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## **Reports of the Joint Inspection Unit**

### **Report by the Secretariat**

1. With regard to its plan of work for 2014, the United Nations Joint Inspection Unit (JIU) issued nine reports, three of which were not of direct relevance to WHO<sup>1</sup> or did not call for any specific action from WHO at this stage. Detailed comments by the Secretariat on another three reports from 2014 to JIU and the United Nations Chief Executives Board for Coordination (CEB) were already submitted to the Programme, Budget and Administration Committee of the Executive Board at its twenty-first meeting in January 2015.<sup>2</sup> The Secretariat's comments to the CEB on the reports from 2014 are summarized in the CEB reports available on the JIU website ([www.unjiu.org](http://www.unjiu.org)).
2. Specifically, the latter concern the following reports: Analysis of the evaluation function in the United Nations system (document JIU/REP/2014/6); Use of non-staff personnel and related contractual modalities in the United Nations system organizations – country case studies: Democratic Republic of the Congo, Haiti and India (document JIU/REP/2014/8); and Contract management and administration in the United Nations system (document JIU/REP/2014/9).
3. By January 2016, JIU had issued six reports included in its plan of work for 2015, two of which were not of direct relevance to WHO<sup>3</sup> or did not call for any specific action from WHO at this stage. The four others are: (a) Evaluation of mainstreaming of full and productive employment and decent work by the United Nations system organizations – summary report (document JIU/REP/2015/1); (b) Public information and communications policies and practices in the United Nations system (document JIU/REP/2015/4); (c) Review of activities and resources devoted to address climate change in the United Nations system organizations (document JIU/REP/2015/5); and (d) Review of the organizational ombudsman services across the United Nations system (document JIU/REP/2015/6).

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<sup>1</sup> Review of management and administration in the World Intellectual Property Organization (document JIU/REP/2014/2); Follow-up inspection to the 2009 review of management and administration in the World Tourism Organization (document JIU/REP/2014/5); and Review of management and administration in the Office of the United Nations High Commissioner for Human Rights (document JIU/REP/2014/7).

<sup>2</sup> An analysis of the resource mobilization function within the United Nations system (document JIU/REP/2014/1); Capital/refurbishment/construction projects across the United Nations system organizations (document JIU/REP/2014/3); and Post-Rio+20 review of environmental governance within the United Nations system (document JIU/REP/2014/4).

<sup>3</sup> Recommendations to the General Assembly of the United Nations for the determination of parameters of a comprehensive review of United Nations system support for small island developing States (document JIU/REP/2015/2); and Cooperation among the United Nations regional commissions (document JIU/REP/2015/3).

## IMPLEMENTATION OF RECOMMENDATIONS IN PREVIOUS REPORTS

4. Regarding progress made in implementing the recommendations of previous JIU reports considered by this Committee at its twenty-first meeting in January 2015,<sup>1</sup> and specifically with respect to the report entitled “Review of long-term agreements in procurement in the United Nations system” (document JIU/REP/2013/1), there are five recommendations, four of which are addressed to the executive heads of the organizations and will be dealt with one by one in paragraphs 6–9 below.

5. The fifth and last JIU recommendation concerns the legislative organs (i.e. the legislative/governing bodies should exercise their oversight role on the procurement function and procurement activities with a view to ensuring that the procurement function adequately fulfils its strategic role and that procurement activities, including long-term agreements, are carried out on sound procurement plans and strategies). The Secretariat recalls that, during the past few years, the WHO procurement function has been the subject of a number of audits and evaluations. These were all reported to the Independent Expert Oversight Advisory Committee and to the Programme, Budget and Administration Committee of the Executive Board and thus enabled the Board to assume its directing and oversight role fully.

6. Specifically regarding JIU recommendation 1 (i.e. that executive heads should develop specific policies and guidelines for the strategic use of long-term agreements by their organizations, which should aim to clarify the purpose, strategies, main elements, and types of long-term agreements, and when and how to establish them), a draft long-term agreement policy and related procedures are being developed by WHO, both of which are currently being reviewed. They should be ready for implementation by the end of the first quarter of 2016. The proposed long-term agreement policy and procedures cover the following key areas: benefits and risks; types and configuration; duration; prerequisites for their establishment; vendor monitoring and performance review; long-term agreement management; use of long-term agreements from other United Nations system organizations; and collaborative procurement. The key areas proposed above are in line with the outcome of the JIU review process of long-term agreements in procurement in the United Nations system and also comply with the specific JIU recommendations on long-term agreements.

