Strategy 2020 – 2024 for the Office of Evaluation and Internal Oversight

Update 2023

OFFICE OF EVALUATION AND INTERNAL OVERSIGHT

**Strategy 2020-2024
for the
Office of Evaluation and Internal Oversight**

(UPDATE 2023)

UNIDO

UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION

Vienna, June 2023

Contents

I.   Introduction

1. The Office of Evaluation and Internal Oversight (EIO) is responsible for the three **core oversight functions in UNIDO, namely: evaluation, internal audit, and investigation**.

2. EIO is responsible for providing independent and objective assurance, advice, investigation, and evaluation to add value and improve the efficiency and effectiveness of UNIDO's operations, internal control framework, risk management, results-based management, and governance processes. **EIO provides evidence-based information that is independent, credible, reliable, and useful,** enabling the timely incorporation of findings, recommendations, and lessons learned into the decision-making processes at the organization-wide, programme, and project levels. EIO also assesses the extent to which UNIDO's programmes and projects, as well as thematic areas, correctly address and effectively achieve the stated objectives of the Organization.

3. The EIO structure and mandate are provided in the Charter of the Office of Evaluation and Internal Oversight[1].

4. As established in its Charter, EIO functions are further aligned with the United Nations and international professional standards, as follows:
    -   **Internal audit**: The International Professional Practice Framework (IPPF) of the Institute of Internal Auditors (IIA) the Core Principles for the Professional Practice of Internal Auditing, , the International Standards for the Professional Practice of Internal Auditing, Code of Ethics, the Mission of Internal Audit, and the Definition of Internal Auditing;
    -   **Investigation**: The Uniform Principles and Guidelines for Investigations, adopted by the Conference of International Investigators;
    -   **Evaluation**: The United Nations Evaluation Group's Norms and Standards for evaluation in the United Nations system.

5. EIO also gets direct advice from the UNIDO Independent Oversight Advisory Committee (OAC), in relation to the EIO functions.

Why an EIO strategy?

6. This EIO strategy aims to provide all internal and external EIO stakeholders with an explicit road map of how EIO, through the discharge of its core functions, can further add value to UNIDO's organizational performance and governance, and ultimately **contribute to the achievement of the institutional goals and objectives as reflected in UNIDO's mandate** (Constitution of UNIDO, Lima Declaration: Towards inclusive and sustainable industrial development, Abu Dhabi Declaration) as well as the medium-term programme frameworks (MTPFs) and relevant governing bodies decisions and resolutions.

7. This strategy is also a key **management and accountability framework, for EIO to establish where we are, where we want to be in the mid- and long-term, and how we can move towards those goals.** It will also provide the basis for aligning the biennial work plans for the respective functions while maximizing synergies among those.

8. The strategy takes into account the internal and external context and considers the challenges and demands from United Nations system-wide developments, including the 2030 Agenda for Sustainable Development and United Nations reforms.

9. Broadly, this strategy will be the basis for further enhancing the oversight and governance of UNIDO, further increasing Member States' and partners' trust and

---

[1] Charter of the Office of Evaluation and Internal Oversight, UNIDO/DGB/2020/11, December 2020.

confidence, as well as a more effective engagement with other external assurance providers, such as the External Auditor and the Joint Inspection Unit (JIU), as well as responding to specific donor's oversight requirements.

Update of EIO strategy in 2023

10. In March 2023, EIO conducted a mid-term strategy review, and updated the EIO Strategy 2020-2024, to reflect relevant changes and developments in UNIDO and its context, including the UNIDO reform process started in 2022, the updated management priorities and the new UNIDO organizational structure.

11. As a consequence, EIO's mission and vision were revisited and enhanced, as well as EIO's strategic objectives were reviewed in light of the progress achieved, and the new context and challenges for EIO and UNIDO.

II.   EIO Mission and Vision

12. EIO Vision:

> **Our vision is for UNIDO to be recognized and trusted by partners and stakeholders for the quality, efficiency, and effectiveness of its work**.

13. EIO Mission:

> **Our Mission is to contribute to the achievement of UNIDO's goals by supporting and enhancing sound governance and adequate internal controls, risk management, accountability, innovation, and learning through professional, independent, objective, and useful internal audits, evaluations, and investigations of UNIDO's programmes, projects, processes and activities**.

