as specified in a formal agreement.	Including: 1. Organizations of the United Nations system 2. Governmental organizations 3. Intergovernmental organizations 4. NGOs 5. Not-for-profit organizations	
DESA	**DESA interim guidelines on implementing partners and grants** An "implementing partner" is an entity to which DESA has entrusted the implementation of programme activities and/or projects specified in a signed agreement, and accountability for the effective use of DESA resources and the delivery of outputs as set forth in the agreement.	The entities can be: 1. Organizations of the United Nations system 2. Governmental organizations 3. Intergovernmental organizations 4. NGOs 5. Not-for-profit organizations	
OCHA	**Grant agreement** (signed between OCHA and its NGO implementing partners) "Implementing partner is apolitical and not profit-making, has demonstrated the capacity required to implement the activities involved in this agreement, and has agreed that they shall be undertaken without discrimination, direct or indirect, because of race, ethnicity, religion or creed, status of nationality or political belief, gender, handicapped status, or any other circumstances".	1. United Nations system agencies/organizations 2. Red Cross/Red Crescent movements 3. International and national NGOs	

Organization	Definition and description	Categories of implementing partners	Other types of partnership
UNEP	**Supplement to the Financial Regulations and Rules of the United Nations (ST/SGB/2015/4 and ST/SGB/2015/4/Amend.1), Rule 201.4** (d) "Implementing partner" means an entity to which UNEP has entrusted the implementation of programmes and projects specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of resources and the delivery of outputs as set forth in such a document. **Draft 2020 partnership policy and procedures** A partnership is a voluntary and collaborative relationship between parties, in which all partners agree to work together to achieve a common purpose or undertake a specific task and, as mutually agreed, to share risks and responsibilities, resources and benefits. (See General Assembly resolution 73/254, adopted on 20 December 2018, entitled "Towards global partnerships: a principle-based approach to enhanced cooperation between the United Nations and all relevant partners")	1. Organizations of the United Nations system 2. Governmental organizations 3. Intergovernmental organizations 4. NGOs 5. Not-for-profit organizations Draft 2020 partnership policy and procedures	**Draft 2020 partnership policy and procedures** **Multi-stakeholder partnerships, cooperation partnerships, implementation partnerships and donor partnerships** **Guidelines on the use of legal instruments (2014)** Includes: • Small-scale funding agreement (for less than $200,000; to be transferred to governmental entities, NGOs) • Project cooperation agreement (for more than $200,000; to be transferred to governmental entities, NGOs) • United Nations-to-United Nations agreement signed with United Nations entities to transfer/receive funds for programmatic implementation) • Letter of agreement, part B (signed with United Nations entities to transfer/receive funds for programmatic implementation)
UNHCR	**UNHCR financial rules** "An entity to which UNHCR has entrusted the implementation of programmes and projects specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of resources and the delivery of outputs as set forth in such a document".	1. Governmental organizations 2. Intergovernmental organizations 3. Non-governmental bodies 4. United Nations organizations 5. Another non-profit organization	**Standby partnerships:** to improve the efficiency and predictability of emergency responses. Standby partners, after signing an agreement with UNHCR, maintain a standby capacity of personnel or equipment that can be rapidly deployed. **Operational partnership:** working towards a common objective but with no transfer of funds. Instrument: memorandum of understanding.

Organization	Definition and description	Categories of implementing partners	Other types of partnership
UNODC	**UNOV/UNODC partnership policy** An "implementing partnership" is an arrangement through which UNOV/UNODC entrusts the implementation of programme activities to an external partner referred to as the implementing partner, a non-profit entity. The work of the implementing partner takes place within the framework of a UNODC project or programme and is reflected in a legal agreement.	The following non-profit entities: 1. United Nations entities 2. International financial institutions 3. Intergovernmental organizations 4. Government entities 5. CSOs (including NGOs, CBOs and academic institutions)	**Grants** (end-beneficiary type of engagement) for which the amount is limited to $60,000.

UNRWA	UNRWA does not have its own definition of implementing partners but it has adopted the following definition:
	
	(United Nations Development Group HACT framework)
	
	"The implementing partner is the entity responsible and accountable for ensuring proper use of agency-provided resources and implementation and management of the intended programme as defined in the workplans".
		1. Governmental organizations
		2. Intergovernmental organizations
		3. United Nations organizations
		4. Eligible CSOs:
		   a) NGOs
		   b) CBOs
		   c) Another non-profit organization
			Financial: separate organizations come together in a recipient-donor relationship. Changes to organizational structure/control are sometimes required.
			
			In-kind: provision of goods or services, rather than money.
			
			Cost-sharing: partners provide different resources for a common purpose. Benefits/costs are shared.
			
			Grant match: one partner provides a grant, and the recipient provides a match in service, cash, maintenance or supplies. Benefits/costs are shared.
			
			Programmatic: an operational or technical relationship between two or more organizations that involves shared ownership, control, contributions and decision-making, although organizations continue operating independently. Each organization augments its existing capabilities (i.e. comparative advantages) with the resources of the other.

Organization	Definition and description	Categories of implementing partners	Other types of partnership
United Nations funds and programmes			
UNAIDS	**UNAIDS guidance for partnerships with civil society**, including people living with HIV and key populations Partnership: voluntary and collaborative relationships between various parties, both public and non-public, in which all participants agree to work together to achieve a common purpose or undertake a specific task and, as mutually agreed, to share risks and responsibilities, resources and benefits. Partnerships can be managed in a range of ways – through formal memorandums of understanding or through less formal arrangements.	Non-commercial entities: 1. Government institutions 2. NGOs 3. Research institutions 4. Non-profit academic institutions 5. United Nations agencies	Informal relationships, social movements, alliances and coalitions, networks, uniting collaborative and coordination mechanisms, participation in governance, funding mechanisms and formal partnerships (which can be in the form of memorandums of understanding, letters of agreement and collaborating centre agreements).
UNDP	**Programme and operations policies and procedures,** article 17 of UNDP financial regulations "The entity to which the Administrator has entrusted the implementation of UNDP assistance specified in a signed document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs, as set forth in such document".	1. Government 2. UNDP 3. United Nations system agencies 4. Civil society (national and international NGOs, academic institutions) 5. Non-United Nations intergovernmental organizations	**Implementing partner**: using the instrument "project document" for government entities or "project cooperation agreement" for CSOs. **Responsible party**: using the instrument "letters of agreement" and/or "responsible party agreement". **Grantees:** using low-value grant agreements. **Memorandum of understanding**: used to create an overall framework for cooperation, but it is non-binding, and if funds need to be transferred, an additional instrument should be used.
UNFPA	**UNFPA Financial Regulations and Rules, Regulation 2.1 (k)** "… shall mean, for UNFPA programme activities, the entity to which the Executive Director has entrusted the implementation of UNFPA programme activities specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of UNFPA resources and the delivery of outputs as set forth in such programme documentation".	1. Programme country Government or Governments 2. United Nations system entities (including UNFPA) 3. Intergovernmental institutions (not part of the United Nations system) 4. NGOs 5. Academic institutions	Non-financial general cooperation partnership using a memorandum of understanding general framework agreement. Grantee is used to build the capacity of small CBOs using a grant agreement.

Organization	Definition and description	Categories of implementing partners	Other types of partnership

UNICEF	**UNICEF HACT procedure, Definitions, para. 8**
	
	"Implementing partner is an entity that receives resources from UNICEF for programme implementation".
	
	CSO implementing partners are further defined as "non-profit, non-governmental entities designed to advance collective interests and ideas".
		1. Government entities, including ministries, semi-autonomous entities and local government
		2. Bilateral/multilateral/intergovernmental organizations
		3. CSOs, as defined by the UNICEF procedure for country and regional office CSO implementing partnerships:
		  a) International NGO (an NGO that has offices in more than one country)
		  b) National NGO (an NGO established in only one country)
		  c) CBO
		  d) Academic institution (a degree-conferring institution)
		4. Other United Nations entities may act in an implementing role (but HACT does not apply)
			Programme policy and procedure site:
			
			Global programme partnerships: voluntary and collaborative relationships on a larger scale.
			
			Partnerships with CSOs (formal, may or may not include exchange of resources):
			
			• Over $50,000: project cooperation agreement
			• Under $50,000: small-scale funding agreement
			
			Collaborative relationships with CSOs (informal, no exchange of resources):
			• Informal relationship: UNICEF routinely engages with CSOs informally, such as in advocacy initiatives and related activities
			• Memorandum of understanding: strategic alliances for shared proposals; if funds are involved, other arrangements need to be added

UN-Women	**UN-Women regulations and rules** "'Implementing partners' (also referred to as 'implementing agency') shall mean […] the entity to which the Under-Secretary-General/Executive Director has entrusted the implementation of assistance by UN-Women specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of the resources of UN-Women and the delivery of outputs as set forth in such document; as UN-Women uses both implementing partners and responsible parties, they are together termed as 'programme partners'".	1. Government entities 2. CSOs, including CBOs, NGOs, youth-led organizations, organizations of lesbian, gay, bisexual and transgender persons, faith-based organizations and academic institutions 3. UN-Women (through direct implementation) 4. United Nations system agencies/organizations 5. Intergovernmental organizations	**Small grants agreement**

Organization	Definition and description	Categories of implementing partners	Other types of partnership
WFP	**WFP framework for vendor sanctions** "Cooperating partner" means a non-profit non-governmental entity that receives payment from WFP other than pursuant to the WFP procurement process, for the purpose of cooperating with WFP. The new directive to define "cooperating partner" in the context of the vendor sanctions framework is being developed as follows: a cooperating partner, formerly referred to as an "implementing partner", means a non-profit entity that enters into a contractual relationship with WFP for the purpose of assisting in the delivery of WFP work (including government entities, NGOs and United Nations organizations).		**Co-partner** (smaller partners working with the cooperating partner) **Consortiums, inter-faith partnerships, multi-stakeholder partnerships, advocacy partnerships, media partnerships** **Open and networked partnerships:** collaborations that are intentionally aligned around shared objectives, not in a regulated, formalized way **Small-scale/zero-cost commodity transfers** **Standby partners**
United Nations specialized agencies			
FAO	**Manual section 701** Operational partner: a legally registered non-profit entity (e.g. national government entities, NGOs, international NGOs, non-United Nations multilateral and intergovernmental entities, academic and research institutions) with which FAO enters into an agreement, as per this Manual section, and to which FAO transfers funds for the implementation of parts of a project, or an entire project, entrusted to FAO.	1. Government entities 2. NGOs 3. Non-United Nations multilateral and intergovernmental entities 4. Academic and research institutions	**Letters of agreement**: a letter of agreement is used to contract with an eligible entity to obtain services that are: not available in the private sector commercial market, or available in the private sector commercial market but more appropriately obtained from an eligible entity to support one of the following additional objectives: • Capacity development of the service provider: the capacity of the service provider located in the beneficiary country or region is to be developed in the process of delivering/providing the services (see Guidance Note 3 (ii)) • Capacity development of the beneficiary group(s): activities include provision of on-the-job training, skills transfer, learning-by-doing and/or other capacity development efforts

Organization	Definition and description	Categories of implementing partners	Other types of partnership
			• Partnership arrangements: activities are undertaken in support of a partnership established under a formal agreement with FAO that is relevant to and specifically addresses the services required. In these cases, the service provider may be referred to in the letter of agreement as the implementing partner. Furthermore, in support of the principles set forth in Manual section 507.1.1, the selection of the service provider must be transparent, impartial and well documented. Unless justified, the service provider will be located in the country where the services are to be delivered, or in the region if the letter of agreement is regional in scope **Memorandums of understanding** Exchange of letters: a more informal commitment with no funds transfer **Memorandums of understanding with non-State actors** **Letters of intent** **Formal relationships (including implementing partners)**

Organization	Definition and description	Categories of implementing partners	Other types of partnership

ILO	**ILO Internal Governance Documents System No. 270, paragraph 8, on implementing partnerships**
	
	"Implementing partner" means a legally recognized non-profit-oriented entity, which provides assistance to ILO as described in paragraph 6.
	
