

Terms of reference for the third-party review of effectiveness of the United Nations Office for Project Services oversight mechanisms for Sustainable Investments in Infrastructure and Innovation in accordance with Executive Board decision 2022/13 para. 14 subsection (a)

Introduction

At the request of the Executive Board of the United Nations Office for Project Services (UNOPS), a third party will be conducting/commissioning an advisory review to assess the root causes and institutional vulnerabilities within UNOPS that led to the failures associated with S3i, with a view to making recommendations to improve the effectiveness of UNOPS oversight mechanisms. This document provides the approach to be adopted by the third party in undertaking this review and serves to establish a written understanding about its objective, scope, evaluation criteria, timing, and staffing.

Objective, scope and methodology

The objective of the advisory review is to assess the root causes and institutional vulnerabilities within UNOPS that led to the failures associated with S3i and to provide recommendations to strengthen oversight and accountability in UNOPS.

The review will take place from July/August to October 2022 and will be carried out in Copenhagen and New York. The review will include the following areas:

1. S3i initiation and approval
 - The quality of the process, documentation and justification of business case for S3i
 - Conformance with the mandate given by the General Assembly
 - Conformance with UNOPS policies and regulations
 - Quality controls, review and approval of S3i
 - Accuracy of information provided to UNOPS Executive Board
2. Governance over S3i
 - UNOPS organizational structures, roles, responsibility and accountability
 - UNOPS policies and procedures
 - Strategic planning
 - Reporting to the Executive Board
 - UNOPS independent oversight mechanisms
 - Role of the Executive Director, Deputy Executive Director and Senior Management Team in S3i governance
 - Effectiveness of the Audit Advisory Committee in S3i oversight and quality controls
 - Decision-making processes
3. Selection of partners
 - UNOPS rules and regulations for establishing transparent and effective selection and decision-making processes for grants, investments, and procurements
 - UNOPS risk management and due diligence for grants, investments, and procurements.
 - Transparency and quality of contractual arrangements with S3i partners

4. Management, monitoring, and internal oversight
 - Decision-making processes of S3i
 - Quality controls and accuracy of reporting S3i results
 - Segregation of duties in UNOPS S3i
 - Capacity and independence of the Internal Audit and Investigations Group oversight
 - Monitoring of the implementation of audit recommendations
 - Risk assessment and mitigation
 - Effectiveness of UNOPS whistle-blower mechanism
 - Effectiveness of UNOPS ethical guidelines in creating culture of integrity and compliance
5. External oversight
 - Implementation of recommendations of the United Nations Board of Auditors
 - Implementation of recommendations of the Joint Inspection Unit
 - Monitoring and reporting of implementation of BoA, JIU, and IAIG recommendations

The engagement methodology will include: (a) interviews and/or focus groups with key personnel; (b) review of relevant documentation; and (c) analytical review of data.

Any significant changes in the scope of the review will be discussed with the Working Group of Member States on the United Nations Office for Project Services.

Communicating results

At the conclusion of fieldwork, an exit conference will be held with the Working Group of Member States on the United Nations Office for Project Services to discuss the preliminary results. A draft report will be exceptionally issued concurrently to the Working Group and to UNOPS. UNOPS will provide written comments to ensure the factual accuracy of the results and the feasibility of implementing the recommendations. The final report will be submitted to the Executive Board of the United Nations Office for Project Services after incorporating comments on the draft report from UNOPS and the Working Group of Member States on the United Nations Office for Project Services.

Milestones and reporting dates

The planned milestones and reporting dates for this advisory review are as follows:

Milestone	Planned date
Entry conference	August 2022
Exit conference	Early October 2022
Draft report	21 October 2022
Final report	30 November 2022

Staffing

TBD by third party once identified.

Third party review of UNOPS oversight mechanisms for Sustainable Investments in Infrastructure and Innovation

Areas of review and sources of review criteria proposed to be used

No.	Review area	Sources of review criteria
1	S3i initiation and approval	<ul style="list-style-type: none"> • General Assembly resolutions relevant to UNOPS • UNOPS Strategic Plans • S3i initiation documents • UNOPS risk management framework • Executive Director's reports to the Executive Board • Relevant decisions of the Executive Board • Minutes of the Senior Management Team meetings • Audit Advisory Committee documents • Other relevant documentation pertaining to S3i initiation and approval
2	Governance over S3i	<ul style="list-style-type: none"> • UNOPS legislative framework • UNOPS general policies • Policies and procedures established for S3i • UNOPS accountability framework • UNOPS management structure • Staffing and organizational structure • Relevant reports to the Executive Board • Best practices • Other relevant documentation on UNOPS governance over S3i
3	Selection of partners	<ul style="list-style-type: none"> • UNOPS Financial Regulations and Rules • UNOPS Code of Conduct and ethical guidelines • UNOPS Procurement Manual • UNOPS policies and regulation for grant and investment management • Due diligence procedures for selection of partners • Contractual arrangements/agreements with partners • Other relevant documentation related to the due diligence and selection of partners
4	Management, monitoring, and internal oversight	<ul style="list-style-type: none"> • Relevant Executive Office Directives/Instructions including on Performance Management and Accountability Framework • Quality Assurance policies and procedures • Reports of the Internal Audit and Investigations Group

No .	Review area	Sources of review criteria
		<ul style="list-style-type: none"> • Reports of the Audit Advisory Committee • Reports of the Chief Ethics Officer • Minutes of the Senior Management Team meetings • Reports of the S3I • Other relevant documentation pertaining to management, monitoring, and internal oversight
5	External oversight (Implementation of recommendations)	<ul style="list-style-type: none"> • Reports of the United Nations Board of Auditors • Reports of the Joint Inspection Unit • Other related documents