7. Turning to JIU recommendation 2 (i.e. to implement a policy to ensure that for every long-term agreement a contract management plan is developed that clearly defines the contract work breakdown structure, roles and responsibilities of all parties involved, and control and accountability mechanisms, with provision of detailed guidelines, methods and tools to the contract managers), work is in progress to develop standard operating procedures and guidance notes for each individual long-term agreement, based on its specific requirements and special conditions. Key performance indicators for supplier performance evaluation during the validity of long-term agreements will be part of contract management for each long-term agreement. A monitoring and control mechanism will also be developed to verify timely delivery and to ensure that estimated values procured do not exceed the pre-established procurement thresholds. WHO however recognizes the challenges in respect of additional resources and training needs in order to be able to fully realize the benefits of the above measures.

8. With respect to JIU recommendation 3 (i.e. to pursue collaborative long-term agreement opportunities through various methods, including establishing/improving policies and guidelines to facilitate collaboration, circulating long-term agreement tenders which could be of interest to other

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<sup>1</sup> See document EBPBAC21/6.

organizations, listing their organizations' long-term agreements on the United Nations global marketplace and seeking up-to-date information on available long-term agreements in the United Nations system), WHO is reviewing its policies and adapting best practices and procedures to collaborate more effectively with other organizations in the United Nations system. WHO has already been engaged in collaborative procurement with other United Nations agencies for years by participating in joint tenders for, inter alia, goods, medicines, various health kits and pharmaceuticals. Sharing of information on joint tenders and "piggy-backing" on long-term agreements with other United Nations agencies are also among the areas where collaboration is already continuing. Recently, WHO took the initiative to review the United Nations Development Programme online tool for its Contract Review Committee, which could possibly be adopted if it fulfils the specific needs of the Organization.

9. On JIU recommendation 4 (i.e. that executive heads should support the advancement of the work of the High Level Committee on Management's Procurement Network on the harmonization of procurement documents, collaborative use of long-term agreements and joint procurement of vehicles and facilitate the work of the legal network to expedite efforts towards harmonizing the general terms and conditions of contracts), WHO regularly participates in the annual High Level Committee on Management's Procurement Network meetings and shares information on harmonization and common areas of interest in procurement, with procurement issues being given the required support from the Organization's executive management.

10. Another JIU report submitted in January 2015, entitled "An analysis of the resource mobilization function within the United Nations system" (document JIU/REP/2014/1), also contained five recommendations, directed at the General Assembly of the United Nations, the legislative bodies and the executive heads of the United Nations system organizations. The recommendations are summarized below.

11. The legislative bodies should periodically review the resource mobilization strategy/policy, including by providing political guidance on and oversight of the implementation of the resource mobilization strategy/policy and by ensuring monitoring and the review of regular updates (recommendation 1). They should furthermore request Member States, when providing specified contributions, to make them predictable, long term and in line with the core mandate and priorities of the organization concerned (recommendation 2).

12. The executive heads of the United Nations system organizations should put in place clearly identifiable structures and arrangements, as applicable, for the systematic implementation and coordination of the resource mobilization strategy/policy, monitoring and regular updates (recommendation 3). If they have not already done so, they should also put in place risk management and due diligence processes for resource mobilization; this should include, inter alia, ensuring that due diligence is not performed by the same individual responsible for fund-raising (recommendation 4).

13. Finally, they should organize dialogues with their respective donors to agree upon common reporting requirements that would simplify the reporting process for their respective organizations and satisfy the information needs of the donors with a view to reducing the reporting burden and associated costs (recommendation 5).