	Paragraph 6: "The ILO enters into agreements with implementing partners, which assist with the delivery of the ILO's substantive mandate in ILO development cooperation programmes, projects and activities. Irrespective of the source of funding, the assistance of implementing partners may be sought: (i) for strategic interventions on a long-term basis, in particular to build within a country or region the capacity of individuals and/or national institutions such as social partners; or (ii) for one-off undertakings with respect to specific programme/project outputs, either for the ILO or on behalf of the ILO (i.e., conducting research, surveys, studies, seminars, workshops or events, etc.)".
		1. Constituents of ILO and affiliated members of such a constituent:
		   (a) Governmental entities
		   (b) Employers' and workers' organizations
		
		2. Organizations carrying out non-profit-oriented work:
		   (a) NGOs
		   (b) Foundations
		   (c) Research institutions
		   (d) Educational institutions
		   (e) Intergovernmental organizations
		   (f) Others
			Grants

IMO	**An official definition is not clearly delineated yet** However, IMO has very recently developed a standard operating procedure with a clear definition currently being developed. Current reference to implementing partner agreements: "Agreements where IMO delegates the implementation of a particular activity to a third party. This may involve a transfer of funds from IMO to the third party".		**Memorandum of understanding: non-financial instrument**
UNESCO	**Administrative Manual, chapter 7.5** "Implementation partner: an entity to which UNESCO has entrusted partially or fully the implementation of programmes or projects specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of resources and the delivery of outputs as set forth in such a document. The partner receives funding through UNESCO to deliver the programme or project but must provide its own 'added value' in terms of a monetary or in-kind contribution".	1. Government entities 2. NGOs (with or without pre-existing relationship with UNESCO) 3. United Nations system agencies/organizations 4. Non-United Nations intergovernmental entities 5. Other: research institutes, universities, foundations, professional associations, etc. (From the 2019 partner identification and from the UNESCO Administrative Manual 7.5, implementing partners)	

Organization	Definition and description	Categories of implementing partners	Other types of partnership
UNIDO	**Procurement Manual, article 23.2** "23.2 Eligible types of project-executing entities 513. The types of entities that are eligible as project-executing entities include the following not-for-profit entities: • Government organizations • Intergovernmental organizations • Eligible CSOs, including NGOs. Eligible CSOs are those that are legally registered (if required) in the country where they operate • International, regional, subregional and national public organizations 514. Such organizations include specialized/technical institutions/centres, universities/training centres, bilateral and/or multilateral organizations, CSOs, NGOs, industry associations and chambers of commerce. 515. Investment and technology promotion offices, national cleaner production centres, international technology centres, subcontracting and partnership exchanges may be eligible as project-executing entities if they are legally and financially independent organizations and do not have the status of UNIDO-operated projects. In the event that such entities are still legally and financially bound to UNIDO, i.e., form an integral part of UNIDO, they may only be involved through a sub-allotment mechanism, subject to UNIDO rules and regulations. When such entities cease to be UNIDO projects, their successor entities may be eligible for consideration as potential project-executing entities".	Not-for-profit entities: 1. Government organizations 2. Intergovernmental organizations 3. CSOs, including NGOs (those that may be legally required to register in the country where they operate) 4. International, regional, subregional and national public organizations	**Light project executing agreement**
UNWTO	**There is no definition of the term "implementing partners".** Note: UNWTO is not a funding agency; thus, it does not have "implementing partners" in the sense of this questionnaire.		
WHO	The WHO definition of "implementing partner" is similar to the United Nations-wide description above: national government entities (including agencies or institutions); United Nations system agencies/organizations acting as implementing partners; non-United Nations multilateral and intergovernmental entities; non-State actors, i.e. NGOs and academic institutions that are legally registered, with which WHO enters into agreements and allocates resources to implement programmes or projects for the organization's beneficiaries.	1. Government entities (including agencies or institutions) 2. United Nations system agencies/organizations 3. Non-United Nations multilateral and intergovernmental entities 4. Non-State actors: NGOs and academic institutions	
WMO	**WMO standing instruction, chapter 13, Project management (2020)** is in the process of being revised.		

Annex II

Quantitative data

Table 1
Implementing partners' expenditure, 2013 to 2019

Organization/entity	2012 Implementing partner expenditure	Percentage	2013 Implementing partner expenditure	Percentage	2014 Implementing partner expenditure	Percentage	2015 Implementing partner expenditure	Percentage	2016 Implementing partner expenditure	Percentage	2017 Implementing partner expenditure	Percentage	2018 Implementing partner expenditure	Percentage	2019 Implementing partner expenditure	Percentage	2013/2014 Percentage
United Nations Secretariat and its departments and offices																	
DESA									1 294 037		5 924 303		9 665 641		4 321 066		
DPO	56 977 883	0.8	48 786 564	0.7	42 301 941	0.6	49 892 329	0.6	63 647 604	0.8	98 117 820	1.3	116 241 847		67 603 069		
DPPA			2 187 034						14 269 605	54.1	400 477	1.4	515 037	2.0	2 737 893	8.0	
OCHA									719 048 265		697 946 281		836 907 056		1 028 383 596		
UNEP							684 801 000		520 449 000		350 715 000	62.4	290 547 000	52.0	284 787 000	46.0	61
UNHCR	869 600 000		1 158 300 000	39.1	1 309 100 000	39.1	1 221 100 000	37.1	1 400 400 000	35.4	1 526 900 000	37.5	1 382 300 000	32.8	1 376 400 000	31.2	35
UNODC	9 955 317		22 543 773		29 676 674		36 704 890	15.2	37 701 392	16.3	23 335 512	8.1	88 201 346	26.5	38 170 243	10.2	13
United Nations funds and programmes																	
UNAIDS	101 050 176	38.9	122 552 060	42.8	115 709 772	41.3	119 922 867	42.3	76 596 332	34.3	86 269 495	39.8	69 984 420	33.9	95 113 360	41.0	
UNDP^a									1 980 901 000	42.5	2 223 352 000	43.7	2 006 144 000	39.4	1 800 262 000	36.7	59
UNFPA					270 232 925	32.6	272 057 398	35.0	254 485 470	33.3	277 868 046	36.9	320 368 592	36.7	359 845 656	38.5	29
UNICEF^b	1 196 073 045	33.0	1 378 249 956	33.8	1 673 360 014	36.7	1 887 960 188	37.1	1 967 271 750	36.1	2 118 100 381	36.1	2 176 143 836	36.5	2 241 517 686	35.8	29
WFP^c		0.0	225 543 000	5.0	277 692 000	5.3	327 077 000	6.8	357 629 000	6.7	380 107 000	6.1	450 736 000	6.8	538 924 000	7.1	16.5
United Nations specialized agencies																	
FAO^d	777 342		1 446 559		8 279 350	0.7	8 448 957	0.7	20 248 698	1.6	24 632 957	1.8	55 423 574	3.9	24 467 318	1.6	
ILO	3 874 929	0.6	13 311 989	1.7	16 178 330	2.1	14 819 777	2.0	15 363 156	2.3	37 333 271	5.1	29 528 342	4.0	44 258 130	5.5	2.75
UNESCO	4 883 722		40 065 710		24 771 085		28 670 561	4.0	20 304 136	3.1	29 147 920	4.2	33 815 290	5.0	34 909 185	5.5	4
WHO^b					236 960 094	10	269 920 905	10	235 734 084	10	192 377 013	7	216 789 127	9	305 536 673	10	25
Total															**8 212 594 955**		
Average																21	27

Source: Data on implementing partner expenditure are extracted from the annexes provided with the questionnaire responses; data on total expenditure are extracted from each agency's audited financial statements or annual reports.

[a] Data provided by UNDP on expenditure with implementing partners, minus expenditure with UNDP as its own implementing partner.

[b] UNICEF and WHO seem to have filled in the data on their implementing partner expenditure in the column meant for total organizational expenditure. This hypothesis is corroborated by the fact that total organizational expenditure for UNICEF and WHO found in their financial statements is much higher than what had been reported in the annexes to the questionnaire, indicating that it could indeed have been an error. The data provided were therefore considered to be implementing partner expenditure, instead of total expenditure for the organization.

[c] Table 1 includes direct expenditure to implementing partners, but not the value of food commodities and/or cash transfers delivered to programme beneficiaries through implementing partners; in the latest Grand Bargain annual report exercise, WFP reported that 30 per cent of its funding was transferred to local partners in 2019 and 26 per cent in 2020.

[d] Data provided by FAO for the purposes of this review cover only operational partners engaged under operational partner agreements governed by FAO Manual section 701 and do not include the data for implementing partners/service providers under FAO letters of agreements governed by FAO Manual section 507.

Table 2
Number of implementing partners, 2013 to 2019, and typology of partners[a]

Organization	2012	2013	2014	2015	2016	2017	2018	2019	National NGOs in 2019 (percentage)	International NGOs in 2019 (percentage)	Government (percentage)	United Nations system (percentage)
United Nations Secretariat and its departments and offices												
DESA					8	13	18	37	–	–	–	–
DPO	2	3	1	1	1	1	1	3	0	0	0	100
DPPA	1	2	1	1	6	8	7	8	0	0	0	100
OCHA					419	452	469	503	59.6	36.4	0	3.0
UNEP				1 054	861	719	1 219	1 520	–	–	41.9	5.9
UNHCR	961	953	911	949	954	1 035	1 077	1 126	63.0	16.9	18.2	1.7
UNODC	199	534	541	636	616	211	305	293	85.7	4.7	0.0	6.8
United Nations funds and programmes												
UNAIDS	385	678	441	437	336	307	432	413	–	–	22.0	–
UNDP[b]					2 898	2 949	4 513	4 660	–	–	65.0	6.3
UNFPA			1 510	1 799	1 659	1 609	1 673	1 714	–	–	39.2	1.6
UNICEF	10 770	10 501	10 532	9 998	9 821	9 851	9 583	9 310	28.7	8.9	57.0	2.60
WFP	10	81	211	648	957	943	896	872	77.3	14.7	7.2	0.50
United Nations specialized agencies												
FAO[c]		4	16	6	13	6	7	8	0	25	50.0	0
ILO	7	39	75	100	92	120	295	462	–	–	–	–
UNESCO	29	216	262	331	255	316	446	396	55.1	6	19.1	0
WHO			1 028	959	1 001	887	824	940	–	–	79	1
Total	**12 409**	**13 059**	**15 580**	**16 968**	**19 946**	**19 476**	**21 802**	**22 310**	**38**	**11**	**23**	**18**

  [a] A breakdown of the typologies of implementing partners was not provided at the same aggregation level by all agencies. Missing percentages can be attributed either to not indicating any sort of partner typology or to typology aggregation not corresponding to the level of aggregation chosen for this the present report (international NGOs, national NGOs, Governments and other United Nations entities).

  [b] Agreements indicated by UNDP as having used UNDP itself as an implementing partner were not considered when calculating the total number of implementing partners.

  [c] Data provided by FAO for the purposes of this review cover only operational partners engaged under operational partner agreements governed by FAO Manual section 701 and do not include the data for implementing partners/service providers under FAO letters of agreement governed by FAO Manual section 507. FAO indicated that by the end of 2019 it had a cumulative total of 63 signed operational partner agreements, with 57 partners engaged (19 government entities, 4 intergovernmental institutions or multilateral entities, 26 NGOs/international NGOs, 3 research institutions, 2 academic institutions and 3 United Nations organizations/entities). These numbers include only operational partners engaged under the operational partner agreements under Manual section 701. They do not include implementing partners engaged under letters of agreement under Manual section 507.

Annex III

Partnership policies, guidelines and standard operating procedures

Organization	Partnership policy	Implementing partner guidelines, standard operating procedures and other guidance (selection)
United Nations Secretariat and its departments and offices		
DESA	*Title:* DESA interim guidelines for grants and implementing partners *Date:* September 2018 *Ownership:* DESA *Mentions implementing partners:* Yes	• Types of activity that normally use an implementing partner modality versus procurement • Due diligence questionnaire • Template for routing slip submission to Capacity Development Office • Template for agreement with grantee or implementing partner • Template for Implementing Partner and Grantee Committee decision • Template for evaluation of implementing partner or grantee
DMSPC	*Observation*: Harmonized policy framework for the Secretariat is being worked on: key processes have already been embedded in the Umoja (systems, applications and products) tool and the grantor management module, which is used throughout the life cycle of the project implementation. The grantor module streamlines the interaction between the Secretariat and implementing partners. The Office of Programme Planning, Finance and Budget of DMSPC has issued guidelines on the preparation of agreements with implementing partners, which are currently being updated (by the second quarter of 2021).	• Baseline document for grantor management – release 1 • Implementing partner (grantor management module) changes introduced after release 1.0 • Guidance on testing the agreement with external parties • Implementing partner management – additional information
DPO	*Observation*: The Mine Action Service engages UNOPS on the basis of the umbrella memorandum of understanding between the United Nations Secretariat and UNOPS. It has internal guidance on engaging with NGOs, international or national, through direct grants.	
DPPA	*Observation*: DPPA follows guidelines provided by DMSPC.	• United Nations agency-to-United Nations agency contribution agreement

Organization	*Partnership policy*	*Implementing partner guidelines, standard operating procedures and other guidance (selection)*
OCHA	*Title:* Policy instruction on CBPFs *Date:* January 2015 *Ownership:* OCHA *Mentions implementing partners:* Yes *Observation*: OCHA owns the CBPF global guidelines (comprised of the operational handbook for CBPFs and the policy instruction on CBPFs), which are mandatory for all CBPFs. It represents minimum standards for CBPFs. Each CBPF develops its country-specific operational manual based on the operational handbook.	• OCHA strategic plan 2018–2021 • Operational handbook for CBPFs (its annexes contain sample grant agreements, due diligence and capacity assessment), launched in 2015 and updated in 2017
UNEP	*Title:* UNEP partner policy and procedures *Date:* First created 2011, updated in 2017 and revised again in August 2020 (draft) *Ownership:* Programme and Policy Division and Corporate Services Division *Mentions implementing partners:* Yes	• Supplement to the Financial Regulations and Rules of the United Nations • Private sector policy (2017) • Strategy for private sector engagement • Guidelines for the use of UNEP standard legal instruments (2014) • UNEP delegation of authority policy • Private sector partnership procedures and workflow (2017) • UNEP anti-fraud and anti-corruption guidelines • Memorandum on clarification of the roles of the partnership portal and the implementing partner module of Umoja Extension 2 • Memorandum on guidance for engagement with the hydrocarbon sector • Interim memorandum on the validity of due diligence of UNEP partners • Memorandum on the online partners portal, partnership process and procedures
UNHCR	*Title:* UNHCR partnership handbook *Date:* May 2019 *Ownership:* The Division of Strategic Planning and Results has established the Implementation Management and Assurance Service	• UNHCR strategic directions 2017–2021 • Enhanced UNHCR framework for implementing with partners • Selection and retention of partners for project partnership agreements • Partner declaration • UNHCR partners handbook, and related guidelines and standard operating procedures listed therein
UNODC	*Title:* UNOV/UNODC partner policy *Date:* October 2020 *Ownership:* External Party Engagement Unit	• Implementing partners management (UMOJA implementing partner module) • United Nations Secretariat agreement