14. EIO Mission elements include:

- Assessing the extent to which UNIDO's operations, processes, programmes, and projects, as well as thematic areas, governance, risk management, and internal control mechanisms, **correctly address and effectively contribute to achieving** the stated **objectives of the Organization**; and,

- Enabling **timely management actions** and dialogue based on findings, recommendations, agreed management action plans, and lessons that feed into organizational learning and decision-making processes.

15. We maintain four key Principles that guide how we operate:

- **Independence/Objectivity**: EIO provides unbiased information to support the Organization's decision-making and improve its operations and performance. This requires that EIO personnel can evaluate, audit, and investigate without undue influence or bias. EIO also must have free, unobstructed access to necessary data, information, and resources.
- **Credibility**: EIO's activities must be seen as reliable and trustworthy by stakeholders. Therefore, we use standards that are recognized as valid and reliable, and work with individuals who have the expertise and qualifications to carry out evaluations, audits, or investigations effectively. EIO ensures that the data or

information used is accurate, complete, and verifiable, and our analysis is transparent and objective.

- **Utility**: EIO's services must be relevant and useful to the Organization and its stakeholders. To ensure utility, our activities are designed to address the information needs and priorities of the Organization and its stakeholders. This also implies that evaluations and oversight activities should be conducted timely, and communicated in a way that is relevant and accessible to stakeholders.
- **Confidentiality**: EIO protects the privacy and confidentiality of anyone involved in our activities, as well as the data and information collected during the evaluation, audit, or investigation. This requires the use of secure methods for data collection and storage, and ensuring that access to the data is restricted only to those who need it and are authorized. Our findings are communicated only to those who have a legitimate need to know, and information is used only for the purpose for which it was collected.

III. EIO SWOT Analysis

16. **SWOT Analysis**: In order to understand the strategic position and context in which EIO functions are carried out, an updated SWOT[2] analysis for EIO was conducted to assess the internal (Strengths and Weaknesses), as well as the external (Opportunities and Threats) environment. These elements are relevant to further build on EIO's strengths, address its weaknesses, capitalize on the opportunities, and recognize the threats. The summary of the key elements of the updated SWOT analysis is presented below:

<div align="center">

EIO SWOT SUMMARY

</div>

Strengths:	Weaknesses:
• Clear mandate and policy framework • Human resources/knowledge/skills • Institutional knowledge • Quality of services and products • Trust and reputation of EIO functions • Enhanced functional independence (direct report to DG and to IDB) • Work plans strategically aligned • Flexibility in implementation of work plans	• Limited use of technology • Training and capacity building opportunities and resources • Limited operational funding, hence operational independence (e.g. current evaluation funding model - project based, or audit/investigation limited operational funding) • Staff turnover
Opportunities:	**Threats:**
• Increased demands for enhanced governance and accountability that could raise profile and use of EIO services • More value provided with synergies internally between EIO functions • Cooperation within UN oversight networks • New technology and tools available to leverage EIO functions • More benefits and value from enhanced knowledge sharing & outreach	• Declining/limited organizational resources/funding for EIO could negatively impact results and motivation of oversight functions • Prioritization (in terms of time and resources) from senior management not sufficient for effective and timely implementation of recommendations and management action plans from oversight bodies. • Oversight fatigue • Weak organizational systems for RBM, Accountability, Risk Management.

---

[2] SWOT: Strengths, Weaknesses, Opportunities and Threats.

IV. Alignment of EIO Functions with UNIDO Strategic Goals

17. UNIDO's strategic goals are reflected in the medium-term programme frameworks (MTPF), the MTPF 2022-2025[3] being the latest

18. In addition, as of 2022, the Director General has set three major priorities for action:

 i. [Supporting sustainable supply chains](#) so that developing country producers get a fair deal and scarce resources are preserved.
 ii. [Limiting climate breakdown](#) by using renewable energy and energy efficiency to reduce industrial greenhouse gas emissions.
 iii. [Ending hunger](#) by cutting post-harvest losses and developing agribusiness value chains.