14. With regard to the above recommendations, WHO has already made considerable progress, since it had started to address most of the issues raised in the JIU report even before it was issued in early 2014, in the context of the high-level discussion on the future of financing for WHO initiated in January 2010. Regarding JIU recommendations 1 and 5, in May 2013, by decision WHA66(8), the Health Assembly established a financing dialogue on the financing of the programme budget. The first

financing dialogue was held in 2013, and the second meeting took place on 5 and 6 November 2015, leading to a number of improvements, as outlined in paragraph 15.

15. As per the JIU recommendations 2 and 3, the aim of WHO's efforts in the context of the financing dialogue are to reduce its vulnerability by obtaining a greater proportion of predictable, long-term, and flexible – if possible unearmarked – contributions that are better aligned with the core mandate and priorities of the Organization, as defined by Member States through the approval of the entire programme budget, including the part to be financed by voluntary contributions. Likewise, the alignment of funding with the Programme budget 2014–2015 was already improved compared with previous bienniums and funding gaps of programme budget categories 1 to 5 were reduced. The level of predictability at the start of that biennium also increased to 70% compared with just 52% for the biennium 2010–2011.<sup>1</sup>

16. Concerning structures and arrangements for the systematic implementation, coordination and monitoring of the Organization's resource mobilization strategy and policy, as highlighted in JIU recommendation 3, a dedicated Department for Coordinated Resource Mobilization was established in the Office of the Director-General and a global resource mobilization coordination team has started functioning, bringing together the members of the Coordinated Resource Mobilization unit with representatives responsible for resource mobilization from each regional office and cluster at headquarters. The Programme budget 2016–2017 furthermore fully reflects the new roles, responsibilities and task distribution as per the guidance provided by the task force on the roles and functions of the three levels of WHO.

17. In response to JIU recommendation 4 on improved risk management and due diligence processes for resource mobilization, the introduction of the newly created programme budget web portal has significantly increased the transparency of WHO's funding situation and its needs by programme area and major office. It now incorporates reporting on results, and is regularly updated to facilitate and improve the coordination of financial and programmatic reporting. Further improvements are expected from the continuing efforts of the Office of Compliance, Risk Management and Ethics, which has created and implemented a robust risk register for all aspects of WHO's work, and through the draft framework of engagement with non-State actors, which should further strengthen the existing due diligence for funding received from non-State actors.

18. Turning to the report entitled "Capital/refurbishment/construction projects across the United Nations system organizations" (document JIU/REP/2014/3), it contains four recommendations, two of them addressed to the executive heads, one to the Secretary-General in his capacity as Chair of the United Nations Chief Executives Board for Coordination, and one to the legislative/governing bodies.

19. Specifically, the executive heads should establish close monitoring and periodic reporting mechanisms for capital/refurbishment/construction projects throughout all project phases. They should also ensure that the 19 best practices presented in the JIU review are followed when undertaking those projects.

20. Taking into account the high cost and high risk of these projects, the legislative/governing bodies should exercise their monitoring and oversight role on a continuing basis, including during the pre-planning, planning, executing and completing phases, ensuring cost-efficiency and the achievement of the overall project goals. The Secretary-General, in his capacity as the Chair of the

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<sup>1</sup> See document EB138/42.

United Nations Chief Executives Board for Coordination, should request the Chair of the Chief Executives Board for Coordination High-Level Committee on Management to establish a working group on facilities management that emphasizes issues related to capital/refurbishment/construction projects.

21. In implementing these recommendations, WHO is now part of a Geneva Working Group on Buildings and Renovations (including the United Nations Office at Geneva, UNOG, ILO, WIPO and WTO) which brings together organizations with past and present renovation projects in order to ensure that practices identified by JIU are not only addressed but are also considered alongside the practical experience gained by other similar projects. The establishment of a Member State advisory board in the project governance framework and regular briefings to Member States will also ensure close monitoring and continuous reporting on project progress throughout the project period.<sup>1</sup>

22. Copies of the JIU reports concerned, as well as the detailed comments of WHO thereon, contained in the Secretariat's last report to the Committee on JIU reports,<sup>2</sup> are available upon request.

**ACTION BY THE PROGRAMME, BUDGET AND ADMINISTRATION COMMITTEE**

23. The Committee is invited to take note of this report.

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<sup>1</sup> See document EB138/45.

<sup>2</sup> Document EBPBAC21/6.