Organization	Partnership policy	Implementing partner guidelines, standard operating procedures and other guidance (selection)

	Mentions implementing partners: Yes
	Observation:
	The first UNODC policy – the Framework for Engaging with External Partners – was promulgated in April 2014 and reviewed in 2017, which resulted in the simplification of certain procedures. The Framework was revised and renamed the UNOV/UNODC partnership policy in October 2020.
		• United Nations agency-to-United Nations agency
		• Contribution agreement
		• Project cooperation agreement
		• Grant agreement
		• Template for a request for proposals
		• Template for a call for proposals
		• Preliminary information report
		• Preliminary information report – government entity
		• Preliminary assessment report – restricted competition
		• Eligibility screening
		• Technical capacity assessment report
		• Project document
		• Project budget
		• Administrative capacity assessment for partners working with UNODC (minimal)
		• Administrative capacity assessment for partners working with UNODC (full)
		• Evaluation report
		• Monitoring timeline (no competition/restricted competition/open competition)
		• Request for amendment (budget increase and time extension) to agreement with an implementing partner or under a grants programme
		• Partnership policy for the engagement of external partners and annexes:
		  • Annex I: the "efficiency compact" sets out the accountabilities and timelines established throughout the engagement cycle
		  • Annex II: the manual sets out all process steps and includes templates as well as the grantor management module job aid
		  • Annex III: the process applicable to alternative development partners in country office in Colombia
		  • Annex IV: the terms of reference of the Committee on Grants and External Engagements

Organization	Partnership policy	Implementing partner guidelines, standard operating procedures and other guidance (selection)
UNRWA	*Title:* Partnerships Strategic Framework *Date:* 2015 *Ownership:* Department of Planning *Mentions implementing partners:* No *Observation*: The Partnerships Strategic Framework developed in 2015 has no reference to implementing partners. In 2017, UNRWA initiated a review of the Framework with a view to, inter alia, including reference to implementing partners, but it was put on hold owing to a decrease in available resources.	
United Nations funds and programmes		
UNAIDS	*Title:* UNAIDS guidance for partnerships with civil society, including people living with HIV and key populations *Date:* 2011 *Ownership:* Executive Office *Mentions implementing partners:* Yes *Observation*: There is no specific partnership policy. UNAIDS works with many types of partners, with many small contracts with CSOs that may not have the administrative capacity to adhere to heavy United Nations requirements.	• UNAIDS strategy 2021–2026 • Guideline on the preparation of project funding proposals • Justification memorandum for selection of implementing partners • Justification memorandum for guidelines to prepare funding agreements • Justification memorandum for programme funding agreement • Programme Review Committee submission form • Programme funding agreement for financial contribution to a technical programme project • United Nations agency-to-United Nations agency contribution agreement • Implementing partner self-assessment checklist for non-commercial contracts up to $100,000 • Clearance of final narrative and financial reports for non-commercial contracts
UNDP	*Title:* UNDP programme and operations policies and procedures, section on managing partnerships *Date:* December 2017 *Ownership:* Bureau of External Relations and Advocacy *Mentions implementing partners:* Yes *Observation*: The UNDP policy framework covering implementing partners can be found in the programme and operations policies and procedures. The partnership policy is also part of the programme and operations policies and procedures.	• UNDP programme and operations policies and procedures • Programme and project management • Selection of implementing partner • HACT • UNDP strategic plan 2018–2021 • Direct cash transfers and reimbursements

Organization	*Partnership policy*	*Implementing partner guidelines, standard operating procedures and other guidance (selection)*
UNFPA	*Title:* Policies and Procedures Manual *Date:* Most of the below was updated in 2021, with the exception of the "Selection, registration and assessment" and "Policy and procedures for using grants as a funding modality" sections, which were updated in 2016. *Ownership:* Several units at UNFPA own parts of the end-to-end partnership process and related policies. These include the Policy and Strategy Division (and its Strategic Information and Planning Branch), the Division for Management Services (and both the Quality Management Unit and the Finance Branch). *Mentions implementing partners:* Yes *Observation*: The Policies and Procedures Manual is where most of the policies related to implementing partners that were cited are housed. The latest policies revised were the workplan policy and the cash transfer policy (2021), which resulted in a risk-based approach to cash transfers and aligned programmatic reporting with financial reporting. The UNFPA partnership policies will undergo a major revision in 2021.	• Policy and procedures for the preparation and management of workplans • Policy and procedures for the management of cash transfers to implementing partners • Policy and procedures for the management of programme supplies • Policy and procedures for using grants as a funding modality • UNFPA Strategic Partnership Framework (2018–2021) • Selection, registration and assessment • Assessment process and technical guidance • HACT framework • Guidance note on programme flexibility in humanitarian situations • Guidance note on eligible direct programme costs
UNICEF	*Title:* UNICEF procedure for country and regional office CSO implementing partnerships *Date:* February 2019 *Ownership:* Division of Data, Analytics, Planning and Monitoring – Strategic Planning, Implementation, Monitoring and Reporting Section – Programme Implementation Unit *Mentions implementing partners:* Yes *Observation*: Other elements of partnership management and related procedures are owned by the Division of Finance and Administration (financial rules and regulations and internal controls framework) and the Office of Emergency Programmes (humanitarian procedures).	• UNICEF procedure on country office work planning for the implementation of UNICEF programmes of cooperation • UNICEF strategic plan 2018–2021 • Guidance for CSOs on partnership with UNICEF • Guidance on partnership with civil society consortiums • Instruction 1: selection of CSO for implementing partnership • Civil society partnership resource brochure • Government partnership resource brochure • Programme cooperation agreement • Programme cooperation agreement amendment template • Small-scale funding agreement template • Funding authorization and certificate of expenditure form • Standard quarterly progress report • Humanitarian report – submitted monthly or as agreed

Organization	*Partnership policy*	*Implementing partner guidelines, standard operating procedures and other guidance (selection)*
UN-Women	*Title:* Procedure for selecting programme partners *Mentions implementing partners:* Yes	• Programme policies and procedures • Programme formulation policy • Programme monitoring, reporting and oversight policy • Cash advances policy and procedure • Audit approach policy and procedure • UN-Women resource mobilization and partnership strategy 2018–2021 • Programme management and implementation procedure • Fast-track procedure for selecting programme partners • Partner agreement template • United Nations-to-United Nations agreement template • Partner selection procedure
WFP	*Title:* NGO partnership guidance *Observation*: The corporate partnership strategy was in place from 2014 to 2017, after which the partnership approach was mainstreamed in WFP, with specific partnership strategies/guidance developed as needed, e.g. private sector partnerships and fundraising strategy, and NGO partnership guidance.	• WFP strategic plan 2017–2021 • WFP corporate partnership strategy 2014–2017 • Private sector partnerships and fundraising strategy 2020–2025 • WFP partnership guidelines posted on the United Nations Partner Portal • Minimum control standards for managing third-party risks during emergencies • "Life cycle" standard operating procedures • Field-level agreement 2021, version 01 • Cooperating Partner Committee terms of reference • Implementing partner PSEA protocol
United Nations specialized agencies		
FAO	*Title:* Manual section 701, OPIM *Date:* 2015 *Ownership:* Project Support Division, New Operational Modalities Unit *Mentions implementing partners:* Yes	• Organization-wide policy on partnership • FAO policy on indigenous and tribal peoples • FAO strategy for partnerships with CSOs • Strategy for engagements with the private sector 2021–2025 • FAO strategic framework 2022–2031 • Manual section 507, Letters of agreement • Guidance for identifying appropriate approaches and related legal instruments • Guidance to FAO project formulator on budgeting for managing OPIM arrangements

Organization	Partnership policy	Implementing partner guidelines, standard operating procedures and other guidance (selection)
		• Guidance note on transferring contributions from one United Nations agency to another for the purpose of programmatic activities • Guide for disclosure of OPIM-related information to third parties • Decision tree: which instrument to use? • Workflow overview with OPIM steps for operational partnership arrangements • OPIM submission documents • Operational partner declaration • Terms of reference for operational partner assessment • Risk mitigation and assurance plan • Terms of reference for spot checks performed by third-party service providers • Funding authorization and certificate of expenditure form • Submission of OPIM proposal form

ILO	*Title:* Internal Governance Documents System, number 270 (version 2)
	Date: December 2017
	Ownership: Office of the Treasurer and Financial Comptroller
	Mentions implementing partners: Yes
		• Internal Governance Documents System number 270, annexes:
		  • Annex 1: matrix of roles and responsibilities
		  • Annex 2: templates
		• Minute sheet, "Request for approval of proposed implementing partner"
		• Minute sheet, "Request for approval of an amendment to the implementation agreement"
		• Checklist to prepare an implementation agreement
		• Implementation agreement and its annexes

IMO	*Title:* Guidance on partnership agreements, principles and standard operating procedures *Date:* October 2020 *Ownership:* The Department of Partnerships and Projects (established in March 2020) will own the standard operating procedure and any other policies related to partnerships *Mentions implementing partners:* Yes *Observation*: The document "Guidance on partnership agreements, principles and standard operating procedures" mentions implementing partner agreements. However, as mentioned in the questionnaire responses: "implementing partner agreements do not currently form part of the	• IMO standard operating procedures on partnership agreements

Organization	Partnership policy	Implementing partner guidelines, standard operating procedures and other guidance (selection)
	standard operating procedure but these will be incorporated in the standard operating procedure once procedures for implementing partner agreements are developed and approved". The document's main focus is the relationship with funding partners/donors.	
UNESCO	*Title:* Comprehensive partnership strategy *Date:* 2013 *Ownership:* Bureau of Strategic Planning *Mentions implementing partners:* No *Title:* Administrative Manual, item 7.5: Implementing partners *Date:* 2019 *Ownership:* Operations Division *Mentions implementing partners:* Yes	• Administrative Manual, item 7.5 – Implementing partners • UNESCO medium-term strategy 2014–2021 • Guidelines on HACT framework • Guidance for UNESCO implementation partner agreement risk matrix • Form AM 7-10 – Implementation partner agreement • Form AM 7-9A – UNESCO partner identification form • Form AM 7-9B – Selection form for an implementation partner • Form AM 7-11 – Financial template • Form AM 7-12 – Performance assessment of implementation partners • Form AM 7-20 – Call for partnerships • UNESCO due diligence review – extract from form AM 7.9A • UNESCO implementation partner agreement risk matrix • Call for partnerships (NGO) • Performance assessment from implementing partners
UNIDO	*Title:* Procurement Manual (article 23.2) *Date:* July 2018 *Ownership:* Procurement Services Division *Mentions implementing partners:* No	• Director General's Administrative Instruction No. 20 – Guidelines for the conclusion and administration of implementation arrangements with UNIDO partner organizations issued 3 March 2013 • Call for project execution • Application for disbursement • Risk monitoring and reporting • Project KPI tracking • Progress report • Final report • Official incident report • Project execution assessment report • Project execution agreement

Organization	Partnership policy	Implementing partner guidelines, standard operating procedures and other guidance (selection)
UNWTO	*Mentions implementing partners:* No, UNWTO does not have a partnership policy and/or implementing partner-related policy	
WHO	*Title*: Framework of Engagement with Non-State Actors *Date*: 2016 *Ownership*: Due Diligence and Non-State Actors Unit, Office of Compliance, Risk Management and Ethics *Mentions implementing partners*: No *Title*: Policy on engagement with global health partnerships and hosting arrangements *Date*: 2010 *Ownership*: Department of Health and Health and Multilateral Partnerships *Mentions implementing partners*: No	• Guide for staff on engagement with non-State actors • Handbook for non-State actors on engagement with WHO • Policy on engagement with global health partnerships and hosting arrangements • 13th general programme of work • eManual section XVI.2: Direct financial cooperation for governmental implementing partners and related standard operating procedures • eManual section XVIII: Engagement with non-State actors • Grant letter of agreement for non-governmental implementing partners (non-State actors) and related standard operating procedures