19. Cutting across these priorities are the following themes: technology and knowledge transfer, digitalization, investment promotion, training and skills, the circular economy, and women's economic empowerment.

20. Hence, EIO's strategic objectives and actions shall be aligned to contribute to UNIDO's strategic goals and priorities.

V. EIO Strategic Objectives 2020-2024 (Updated 2023)

21. To discharge its **mandate and realize its mission**, EIO work will continue to be guided by the following strategic objectives:

 SO-1. Increased effectiveness of EIO functions. Demonstrated added value to UNIDO;

 SO-2. Sustained high-quality EIO processes and products.

22. While enhancing the identified EIO Strengths, addressing its Weaknesses, building on the external Opportunities, and considering the Threats, the EIO's strategic objectives (SOs) will be achieved through the implementation of the respective EIO biennial work plans, which will be aligned and consistent with the EIO strategy.

23. SO-1. Increased effectiveness of EIO functions. Demonstrated added value to UNIDO: The ultimate purpose of EIO functions is to add value to contribute to a more effective, efficient, and impactful UNIDO in achieving its ISID goals and contributing to the implementation of the 2030 Agenda. For this purpose, EIO functions should be able to feed UNIDO's strategic decision-making through evidence, findings, recommendations, and management action plans to enhance the performance of the Organization. The strategic actions to achieve this strategic objective will include:
- Improved EIO alignment with **strategic risks and evidence gaps**;
- Further **strengthening EIO independence**, with senior management, OAC and Member States' support;
- Addressing EIO **staff skills and competencies** gaps;

---

[3] https://www.unido.org/sites/default/files/files/2021-08/UNIDO%20Medium-term%20Programme%20Framework%202022-2025%20-%20brochure.pdf

- Active engagement in **United Nations oversight networks** (UN-RIAS, UN-RIS, UNEG) and professional networks;
- Strengthening the **operational funding** model;
- Improving **understanding of expectations** from internal and external stakeholders (Management, Member States, UN system);
- Strengthening **communication, reporting, and outreach** (internal and external).

24. **SO-2. Sustained high quality of EIO processes and products:** The relevant processes used to implement EIO functions to produce the respective products and or services should be kept fit-for-purpose and agile, adapting to new challenges and context and using innovative approaches. To ensure that EIO processes, products, and services are adequate, the following strategic actions will be part of this strategic objective:

- Stronger **quality assurance** of EIO processes and products, taking into account the existing audit Quality Assurance and Improvement Programme;
- Ensuring **timely delivery** of EIO products in line with work plans/inception reports;
- Improving **internal synergies** of EIO functions and products;
- Promoting **innovation.**

VI.   EIO Strategic Initiatives for 2023-2024

25. Furthermore, **to focus strategic attention of EIO in 2023-2024**, the following initiatives will further guide EIO's work, further achievement of EIO Strategic Objectives, and form part of the EIO staff members' compact:

I. Increase the utility of EIO within UNIDO

- products and services strategically aligned with UNIDO's priorities;
- main products used and valued and influence decision-making;
- meet the assurance needs of key stakeholders;
- products and services contribute to promoting accountability and ethical culture in the Organization.

II. Drive innovation in EIO functions

- identify and use new technologies in EIO's work;
- foster synergies and efficiencies in EIO's work;
- enhance teamwork across EIO;
- encourage and support out-of-the-box thinking;
- increase agility in EIO's work.

III. Build strategic partnerships and collaborations with internal & external stakeholders

- establish a communication strategy and approach prioritizing relevant stakeholders (e.g. targeted messages using the appropriate tools);
- establish regular formal and informal meetings with key internal and external stakeholders;
- identify and work with champions/"friends of EIO" (allies);

- effective EIO observer status in relevant committees, working groups and task forces (e.g. LB, BPC, OC);
- develop and strengthen outreach for all three functions (e.g. capacity building, debriefing, awareness-raising, disseminating reports/products);
- capitalize on professional networks by proactively engaging (UNRIAS, UNRIS, UNEG).

EIO will further identify and measure the progress and achievement of the EIO Strategic Goals and initiatives defined in this document, using relevant key indicators. A separate document will provide the details with the key indicators definitions and means of verification accordingly.