Annex IV

Dispersed responsibilities, implementing partner unit and database

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
United Nations Secretariat and its departments and offices			
DMSPC	The programme manager is responsible for the management of the implementing partner arrangement. Other key actors are finance and budget staff as well as legal and compliance staff. The set-up of tasks (Headquarters/field) varies by entity depending on its business model.		
DPPA	Each division is free to negotiate with and engage implementing partners in line with its approved projects.	Not applicable.	Not applicable.
OCHA	The Emergency Relief Coordinator holds authority over and is accountable for all CBPFs. The Coordinator monitors the performance of each fund through the Country-Based Pooled Fund Section at Headquarters and makes decisions on the establishment, reorganization and closure of funds. The Section is the focal point and is responsible for policy, operational (both administrative and financial) and programmatic issues related to the management of CBPFs. It supports OCHA country offices in the establishment, management and closing of CBPFs. At the country level, the humanitarian coordinator acts as the custodian of the CBPF on behalf of the Emergency Relief Coordinator. The humanitarian coordinator decides on the strategy for the use of the fund and ensures that the fund is delivering on its key objectives and is managed in accordance with the handbook. The humanitarian coordinator is supported by an advisory board, which advises the coordinator on the allocation of funds and other strategic issues. The OCHA head of office oversees the operation of the fund to support the humanitarian coordinator. As such, the head is responsible for the effective management of the fund according to the CBPF policy instruction and the handbook.	OCHA Headquarters/Country-Based Pooled Fund Section is the Headquarters focal point and is responsible for policy, operational (both administrative and financial) and programmatic issues related to the management of CBPFs. The Section supports OCHA country offices in the establishment, management and closing of CBPFs.	The Grant Management System is a web-based platform that supports the management of the entire grant life cycle for all CBPFs. It harmonizes business processes while catering to the special needs of each fund. It strengthens OCHA data analysis and information management capacity. It allows grant recipients to submit project proposals online. Financial and narrative reporting can therefore be done in real time, together with any project revisions. The system allows fund managers to oversee and monitor business processes. It is integrated with other related online systems. This real-time access to data allows OCHA to quickly provide information and analysis on questions raised, at both the field and the Headquarters level. It strengthens OCHA capacity to effectively implement a risk-based management approach. The system

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
	The Humanitarian Financing Unit is responsible for the daily management of all programmatic and financial aspects of the CBPF on behalf of the humanitarian coordinator and under the supervision of the OCHA head of office, in coordination with the Country-Based Pooled Fund Section. The Unit executes decisions of the humanitarian coordinator and organizes the process of allocating funds according to the handbook and the corresponding country-level operational manual.		monitors the speed and quality of different processes, including allocations, disbursement of funds, monitoring, reporting and audits. The system is an online web-based system and directly captures the data at each stage of the business process from the relevant stakeholder.
UNEP	Headquarters: Corporate Services Division/finance/implementing partners. No other implementing partner focal point(s) are currently established in UNEP.	The management of implementing partners is highly decentralized, in accordance with the delegation of authority of the individual offices. The Financial Management Service has created an implementing partner unit under the approved organization structure of October 2020. The unit consists of a staff member at the P-3 level (recruited in January 2021) and another at the G-7 level (under recruitment). The main functions of the unit include: • Implementing partner grants closure in Umoja, reviewing implementing partner legal instruments and making comments on the financial impact • Developing business intelligence reports from the Umoja Extension 2 grantor module to manage implementing partner advances • Analysing implementing partners with the aim of rating them, ensuring that receivables are offset before additional advances are authorized • Studying trends in implementing partner advances • Working with Monitoring and Evaluation Advisers, the Global	The UNEP internal online portal centralizes the information about UNEP partners, including due diligence and agreements.

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
		Environment Facility, OzonAction and European Union offices to implement strategies for implementing partners	
UNHCR	Partnership-related roles and responsibilities are embedded within accountability frameworks, job descriptions, policies and procedures, etc. The main entity responsible for maintaining the framework for implementing with partners is the Implementation Management and Assurance Service within the Division of Strategic Planning and Results. The Service is comprised of two units: Operational and Partnership Management (for partnership management) and Quality Assurance and Systems Coordination (for programme management). In addition, other key divisions/services within headquarters include the Department of Finance, the Inspector General's Office, the Partnership Coordination Service in the Department of External Relations, and the Legal Affairs Service. At the regional level, partnership responsibilities feature within programme, project control, monitoring, controller and risk management functions. At the country office level, responsibilities are vested within programme and project control functions and in the responsibilities of persons involved in multifunctional teams.	The main entity responsible for maintaining the framework for implementing with partners is the Implementation Management and Assurance Service within the Division of Strategic Planning and Results.	The corporate implementing partner database is the UNHCR ERP system (Managing Systems, Resources and People). The system is the organization's integrated suite of applications covering partnership management, among other things. Based on set roles and permissions, country-level access is granted to field staff to create partnership agreements, to record partnership financial transactions and to administer and report on various types of partnership management-related information. The system is fed by a number of interrelated systems, including the UNHCR results-based management system, the United Nations Partner Portal and, in future, the Project Reporting, Oversight and Monitoring Solution.
UNODC	The organizational unit responsible for facilitating the engagement of external partners is the External Party Engagement Unit, based at headquarters, which supports both headquarters and field offices. The Unit holds the approving role in the grantor management module. It works closely with the committee on grants and external engagements, the independent advisory body established to ensure that engagements with external partners comply with the guiding principles as laid out in the policy. Contract management is the programme manager's responsibility.	The organizational unit responsible for facilitating the engagement of external partners is the External Party Engagement Unit, based at headquarters, which supports both headquarters and field offices.	The Unit maintains a record of all engagements since its inception.

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
UNRWA	Not applicable.	There is no dedicated unit or focal point for the management of implementing partners.	UNRWA does not have a corporate database on implementing partners as it is considered unnecessary in the light of the level of engagement that UNRWA has in relation to implementing partners.
United Nations funds and programmes			
UNAIDS	The management of agreements with implementing partners is delegated to the office or unit sourcing//funding the agreement. UNAIDS has many small implementing partner agreements and it is not efficient to have a centralized implementing partner unit or focal point.	No.	Implementing partners and their assessments are included in the ERP system.
UNDP	Policies, procedures, tools and guidance are developed by policy owners at headquarters offices across the world. Leadership of programming bureaux (i.e., regional bureaux) is responsible for ensuring that all programming units (i.e., country offices) are aware of the requirements and fully capacitated to execute their functions. Programming units, such as country offices, are the units that select, engage and manage implementing partners for the projects in their unit. Independent offices, such as the Office of Audit and Investigations and the Independent Evaluation Office, play critical assurance roles. Headquarters bureaux and independent offices: • On project management and the partner capacity assessment tool: Bureau for Policy and Performance Support/Effectiveness Group • On financial management, fraud and HACT: Bureau for Management Services/Office of Financial and Resources Management • On audit and investigations: Office of Audit and Investigations • On social and environmental standards: Bureau for Policy and Performance Support/Effectiveness Group • On evaluation: Independent Evaluation Office • On legal issues: Bureau for Management Services/Legal Office	UNDP does not have a dedicated central focal point for the management of implementing partners.	UNDP records all project-related transactions with respect to implementing partners in its ERP system. Transactions are current and in real time, and the ERP system is accessible to all UNDP personnel. UNDP published the site open.undp.org, which presents detailed information on its more than 5,000 development projects in some 170 countries and territories worldwide, enabling users to find project information categorized broadly by location, funding source and focus areas.

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
UNFPA	At headquarters, several units at UNFPA own parts of the end-to-end partnership process and related policies. These include the Policy, Strategic Information and Planning Branch in the Policy and Strategy Division and the Quality Management Unit and Finance Branch in the Division for Management Services. The Chief of the Quality Management Unit is the corporate HACT focal point. The PSEA coordinator in the Office of the Executive Director is the corporate PSEA focal point who works closely with the Policy and Strategy Division and is responsible for implementing the implementing partner protocol on PSEA. At regional offices, IOM and Monitoring and Evaluation Advisers are often HACT focal points. Regional offices have Last Mile Assessment and PSEA focal points. At country offices, IOM, finance or programme associates or assistants, or monitoring and evaluation specialists are usually HACT focal points. Country offices have Last Mile Assessment and PSEA focal points.	There is not one focal point for implementing partners, as several units are responsible for tasks relating to implementing partners at different levels of the organization.	UNFPA currently has several corporate databases for implementing partners that are being integrated into the current development of the new UNFPA ERP system as well as with the United Nations Partner Portal as applicable: • Partner Information Management System – registration • Global Programming System – workplan, workplan progress reports and funding authorization and certificate of expenditure • Implementing partner assurance system, for HACT – microassessment, assurance planning, spot checks, audits, follow-up Information is accessible, available at the country office level and used/entered by country offices. Updates for the Partner Information Management System and the Global Programming System are instantaneous. Implementing partner assurance system updates are usually daily.
UNICEF	As implementing partnerships are key implementation modalities, aspects of implementing partner management are spread among various roles in the organization.	There is no dedicated unit. In the Programme Implementation Unit of the Strategic Planning, Implementation, Monitoring and Reporting Section of the Division of Planning, Monitoring and Reporting, there is a team dedicated to HACT, partnerships with CSOs and working with government implementing partners. The Office of Emergency Programming also has an Inter-Agency and Humanitarian Partnerships Unit. The Division of Communications also has a Civil Society Partnerships Unit.	Information on implementing partners is available through multiple platforms/reports/dashboards. The United Nations Partner Portal has over 15,000 partners registered. The UNICEF ERP system has list of all active and former partners. The eTools partnership management system has detailed information on existing partnerships, including monitoring and assurance.

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
			The inSight platform has numerous reports and a dashboard on cash transfers and implementing partners.
UN-Women	At headquarters, for policy and procedures and systems, oversight and assurance planning and implementation, responsibility rests with the Chief of the Programme Support and Management Unit and the Head of the Programme Support Unit. At regional and country offices, responsibility is delegated to the heads of office, who further subdelegate it to office personnel in line with the delegation of authority and internal control framework.	At headquarters, for policy and procedures and systems, oversight and assurance planning and implementation, responsibility rests with the Chief of the Programme Support and Management Unit and the Head of the Programme Support Unit.	Partner and Grant Agreement Management System was implemented in February 2020 and provides a corporate partner database. The information is available at both the headquarters and country levels. It is a real-time system.
WFP	At headquarters, the NGO Partnerships Unit acts as a custodian of cooperating partnerships, functioning as both a focal point for NGO partners in their interactions with WFP at the corporate level and a resource centre for regional bureaux and country offices by providing guidance and standards. Key functional roles of the second line of defence are ensured by, among others, the Chief of the NGO Partnerships Unit, the Global Technical Adviser and the NGO Partnership Officer (Risk Management). Different functional and technical divisions at headquarters oversee different policy set-ups with relevant expertise, in consultation with the NGO Partnerships Unit when cooperating partnerships are involved, including the Ethics Office on PSEA, the Enterprise Risk Management Division on anti-fraud and anti-corruption and the risk management framework, the Partnership and Advocacy Department on the overall partnership strategy and the Programme and Policy Development Department on different programmatic areas. At the country office level, the staffing establishes a focal person or persons on cooperating partnerships and administers the partnering process in compliance with the standard guidance. Country directors have a delegated authority to enter into a specific partnership without any threshold, while	The NGO Partnerships Unit is a central focal point in managing cooperating partners. While no terms of reference are available in the form of documents, the Unit's roles and functions are continuously updated on both the WFP intranet and its external website. Its staffing level has more than doubled in recent years, reflecting additional investment in the function, resulting in a total of seven staff members currently attached to the Unit.	While the data on cooperating partners are stored and managed independently across different information systems on finance (WFP Information Network and Global System), programme (Country Office Monitoring and Evaluation Tool), commodity management (Logistcs Execution Support System) and the partnership process (United Nations Partner Portal), WFP is integrating different data sets into a common interface (DOTS) in a phased manner, which enables data extraction from different databases. It is being expanded to country offices and any internal party in need of partnership data in 2021, and continues to evolve by widening its access to additional data sets through the digitization of end-to-end partnership processes.

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
	following set decision-making processes involving the Cooperating Partner Committee. Regional bureaux functions assume primal responsibility for managing the second line of defence with regard to partnership management by providing customized guidance to country offices and coordinating different policy and operational matters in liaison with the headquarters divisions and country offices under their respective coverage. However, their structure is diverse depending on the operational needs and priorities in the region.		
United Nations specialized agencies			

FAO	The following actors are involved in the management of the operational partnership during project implementation:
	• Deputy Director General (headquarters): approves submissions, operating partner agreements and their amendments, issues delegations of authority to budget holders to sign operating partner agreements and amendments, and approves annual OPIM purchase orders
	• Project Service Division (headquarters):
	  • Provides quality assurance for the operational partner agreements/amendments prior to final approval by the Director Deputy General for Outreach and Partnership
	  • Establishes appropriate monitoring protocols to obtain feedback on implementation and compliance;
	  • Provides help desk support and training on policy as well as operational matters during formulation and implementation
	  • iv) Provides quality assurance of annual purchase orders for operational partner agreements prior to approval by the Deputy Director General
	  • Budget holder (could be at the country/region/headquarters level): is responsible for the overall management and compliance of OPIM arrangements
	  • Lead Technical Officer (could be at the country/region/headquarters level): is responsible for
		The Project Support Division is the business owner in FAO for dealing with operational partners engaged under Manual section 701, with a dedicated unit responsible for operational modalities, including OPIM.
		The responsibilities of the Unit are as follows:
		• Establish procedures and provide advice, support, training and guidance on OPIM
		  • Review OPIM proposals to verify compliance with the provisions of Manual section 701, adequacy of the risk mitigation and assurance plan and related budget, provide advice and make appropriate recommendations to project formulators and the Deputy Director General
		  • Obtain inputs from regional offices, relevant headquarters divisions or services and other stakeholders as required
			FAO has a corporate database of operating partners having already undergone a capacity assessment, which can be accessed worldwide at headquarters and in the field and helps to determine whether a prospective partner has recently been subject to an assessment upon which reliance may be based. The database is continuously updated. FAO is also considering joining the United Nations Partner Portal.

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
	monitoring and certification of the technical quality of each operational partner's activities	• Provide clearance of the proposed arrangements prior to final approval by the Deputy Director General • Provide backstopping and strengthen organizational capacity to engage in OPIM arrangements to ensure adequate due diligence and oversight over projects implemented through operational partners • Establish appropriate monitoring protocols to obtain feedback on implementation and compliance • Make recommendations to the Deputy Director General on relevant policy issues based on implementation experience and propose modifications to Manual section 701, relevant guidance and procedures, as required	
ILO	The headquarters manager or country office director is the approving authority (selection and financial approval) for agreements with values lower than $50,000, together with the headquarters director or regional office director. The headquarters director or regional office director is the approving authority (selection and financial approval) for agreements with values between $50,000 and $300,000. The headquarters director or regional office director is responsible for selection for agreements with values above $300,000, while the Chief of Budget and Finance is responsible for giving the financial approval.	No.	No.

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
IMO	There is no central actor for the management of implementing partners. The various organs deal with these partners separately. The newly created department (once adequately staffed) will be entrusted with the development of policies and procedures with respect to implementing partners, but the implementation and management of the partners will be left to the different organs.	No dedicated unit for the management of implementing partners.	No.
UNESCO	The comprehensive UNESCO partnership strategy is the responsibility of the Bureau of Strategic Planning in the Operations Division. It is responsible for the implementation partnership policy and its implementation (ownership transferred to the Division from the Bureau of Financial Management in May 2019) and for related operational guidance. Mandatory consultation with the Division is required for high-value/high-risk implementation partner agreements and those subject to Contracts Committee review. Approving authority: responsibility and authority for the selection of implementation partners rest with the relevant Assistant Directors General, directors of bureaux or heads of field offices, often referred to as the approving authority. Where the value of the funds transferred to the implementation partner amounts to or exceeds $150,000 in a calendar year (January to December), the Assistant Directors General of the sector, the directors of bureaux or the heads of field offices shall forward the proposed implementation partner agreement, together with the supporting documentation, for review and recommendation to the Contracts Committee (current membership comprises representatives from the Bureau of Financial Management, the Legal Affairs and Programme Sectors and the Bureau of Strategic Planning. Programme specialist or project officer: entrusted with the authority to decide on the need to establish a contract or agreement with a third party and to accept deliverables based on a contractual agreement. Administrative Officer: as per Administrative Manual, appendix 3.3 A, Financial Rule 5.11 (paras. (e) and (f)), the Administrative Officer as the certifying officer ensures that the	The Operations Division (at headquarters) is the overall business owner for the implementation partnership policy and its implementation. The Division is headed by a Director of Operations. The day-to-day management of implementation partners is under the leadership of the Chief of Procurement and Contracting, with a dedicated focal point (Contracting Officer) for the implementing partners. Ownership was transferred to the Division from the Bureau of Financial Management in May 2019.	Implementation partners are registered as any other vendor in the UNESCO vendor database. Information is not easily traceable and not really used for sourcing, monitoring or reporting on implementation partners.

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
	proposed commitment "conform[s] to existing policies and procedures [and] the amount to be paid is reasonable". Partnerships evaluation team: refers to members of the "contracting unit" comprising the responsible programme specialist or project officer/certifying officer and the approving officer of the proposed agreement. More recently, efforts have been made to have dedicated local/regional contracting officers to provide substantial support locally.		
UNIDO	• Technical Cooperation departments • Global Environment Facility/Green Climate Fund Coordination Office • Procurement Services Division: provides day-to-day advice and guidance on UNIDO procurement policies, principles and procedures and their interpretation, in consultation with the Office of Legal Affairs, where necessary. • Department of Finance • Evaluation and Internal Oversight • Programmes, Partnerships and Field Control • External Relations and Policy Research	There is no dedicated unit, but the Procurement Services Division is the central focal point. The Chief is responsible for assigning responsibilities within the Division to oversee the engagement.	There is currently no specific flagging of implementing partners possible in the UNIDO ERP; such a spreadsheet-based approach captures some data. The information on implementing partners is at the country level and is constantly updated with information on the partners and any other information that would be important for staff.
UNWTO	Not applicable – UNWTO does not have a partnership policy and/or implementing partner-related policy.	Not applicable.	Not applicable.
WHO	There are various organizational actors involved in implementing partner management. Policies, procedures and controls are set at the central level and monitored centrally, but day-to-day management of individual agreements with implementing partners is by the unit/county office responsible for the delivery and budgeted priorities of the programme.	There are various organizational actors involved in implementing partner management.	Basic implementing partner information is stored in an ERP supplier database. A SharePoint site is available for storing implementing partner assessments and assurance activities but is not consistently in use. WHO is looking to include an implementing partner database in its new ERP system, which will go live in 2024 according to plan. WHO is exploring the possibility of starting to use the United Nations Partner Portal.

Organization	Organizational actors/mechanisms, staff/personnel and/or focal point(s) involved in and tasked with the management of implementing partners	Dedicated unit or central focal point for dealing with the management of implementing partners	Organizational database of implementing partners
WMO	The Project Management and Implementation Unit located at headquarters is responsible for overall project management under its responsibility, but not for management of the implementing partner itself.	No.	

Note: UN-Habitat, UNOPS, ICAO and WIPO did not respond to the questionnaire.

Selection process for implementing partners and extension of implementing partner agreements

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
United Nations Secretariat and its departments and offices		
DPO	Mine Action Service field programmes are implemented through UNOPS, which the Service engages centrally on the basis of the umbrella memorandum of understanding between the United Nations Secretariat and UNOPS. The Service also engages with non-profit organizations through the direct grant modality. These grants are endorsed by the Grants Committee that comprises the Director of the Mine Action Service, the Chief of the Budget, Financial Management and Reporting Section of the Mine Action Service, the DPPA-DPO Executive Office and the Assistant Secretary-General for Rule of Law and Security Institutions. The grant agreement with the implementing partner is signed by the Director of the Mine Action Service.	The signatories of the financial agreement or grant agreement would also sign any extension or other amendment to the agreement.
DPPA		Not applicable.
OCHA	The global guidelines for CBPFs provide guidance to review and select project proposals from implementing partners: 1. CBPFs first develop an allocation strategy based on the priorities and criteria set forth in a needs assessment. 2. Eligible partners submit their projects in the Grant Management System. 3. Projects proposals undergo a strategic review, conducted by a pre-established review committee (composed of United Nations, NGO and cluster representatives) to identify the projects considered best suited to addressing the priority needs identified in the allocation paper. Projects are shortlisted by the strategic review committees based on their strategic relevance assessed in scorecards. 4. The list of shortlisted projects is presented to the Advisory Board, which provides overall feedback and raises questions on the project shortlist to the humanitarian coordinator and OCHA. 5. The Humanitarian Financing Unit submits the list of shortlisted projects to the humanitarian coordinator for endorsement. 6. Once endorsed, implementing partners will be informed of their selection, and a technical and financial review of projects will be completed (by a pre-established technical review committee composed of field experts from the United Nations, NGOs and clusters). *Observation*: Fast-tracking is possible for emergencies: CBPFs may launch a reserve allocation for rapid and flexible allocation of funds. The allocation strategy may be in an email in lieu of an allocation	Not applicable, project-based.

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
	strategy paper. The humanitarian coordinator may preselect the implementing partners that will be allowed to submit a project proposal, based on the recommendation of clusters providing a list of implementing partners with the adequate operational presence and capacities.	
UNEP	2011 partnerships policy and procedures Draft 2020 partnership policy and procedures (The key stages of the UNEP selection and engagement processes are outlined in these documents.)	Guidelines on the use of legal instruments (2014) Assessment of whether there is a need for more time to implement the agreement or to adjust the workplan or whether there are changes in the donor agreement that have an impact on the implementing agreement.

UNHCR	The establishment of an effective partnership with the following main subprocess:
	  1) United Nations Partner Portal registration:
	    • Partner self-introduction and registration
	    • Partner vetting by UNHCR
	    • Interactive communication and knowledge hub
	  2) UNHCR standard for selection/retention of the best-fit partner for a given project:
	    • Establishment of Implementing Partnership Management Committee (multifunctional) in each country of operation
	    • UNHCR "call for interest" in undertaking the project
	    • Partner expression of interest in participating in UNHCR-funded project
	    • Objective assessment and recommendation by the Implementing Partner Management Committee
	    • Decision by the UNHCR head of office
		The partnership extends for a period of two UNHCR programme cycles. However, at the end of the first year a desk-review is conducted to ensure that the operation requires the retention of the partner and that performance is adequate. If the desk review does not conclude with advice to retain the partner past the first year, this should be referred to the Committee and the final decision will be taken by the head of office.
		End of first year: Programme Unit desk review to determine retention.
		End of second year: thorough review by the Committee to determine retention.
		End of third year: Programme Unit desk review to determine retention.
		End of fourth year: need for a new selection process.

UNODC	1) Decision on implementation modality and setting out the intention to engage with a partner in the project document (which can also be incorporated in the document at any time).
	  2) Identification: identification through a non-competitive process (applies to United Nations entities, intergovernmental organizations, international financial institutions, regional organizations, Governments and entities specified in writing by the donor as a prerequisite for the funding), as follows:
	    • Capacity assessment:
	      • United Nations entities, intergovernmental organizations, international financial institutions and regional organizations do not have to go through capacity assessment
	      • Governments and other entities with a budget of more than $150,000 have to go through full capacity assessment	

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
	• Governments and other entities with a budget of less than $150,000 or that have gone through a capacity assessment by UNHCR in the past five years have to go through a minimum capacity assessment • Identification through a non-competitive process (applies to NGOs, CBOs and academic institutions) • If proposed budget is below $150,000 or if there are five or fewer possible partners, the selection will involve restricted competition. Otherwise, it will be an open competition • For budgets over $150,000, the entity will undergo a full capacity assessment • Otherwise (or if the entity has already completed a full capacity assessment in the past five years), the capacity assessment will be minimal 3) Selection: in the case of no capacity assessment or of minimal capacity assessment, the External Party Engagement Unit submits the case file for approval immediately. In the case of full capacity assessment, the case file is submitted by the Unit to the Committee on Grants and External Engagements, which is responsible for making a recommendation. 4) Approval by staff with delegated authority.	
UNRWA	The UNRWA Partnerships Strategic Framework identifies four phases for partnership-building that could be applicable to implementing partners: research, outreach, negotiation and official partnership agreement, and clearance. Research phase: the Agency conducts a needs and comparative advantages assessment, a stakeholder analysis and a risk assessment and identifies the relevant partnership type (e.g. formal or informal). Whenever needed, a partnership task team may be set up. This phase can be managed by the department and/or field office concerned in consultation with the Department of Planning. Outreach phase: UNRWA reaches out for a first meeting with the target partner to determine whether and how to move forward. Negotiation phase: should both partners decide to move forward, this phase gives the opportunity to jointly identify synergies, bring other relevant stakeholders into the planning process and develop draft partnership documents that may include a concept note or a draft memorandum of understanding outlining the scope, focus areas, responsibilities and monitoring arrangements. Clearance phase: the draft partnership document is submitted to the Department of Legal Affairs and the Executive Office for clearance.	The process for extending the engagement with partners generally follows the process outlined for selection and engagement, with the following exceptions: (i) The research phase may not be needed provided that the findings of the initial research remain valid; (ii) There may not be a need for a partnership document as the extension could be pursued through a simple exchange of letters or as an addendum to the original partnership document if the extension was agreed before the original agreement has lapsed.
United Nations funds and programmes		
UNAIDS	The operating process for UNAIDS has always been to enhance community involvement in the AIDS response, and partners are selected accordingly.	Amendments to or extensions of agreements are possible. This requires mutual agreement, rationalizing or justifying needs for extension and approvals and reviews based on the ceiling of funds.

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
UNDP	UNDP may select an implementing partner from five different types of partner organizations. If a funding partner requires a specific implementing partner to be selected as a precondition of the funding and states this in writing, then this partner may be selected as long as adequate capacity is in place and the national Government agrees. The partner must: (a) Be accountable for delivering on the expected outputs in the time required, manage risks and sustain results after the project ends; (b) Ensure national ownership and broad stakeholder engagement; (c) Ensure sustainability of project results; (d) Provide sensitivity and neutrality in project implementation as required; (e) Carry out the key technical, financial and administrative capacities required for the project; (f) Deliver good value for money and accountability for resources. If multiple institutions meet the above criteria and it is not clear which is best placed to implement the project, then the selection of the implementing partner is made by assessing multiple potential partners. The selected partner must express willingness to serve as the implementing partner and this must be agreed upon by the Government concerned. If a CSO or NGO is best placed to be the implementing partner, there must be an evaluation of prospective partners, including an assessment of capacities to deliver. The partner capacity assessment tool is a mandatory tool that includes a partner prerequisite checklist and capacity assessment scoping to assist project developers to determine which capacity assessments (if any) need to be completed before the project is finalized and approved. The HACT micro-assessment is mandatory for responsible parties if the amount expected to be transferred exceeds or is equal to $150,000 per year at the partner level. The HACT threshold considers all projects being implemented by the partner with UNDP, not individual projects. The partner capacity assessment tool, including the HACT assessment, helps to identify capacity gaps.	If the extension of the engagement is for an ongoing project, the project board meets to decide to extend the length of the project, with the agreement of all parties concerned, and signs a project revision document. If a new project is being started with an implementing partner with which the office is already working, the capacity assessments may not need to be redone, depending on the length of time since the last assessment was completed.
UNFPA	The selection process outlined is not restricted to country offices. Regional and headquarters offices follow the same process. UNFPA also gives priority to government and national/local and women-led organizations. A country office identifies the results that it wants to achieve. Governments are given first priority. If a government entity is best suited to undertake the work, it is selected directly and UNFPA and the Government develop a workplan and begin implementation. When the Government is not to be the implementing partner, the country office can either follow a competitive (preferred) selection process or a non-competitive process (if the entity is best suited,	If the extension is related to the same set of results to be achieved and similar activities, the workplan is revised to extend the dates. If there will be an entirely new set of results to be achieved and/or a completely different set of activities from those that the implementing partner was originally selected to do, the country office must fill out the non-competitive selection template before revising the workplan.

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
	such as in terms of access to a population, or if no other implementing partner is available or trusted by beneficiaries).	
	If it follows a competitive process, the opportunity is advertised either through local media/networks or to targeted NGOs in the area. Once selected, if the partner is new to UNFPA, the UNFPA country office registers the implementing partner in the UNFPA partner information management system and signs an implementing partner agreement with the implementing partner; the implementing partner and UNFPA design a workplan, and implementation begins.	
	For NGO implementing partners, if the process is competitive, there is a review panel – consisting of UNFPA personnel and, possibly, someone from another United Nations organization – which makes a recommendation. The UNFPA representative makes the final selection decision.	
	If the NGO implementing partner is selected through a non-competitive process, the workplan manager fills out the non-competitive selection template and the UNFPA representative makes the final selection decision. If the estimated cumulative workplan total for the duration of the programme cycle is expected to exceed $500,000, the regional director must sign the completed template, approving the justification to use a non-competitive process.	
UNICEF	Selection is based on predefined criteria. Open and direct selection depend on current needs, comparative advantages and value for money, but open selection is encouraged. It is mandatory to provide an explanation and rationale whenever choosing direct selection.	These are outlined in the CSO procedure, step 4, Revisions.
	Under the open selection approach, UNICEF posts a partnership opportunity, also known as a call for expressions of interest, on a public platform such as the United Nations Partner Portal, making it visible to all CSOs.	All programme documents, small-scale funding arrangements and Programme Cooperation Agreement amendments require documentation and approval by UNICEF and CSO authorized officers. The approval level and documentation requirements vary depending on the type of change.
	Under the direct selection approach, UNICEF bilaterally reaches out to one or more CSOs via the United Nations Partner Portal or an offline platform to directly solicit their interest in partnership.	Unless the programme intervention has undergone a mutually agreed extension prior to its expected end date, it should be concluded on the end date.
	Direct selection may also be prompted if UNICEF receives an unsolicited concept note from a prospective CSO partner that aligns with the UNICEF programme strategy and resource availability.	No-cost extension: requires a programme document amendment; one of the parties fills in a request form and the other party's authorized officer must approve it by signing the programme document amendment form. Depending on the type/size of amendment requested, an internal review by the UNICEF Partnership Review Committee may be required.
	To formalize the partnership, a due diligence verification is conducted, verifying if the entity is non-profit, registered as per applicable laws or on a United Nations sanctions list or has any reputational risks. This is applicable to both national and international CSOs, with national ones being verified at the country level and international partners not yet listed on the "civil society partnerships" website being submitted to the Civil Society Partnerships Unit in the Department of Communication for verification by country offices.	

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
UN-Women	1) Selection of the best partnering approach: • Government or intergovernmental organization – to be sourced non-competitively • United Nations entities – to be sourced non-competitively • CSO partners – to be sourced competitively 2) Sourcing of partners: in the case of non-competitive selection, the partner develops a proposed project plan and budget according to the terms of reference and submits a written proposal to the project manager. In the case of a competitive process, either start with the call for expression of interest (optional step to be taken if the depth of the CSO market is not well known: the project manager should use the expression of interest process to broaden the pool of prospective partners) or go directly to a call for proposals: • Call for expression of interest process: project manager reviews the applicant's expression of interest submissions against the requirements of the terms of reference. Those meeting UN-Women requirements will be placed on a shortlist of potential programme partners • Call for proposals process: call for proposals shall be advertised on the UN-Women website for programme implementation 3) Review of proposals: • Non-competitive: using the terms of reference as the basis for the analysis and evaluation, the project manager should review the proposal and complete the justification note template for government, intergovernmental organization and/or United Nations entity understanding of results, budget and capacities • Competitive: the head of office or delegated authority appoints a technical expert and operations manager (informal technical evaluation committee) to review the proposals and create a shortlist of two or three proposals. Copies of the shortlisted proposals must then be presented to the head of office for review. The project manager submits the proposal of the highest-ranked CSO to the project manager for coordination of the capacity assessment (except if the partner has already undergone an HACT assessment in the past four years)	If during the course of the implementation, significant and material changes are made to the partner project document (change in results) or budget (more than 20 per cent of the original budget), then an amendment is required and must be first approved by the Project Appraisal Committee. Changes have to be made through the partner agreement amendment template. Changes to the text of the Partner agreement template may be made solely if fully justified and with the prior written approval of the Director of the Division of Management and Administration after clearance by the Legal Office at headquarters. Amendments cannot be made retroactively after the partner agreement has ended. In those cases, a new agreement will have to be concluded. If during the course of the implementation changes made to the partner project document are not substantive (outputs and outcomes remain the same and overall budget change is less than 20 per cent), no Project Appraisal Committee review is required.
WFP	For general food distribution, the call for proposals process follows the steps below (before partner selection); this applies to all categories of NGOs, but scoring is tilted towards local partners during the proposal review: • Completion of United Nations Partner Portal profile and verification of the partner • A capacity assessment and risk categorization plus documented mitigation actions will be done for use within the proposal review and final selection committee	A new call for proposals would reinstate this process and spot-checking/performance evaluation results would be triangulated with the existing review.

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners

	• The proposal review must be conducted by assigned units and sub-offices and include a technical and financial evaluation matrix (by technical units and the finance team) for final presentation at the Cooperating Partner Committee
	• Cooperating Partner Committee meetings for final assurance and selection:
	  • 0 (for waiver and direct selection only)
	  • 1 (for shortlisting of partners)
	  • 2 (for final field-level agreement presentation for signature)
	• Before the activity: a mandatory induction training will take place for this and other partner organizations, including training on all important aspects of WFP policies, including anti-fraud and anti-corruption and PSEA
	• Performance evaluation will be done by project closure and before becoming eligible for a new agreement, with input as needed from sub-offices and field monitors, as well as use of all reports and programmatic impact information
	• Spot check and invoice verification (mandatory based on country office threshold and risk category)
	• Documented improvement plan for all partners based on performance evaluation/spot check added to plan of operations and Cooperating Partner Committee note for the record when issues are found	

United Nations specialized agencies		
FAO	These are outlined in Manual section 701, the implementation section of the operating partner agreement and the OPIM handbook available to all FAO staff. After the operational partner agreement is signed by both parties, changes may only be made to the text via a written amendment duly signed by both parties. Changes have to be made through the operational partner agreement amendment template. All operating partner agreement amendments have to undergo quality assurance by the Project Support Division, require approval of the Deputy Director General at headquarters and require the Deputy Director General's written delegation of authority to sign the amendment. All amendments and extensions should be concluded before the operating partner agreement end date.	After the operational partner agreement is signed by both parties, changes may only be made to the text via a written amendment duly signed by both parties. The budget holder will immediately inform New Operational Modalities Unit (PSDN) of any changes regarding the operational partner's legal and/or organizational status and financial, administrative or technical situation. PSDN will review the outcome of the analysis prepared by the budget holder and, after due consultation with relevant stakeholders, advise the budget holder to consider one of the following: requirements for amendments to the operational partner agreement or potential termination of the operational partner agreement.

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
ILO	Any implementing partner, which is an organization carrying out non-profit-oriented work as defined in paragraph 8 (b), shall be selected following a documented comparison of proposals/concept notes submitted by potential implementing partners. The selection shall take into account their: (a) technical expertise; (b) institutional and financial capacity to carry out the programme/project activities and/or produce the outputs, and manage the funds entrusted to them; and (c) the financial proposal. This comparison is not required when the implementing partner has been approved by the donor in writing. In addition to the above conditions, the following eligibility criteria shall be confirmed before ILO authorized officials may approve the selection of an implementing partner: (a) the implementing partner falls within the categories identified in paragraph 8 (b) to the best knowledge of the ILO official submitting the request, the implementing partner has never failed to meet its obligations or been involved in any disputes, fraud or attempted fraud involving ILO or any other United Nations organization in the past; (c) the implementing partner is not identified on the United Nations Security Council Consolidated Sanctions List, the World Bank's listing of ineligible firms and individuals and lists of sanctioned and/or suspended vendors maintained by United Nations organizations and to the best knowledge of the ILO official submitting the request none of the funds received under the implementation agreement will be used by the proposed implementing partner to provide support to individuals, groups, undertakings or entities associated with terrorism; and (d) the implementing partner complies with other donor criteria specified in the funding agreement.	Where amendments to a signed implementation agreement are required, due to changing circumstances, the implementation agreement shall be amended in writing, prior to the effective date of such change, by means of an addendum to be signed by both parties. Implementation agreements shall not be extended beyond the closure date of the programme. The approval process shall be initiated by the project manager, who submits a minute justifying the reasons for the changes to the headquarters manager/country office director: (a) Reductions of the value of the implementation agreement, no-cost extensions or any amendment that does not affect the value of the implementation agreement shall be approved in writing by the headquarters manager/country office director or by the regional office director for implementation agreements processed by a regional office; (b) Any increase of the value of the implementation agreement (e.g. new or unplanned activities, variations in the deliverables, etc.) shall be approved in writing by ILO authorized officials. Modifications to the template implementation agreement and its annexes and the use of any alternative template shall be approved in writing by the Chief of Procurement in consultation with the Office of the Legal Adviser or the Chief of Budget and Finance, where appropriate or necessary.
IMO	The decision to engage an implementing partner at the country/field level for the delivery of technical cooperation activities is taken by the responsible technical officer at IMO headquarters on the basis of established practices and agreements/memorandums of understanding with the relevant partner, if applicable. However, most of the IMO implementing partners are other United Nations programmes/agencies, IMO member States and regional organizations.	The extension of the engagement primarily depends on the type of contractual relationship that the organization has with the implementing partner. Some agreements or memorandums of understanding are open ended while some have an expiry date and require renegotiation and extension/a new agreement.

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
UNESCO	The current implementing partner agreement policy (Administrative Manual 7.5, prior to the 2019 update) does not provide detailed guidance on the selection process (i.e., open advertisement as the best practice). Although it may have been enhanced by the application of a more formal assessment (including financial), the partners' selection is in line with Administrative Manual 7.5: • Choice of implementing partner delivery modality: the activities of the project that should be executed by the implementing partner are determined by the donor • Choice of specific category of implementing partner (for example, national or local NGO): competitive selection carried out in consultation with headquarters Procurement Unit. In many shortlisted applications there was an international NGO as the lead partner, which is responsible for developing the capacity of a national associate partner • Selection of a partner by comparing the preselected partners with the highest technical scores was carried out by a decentralized procurement unit (field office) with one-on-one meetings with the potential implementing partners There are two possible selection processes: 1) Direct selection: applicable in the case of strategic partnerships (with NGOs with previous ties to UNESCO or with governmental or United Nations entities) and cases in which the use of preselected partners was requested by the donor. 2) Comparative selection: when direct selection is not applicable. Direct selection stages: 1) The potential partner is asked to submit technical and budget proposals to achieve the desired results. In the case of donor-suggested preselected partners, these proposals may be compared with two or more potential implementing partners (mandatory only if the contract is above $150,000, but may be conducted even below the threshold to demonstrate value for money). Comparative selection stages: a call for partnerships is mandatory for all proposed implementing partner agreements with a value of over $150,000 (except for situations where UNESCO is the supervising entity of a project implemented through a preselected partner by the donor or with strategic partners such as the Government or another United Nations entity); in the case of such exceptions, the comparative advantage of the partner is fully documented at the outset of the contract: 1) A call for partnerships advertised for a minimum of 10 working days in the United Nations Global Marketplace and/or in local/professional media. 2) An evaluation team is established, comprising two to five staff members. 3) Prior to final selection, the partner deemed most capable of delivering must undergo a thorough assessment of its specific technical expertise, professional skills, procurement capabilities, staff resources and financial status and geographic coverage, as outlined above under partner vetting and selection steps.	

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
UNIDO	In order to support national ownership, the counterpart nominates the implementing partner for execution of the project through an official letter of nomination. If the Government is unable to identify a partner, the market is used to identify one. It is checked with the implementing partner to see if it has been assessed in the last four years using HACT or similar tools. If so, these reports are received and the recommendations are reviewed by UNIDO and an internal assessment is conducted. A project execution assessment report is created. If the engagement amount is more than 1 million euros (over the duration of the project), the case is submitted to the Procurement Committee for review and approval. Upon approval, the partner is cleared from an internal control perspective and the technical team may help to develop the different elements of the project, including budget allocation. The draft model agreements plus annex documents are shared with the partner so that it is aware of what agreement duration will be signed and will have these cleared prior to the project being approved by the funding partner. In case the partner has not been assessed, the HACT micro-assessment is conducted. The report is shared with the partner for confirmation and to identify mitigating measures. Once this stage is complete, the project execution assessment report is created and the above steps are taken. The above process takes place regardless of the partner's legal status.	Engagements are normally set up to run for the entire duration of the project. However, if necessary and agreed upon by the funding partner, an amendment to the agreement is executed. For the amendment, an updated workplan for the remaining activities is required, as well as clearing all open financial expenditure and progress reports.
UNWTO	UNWTO is not a funding agency. When UNWTO is receiving funding from a donor for the implementation of a technical activity, it may select implementing partners together with the donor, or based on the donor's criteria. Often the donor is a member State/Government and automatically becomes the implementing partner.	Not applicable.
WHO	1) Proposal: either a call for proposals or the receipt of a grant proposal from a prospective grant beneficiary (typically at the regional office/country office level) for undertaking a specific activity or project. This proposal should include an activity description, a results framework (goals, objectives and expected results) and a detailed budget to justify the requested amount. Pre-identified organization: this is possible if it is uniquely positioned to implement the activities owing to its expertise, access to a particular group of beneficiaries or geographic area (this must be clearly explained in the justification memorandum to be presented to the Grant Review Committee). Acceptance of a clause in a donor agreement that ties WHO to providing grant funding to an entity specified by a donor is strongly discouraged. 2) The WHO department, WHO country office or WHO responsible officer reviews the submissions. The responsible officer identifies selection criteria to assess prospective grantees consistently and fairly and evaluates the proposal against the selection criteria to determine which proposal merits funding. 3) Capacity assessment: • For United Nations agencies, once the proposal review process is complete the responsible officer prepares the justification memorandum	Letter of Agreement for Grants amendments that increase the total funding of an existing grant to more than $50,000 must be submitted to the Grant Review Committee. Amendments to Letter of Agreement for Grants already reviewed by Committee when the proposed increase represents more than 50 per cent of the initial grant amount must also be submitted to the Committee.

Organization	Key stages of the selection and engagement process	Key stages required for extending the engagement of implementing partners
	• Non-State actors with proposals for amounts of $25,000 or more must undergo a capacity assessment (sect. 2.4) before proceeding to the due diligence review. A capacity assessment need not be completed for a non-State actor that has previously been subject to this review (or formerly the technical assessment) and if the latest capacity review is less than two years old 4) Once a capacity assessment has been completed and the proposal approved for further consideration or if the non-State actor is exempt from the capacity assessment, the proposed engagement must be submitted to the relevant Framework of Engagement with Non-State Actors focal point, who decides to perform due diligence and risk assessment through a simplified procedure or to escalate to the appropriate unit for standard due diligence if the engagement is considered high-risk. 5) If the non-State actor is considered acceptable, the responsible officer prepares the justification memorandum signed by the WHO representative (at the country office)/Department Director (at the regional office or headquarters) (see sect. 4.2 for the justification memorandum template) to be submitted to the Grant Review Committee for final approval.	
WMO	WMO partnerships other than with member national meteorological and hydrological services are generally dictated by the project and donor, so there is no selection process in place.	Not applicable.

Annex VI

Status of acceptance and implementation of recommendations in JIU/REP/2013/4 and follow-up action proposed by the Joint Inspection Unit

Formal recommendations (JIU/REP/2013/4)	*Recommendation accepted*	*Recommendation implemented*	*Joint Inspection Unit assessment and follow-up action proposed*
Recommendation 1: The executive heads of United Nations system organizations should act to ensure that their respective partnership arrangements involving the transfer of United Nations resources to third parties (notably implementing partners) are clearly defined as being distinct from other types of partnerships not receiving United Nations funding, as well as from commercial contracts, in order to make sure that appropriate rules and regulations apply in the different cases	All organizations except: **UN-Habitat** (Not available) **UNODC** (Not available)	All organizations except: **UN-Habitat** (Not available) **UNODC** (Not available)	Building on the progress made, further actions are needed as outlined in chapter II and in line with recommendation 1
Recommendation 2: The executive heads of United Nations system organizations should ensure that key information on implementing partners such as expenditures by purpose (programme, project, activity, etc.), modality (e.g., national government entity, NGO/CSO, etc.) and evaluation of their performance are readily available in their organizations. Such key information should be reported regularly to legislative bodies, within the existing reporting mechanisms	All organizations except: **UN-Habitat (Not available)** **UNAIDS** (Not relevant) **UNODC** (Not available)	All organizations except: **FAO** (In progress) **UN-Habitat** (Not available) **UNAIDS:** – **UNIDO** (In progress) **UNODC** (Not available)	Building on the progress made, further actions are needed as outlined in chapter II and in line with recommendations 2, 3 and 4

Formal recommendations (JIU/REP/2013/4)	Recommendation accepted	Recommendation implemented	Joint Inspection Unit assessment and follow-up action proposed
Recommendation 3: The legislative bodies of the United Nations system should direct the executive heads of their respective organizations to prepare and submit to them an organization-specific comprehensive strategic framework for partnerships, inclusive of implementing partners, aligned to their overall corporate strategic objectives. Such a framework should include an analysis of resources required to operationalize it	All organizations except: **ILO** (Not accepted) **IMO** (Not accepted) **ITC** (Not relevant) **UN-Habitat** (Not available) **UNFPA** (Not accepted) **UNHCR** (Not relevant) **UNODC** (Not available) **WMO** (Not relevant)	All organizations except: **ILO** (Not accepted) **IMO** (Not accepted) **ITC** (Not relevant) **UN-Habitat** (Not available) **UNFPA** (Not accepted) **UNHCR** (Not relevant) **UNODC** (Not available) **WMO** (Not relevant)	Building on the progress made, further actions are needed as outlined in chapter II and in line with recommendations 1, 3 and 4
Recommendation 4: The executive heads of United Nations system organizations should establish rigorous implementing partner assessment and selection processes designed to determine the capacity and potential weaknesses and risks of an implementing partner, and ensure its capability to fulfil programme delivery requirements	All organizations except: **UN-Habitat** (Not available) **UNODC** (Not available) **WMO** (Not relevant)	All organizations except: **UN-Habitat** (Not available) **UNODC** (Not available) **WMO** (Not relevant)	Building on the progress made, further actions are needed as outlined in chapters II, III and IV and in line with recommendations 4 and 6
Recommendation 5: The General Assembly, in the context of the quadrennial comprehensive policy review and in line with the ongoing effort to develop of a common United Nations framework for measuring progress in national capacity development, should commission a system-wide study to take stock of the effectiveness and impact of implementing partner-related approaches, initiatives and systems on strengthening national capacities and promoting national ownership in the delivery of programmes and activities for sustainable development	All organizations except: **FAO** (Not relevant) **ILO** (Not relevant) **IMO** (Not relevant) **ITC** (Not relevant) **United Nations** (Under consideration) **UN-Habitat** (Not available) **UN-Women** (Not relevant) **UNAIDS** (Not relevant) **UNEP** (Not relevant) **UNHCR** (Not relevant) **UNICEF** (Not relevant) **UNODC** (Not available) **WHO** (Not relevant)	All organizations except: **FAO** (Not relevant) **ILO** (Not relevant) **IMO** (Not relevant) **ITC** (Not relevant) **United Nations** (Not available) **UN-Habitat** (Not available) **UN-Women** (Not relevant) **UNAIDS** (Not relevant) **UNEP** (Not relevant) **UNFPA** (In progress) **UNHCR** (Not relevant) **UNICEF** (Not relevant) **UNODC** (Not available) **WHO** (Not relevant)	Building on the progress made, further actions are needed as outlined in chapters IV and VI and in line with recommendation 9

Formal recommendations (JIU/REP/2013/4)	Recommendation accepted	Recommendation implemented	Joint Inspection Unit assessment and follow-up action proposed
	WMO (Not relevant)	**WMO** (Not relevant)	
Recommendation 6: The executive heads of United Nations system organizations should act to strengthen implementing partner agreements and other legal instruments in line with good practices so as to ensure the inclusion of all provisions needed to safeguard the interests and rights of their organizations	All organizations except: **UN-Habitat** (Not available) **UNODC** (Not available)	All organizations except: **UN-Habitat** (Not available) **UNODC** (Not available)	Building on the progress made, further actions are needed as outlined in chapters V, VI and VII
Recommendation 7: The executive heads of United Nations system organizations should establish risk-based monitoring frameworks to guide their respective organizations in systematically monitoring programmes and projects delivered by implementing partners. The frameworks shall be adapted by country offices to best fit the types of interventions in the country-specific environments	All organizations except: **IMO** (Not accepted) **UN-Habitat** (Not available) **UNODC** (Not available)	All organizations except: **IMO** (Not accepted) **UN-Habitat** (Not available) **UNODC** (Not available)	Building on the progress made, further actions are needed as outlined in chapters III and IV and in line with recommendations 6 and 7
Recommendation 8: The executive heads of United Nations system organizations should institute training in fraud awareness and prevention, with emphasis on fraud related to third parties, for staff engaged with implementing partners (and especially staff in country offices)	All organizations except: **UN-Habitat** (Not available) **UNODC** (Not available)	All organizations except: **UN-Habitat** (Not available) **UNEP** (In progress) **UNODC** (Not available)	Building on the progress made, further actions are needed as outlined in chapters V and VI and in line with recommendation 8
Recommendation 9: The executive heads of United Nations system organizations should revise existing oversight function charters to ensure that they have the right to investigate third parties involved in implementing United Nations-funded activities. The revised charters should be submitted to legislative bodies for approval	All organizations except: **ILO** (Not accepted) **IMO** (Not accepted) **UN-Habitat** (Not available) **UNEP** (Not accepted) **UNODC** (Not available)	All organizations except: **ILO** (Not accepted) **IMO** (Not accepted) **UN-Habitat** (Not available) **UNEP** (Not accepted) **UNHCR** (In progress) **UNODC** (Not available)	Building on the progress made, further actions are needed as outlined in chapters V and VII

Formal recommendations (JIU/REP/2013/4)	Recommendation accepted	Recommendation implemented	Joint Inspection Unit assessment and follow-up action proposed
Recommendation 10: The executive heads of United Nations system organizations should review the capabilities of their existing automation systems, such as ERPs and other database tracking systems, with the aim of supporting the management of implementing partners and consolidating related data in these systems. This action should be based on a cost/benefit analysis, taking into account the level of need for such data	All organizations except: **IMO** (Not accepted) **UN-Habitat** (Not available) **UNODC** (Not available)	All organizations except: **FAO** (In progress) **IMO** (Not accepted) **UN-Habitat** (Not available) **UNEP** (In progress) **UNIDO** (In progress) **UNODC** (Not available)	Building on the progress made, further actions are needed as outlined in chapters II, III and IV
Recommendation 11: The executive heads of United Nations system organizations should instruct country offices to act at the country level to establish, in cooperation with other United Nations organizations, procedures for sharing implementing partner information. Channels for such cooperation should include operations management groups of the United Nations country team and clusters and working groups established under the United Nations Development Assistance Framework, the United Nations Partnership Assistance Framework and the United Nations Development Assistance Plan	All organizations except: **IMO** (Not relevant) **ITC** (Not relevant) **UN-Habitat** (Not available) **UNODC** (Not available) **WMO** (Not relevant)	All organizations except: **IMO** (Not relevant) **ITC** (Not relevant) **UN-Habitat** (Not available) **UNEP** (In progress) **UNODC** (Not available) **WMO** (Not relevant)	Building on the progress made, further actions are needed as outlined in chapters VI, VII and VIII and in line with recommendation 10

Formal recommendations (JIU/REP/2013/4)	Recommendation accepted	Recommendation implemented	Joint Inspection Unit assessment and follow-up action proposed
Recommendation 12: The United Nations Secretary-General, in his capacity as Chair of CEB, should act to ensure that implementing partner policy and management issues become a regular agenda item of the three CEB pillars. Consideration of these issues can occur in a special implementing partner-focused working group or as a standing item in existing functional networks. Issues considered should include, inter alia, strategic frameworks, assessments, selection, agreements, accounting and financial management, monitoring and performance evaluation	All organizations	All organizations	Building on the progress made, further actions are needed as outlined in chapters II, VII and VIII and in line with recommendations 1 and 10

Annex VII

Main challenges and lessons learned in fraud prevention and detection related to partners

Main challenges in fraud prevention and detection by partners:

1. Access challenges affect depth and reliability of monitoring:
   - Enforcement of compliance with WFP procedures
   - Reliability of quality assurances
   - Frequency and quality of feedback from beneficiaries

2. Capacity of partners:
   - For certain geographical locations, there are no (or low numbers of) partners with adequate financial, logistical and wider management capacity
   - Difficulty in building the capacity of those partners that have short-term field-level agreements

3. Reluctance to report suspected fraud incidents in a timely manner, because of either a lack of awareness or fear of perceived repercussions for the partner.

Lessons learned in fraud prevention and detection by implementing partners:

1. Digitization of beneficiary information and assistance management process flows has significantly enhanced fraud prevention and detection. This enables more robust reconciliation between beneficiary lists with commodity movements (Logistics Execution Support System "Last Mile" system) and partner distribution reports. It also contributes to transparency on utilization and expected returns.

2. Adequate field monitoring coverage and WFP staff presence at critical stages and locations of the assistance management process flow provide considerable assurance on fraud prevention and detection.

3. The segregation of duties in the supply chain and (limited) diversification of partners across an operation contribute to prevention.

4. Direct engagement/channels of communication between WFP and the people that it serves are crucial, i.e., beneficiaries must be aware of reporting channels independent of the partner, WFP needs to obtain independent assurance that beneficiaries are aware of their entitlements, where to report complaints, etc.

5. Clear roles and responsibilities in the assistance management process flows and proper allocation of the roles between WFP, partners and other stakeholders such as the host Government, help to hold parties accountable.

6. A robust onboarding process that includes a discussion on WFP anti-fraud and corruption policy requirements, coupled with continuous engagement during programme delivery (i.e., platforms to exchange views and discuss challenges) and adequate oversight (financial spot checks, performance evaluations, etc.), also contribute significantly to fraud prevention and detection.

Source: WFP.

Annex VIII

Informal recommendations

Relevant area of action	*Informal recommendations*
ERP systems	120. While most entities have made significant progress in improving their management and ERP systems to support implementing partner management, more needs to be done. Organizations with significant implementing partner activities should, on the basis of a cost-benefit analysis, include state-of-the-art functionalities and features in their ERP and other systems to support effective implementing partner management, such as real-time access to data, automated monitoring, due diligence, performance assessment functions, dashboards and integrated data interfaces with partners.
Fundraising	166. In the view of the Inspector, organizations should ensure that any funding accepted by them is in line with the applicable fundraising policies and other pertinent rules and regulations, which equally apply to any funding received by organizations that is allocated to implementing partners if this implementation modality is chosen. Organizations should pay due attention to avoid any perception that could be seen as deviating from the principle of impartiality, independence and neutrality associated with the status of United Nations system organizations. Any issues should be discussed as early as possible during the donor negotiation process to prevent and avoid any possible problems later at the stage of implementation. Ideally, organizations should be guided by commonly accepted fundraising principles and standards as agreed by the United Nations system. Entities should develop through appropriate inter-agency mechanisms a common standard of conduct that all entities can accept, embrace and adapt to their specific circumstances.
Inter-agency coordination	189. A common practice or standard for partner selection should be developed, through appropriate inter-agency mechanisms, that is in conformity with regulations, rules and policies and that all entities can accept and adapt to their circumstances.
	196. United Nations entities should review the effective implementation of the mutual recognition statement and the challenges encountered. Through appropriate coordination mechanisms, such as the United Nations System Chief Executives Board for Coordination (CEB), a protocol or guidance should be developed and agreed upon to iron out any recurrent disagreements and differences in such areas as intellectual property rights, data protection, rates for agency support costs or reporting requirements. The protocol or guidance should stipulate that the process should not take more than a reasonable time interval, for example, 12 weeks or 3 months. Any remaining problems should be escalated if not resolved within 2 months or 8 weeks, and officials at the higher echelons should meet to resolve the outstanding differences expeditiously and to the mutual satisfaction of both parties. This would also help to prevent personality-related factors from being allowed to play a disproportionate role in the process. Serious impediments should be resolved through the relevant inter-agency mechanism rather than through a special carve-out being granted only to one entity.
	368. The Inspector suggests that organizations continue their efforts to further strengthen and expand the functionalities of the Portal and encourages all entities that are not yet participating in the Portal to join it. He also recommends that the Portal staff explore ways to foster cooperation, interfaces and information-sharing with other inter-agency mechanisms and initiatives, such as through HACT, the United Nations Global Marketplace, relevant activities of the RCO and country team, the protocol on allegations of sexual exploitation and abuse and the various groups of the Inter-Agency Standing Committee, with a view to further expanding the sharing of relevant information across the system and enhancing collaboration.
Capacity-building and localization	194. United Nations entities could engage international NGOs as implementing partners and incorporate appropriate provisions to the effect that the latter, in turn, would undertake, and be obliged, to engage local NGOs and develop their capacity in specific, identified areas. Some are doing so already; others should be encouraged to follow their example.

Relevant area of action	Informal recommendations
Risk management	149. The Inspector suggests that, building on the progress made, organizations should continue their efforts to strengthen performance monitoring of partners in line with a risk-based approach and RBM methodologies. Adequate resources should be allocated to that end, taking into account the risk exposure and level of acceptable risks. Those efforts should be supported through ongoing digitalization initiatives, including updating the ERP and other management systems.

375.   Despite the progress made, continued and sustained efforts are required to resolve the remaining issues with regard to HACT addressing the existing challenges, including those outlined above, and to secure the support of more entities. The Inspector welcomes the related oversight reviews conducted in some organizations, such as UNDP, UNICEF and UNFPA, to further improve HACT within their organizations. The Inspector calls upon the relatively big players that have already taken the initiative to introduce HACT to now show the generosity and flexibility needed to attract the outliers into their fold, without compromising the main features of both types of organization. The Inspector suggests that organizations continue their efforts to further strengthen and improve HACT on the basis of the lessons learned and good practices and encourages other interested entities to join the framework. He also recommends that HACT agencies explore ways to foster cooperation, interfaces and information-sharing with other inter-agency mechanisms and initiatives, as feasible. |
| Engagement of implementing partners | 223.   The Inspector suggests that, in view of their benefits, entities that have not yet developed fast-track procedures and have activities in emergency settings and humanitarian and similar operational environments should develop and adopt them. It is helpful to have processes in place for the preregistering or rostering of eligible and suitable partners, as discussed in the paragraphs below.

232.   The practice among some organizations to have rosters of implementing partners allows for better planning, the faster engagement of partners when the need arises, and the reduction of transaction costs, as certain selection steps, such as due diligence and assessments, are valid for several years. The United Nations Partner Portal can also serve as a roster of implementing partners available for more than one agency, fostering inter-agency cooperation. The Inspector supports such inter-agency initiatives, and reference is made to section VIII below in this regard. |
| Misconduct and sanctions | 236.   The Inspector reiterates the related suggestion in the JIU report on fraud prevention, detection and response in United Nations system organizations (JIU/REP/2016/4) and recommends that the executive heads of those United Nations system organizations that have not yet done so update by the end of 2023 their implementing partner policies, procedures and related legal instruments to allow for the "blacklisting" of implementing partners, including referrals of related fraud cases to national authorities and asset recovery. The particularities and sensitivities related to government entities should be taken into account, as appropriate. |

Relevant area of action	*Informal recommendations*
Consultations with implementing partners	269. The Inspector welcomes the progress made in setting up and strengthening feedback, consultation mechanisms and modalities for soliciting the input, views, concerns and perspectives of implementing partners and other stakeholders. Such structured consultations on a regular basis by the country offices of United Nations organizations with their implementing partners are useful, as they allow entities to discuss pertinent issues on a regular basis, improve communications with their partners and provide them with a platform for sensitizing entities about their common concerns and specific problems that need attention at an appropriately senior level for speedy resolution. He encourages those entities that have not yet put in place such consultation and feedback mechanisms to follow the good practice of organizations that already have them.
	271. The Inspector encourages the sharing of the results and key outcomes of such consultations, not only within the respective entity but also across organizations through the appropriate inter-agency forums and using the tools available, such as the United Nations Partner Portal, CEB and its networks and RCOs. Reference is also made to section VII and the role of evaluation and other oversight functions for continuous learning.
Audit and oversight	307. The Inspector reiterates the suggestion contained in the 2013 report of the Joint Inspection Unit that the supportive role and guidance provided by internal audit offices or similar headquarters management oversight functions to country teams under the national execution modality/national implementation modality audit regime or similar audit regimes are a good practice that should be intensified subject to capacities and resource availability. This role also helps to address the risks of fragmentation of implementing partner audits, as it makes it possible to maintain the overall direction and oversight over the implementing partner audit process within the organization while outsourcing the required implementing partner-related field audit activity. This would support organizational learning, the continuous improvement of implementing partner processes and the fostering of in-house coherence with regard to implementing partners and compliance with the pertinent rules, guidelines and policies.
	319. From an oversight perspective, the absence of systematic organizational learning from project- and programme-level evaluations of projects and programmes, including replicable good practices, in relation to implementing partner performance in many organizations is a serious shortcoming and calls for urgent and concrete steps towards its remediation. This is not limited to evaluations: holistically, the learning from all oversight units that have findings on implementing partner management needs to be strengthened in many organizations. Evaluation responsibilities and coverage should be defined clearly and unambiguously in the agreements for engaging implementing partners with specific criteria and indicators, thereby making it possible to measure effectiveness and impact of projects and programmes. Concerted efforts at the organizational and inter-agency levels are imperative to improve the current situation.
	343. The Inspector welcomes the progress made in strengthening the prevention and detection of fraud and other types of misconduct, including SEA, by implementing partners and encourages organizations to continue such efforts, as implementing partners have been considered both by management and oversight offices to pose a high risk, and high-profile cases in the past have shown the devastating impact that such behaviour can have on the organizations, in terms of not only financial losses but also reputational risks and the loss of the trust of stakeholders and beneficiaries. He suggests that organizations should embark on joint actions and inter-agency initiatives and enhance system-wide cooperation and information-sharing in this regard.
	345. The heads of oversight offices of United Nations system organizations should enhance internal coordination and collaboration among the oversight disciplines within the offices to achieve efficiency gains and promote lessons learned. They should consider including a section on the status of such coordination in their existing mechanisms for reporting to the legislative organs and governing bodies.

Annex IX

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

	Intended impact	CEB	United Nations[a]	UNAIDS	UNCTAD	ITC	UNDP	UNEP	UNFPA	UN-Habitat	UNHCR	UNICEF	UNODC	UNOPS	UNRWA	UN-Women	WFP	FAO	IAEA	ICAO	ILO	IMO	ITU	UNESCO	UNIDO	UNWTO	UPU	WHO	WIPO	WMO
Report For action		☐	☒	☒	☐	☐	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☒	☐	☐	☒	☒	☐	☒	☒	☐	☐	☒	☐	☒
For information		☒	☐	☐	☒	☒	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☐	☒	☒	☐	☐	☒	☐	☐	☒	☒	☐	☒	☐
Recommendation 1	a		E	E			E	E	E	E	E	E	E	E	E	E	E	E			E	E		E	E			E		E
Recommendation 2	a		E	E			E	E	E	E	E	E	E	E	E	E	E	E			E	E		E	E			E		E
Recommendation 3	a		L	L			L	L	L	L	L	L	L	L	L	L	L	L			L	L		L	L			L		L
Recommendation 4	a		E	E			E	E	E	E	E	E	E	E	E	E	E	E			E	E		E	E			E		E
Recommendation 5	a		E	E			E	E	E	E	E	E	E	E	E	E	E	E			E	E		E	E			E		E
Recommendation 6	a		E	E			E	E	E	E	E	E	E	E	E	E	E	E			E	E		E	E			E		E
Recommendation 7	f		E	E			E	E	E	E	E	E	E	E	E	E	E	E			E	E		E	E			E		E
Recommendation 8	c		E	E			E	E	E	E	E	E	E	E	E	E	E	E			E	E		E	E			E		E
Recommendation 9	f		L	L			L	L	L	L	L	L	L	L	L	L	L	L			L	L		L	L			L		L
Recommendation 10	c		E	E			E	E	E	E	E	E	E	E	E	E	E	E			E	E		E	E			E		E

(Column groups: CEB through WFP = United Nations and its funds and programmes; FAO through WMO = Specialized agencies and IAEA)

Legend:
L: Recommendation for decision by legislative organ.
E: Recommendation for action by executive head.
▨:   Recommendation does not require action by this organization.

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

[a] as described in ST/SGB/2015/3.